**DocUC14/41**

 **(Confirmed)**

**University Court**

**Minutes of the meeting of the University Court held on 27th November 2014**

**(Minutes 14.38– 14.86)**

**Present:** Mr Antony Brian, Chair

 Mrs Rhona Baillie, Mrs Hazel Brooke (Vice-Chair), Dr Douglas Chalmers, Mr John Chapman, Professor Pamela Gillies, Mr Ian Gracie, Mr Gordon Jack, Dr James Miller, Miss Davena Rankin, Mr Michael Stephenson, Mr Iain Stewart, Mr David Wallace, Mr Alistair Webster, Dr Bob Winter, Professor Stephanie Young

**Apologies:** Ms Laura Gordon, Mr Tom Halpin**,** Mr Austin Lafferty

**In attendance:** Ms Jan Hulme, University Secretary and Vice Principal (Governance)

Mrs Claire Hulsen, Director of Strategy and Planning (for items 12 and 13)

Mr Alex Killick, Director of People

Professor Mike Mannion, Vice Principal & Pro Vice Chancellor Research

Mr Gerry Milne, Chief Financial Officer and Vice-Principal Infrastructure

Professor Lesley Sawers, Vice-Principal and Pro Vice Chancellor Business Development, Enterprise

and Innovation

Professor Karen Stanton, Deputy Vice Chancellor

Professor Valerie Webster Vice Principal & Pro Vice-Chancellor Communications & External Relations

Professor John Wilson Vice Principal & Pro Vice- Chancellor Student Experience

 Ms Janice Bruce, Minute Secretary

**Chair’s Opening Remarks**

1. The Chair welcomed all present to the meeting.
2. The Chair intimated that item 11.4, the Court Membership Committee Report, would be elevated for discussion as Court was being asked to approve the re-appointment of four Court members.

3. The Director of Strategy and Planning would be attending the meeting for the discussion on item 12, the GCU 2020 Strategy and item 13, the 2020 Strategic Indicators.

**Minutes of the meeting of the University Court held on 25th September 2014**

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| 14.38 | Agreed |  | Document UC14/18, the unconfirmed draft minutes of the Court meeting held on 25th September 2014 were an accurate record.  |
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| 14.39 | Noted |  | With reference to minute 14.13, Court was advised that the Scottish Funding Council had not yet issued the new Financial Memorandum. There was a lack of clarity as to when this might happen but it was hoped that it would be by the end of the calendar year. The University Secretary stated that the Financial Memorandum would be shared with Court as and when it was received.  |

**Chair’s Report**

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| 14.40 | Noted |  | Document UC14/19, a report from the Chair of Court on the activities he had undertaken and meetings he had attended on behalf of Court.  |
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| 14.41 | Reported | i. | The Chair referred to the consultation paper on the Scottish Government’s proposal to introduce a Higher Education Governance Bill which had previously been circulated to Court members and he sought initial views. Comments focused mainly on concerns about the proposal that chairs of court be elected. The Chair of Court advised that submissions on the consultation paper had been requested by 30th January 2015. Universities Scotland and the Committee of Scottish Chairs were considering how the sector as a whole should respond but it was likely that all HEIs would be encouraged to submit a response. The Chair recommended that GCU did so. Court endorsed this suggestion. The Chair stated that he and the Vice Chair of Court would be liaising with the Scottish Chairs and the Principal with Universities Scotland. Given the tight timescale for responses to the consultation, the draft submission would be circulated to Court prior to being discussed at the meeting on 29th January 2015.  |
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|  |  | ii. | The Chair referred to Court’s visits to the Schools which governors had found to be informative and an effective way of enhancing their understanding of the work of the Schools. Building on the success of these visits, it was proposed to identify a topic such as “the student experience for international students” and devise a visit which would bring in a range of services. Court members supported this proposal. The Court Secretariat would make arrangements. |

**Principal’s and Executive Board Report**

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| 14.42 | Received |  | Document UC14/20, the Principal’s and Executive Board Report to Court.  |
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| 14.43 | Noted | i. | The Principal reported that the Scottish Funding Council had visited the University that day to meet with her, the Deputy Vice-Chancellor and the Director of Strategy and Planning as part of the negotiations on the Outcome Agreement. The meeting had been positive.  |
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|  |  | ii. | Following the confirmation of Nicola Sturgeon as the new First Minister for Scotland, a reshuffle of the Scottish Cabinet had taken place. Angela Constance, former Cabinet Secretary for Training, Youth and Women’s Employment, had been appointed as the Cabinet Secretary for Education and Lifelong Learning. The Principal had written congratulating both on their new roles. The Principal stated that she would be requesting a meeting with Ms Constance to inform her about the work of the University. |
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|  |  | iii. | Taking cognisance of the likelihood of reductions in SFC funding in future years, the Principal stated that a financial planning strategy would be developed which would set out various scenarios to address cuts/clawbacks in funding.  |

**University Secretary’s Report**

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| 14.44 | Received |   | Document UC14/21, the University Secretary’s Report.  |
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| 14.45 | Discussion | i. | Court agreed the process for appointing the Vice Chair of Court.  |
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|  |  | ii. | Following the publication of the Scottish Code of Good HE Governance, a review of the University’s governance arrangements had been undertaken. There were some areas where the University was not wholly compliant with the main principles in the Code due largely to the terms of the University’s Statutory Instrument (SI). Accordingly, the SI had been reviewed and a number of proposed changes had been identified to enable compliance with the main principles in the Code. Once agreed by Court, the University lawyers would be asked to review the wording of the proposed changes before being submitted to the Privy Council for approval. Court considered each of the proposed changes. |
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|  |  | *a.* | *Membership of the University Court* |
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|  |  |  | * Court agreed that the definition of the membership of Court should be broadened and should include explicit reference to the skills matrix. The proposed wording to be included in the SI would be submitted to Court for approval.
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|  |  |  | * A second student governor should be included in the membership of Court. The selection process would be submitted to the Court meeting on 29th January 2015.
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|  |  |  |  |
|  |  | *b.* | *Period of office of governors* Court agreed that where a member of a governing body was elected to serve as chair or vice-chair of the governing body he/she should automatically begin a new term of membership linked to the office even if this took the individual beyond the normal 9 year maximum period but not beyond the 12 year absolute maximum period of office |
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|  |  | *c.* | *Widening the scope of expenses reimbursable to governors*Court agreed that the wording regarding reimbursement of reasonable travel and subsistence expenses should be amended to read ‘reasonable expenses incurred in undertaking the work of Court’.Court was advised that the University lawyers had confirmed that governors’ expenses incurred whilst carrying out their Court duties were exempt from income tax. One governor noted that in the case of remunerated non-executive board members’ travel expenses to the location of the board meeting were classed as travel to work expenses and were therefore taxable.  |
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|  |  | *d.* | *Acquiring power to remunerate governors*Court, referring to its previous discussion at its meeting in July 2014 about the constraints imposed by charity legislation in relation to the remuneration of charity trustees, asked for further clarification on this point before making a decision about whether to seek the Privy Council’s approval to acquire the power to remunerate governors even if Court chose not to invoke it.  |
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|  |  | *e.* | *Appointment of Senate members*Court considered a proposed amendment to Part 1 of the Schedule associated with Article 30 (1) of the SI which dealt with the appointment of Senate members. Court found acceptable an increase in the number of co-options which Senate could make to six from the current four and noted that the proposed change would be considered by Senate at its meeting on 12th December 2014. |
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|  |  | iii. | Court considered options for the publication of Court papers in light of the requirement set out in the Scottish Code of Good HE Governance. Court agreed that papers should be published on the Court website with the exception of those which were commercial in confidence or contained personal data. Any requests for such papers would be considered under Freedom of Information. One governor raised the issue of access to Court/committee papers on Sharepoint and asked if this was the best system stating that Blackboard was easier to use. It was agreed that the Court secretariat would look at this bearing in mind the need for confidentiality which access through Sharepoint provided.  |
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| 14.46 | Agreed | i. | The Assistant Head (Governance) would clarify the points raised in relation to the taxation implications for governors’ travel expenses and the remuneration of charity trustees and report to the Court meeting on 29th January 2015.  |
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|  |  | ii. | The President of the Students’ Association would submit a paper on the selection process for the second student member of Court to the Court meeting on 29th January 2015. |
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|  |  | iii. | The Court secretariat would look at the possibility of access to Court/committee papers for governors using Blackboard as opposed to Sharepoint.  |

**Senate Report: 10th October 2014**

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| 14.47 | Noted |   |  Document UC14/22, a report on substantive items which Senate had considered at its meeting on 10th October 2014. |

**Senate Annual Report**

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| 14.48 | Noted | i. | Document UC14/23 which outlined the work undertaken in 2013-2014 in relation to fulfilling its terms of reference. |
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|  |  | ii. | A process for reviewing the effectiveness of Senate would be developed. |

**GCU New York Update**

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| 14.49 | Noted | i. | Document UC14/24 a progress report on the development of the GCUNY campus. |
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|  |  | ii. | The GCUNY Vice President was continuing to raise the University’s profile and esteem through a number of initiatives, for example the series of Town Hall Lectures which were attracting high profile organisations who wished to speak at GCUNY. There was also focus on executive education. |
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|  |  | iii. | A paper setting out progress against the original business plan/budget as well as the current budget and cashflow would be submitted to the Finance & General Purposes Committee meeting in January 2015 and then to Court.  |

**University Annual Financial Statements and External Audit Letter of Representation**

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| 14.50 | Considered |  | Document UC14/25 the University’s annual financial statements for 2013/14 and the external audit letter of representation. |
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| 14.51 | Noted | i. | The Finance & General Purposes Committee and the Audit Committee had reviewed the draft annual financial statements at their meetings on 29th and 31st October 2014 respectively and recommended that they be submitted to the University Court for approval.  |
|  |  |  |  |
|  |  | ii. | The Chief Financial Officer & VP Infrastructure provided points of clarification on the detail of the accounts. Issues highlighted included the following: |
|  |  |  | * The accounts for the University’s subsidiary companies were consolidated into the overall University accounts.
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|  |  |  | * There had been no changes to the accounting policies during the year.
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|  |  |  | * The external auditors had completed their audit of the draft annual accounts. No issues had been identified nor were there any changes to the figures presented in the accounts.
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|  |  |  | * The Chair of Court had reviewed the Corporate Governance Statement.
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|  |  |  | * There was an overall surplus of £3.7 million which constituted 3.2% of turnover and was in line with the University’s sustainability target.
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|  |  |  | * INTO had generated a small surplus.
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|  |  |  | * Whilst core staff costs had decreased, overall staff costs had increased primarily due to an increase in research activity and research funding for fixed term staff.
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|  |  |  | * The pattern of overdue debt over the previous three years continued to show an improvement.
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|  |  |  | * There were no material changes in the financial statements for the subsidiary companies which remained consistent with previous years.
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|  |  | ii. | The letter of representation was presented in a standard format used by KPMG and encompassed the areas where they required to seek assurance to enable them to issue their audit opinion on the financial statements of the University and its subsidiary companies. The external auditors had raised no material issues.  |
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| 14.52 | Agreed | i. | To approve the University Annual Financial statements for the year ended 31 July 2014. |
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|  |  | ii. | To approve the letter of representation for signature by the Chief Financial Officer & VP Infrastructure.  |
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|  |  | iii. | To thank the Chief Financial Officer and his team for their work in preparing the Annual Financial Statements. |

**Bank Financial Covenants**

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| 14.53 | Considered |   | Document UC14/26 a Bank Covenant Compliance Certificate confirming that the University was compliant with the financial covenants set by Lloyds Banking Group as part of the £10m loan facility agreed in February 2012.  |
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| 14.54 | Noted | i. | There had been no borrowings against the loan to date. It was not expected to draw down funding until January 2015.  |
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|  |  | ii. | The Bank Covenant Compliance Certificate would be submitted to Court on an annual basis throughout the duration of the loan. |
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| 14.55 | Agreed |   | That the Bank Covenant Compliance Certificate be signed by the Chief Financial Officer & VP Infrastructure for onward submission with the Annual Financial Statements, to Lloyds Banking Group. |

**Letter of Support for GCU NY Inc**

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| 14.56 | Considered |  | Document UC14/27, a letter required by the external auditors for GCUNY Inc confirming the University Court’s financial support to enable GCUNY to carry out its activities up to and at least until 27 November 2015.  |
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| 14.57 | Noted |  | The letter of support had been submitted to the GCUNY Board of Directors and, in future, would be submitted to the Finance & General Purposes Committee.  |
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| 14.58 | Agreed |  | To approve the letter of support for GCUNY Inc. |

**Health and Safety Committee Report: 3rd October 2014**

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| 14.59 | Noted |   | Document UC14/28, a report on the substantive issues of business discussed at the Health and Safety Committee meeting on 3rd October 2014. |

**Finance & General Purposes Committee Report: 29th October 2014**

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| 14.60 | Noted |  | Document UC14/29, a report on the substantive issues of business discussed at the Finance & General Purposes Committee meeting on 29th October 2014. |

**Business Case for GCU London Undergraduate Provision**

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| 14.61 | Considered |  | Document UC14/30, the business case for the introduction of undergraduate at GCU London from September 2015. |
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| 14.62 | Noted | i. | The Deputy Vice Chancellor highlighted the key points in relation to the business case set out in the Executive Summary.  |
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|  |  | ii. | Court had shown general support for the proposal at its annual Strategic Planning Event which had been held on 7th and 8th October 2014. |
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|  |  | iii. | The Finance & General Purposes Committee had considered the business case at its meeting on 29th October 2014 and had recommended the proposal and business case to Court for approval. |
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| 14.63 | Discussion | i. | Court discussed the proposal at length and sought and received clarification of points of detail including the following on the important issue of the student experience. |
|  |  |  | * In response to a query about the provision of a careers service, it was noted that initially this support would be provided from GCU Glasgow. Capacity would be increased as student numbers increased to ensure parity of service at each campus; it was intended to build in some provision for a local careers service at London from 2016/2017. The newly appointed Dean of GCU London would be addressing this as a key part of the student experience.
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|  |  |  | * It was suggested that it would be useful to make explicit reference in the project plan to the support provided to GCU London students by the GCU London Project Team.
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| 14.64 | Agreed |  | To approve the proposal and business case for the introduction of undergraduate provision at GCU London from September 2015. |

**Audit Committee Report: 31st October 2014**

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| 14.65 | Noted |   | Document UC14/31, a report on the substantive issues of business discussed at the Audit Committee meeting on 31st October 2014. |

**Audit Committee Annual Report to 31st July 2014**

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| 14.66 | Considered |  | Document UC14/32, the Audit Committee Annual Report to 31st July 2014. |
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| 14.67 | Noted |  | The report, which would be submitted to the SFC, set out the work undertaken by the Committee to fulfil its terms of reference and comply with the SFC’s requirements. The report had been approved by the Audit Committee at its meeting on 31st October 2014.  |
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| 14.68 | Agreed |  | To approve the Audit Committee draft annual report to 31st July 2014. |

**GCU Corporate Risk Register & Risk Management Update**

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| 14.69 | Considered |  | Document UC14/33, the GCU Corporate Risk Register and a summary of the most recent risk management activities.  |
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| 14.70 | Reported |  | In his introduction, the Chief Financial Officer and VP Infrastructure reminded Court that the risk register was a live document which was updated on an ongoing basis. Following discussion at the Risk Management Forum and the Audit Committee a number of revisions had been made. |
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| 14.71 | Discussion | i. | Clarity was sought in relation to the descriptor for the risk regarding the Research Excellence Framework (REF) return. It was noted that none of the mitigating actions could change the score as the REF had already been submitted. However, the mitigating actions would be relevant to the continued development of the University's research strategy.  |
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|  |  | ii. | In response to a query about the mechanism for informing Court about the progress of the Heart of the Campus, it was noted that were there to be any significant slippage this would be addressed in the regular F&GPC report to Court.  |
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| 14.72 | Agreed |  | To approve the GCU Corporate Risk Register subject to the descriptor for the risk on the REF being clarified. |

**Court Membership Committee Report: 3rd November 2014**

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| 14.73 | Noted |   | Document UC14/34, a report on the substantive issues of business discussed at the Court Membership Committee meeting on 3rd November 2014. |
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| 14.74 | Agreed |  | Mr Ian Gracie, Mr Gordon Jack, Mr Alistair Webster and Professor Stephanie Young be re-appointed to the University Court for a further 3 year term of office from 1st August 2015 to 31st July 2018. |

**Staff Policy Committee Report: 11th November 2014**

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| 14.75 | Noted |   | Document UC14/35, a report on the substantive issues of business discussed at the Staff Policy Committee meeting on 11th November 2014. |

**People Strategy Annual Report 2013/2014**

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| 14.76 | Noted | i. | Document UC14/36, the People Strategy Annual Report which highlighted progress in the second year of implementation of the 2015 People Strategy. |
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|  |  | ii. | The focus of the work undertaken in 2013/2014 was the delivery of the People Passport, the work of the Health and Wellbeing Taskforce and the 2014 staff survey.  |
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|  |  | iii. | The Director of People advised that, since the People Strategy Annual Report had been written, the Equality Challenge Unit had commented on the University’s Athena Swan Bronze application and stated that further evidence was needed to meet the charter mark requirement. This would, therefore, be reclassified as amber. The Director of People stated that the University would be meeting with the ECU to discuss what further action was needed to fulfil the criteria for the bronze award.  |
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|  |  | iv. | Court, while recognising that the strategy had a year to run, welcomed the significant progress that had been made and commended the Director of People and his team for work to date in meeting to date in meeting the GCU Corporate Compass.  |

**Remuneration Committee Annual Report November 2013 to November 2014**

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| 14.77 | Approved |  | Document UC14/, the Remuneration Committee Annual Report for the period November 2013 to November 2014. |

**GCU 2020 Strategy**

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| 14.78 | Considered |  | Document UC14/38, the GCU 2020 Strategy. |
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| 14.79 | Noted | i. | The draft GCU Strategy 2020 had been endorsed by Court at its meeting on 3rd July 2014 and reviewed and endorsed at its Away Day on 8th October 2014.  |
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|  |  | ii. | The 2020 Strategy was a high level document underpinned by enabling strategies which had been/ would be submitted to Court for approval. |
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| 14.80 | Agreed |  | To give final approval to the GCU Strategy 2020. |

**2020 Strategic Indicators**

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| 14.81 | Considered |  | Document UC14/39 the 2020 Strategic Indicators.  |
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| 14.82 | Noted | i. | The 2020 strategic indicators had been discussed and endorsed by Court at its Away Day on 8th October 2014. |
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| 14.83 | Discussed | i. | Court discussed the proposed 2020 strategic indicators and sought and obtained clarification to points of detail. Main points raised included: |
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|  |  | ii. | It was suggested that consideration might be given to aspirations for increasing the value of the University brand.  |
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|  |  | iii. | With reference to the target for increasing commercial income, Vice-Principal and Pro Vice Chancellor Business Development, Enterprise and Innovation advised Court that, although this was an ambitious target, it was achievable. A business enterprise strategy was being developed which it was intended to submit to the January or March 2015 meeting of Court. |
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| 14.84 | Agreed |  | To approve the 2020 strategic indicators. |

**Progress Report on Strategy for Learning**

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| 14.85 | Noted |  | Document UC14/40, a summary of progress in implementing the Strategy for Learning which was approved by Senate in June 2013. |

**Date of next meeting**

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| 14.86 | Noted |  | The next meeting of Court would be held on Thursday 29th January 2015 at 4.30pm. |