

University Court

Minutes of the meeting of the University Court held on 24 November 2016

(Minutes 16.28 – 16.69)

Present: Mrs Hazel Brooke (Chair)
Mr John Chapman, Dr Douglas Chalmers, Professor Pamela Gillies, Ms Laura Gordon, Mr Gordon Jack, Mr Ian Kerr, Mr Austin Lafferty, Ms Neena Mahal, Dr Neil Partlett, Professor Ann Priest, Ms Lauren Ramage, Miss Davena Rankin, Mr Paul Reynolds, Ms Caroline Stuart, Mr Alistair Webster, Professor Stephanie Young (Vice-Chair)

Apologies: Dr Morag Ferguson, Mr Tom Halpin

In attendance: Mr Kevin Campbell, Student Vice-President School of Health & Life Sciences
Professor Cam Donaldson, Acting Pro Vice Chancellor Research
Ms Jan Hulme, University Secretary & Vice Principal Governance
Drs Jeanine Gregersen-Hermans, Pro Vice-Chancellor International
Mr Alex Killick, Director of People
Professor James Miller, Deputy Vice Chancellor (Strategy)
Mr Gerry Milne, Chief Financial Officer & Vice-Principal Infrastructure
Professor Valerie Webster, Deputy Vice Chancellor (Academic)

Mr Riley Power, Governance Manager (Secretary)

Chair's Opening Remarks

The Chair welcomed members to the meeting and noted the apologies as above.

Minutes of the meeting of the University Court held on 22nd September 2016

16.28 Agreed Document UC16/16, the unconfirmed draft minutes of the Court meeting held on 22nd September 2016 were an accurate record subject to reflecting Drs Jeanine Gregersen-Hermans had been in attendance at the meeting.

Matters Arising Briefing Note

16.29 Noted Court noted Document UC16/17 an update on matters arising from the previous meeting. In particular, Court noted that the proposals for addressing the matters highlighted by the NSS results had been considered by Senate on 7th October 2016 and had been discussed in depth by Court at its Away Day on 12th and 13th October 2016.

Chair's Report

16.30 Noted Document UC16/18, a report from the Chair of Court on the activities she had undertaken and meetings she had attended, on behalf of Court.

Principal's and Executive Board Report

16.31 Noted Document UC16/19, the Principal's and Executive Board Report to Court.

University Secretary's Report

16.32 Considered Document UC16/20, the University Secretary's Report.

- 16.33 Agreed
- i. Court agreed to commence the process of working with the University's lawyers, and engaging with the Privy Council, to amend the University's statutory instrument in light of the requirements of the Higher Education Governance (Scotland) Act 2016.
 - ii. Court approved the annual re-election of the directors of GCU-NYC, Inc. The Directors re-elected to the Board were:
 - Professor Pamela Gillies
 - Mr Gordon Jack
 - Professor James Miller
 - Mr Gerry Milne
 - Professor Ann Priest
 - iii. Court agreed the draft calendar of Court and Committee dates for 2017-18.

Draft Annual Financial Statements for year ending 31st July 2016 and Compliance with Financial Covenants

- 16.34 Considered
- i. Document UC16/21 Annual Financial Statements and Letter of Representation.
 - ii. Court discussed the annual accounts and noted that they had been considered by the Finance and General Purposes Committee at its meeting on 18 October 2016 and subsequently by the Audit Committee at its meeting on 15 November 2016.
 - iii. Members noted, in relation to discussion of senior staff remuneration, that the level of remuneration was benchmarked and consistent with the sector which was important in remaining competitive when attracting new people to key posts. Court noted that concern was expressed by a staff governor in relation to the level of senior remuneration and his suggestion of a top rate of £75k.
 - iv. The CFO and VP Infrastructure reported that the accounting policies and financial statements had been restated to reflect the transition to FRS 102 and the Further and Higher Education SORP 2015 and that the restatement of the accounts had been audited by the external auditor and was compliant with the new reporting requirements. Court noted that 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.
 - v. Following the change in accounting for pensions and the volatility in discount rates the consolidated deficit for the year in 2015/16 included an additional non-cash pension charge of £2.2m (2014/15 £1.1m).
 - vi. In 2015/16, following the completion of the £32m Heart of Campus building investment initiative on the Glasgow campus, the University recorded an operational deficit of £2.8m. The University financial provision nevertheless

remained healthy with a strong cash at bank holding and measures in place to recover the University's annual surplus position over the next two years.

16.35	Agreed	To approve the Annual Financial Statements and letter of representation for the University for the year ended 31 July 2016.
16.36	Considered	Document UC16/22 Bank Financial Covenants which provided details of the financial covenants certificate set by Lloyds banking group as part of the University's £10M loan facility.
16.37	Agreed	Court approved the certificate, to be signed by the CFO, for onward submission, with the Annual Financial Statements, to Lloyds Banking Group.
16.38	Considered	Court considered Document UC16/23 Letter of Support for GCU-NYC, Inc. which provided assurance from the University Court to KPMG LLP, the auditors for GCU-NYC Inc. over the financial support provided by GCU to GCU-NYC Inc. in order for the organisation to continue to meet its liabilities and obligations through the foreseeable future, and at least until 1 August 2017. Court also considered the corresponding letter of parental support from GCU to GCU-NYC, Inc.
16.39	Agreed	Court approved the Letter of Support to GCU-NYC, Inc. and the corresponding letter of parental support from GCU to GCU-NYC, Inc.

Draft Outcome Agreement 2017-2018

16.40	Considered	<ul style="list-style-type: none">i. Document UC16/24 being a report from the DVC Strategy on the development of 2017-18 Draft Outcome Agreement, and the guidance provided by the SFC in relation to the agreement.ii. Court considered in particular the widening access and gender diversity targets that would need to be addressed through the Outcome Agreement and the challenges associated with these targets in light of the unchanged number of government funded places, the pressure to increase relevant recruitment placed on all universities in Scotland, and the same pool of relevant potential students.iii. The Principal advised Court that further analysis would be undertaken on the impact of achieving these targets and whether there would be an opportunity for the University to push back on any of the targets on the basis of actions already being undertaken by the University and their impact around widening access and gender equality, including the existing targets set in relation to Athena Swan.
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2020 Strategic Indicators Update

16.41	Noted	Document UC16/25, a report from the DVC (Strategy) in relation to the University's performance in 2015-16 against Strategy 2020 goals and 2020 indicators. The report was an update to the report provided to Court at the Away Day on 12 and 13 October 2016.
16.42	Agreed	<ul style="list-style-type: none">i. The DVC Strategy advised Court that the strong 2015-16 performance in relation to academic staff qualifications had resulted in the 2020 targets being exceeded, with the proportion of academic staff holding doctoral qualifications already at 52% against a 50% ambition and postgraduate qualifications at 85% against an 80% ambition. In light of these achievements 2015-16, Court approved the

recommendation by the Executive Board that the 2020 Strategic Indicator ambition for doctorate and postgraduate qualifications would be increased to 55% and 85% respectively.

- ii. Court also agreed to maintain a watching brief on the 2020 indicators on research and international student recruitment, in light of external developments, including the recommendations from the Stern Review relating to all research active staff being included in the next REF. The assessment of the commercial and KE indicator might also be worth review.

Draft Internationalisation Strategy

16.43 Considered Document UC16/26, Draft Internationalisation Strategy. In particular, Court discussed the need to develop a comprehensive understanding of the international student experience and the drivers and motivations for international students, such information being key to increasing international student recruitment.

16.44 Agreed Court approved the draft Internationalisation Strategy.

GCU NY Update and Options Paper

- 16.45 Considered
- i. Document UC16/27 being a GCU NY Update and Options Paper.
 - ii. Court considered a progress report on the application for degree awarding powers for GCUNY and on the strategic positioning and reputation enhancing activities of the Fair Fashion Center; new US student recruitment activities to bring US students to GCU's UK campuses, and Masters programmes and the maturing of the MINDAPPSTER programme.
 - iii. Court also considered two scenarios relating to the future of GCUNY. The paper provided refreshed business models, assessment of risks, both financial and reputational, and updated the evidence base for decision making. These scenarios had been considered by the Finance and General Purposes Committee at its meeting on 17 November 2016 when the Committee had endorsed the recommendation contained in the paper which was based on the view that there was enhanced evidence of traction and a likely decision by the Spring.
 - iv. Court considered the information contained in the paper and discussed the importance of ensuring that the decision made in relation to the future of GCU NY was based on the most current information and evidence in relation to the financial sustainability of the business model. Court also noted the progress toward establishing and developing a number of income streams through GCU NY and members sought reassurance that these would be driven vigorously.

16.46 Agreed Court recognised that the option which involved obtaining the license for degree awarding authority was the only option that would allow full recovery of the investment into GCU NY and that it was rational to defer a decision which might involve alternatives until Spring 2017, to allow recent lobbying efforts in relation to the license to have their full impact. Court agreed that a further update would be provided to the February meeting of Court and that it would expect to consider the position and decide the course of action at its meeting in April 2017.

GCU London Update

- 16.47 Noted
- i. Document UC16/28, a report from the DVC (Academic) which provided an update on the student number position for GCU London following completion of the Trimester A recruitment and enrolment cycle.
 - ii. Court noted that the student numbers recruited were up but below the Trimester A target which had resulted in a negative budget variance for Trimester A. Court noted that a series of actions had already been taken which were intended to manage the cost base and improve the current budget position.
 - iii. Court noted that a more detailed report on GCU London, progress against the 2 year recovery plan and budget position would be submitted to the Executive Board and to Court following the completion of the 2016/17 Trimester B recruitment cycle.

Digital Strategy Update

- 16.48 Noted
- i. Court noted an oral update by the DVC (Strategy) in relation to the Digital Strategy. The DVC (Strategy) updated Court on the most recent meeting of the Digital Strategy Board where the terms of reference of the Board were discussed. The Board had agreed that the Digital Strategy extended beyond the development of corporate systems and included a programme of work designed to deliver transformational change in terms of systems, practices and organisational culture.

Student Information Management System Business Case

- 16.49 Noted
- Document UC16/29 being a report from the DVC (Strategy) which recommended the procurement of a student information management system. Court noted that the business case and recommendation had been considered in detail and endorsed by the Finance and General Purposes Committee at its meeting on 18 October 2016. Court also noted that this was a key element of delivering on the Digital Strategy.
- 16.50 Agreed
- Court approved the business case presented for initiating a public tender exercise for a student information management system. Court noted that EB would have strategic oversight, with regular updates provided throughout the procurement stage of the project, and that an updated business case would be presented to the Court prior to contract award.

Draft Estates and Facilities Strategy 2016-2020

- 16.51 Considered
- Document UC16/30, Draft Estates and Facilities Strategy.
- 16.52 Agreed
- Court considered and approved the Estates and Facilities Strategy. Court noted that the specific projects and priorities contained in the strategy would require the preparation of additional business cases that would be presented to Finance and General Purposes Committee and Court as required and that additional consultation with key stakeholders would be undertaken as part of any such business case. Responding to a comment from the Student President, the CFO and VP Infrastructure advised Court that the Students' Association would be fully

consulted and the implications scoped of any proposed change to their current accommodation

Senate Report: 7 October 2016

16.53 Noted Document UC16/31, a report on substantive items which Senate had considered at its meeting on 7 October 2016.

Senate Annual Report 2015-2016

16.54 Noted Document UC16/32, the annual report on the work of the Senate in 2015-2016 in relation to fulfilling its terms of reference.

Finance and General Purposes Committee Report: 18 October 2016

16.55 Noted Document UC16/33, a report on substantive items which the Finance and General Purposes Committee had considered at its meeting on 18 October 2016.

Audit Committee Annual Report for Submission to the SFC

16.56 Noted Document UC16/34, the annual report on the work of the Audit Committee in 2015-2016 in relation to fulfilling its terms of reference.

16.57 Agreed Court approved submission of the annual report of the Audit Committee 2015-2016 to the Scottish Funding Council.

Audit Committee Report: 15 November 2016

16.58 Noted Document UC16/35, a report on substantive items which the Audit Committee had considered at its meeting on 15 November 2016.

Court Membership Committee Report: 7 November 2016

16.59 Considered Document UC16/36, a report on substantive items which the Court Membership Committee had considered at its meeting on 7 November 2016.

16.60 Agreed

- i. Court agreed to appoint Tom Halpin for a third term as a lay governor from 1 August 2017 to 31 July 2020.
- ii. Court approved a further round of recruitment to appoint additional lay governors with expertise in:
 - (a) Financial and strategic management;
 - (b) Communication and marketing; and
 - (c) Estates, facilities and possibly health and safety.
- iii. Court approved the proposed process for the appointment of the Chair of Court. Court noted that under the proposed process, the CMC would make a recommendation to the Court on the composition of the Nominations Committee. The CMC would also make a recommendation to the Court on the Chair of the Nominations Committee.

Remuneration Committee Annual Report

- 16.61 Considered Document UC16/37, the annual report from the Remuneration Committee which provided full details to the Court of the basis of all decisions made about the remuneration and terms and conditions of service for the Principal and other members of the Executive along with benchmarking data and information on the external comparators and any other background information used by the Committee in reaching these decisions. Decisions were taken on the basis of the remuneration philosophy which was reviewed and approved annually by the Court.
- 16.62 Agreed Court approved the annual report from the Remuneration Committee for 2015-2016.

Principal's Objectives 2016/17

- 16.63 Considered Document UC16/38 Summary of Principal and Vice-Chancellor's Objectives 2016/2017.
- 16.64 Agreed Court noted that the Remuneration Committee was sighted on the proposed objectives. The Court approved the Principal and Vice-Chancellor's objectives for 2016/17.

Staff Policy Committee: 21 November 2016

- 16.65 Noted Document UC16/39, a report on substantive items which the Staff Policy Committee had considered at its meeting on 21 November 2016.
- 16.66 Agreed Court approved the People Strategy Review implementation for 2016/17.

Health and Safety Committee: 3 November 2016

- 16.67 Noted Document UC16/40, a report on substantive items which the Health and Safety Committee had considered at its meeting on 3 November 2016.
- 16.68 Agreed Court approved the revised committee composition recommended by the Committee to include the CFO and VP Infrastructure as a Committee member and to remove the University Secretary and VP Governance from those 'in attendance' at meetings of the Committee.

Date of next meeting

- 16.69 Noted The next meeting of Court would be held on Thursday 23 February 2017 at 2.00pm.