

University Court

Minutes of the meeting of the University Court held on 22nd November 2018

Present: Rob Woodward (Chair)
Dr Douglas Chalmers, Dr Morag Ferguson, Daniel Gallacher, Professor Pamela Gillies, Laura Gordon, Dr Bill Gunnyeon, Asif Haseeb, Gordon Jack, Ian Kerr, Neena Mahal, Dr Davena Rankin, Paul Reynolds, Rachel Simpson, Lesley Thomson, Alistair Webster, Professor Stephanie Young (Vice-Chair)

Apologies: Professor Ann Priest

In attendance: Professor Cam Donaldson, Pro Vice Chancellor Research
Jan Hulme, University Secretary & Vice Principal Governance
Seonag MacKinnon, Director of Communications and Public Affairs
Professor James Miller, Deputy Vice Chancellor (Strategy)
Susan Mitchell, Chief Operating Officer
Yetunde Ogedengbe, Vice-President (SHLS), GCU Students' Association
Paul Queen, Director of Finance
Professor Valerie Webster, Deputy Vice Chancellor (Academic)
Riley Power, Head of Governance (Secretary)

Chair's Opening Remarks

The Chair welcomed members to the meeting, noted apologies and advised members that following the meeting there would be an in-depth discussion on the Student Experience and NSS which would provide an opportunity for Court to consider in depth the work of the University relating to enhancing the student experience and to better understand the latest NSS results.

1. Minutes of the meeting of the University Court held on 27th September 2018

1.1 The minutes of the previous Court meeting were **approved** by circulation prior to the Court meeting.

2. Matters Arising

2.1 Court noted a report on the matters arising from the Court meeting on 27th September 2018 and the actions taken since that meeting to address them.

3. Declaration of Interests

3.1 Court noted the register of interests of members and those in attendance. Court members were invited to advise the secretariat of any change to their registered interests as they arose and clarify where it was not already explicit whether a role was remunerated or not. No changes or additional interests were notified.

4. Items Brought by Chair of Court

4.1 The Chair noted the following matters:

4.1.1 The Chair thanked Austin Lafferty, who had recently demitted office as a Court member, for his contribution to the work of Court over the course of his term. The Chair explained that Danny Gallacher was the new Students' Association Link Governor following Mr Lafferty's departure. The Chair also intimated Mr Reynolds's intention to stand down from Court in the summer.

- 4.1.2 The Chair provided comment on the Court Strategy Day held on 10th October 2018 which was widely considered by Court members to be a positive and constructive day. Governors who had not yet provided feedback were asked to do so. A report on strategy development plans following the Strategy Day was addressed elsewhere on the agenda.
- 4.1.3 The Chair updated Court members on the GCU London Stakeholder event held on 15th November 2018, indicating that this would be a continuing dialogue. He explained that a similar event in New York was imminent. A stakeholder meeting would be held in Glasgow later in the session.

5. Principal & Vice Chancellor and Executive Board Report

- 5.1 Court received a report from the Principal & Vice-Chancellor on substantive matters considered by the Executive Board since the last meeting of Court. In addition to the matters raised in the report the Principal noted the following:
- 5.1.1 The Principal highlighted the 2018-19 priorities for the University. Members noted that the priorities for 2018-19 focussed on growth across the board. Court reflected that, while the University should aim for sustainable growth across all its activities, it should consider where to focus resources in order to deliver targeted income growth.
- 5.1.2 Court also welcomed the decision to cover the cost of settled status applications for affected EU staff members, following the UK's exit from the EU.
- 5.1.3 Further issues concerned a useful discussion with the cultural attaché of Saudi Arabia in respect of which a future paper was likely to be submitted to Court, and the impact of planned and potential changes to student funding and degree structures in the rest of the UK which could well have an indirect impact on Scottish universities.

6. Student President's Report

- 6.1 Court considered a report from the Student President highlighting the recent activities and initiatives undertaken by the Students' Association. The Student President highlighted the following in particular:
- 6.1.1 The Student President provided an update on the feedback received from Think Positive at NUS Scotland on the Student Mental Health Agreement and advised that the Students' Association was applying this feedback to enhancing the work being undertaken by the Students' Association on student mental health.
- 6.1.2 The Student President advised Court that the NUS had indicated that it might become insolvent and outlined the potential implications and very limited risk to the Students' Association should this occur.

7. University Secretary's Report

- 7.1 The Court received a report from the University Secretary which addressed the following matters:
- 7.1.1 Court noted and endorsed the following Committee appointments made since the last meeting of Court:
- (a) Lesley Thomson appointed to Audit Committee
 - (b) Laura Gordon appointed to Remuneration Committee
- 7.1.2 The University Secretary provided an update on the progress of the lay governor recruitment exercise and advised Court that the selection panel had recommended the appointment of Sharon Lowrie as a member of Court from 1st January 2019. The Court Governance and Nominations Committee approved the recommendation to Court on the proposed appointment prior to the Court meeting. Court unanimously **approved** the recommended appointment.

- 7.1.3 Court received a progress update on the proposed changes to the Statutory Instrument and noted that a further update would be provided in March 2019.
- 7.1.4 Court noted the timeline for the implementation of a new Board Portal system for Court and its Committees. Court members were advised that a programme of training would be undertaken to support Court members in using the new system. The questions of associated hardware and information security were noted.

8. Draft Annual Accounts to 31st July 2018 and External Audit Letter of Representation

- 8.1 Court considered the draft annual financial statements for the University and its subsidiary companies for the year ended 31st July 2018. The report to Court outlined details of the consolidated headline results and noted in particular that after non-cash pension costs and restructuring costs were removed, the underlying operating surplus for 2017-18 was £0.8M. Court noted that the accounts had already been considered by the Finance and General Purposes Committee and Audit Committee with each having recommended them to Court for approval.
- 8.2 Court **approved** the consolidated annual financial statements along with the external audit letter of representation.
- 8.3 In relation to the GCNYC Accounts there was discussion of the costs and income. The Chair of the GCNYC Board noted that the cost/income ratio for GCNYC was a reflection of the stage of development of the NY operations and was being tracked carefully. The Chair of the Audit Committee noted that the Audit Committee had given careful consideration to the ability to recover the loan amount based on projected activity in NY in the next phase and were satisfied that the loan amount could be recovered on the basis of these assumptions, with the position being kept under periodic review.

9. Bank Financial Covenants Certificate

- 9.1 The Court **approved** the Bank Financial Covenant Certificate to be submitted to Lloyds Banking Group which confirmed the University's compliance with its banking covenants. Court noted that the Bank Financial Covenants Certificate had been reviewed by the Finance and General Purposes Committee and the Audit Committee, each of which recommended that the certificate be approved.

10. Letter of Support from GCU to GCNYC/GCU-NYC, Inc.

- 10.1 The Court **approved** the letters of support from the University to GCNYC and GCU-NYC, Inc. which provided assurances sought by the external auditors for GCNYC over the financial support provided to the College.

11. GCU Corporate Risk Register

- 11.1 Court considered and **approved** the Corporate Risk Register which captured changes since last presented to Court. Court welcomed the development of the document, discussed a number of the risks in some detail and noted that the Audit Committee had closely examined the risk register and had recommended Court approval.
- 11.1.1 Court members requested that information on student/staff ratios be shared with Court on a more frequent basis. The DVC Strategy agreed to confirm when in the HESA reporting cycle this information would be most usefully be reported to Court.

ACTION: Most suitable point in reporting cycle at which to report to Court on SSRs to be confirmed and included in Court forward work programme. (DVC Strategy)

- 11.1.2 Noting that most risks on the register had an amber residual risk rating, members queried how this should be interpreted. The Chief Operating Officer advised that the register reflected a frank assessment of a complex organisation operating in a challenging environment and assured the Court that there was a strong

focus on risk and effective risk management. The Chair of the Audit Committee noted that he had encouraged the capture of risk events and advised that the internal auditors had undertaken a review of the University's risk management framework which had confirmed that it was robust and compared well in the sector. He observed that the level of detail contained in the register might be reduced. Members commended the revised register and emphasised the importance of clarity about how a risk was being monitored, owned and managed.

11.1.3 Court members considered that further detail should be provided around what monitoring mechanisms were in place for each risk, along with details of progress on implementing actions planned and the impact of any actions on the residual risk score.

11.1.4 Court agreed that the briefing session previously delivered to Court members on risk management should be repeated annually.

ACTION: Annual risk management briefing event to be scheduled in calendar of Court events. (Head of Governance)

12. GCU-GCNYC Loan Amendment

12.1 The Court considered and **approved** an amendment to the loan facility to GCNYC to fulfil the annual assurance provided to the external auditors for GCNYC over the level of support provided by GCU. The Chair advised that as GCNYC moved through its strategic review process, the stages at which the University would review the level of any ongoing financial support required by GCNYC would be made clear.

13. Outcome Agreement 2019-20: Guidance and Approach

13.1 Court examined a report from the DVC Strategy which outlined the requirements for the 2019-20 Outcome Agreement and the approach and timetable for development of the GCU Outcome Agreement 2019-20 submission. Court noted in particular the focus given by the SFC to access and inclusion and risks and opportunities this presented for the University.

13.2 Court considered the action and strategies required to identify and address the challenges of the UK's departure from the EU. The DVC Strategy advised that the University was less exposed than other institutions in terms of EU student numbers. Its exposure lay in any impact on EU funding such as Erasmus funding and other research grants. The Principal noted that the University would work to embed firmly current relationships within the EU while also looking at new possibilities further afield. The PVC Research advised that the University had established social innovation partnerships elsewhere throughout the world which would provide a solid platform from which to compete in any arrangements put in place by the UK or Scottish governments to replace the EU frameworks. The PVC Research also advised that the University was currently focussing significant attention on EU funding in order to maximise any returns from this source in the event of a precipice upon the UK's exit from the EU.

14. GCU Strategy Development

14.1 Court considered a report from the DVC Strategy which set out at a high level the core elements of the University Strategy for endorsement by Court, ahead of a detailed paper on Strategy 2030 for the March Court meeting which would form the basis of a document for wide consultation. This report also set out the timetable for Strategy Development. The substance of the report had been developed by the Executive Board following the discussion at the Court Strategy Day held on 10th October 2018.

14.2 Court endorsed the approach to the strategy development, including the proposed timeline which, although protracted, would ensure thorough consultation and wide opportunity for stakeholders to contribute. It was advised that there should be clarity in defining targets and aspirations to ensure that the final plan contained appropriate measures of success. The Chair noted that link governors would have an important role in gauging and communicating local perspective as the consultation proceeded.

15. 2018-19 Student Recruitment Update

15.1 Court considered a report from the DVC Strategy which provided an overview of students who had registered by 13th November 2018. The Court also noted an early view of the trimester B student pipeline along with trend data relating to international student recruitment. The DVC Strategy set out some key issues arising from the data and noted the financial impact of the expected recruitment results. Court noted in particular the need to drive GCU London recruitment results. In this regard, the Chair advised members that the feedback from staff at the recent GCU London stakeholder event had been marked by confidence and a strong enthusiasm around the ability to achieve these results, while some operational barriers that could impede recruitment had been highlighted.

16. Report from University Senate

16.1 Court noted the report from the meeting of the University Senate held on 12th October 2018. The Court **approved** the proposed interim composition of Senate set out in the report which would apply until such time as the University's statutory instrument had been amended and a final Senate composition was agreed and incorporated into the Senate Standing Orders.

16.2 Court also noted the Senate Annual report which outlined the Senate's work in 2017-18 in relation to fulfilling its terms of reference. The annual report was considered and approved by Senate at its meeting on 12th October 2018.

17. Standing Committee Business

17.1 Court noted a report from the Finance and General Purposes Committee which updated Court on the issues discussed and decisions taken by the Committee at its meeting on 15th October 2018. Court noted that the Committee would be meeting next on 3rd December 2018 to consider the Period 3 Forecast.

17.2 Court noted a report from the People Committee which updated Court on the issues discussed and decisions taken by the People Committee at its meeting on 23rd October 2018.

17.3 Court noted a report from the Audit Committee which updated Court on the issues discussed and decisions taken by the Committee at its meeting on 29th October 2018. The Chair of the Audit Committee also presented the Audit Committee Annual Report which outlined the work of the Audit Committee in fulfilment of its terms of reference and compliance with SFC requirements. Court **approved** this report for submission as part of the annual information requirements of the SFC.

17.4 The Court received a full written and oral report on the work of the Remuneration Committee for 2017-18, including a report of the issues discussed and decisions taken by the Committee at its meeting on 7th November 2018. Court **approved** the report and considered the following, in particular:

17.4.1 The new structured scheme for developing performance and managing the progression and remuneration of professorial staff;

17.4.2 The agreed application of a 2% cost of living uplift to all senior salaries including professorial salaries in respect of FY 2018/19. The Principal, while thanking the Committee for its wish to propose this in her case, declined to take the cost of living increase or other recognition and therefore no recommendation was made to Court in relation to the Principal's remuneration.

17.4.3 The Court **approved** the Committee's and the Remuneration Panel's revised Terms of Reference and noted that the Committee membership now included a student and a staff governor.

17.4.4 The Chair of the Committee presented a report of the consultation meetings held with representatives of students and staff, including representatives from recognised trade unions in relation to the remuneration

of the Principal and the executive team. Court noted that these meetings had been constructive and that similar consultation meetings would be held in future.

17.4.5 Court noted that a joint meeting of the Remuneration Committee and the Executive Board would be held early in the new year to consider possible approaches and the context of senior remuneration.

17.4.6 The Chair of Court advised that he had agreed a set of objectives with the Principal and agreed to circulate these to Court members.

ACTION: Principal & Vice-Chancellor's Objectives for 2018-19 to be circulated to Court members. (Chair of Court)

18. GCNYC Board of Trustees Report from Meeting on 13th November 2018.

18.1 Court considered a report from the GCNYC Board of Trustees which provided an update to the Court on the business discussed at the GCNYC Board of Trustees meeting held on 13th November 2018.

18.2 The Court noted that there would be a Board of Trustee Meeting included in the GCNYC Strategy Planning Day on 14th December 2018 and that the GCNYC Commencement Ceremony for the first cohort of students would take place on 15th December 2018.

19. Date of Next Meeting

19.1 The date of the next meeting of Court was Thursday 14th March 2019 at 9.00AM, which would be preceded by a Court dinner held on the evening of Wednesday, 13th March 2019 at 6.00PM. Arrangements would be made for a short visit to part of the University after the Court meeting.

ACTION: Arrangements to be made for a short visit to a part of the University following the March Court Meeting. (Head of Governance)