

## University Court

### Minutes of the meeting of the University Court held on 28<sup>th</sup> November 2013

#### (Minutes 13.38– 13.86)

**Present:** Mr Antony Brian, Chair  
Mrs Hazel Brooke (Vice-Chair), Dr Douglas Chalmers, Mr John Chapman, Professor Pamela Gillies, Ms Laura Gordon, Mr Ian Gracie, Mr Gordon Jack, Mr Austin Lafferty, Mr Matthew Lamb, Dr Rajan Madhok, Dr James Miller (by video), Mr Hugh O'Neill, Miss Davena Rankin, Mr Iain Stewart, Mr Alistair Webster, Dr Bob Winter, Professor Stephanie Young

**Apologies:** Ms Rhona Baillie, Mr Tom Halpin, Mr David Wallace

**In attendance:** Professor Douglas Greenhalgh, Executive Dean, School of Engineering and the Built Environment and PVC (part-time)  
Ms Jan Hulme, University Secretary and Vice-Principal (Governance)  
Mr Alex Killick, Director of People  
Ms Jackie Main, Director of Student Experience, Governance and Quality Enhancement  
Professor Mike Mannion, Vice-Principal and Pro Vice Chancellor Research  
Mr Gerry Milne, Chief Financial Officer and Vice-Principal Finance & Planning  
Professor Lesley Sawers, Vice-Principal and Pro Vice Chancellor Business Development, Enterprise and Innovation (part-time)  
Professor Karen Stanton, Vice-Principal & Pro Vice-Chancellor International & External Relations  
Professor Valerie Webster, Acting Executive Dean, School of Health and Life Sciences  
Professor John Wilson, Executive Dean of the Glasgow School for Business & Society and Pro Vice Chancellor Learning and Teaching  
Dr Jo Edwards, Director of Policy and Planning (part-time)

Ms Janice Bruce, Minute Secretary

#### Chair's Opening Remarks

1. The Chair welcomed all present to the meeting and in particular welcomed Dr Winter who was attending his first Court meeting and Mr Milne who was attending his first Court since his appointment as Chief Financial Officer and Vice-Principal Finance & Planning.
2. The Chair intimated two changes to the order of the agenda:
  - Item 12, the Draft Outcome Agreement 2014/15, would be taken after the Senate Report to allow Dr Edwards to leave once discussion on this item had been concluded.
  - Item 11, the Audit Committee Annual Report, would be taken before the University Annual Financial Statements
3. The Chair intimated that the following unstarred items would be elevated for discussion as Court was being asked to approve amendments to the terms of reference:-
  - Item 27: The Court Membership Committee Review of Performance
  - Item 30: The Remuneration Committee Review of Performance
  - Item 31: The Staff Policy Committee Review of Performance

The Chair intimated that Item 16.1, the Finance & General Purposes Committee Report from the meeting held on 8<sup>th</sup> October 2013, would be unstarred as it was for information.

4. The Chair referred to the reissue of the Court papers and apologised for any inconvenience.

#### **Minutes of the meeting of the University Court held on 23<sup>rd</sup> September 2013**

13.38 Agreed Document UC13/14, the unconfirmed draft minutes of the Court meeting held on 23<sup>rd</sup> September 2013 were an accurate record subject to the correction of a minor typographical error at minute 13.005 (v.): “quality” to be amended to read “equality”.

#### **Matters Arising Briefing Note**

13.39 Noted Document UC13/15 which provided an update on matters arising from the meeting of Court held on 23<sup>rd</sup> September 2013.

#### **Chair’s Report**

- 13.40 Noted
- i. Document UC13/16, a report from the Chair of Court on the activities he had undertaken and meetings he had attended on behalf of Court.
  - ii. The School of Engineering and Built Environment would be hosting the first Court visit on 20<sup>th</sup> February 2014. The Chair encouraged all members to attend and to take the opportunity to learn more about the work of the School and to meet members of staff. The Court secretariat would notify governors of the timing of the visit in due course.

#### **Principal’s and Executive Board Report**

- 13.41 Noted
- i. Document UC13/17, the Principal’s and Executive Board Report to Court.
  - ii. With reference to the report on the visit to China in October 2013, the Principal advised that, while there may be the potential for a small offering, e.g. an office, there was no intention to have any large scale physical presence.
  - iii. The University Christmas card was available. Court members who wished copies of the card to send should contact the Court secretariat.
  - iv. In response to a query about the process for consulting with external stakeholders on the University Strategy 2020, the Director of Policy and Planning advised Court that work on developing a plan was underway. An update would be submitted to the March 2014 Court meeting which would identify stakeholders.
  - v. The Principal had attended a roundtable discussion arranged by the Department for Business, Innovation and Skills and the Scottish Office chaired by the Minister for Universities and Science and the Secretary of State for Scotland. The event was part of a series of discussions to support the debate on Scotland’s future in the lead up to the independence referendum and focused on science and research. A paper entitled “Scotland Analysis: Science and Research” was available on the UK Government website [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/255788/bis-13-1115-scotland-analysis-science-and-research.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255788/bis-13-1115-scotland-analysis-science-and-research.pdf)

- vi. Court offered its warmest congratulations to the GCU UK Recruitment and Outreach Team for its achievement in winning the Herald Society Award for “Team of the Year”.

### **University Secretary’s Report**

- 13.42 Noted
- i. Document UC13/18, the University Secretary’s Report.
  - ii. Industrial action would take place on 3<sup>rd</sup> December 2013. It was possible that more staff would be involved than in the industrial action on 31<sup>st</sup> October 2013 because the EIS would be taking part. The University’s principal objective was to minimise disruption for students. To that end, measures had been put in place to keep the University open.

### **Senate Report: 11<sup>th</sup> October 2013**

- 13.43 Noted
- Document UC13/19, a report on substantive items which Senate had considered at its meeting on 11<sup>th</sup> October 2013.

### **Outcome Agreement 2014/2015: Draft Report**

- 13.44 Considered
- Document UC13/24, the draft Outcome Agreement 2014/2015 for initial submission to the Scottish Funding Council.

- 13.45 Noted
- i. The Scottish Funding Council had made changes to the process for developing the Outcome Agreement. An initial draft would be submitted to the SFC by 29<sup>th</sup> November 2013. Negotiations based on the draft would take place during December 2013 and January 2014. The final Outcome Agreement would be submitted to Court for approval at its meeting on 30<sup>th</sup> January 2014 prior to submission to the SFC.
  - ii. The draft had been developed in consultation with a wide range of internal stakeholders including the Students’ Association. The Student President stated that the Association had appreciated the opportunity to engage in discussions not only on the draft Outcome Agreement but also on the 2020 Strategy. Court was advised that the draft Outcome Agreement would be submitted to the next meeting of the Joint Consultative Committee.
  - iii. The Principal advised Court that the Glasgow Caledonian University Yunus Centre for Social Business and Health had secured a major grant worth nearly £2 million from the Medical Research Council to study the impact of social enterprise on the health and well-being of people and communities. An award of this magnitude from such a body was testament to the significant progress which the University had made in developing its research strategy. Court congratulated the Vice-Principal and Pro Vice Chancellor Research and all those who had delivered this excellent achievement.

- 13.46 Agreed
- Court endorsed the draft Outcome Agreement 2014/2015 for submission to the SFC subject to some minor editorial revisions.

## Audit Committee Annual Report to 31<sup>st</sup> July 2013

- 13.47 Considered Document UC13/23, the Audit Committee Annual Report to 31<sup>st</sup> July 2013.
- 13.48 Noted The report, which would be submitted to the SFC, set out the work undertaken by the Audit Committee to fulfil its terms of reference and comply with the SFC's requirements.
- 13.49 Agreed To approve the Audit Committee draft annual report to 31<sup>st</sup> July 2013.

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

- 13.50 Considered Document UC13/20 the University's annual financial statements for 2012/13 and the external audit letter of representation for the year ended 31<sup>st</sup> July 2013.

- 13.51 Noted
- External Audit Letter of Representation
- i. That the University Court was invited to review and approve the University's Annual Financial Statements 2012/2013 and the letter of representation for the year ended 31<sup>st</sup> July 2013.
  - 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 University's and its subsidiary companies' financial statements. The external auditors had raised no material issues.
  - iii. The University had used the services of professional advisers to carry out the valuation of its pension scheme liabilities and the revaluation of its fixed assets; the revaluation of the latter had been carried out on depreciated replacement (and not market value) basis. KPMG's actuarial specialists had reviewed the assumptions used by the University's actuary in calculating the institution's net pension liability and had confirmed that the assumptions fell within acceptable parameters. KPMG had also used the services of their specialist property division to give an opinion on the assumptions used by the University's valuers and had confirmed that they were content that the assumptions were reasonable.
  - iv. The Finance & General Purposes Committee and the Audit Committee had reviewed the draft letter of representation at their meetings on 8<sup>th</sup> and 21<sup>st</sup> October 2013 respectively and recommended that it be submitted to the University Court for approval.

- 13.52 Noted
- Annual Financial Statements 2012/2013
- i. The Finance & General Purposes Committee and the Audit Committee had reviewed the draft annual financial statements at their meetings on 8<sup>th</sup> and 23<sup>rd</sup> October 2012 respectively and recommended that they be submitted to the University Court for approval.
  - ii. The Executive Director of Finance provided points of clarification on the detail of the accounts. Points highlighted included the following:
    - The accounts for the University's subsidiary companies were consolidated into the overall University accounts.
    - There had been no changes to the accounting policies during the year.

- The external auditors had completed their audit of the draft annual financial statements. No issues had been identified, nor were there any changes to the figures presented in the accounts.
- There was a surplus of £3.3 million before restructuring costs of £1.5 million which was in line with expectations. This represents a 2.9 % surplus.
- There had been a 5% increase in the University's income due primarily to a return to pre 2011/2012 levels in the recurrent grant for teaching received from the Scottish Funding Council.
- There had been no drawdown of the loan facility with Lloyds Bank nor was it expected that this would be required until the next financial year.
- With reference to the revaluation of the University's fixed assets, it was noted that there had been an increase in the value from the last revaluation carried out in July 2010 despite the current flat property market. The Committee was advised that this was because the valuation was based on depreciated replacement cost rather than market value. There had been an upward move in the cost of rebuilding over the past three years.
- The position regarding the deficit in the Universities Superannuation Scheme (USS) and the challenges which some institutions would face in terms of meeting future liabilities was noted. At 31<sup>st</sup> March 2013, the USS had over 148,000 active members. As GCU had only 83 active members and 1 deferred member in the USS, the risk of exposure of the university to significant additional costs was small.

13.53	Agreed	i.	To approve the University Annual Financial statements for the year ended 31 <sup>st</sup> July 2013.
		ii.	To approve the letter of representation for signature by the Chief Accounting Officer.
		iii.	To thank the Chief Financial Officer and his team for their work in preparing the Annual Financial Statements.

#### **Bank Financial Covenants**

13.54	Considered	Document UC13/21 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.
13.55	Noted	There had been no borrowings against the loan to date. It was not expected to draw down funding until the financial year 2015.
13.56	Agreed	That the Bank Covenant Compliance Certificate be signed by the Chief Financial Officer for onward submission with the Annual Financial Statements, to Lloyds Banking Group.

## Remuneration Committee Annual Report 2013

- 13.57 Noted
- i. Document UC13/22, the Remuneration Committee Annual Report 1<sup>st</sup> August 2012 to 31<sup>st</sup> October 2013 which the Chair of the Committee introduced to Court in some detail.
  - ii. That the Committee had undertaken a significant amount of work in examining the remuneration philosophy and policies across pay, performance related pay and pensions. This had included benchmarking against other universities across the UK and seeking independent advice. The philosophy had been submitted to Court in June 2013 and approved by it.

## Report on Compliance with the Scottish Code of Good Higher Education Governance

13.58 Considered Document UC13/25, a report on the University's compliance with the Scottish Code of Good Higher Education Governance.

- 13.59 Noted
- i. Following the introduction of the Scottish Code of Good Higher Education Governance (the Code), an analysis of the University's governance arrangements had been undertaken. The appendix to the report set out evidence of how the University met the principles and guidance in the Code and demonstrated a good level of compliance. Some areas had been identified where adjustments might be made to enhance the University's existing governance processes.
  - ii. The following proposed adjustments to current practice, if agreed by Court would require the Privy Council's approval as they would necessitate changes to the Statutory Instrument (SI):
    - The appointment of a second student member to Court;
    - Amending of the SI to afford the capability to remunerate lay governors or widen the scope of allowable expenses.

- 13.60 Discussed
- Court discussed each of the recommendations in turn.
- a) Court agreed that a second student member be appointed to Court. Discussions would take place with the Student President and the University Secretary & Vice Principal Governance to establish a process for identifying a second student member which would be submitted to Court for approval before seeking the Privy Council's consent.
  - b) Court agreed that its Statement of Primary Responsibilities should be published in the University's annual financial statements with effect from 2013/2014.
  - c) With reference to the recommendation that any selection committee for the appointment of the Principal and Vice-Chancellor should include an appointed staff member and a student member of the governing body, it was noted that there had been staff and student representation on the selection panel when the current Principal had been appointed. However, it was agreed that, as the need arose, Court would decide on a precise process which would formalise current practice and the practice advocated in the Code.
  - d) It was agreed that the views of staff and student members of Court as well as independent members would be sought when assessing the Principal's performance.
  - e) The register of interests would be published on the Court website.

- f) Court supported the principle that Court should carry out an appraisal of the Chair's performance on an annual basis. A paper setting out a proposed process would be submitted to a forthcoming meeting of Court.
- g) The Court membership skills matrix would be published on the Court website. Prior to doing so, the matrix would be circulated to all Court members to allow them to update as necessary.
- h) As the current Chair would demit office in February 2015, it would be necessary to identify a new Chair during 2014. A draft process for the appointment of the Chair of Court would be submitted to the Court Membership Committee in January 2014 for discussion prior to submission to Court for approval. (For clarity, it was noted that the process for appointing the Vice Chair of Court did not require external advertisement; a job description had been developed for the Vice-Chair of Court.)
- i) It was agreed that the Student President in the role as ex officio member of Court should be appointed to the Court Membership Committee.
- j) Court discussed at length the issue of whether the SI should be amended to afford the capability to remunerate lay member or widen the scope of allowable expenses. The great majority of Court members held the view that lay members should not receive remuneration. However, it was generally acknowledged that widening the scope of allowable expenses could encourage expressions of interest in the role of governor from a broader range of applicants. In addition, it might be useful to consider whether the SI should include the capability to remunerate independent members without making any current commitment to do so. It was suggested that it would be helpful to look at practice across the HE sector and in other sectors. It was agreed that the University Secretary and the Assistant Head Governance would submit a paper to a forthcoming meeting of Court setting out practice in other sectors and options for discussion.
- k) It was agreed that the Annual Report and Financial Statements would include details of training made available to Court members during the year to which the report related.
- l) It was agreed that the inclusion of a member of the Finance & General Purposes Committee on the Remuneration Committee would be taken into account when looking at the turnover in membership of the latter.
- m) Court supported the principle of reviewing the effectiveness of Senate. Discussions would take place with Senate to shape the principles, scope and process for conducting the review. The views of Court would also be sought. As Court delegated responsibility to Senate for regulating and directing the academic work of the University, the review would provide Court with further assurance about the effective discharge of those responsibilities.

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| 13.61 | Agreed | <ul style="list-style-type: none"> <li>i. A draft process for the appointment of the Chair of Court would be submitted to Court at its meeting on 30<sup>th</sup> January 2014.</li> <li>ii. The Court Secretariat would arrange for the register of interests to be published on the Court website.</li> <li>iii. The Court Secretariat would circulate the Court skills matrix to governors for updating prior to this being published on the Court website.</li> <li>iv. The University Secretary and the Assistant Head Governance would submit a paper</li> </ul> |
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to a forthcoming meeting of Court setting out practice in other sectors and options with regard to the remuneration of lay Court members.

#### **Audit Committee Review of Performance 2012/13 and Terms of Reference for 2013/14**

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| 13.62 | Noted | i.  | Document UC13/26, a review of the work undertaken by the Audit Committee to achieve its objectives during 2012/13. |
|       |       | ii. | The Audit Committee had reviewed its terms of reference and agreed that no amendments were required.               |

#### **Court Membership Committee Review of Performance 2012/13 and Terms of Reference for 2013/14**

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| 13.63 | Noted  |  | Document UC13/27 a review of the work undertaken by the Court Membership Committee to achieve its objectives during 2012/13. |
| 13.64 | Agreed |  | Proposed amendments to the terms of reference for 2013/14, as detailed in appendix 1a of the report.                         |

#### **Finance and General Purposes Committee Review of Performance 2012/13 and Terms of Reference for 2013/14**

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| 13.65 | Noted | i.  | Document UC13/28 a review of the work undertaken by the Finance and General Purposes Committee to achieve its objectives during 2012/13. |
|       |       | ii. | The Finance & General Purposes Committee had reviewed its terms of reference and agreed that no amendments were required.                |

#### **Health and Safety Committee Review of Performance 2012/13 and Terms of Reference for 2013/14**

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| 13.66 | Noted | i.  | Document UC13/29 a review of the work undertaken by the Health and Safety Committee to achieve its objectives during 2012/13. |
|       |       | ii. | The Health & Safety Committee had reviewed its terms of reference and agreed that no amendments were required.                |

#### **Remuneration Committee Review of Performance 2012/13 and Terms of Reference for 2013/14**

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| 13.67 | Noted  |  | Document UC13/30 a review of the work undertaken by the Remuneration Committee to achieve its objectives during 2012/13 |
| 13.68 | Agreed |  | Proposed amendments to the terms of reference for 2013/14, as detailed in appendix 1a of the report.                    |

#### **Staff Policy Committee Review of Performance 2012/13 and Terms of Reference for 2013/14**

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| 13.69 | Noted  |  | Document UC13/31 a review of the work undertaken by the Staff Policy Committee to achieve its objectives during 2012/13. |
| 13.70 | Agreed |  | Proposed amendments to the terms of reference for 2013/14, as detailed in appendix 1a of the report.                     |

### Standing Committee Objectives 2012/13

13.71 Noted Document UC13/32, which detailed the agreed objectives for 2013/14 for each of Court's standing committees.

### Finance & General Purposes Committee Report: 8<sup>th</sup> October 2013

13.72 Noted Document UC13/33, a report on the substantive issues of business discussed at the Finance & General Purposes Committee meeting on 8th October 2013.

### Finance & General Purposes Committee Report: 19<sup>th</sup> November 2013

13.73 Considered Document UC13/34, a report on the substantive issues of business discussed at the Finance & General Purposes Committee meeting on 19<sup>th</sup> November 2013.

13.74 Noted

- i. In the the absence of the Chair of the Finance & General Purposes Committee, the Deputy Chair of the Committee introduced the report. He stated that the Committee had discussed two issues at length: the forecast shortfall in budgeted international income and the increase in the fit-out costs for GCU New York. In light of the importance of the Internationalisation Strategy to the University's long-term planning, it was agreed that a paper detailing the factors influencing the shortfall should be presented at a later F&GPC meeting and to Court. The Depute Chair of the F&GPC stated that the Committee had expressed its continued support for the Internationalisation Strategy.

- ii. The Principal referred to the factors which had led to the budgeted international income figure not being met. Court noted the measures in place and the additional income received or in prospect that were mitigating the impact such that the forecast at the end of the 1<sup>st</sup> quarter showed a surplus in excess of budget. Court sought further detail about the reasons for the shortfall and the steps being taken to address the issues which had arisen. Court recognised that detailed analysis was being undertaken and understood the need to allow sufficient time for this to be completed. Furthermore, it was acknowledged that it would take time for the impact of changes which had already been made to be realised. It was agreed that a paper setting out the issues which had already been identified and action taken would be submitted to the F&GPC meeting on 20<sup>th</sup> January 2014 and to the Court meeting on 30<sup>th</sup> January 2014; a more detailed paper would be submitted to the March 2014 Court meeting.

- iii. With reference to the increase in the fit-out costs for GCU New York, the Principal advised that the initial estimate had not taken account of the cost of additional internal building work which the US architects had confirmed would be necessary to provide the same high quality accommodation as in Glasgow and London. Court recognised that the quality of accommodation was of importance in terms of both the student experience and the flexible use of the space, which would give enhanced scope for income generation. The costs were consistent with those of GCU London to deliver the same high standard of provision. The lessons learnt as a result of this issue would be taken into account for future estimates of fit out works.

13.75 Agreed A paper setting out the international recruitment issues which had already been identified and action taken would be submitted to the F&GPC meeting on 20<sup>th</sup> January 2014 and to the Court meeting on 30<sup>th</sup> January 2014; a more detailed

paper would be submitted to the March 2014 Court meeting.

#### **Health and Safety Committee Report: 16<sup>th</sup> October 2013**

13.76 Noted Document UC13/35, a report on the substantive issues of business discussed at the Health and Safety Committee meeting on 16<sup>th</sup> October 2013.

#### **Audit Committee Report: 21<sup>st</sup> October 2013**

13.77 Noted Document UC13/36, which had been distributed at the meeting, a report on the substantive issues of business discussed at the Audit Committee meeting on 21<sup>st</sup> October 2013.

#### **Staff Policy Committee Report: 13<sup>th</sup> November 2013**

13.78 Noted Document UC13/37, a report on the substantive issues of business discussed at the Staff Policy Committee meeting on 13<sup>th</sup> November 2013.

#### **Conflict and Complaints Resolution Policy**

13.79 Considered Document UC13/38, the Conflict and Complaints Resolution Policy.

13.80 Agreed To approve the Conflict and Complaints Resolution Policy subject to the inclusion of the word "staff" in the title.

#### **Dignity at Work and Study Policy**

13.81 Considered Document UC13/39, the Dignity at Work and Study Policy.

13.82 Agreed To approve the Dignity at Work and Study Policy.

#### **Court Membership Committee Report: 18<sup>th</sup> November 2013**

13.83 Noted Document UC13/40, a report on the substantive issues of business discussed at the Court Membership Committee meeting on 18<sup>th</sup> November 2013.

13.84 Agreed i. Mrs Hazel Brooke, Mr John Chapman and Mr Tom Halpin be appointed to the University Court for a further 3 year term of office from 1<sup>st</sup> August 2014 to 31<sup>st</sup> July 2017.

ii. The Committee's membership structure be amended to include the Student President ex officio.

#### **Key Dates**

13.85 Noted Document UC1/41, a schedule of key dates and events. The Chair reminded governors that the Court Dinner would be held on 13<sup>th</sup> December 2013. Invitations had been issued.

#### **Date of next meeting**

13.86 Noted The next meeting of Court would be held on Thursday 30<sup>th</sup> January 2014 at 4.30pm.