

University Court

Minutes of the meeting of the University Court held on 23rd November 2017

(Minutes 17.32 – 17.64)

Present: Hazel Brooke (Chair)
Kevin Campbell, Dr Douglas Chalmers, Dr Morag Ferguson, Daniel Gallacher, Professor Pamela Gillies, Laura Gordon, Dr Bill Gunnyeon, Tom Halpin, Asif Haseeb, Gordon Jack, Ian Kerr, Austin Lafferty, Neena Mahal, Dr Neil Partlett, Professor Ann Priest, Davena Rankin, Paul Reynolds, Lesley Thomson, Alistair Webster, Professor Stephanie Young (Vice-Chair)

Apologies: Caroline Stuart, Rob Woodward

In attendance: Chris Daisley, Students' Association Vice-President SEBE
Professor Cam Donaldson, Pro Vice Chancellor Research
Jan Hulme, University Secretary & Vice Principal Governance
Claire Hulsen, Director of Strategy & Planning
Dr Jeanine Gregersen-Hermans, Pro Vice-Chancellor International
Alex Killick, Director of People
Seonag MacKinnon, Director of Communications and Public Affairs
Professor James Miller, Deputy Vice Chancellor (Strategy)
Professor Valerie Webster, Deputy Vice Chancellor (Academic)
Lyndsay Brown, Financial Controller (for item 8 only)

Riley Power, Head of Governance (Secretary)

Chair's Opening Remarks

The Chair welcomed members to the meeting and noted apologies from Caroline Stuart and Rob Woodward.

Minutes of the meeting of the University Court held on 28th September 2017

17.32 Agreed Document UC17/21, the unconfirmed draft minutes of the Court meeting held on 22nd June 2017. It was considered that the minutes of the Court meeting reflected an accurate record of the discussion at the June meeting of Court subject to minor corrections

Matters Arising Briefing Note

17.33 Noted Document UC17/22, being a report on the matters arising from the Court meeting on 28th September 2017 and the actions taken since that meeting to address these matters.

The Chancellor

17.34 Agreed i. The Principal advised Court that after five years in the role of Chancellor of GCU, Professor Muhammad Yunus was now stepping down from this position. In warm recognition of Professor Yunus' commitment to remaining a lifelong friend of the University, the Court took much pleasure in conferring the title of Emeritus

Chancellor on him.

- ii. The Principal advised Court that Dr Annie Lennox OBE, Royal Academician, singer songwriter, highly-respected social activist and philanthropist, had agreed to be the new Chancellor of GCU. Court was delighted to receive this news and approved the appointment of Dr Lennox to this position.

17.35 Noted

The Principal noted that Dr Lennox's installation as Chancellor would take place at a ceremony at GCU on 2 July 2018.

Chair's Report

17.36 Noted

- i. Document UC17/24, a report from the Chair of Court on the activities she had undertaken and meetings she had attended on behalf of Court.
- ii. The Court Open event took place on 22nd November 2017. Approximately 25 members of staff attended the presentation and panel discussion, the latter moderated by lay court member, Austin Lafferty. It was noted that London staff had proved unable to join the event as planned and further consideration would be given to how to engage separately with GCU London staff.
- iii. The Chair updated Court on discussions that had taken place at the Committee Chairs meeting on the creation of a more effective and efficient approach to conducting the business currently undertaken by the Health and Safety Committee, the Staff Policy Committee and possibly in due course the Equality and Diversity Committee. The Chair noted that this proposal was also discussed at the meeting of the Health and Safety Committee on 16th November 2017. The Chair of the Health and Safety Committee noted that the Committee was supportive of the proposal as a means of considering staff welfare issues in a more holistic way and that further consideration should be given to an appropriate remit and membership for any replacement committee. The Chair of Court advised Court that further discussion of the proposal would take place within the Court Membership Committee before additional detail on the proposal was reported back to Court.

17.37 Agreed

The Chair advised Court members that she had carried out the annual consideration of the performance of the Principal which included consultation with all members of the governing body. The assessment was shared and agreed with the members of the Remuneration Committee at its meeting on 5th November 2017. Court also noted the Principal's Objectives for 2017/18.

Principal's and Executive Board Report

17.38 Noted

- i. Document UC17/25, the Principal's and Executive Board Report to Court.
- ii. The Principal highlighted in particular the new Scottish Government strategy for STEM education and training. The Principal noted that the Scottish Government indicated that it wished to invest further in STEM education and training but that no additional funding was being provided to the sector to support this strategy, which indicated that resources would be diverted from other areas instead. The Principal agreed to provide Court members with additional detail on the strategy and the potential impact on the University.

- iii. The Principal advised Court members that further details on the arrangements for REF 2021 had been released. The PVC Research explained that the arrangements required that all research active staff be submitted to the REF but that the University would be able to develop a Code of Practice that set out a clear process for determining which staff were considered research active. The PVC Research agreed to provide a further more detailed narrative on the REF to Court in the new year.
- iv. Court members queried whether it was possible to develop regional collaborative arrangements with other institutions to reach the new widening access targets. The Principal advised that, while this had clear merits, such an approach was undermined by the competition inherent in the funding arrangements.
- v. Responding to a request from a Court member the Principal agreed to provide Court with a summary of the findings of the Scottish Government's review of the student support services.
- vi. A Court member queried whether the creation of an Office of Students by the UK Government for universities in England and Wales would negatively impact the enhancement led approach to quality in Scottish Higher Education. The Principal acknowledged that the geographical scope of the Office was unlikely to mean that its impact would leave Scotland unaffected and advised that a briefing paper on any significant impacts, including those relating to Quality, would be brought forward to a future meeting of Court.

University Secretary's Report

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| 17.39 | Considered | | Document UC17/26, the University Secretary's Report. |
| 17.40 | Agreed | i. | Court considered the outcomes of the Court Effectiveness Review and the recommendations and proposed actions that had either been taken or were planned. A Court member queried whether further proposals would be included in relation to open meetings of Court. The University Secretary advised that the new Scottish Code of Good Higher Education Governance also addressed related issues and advised Court that a further paper highlighting changes to the Statutory Instrument and the Court Standing Orders would be provided to the March 2018 meeting of Court and any recommendation would be made to Court at that stage. |
| | | ii. | Court ratified the appointment of the DVC Strategy to the Finance and General Purposes Committee in light of his current executive responsibility for the finance function. The Court also noted that the DVC Strategy would be appointed on the same basis to the Boards of those University subsidiary companies on which the previous CFO had served. |
| 17.41 | Noted | | The Court noted the initial work being undertaken in relation to the University's obligations under the Criminal Finances Act 2017 and that the University's Financial Controller would be submitting a paper to the Executive Board regarding any measures required to ensure compliance with the Act. |
| | | ii. | The Court noted that the Glasgow Educational and Marshall Trust had invited the University to nominate a representative to serve on the Board of Governors for the Charity. The University had nominated Kirsty MacInnes, Student Enquiries Advice and Events Manager as its representative. |

Draft Annual Financial Statements for year ending 31st July 2017, Letters of Representation and Compliance with Financial Covenants

- 17.42 Considered i. Document UC17/27, being the Annual Financial Statements for GCU and Document UC17/28, being the Financial Covenants Certificate. The Financial Controller updated Court on the headline consolidated results. The results were in line with the Period 12 Financial Management Report and there was an operating surplus for the year of £0.3M prior to total pension cost adjustments of £3.3M. The final deficit for the year was £3M compared with the £5.2M deficit for 2016. The Court noted that the Draft Annual Financial Statements had been commended to the Court for approval by the Audit Committee following scrutiny by both the Finance and General Purposes Committee and the Audit Committee. The Court noted that the University's financial covenants had been met and that compliance would be reported to the Bank of Scotland by the end of November. The Court noted that the annual financial statements for each of the University's subsidiary companies had been approved by the respective Boards of these companies on 23rd November 2017, following scrutiny by the Finance and General Purposes Committee and the Audit Committee.
- ii. Court considered the Draft Annual Financial Statements and noted the following in particular:
- (a) Court members suggested it would be helpful for future years to have a formal presentation on the key matters arising from the annual accounts. This would be considered further before the next year's accounts were brought forward to the Court.
- (b) A Court member referred to the number of senior staff being paid over £100k per year. The Court member suggested that the University consider implementing a ratio of 10:1 for the highest paid staff member to the lowest paid staff member. The Director of People advised Court that a frequently used gauge of proportionality was the ratio between average staff pay and the highest paid staff member. The University's ratio was one of the lowest in the sector and, particularly when compared with the private sector, remuneration was proportionate and reasonable in terms of senior salaries, which nevertheless had to be competitive to attract and retain strong appointees to senior posts. The DVC Strategy reminded Court that the amounts listed at Note 7 to the Consolidated Financial Statements reflected total compensation and not salaries alone.
- (c) A Court member queried whether an update would be provided to Court on the results of the Mutual Severance Scheme and if this update would include an assessment of the impact on student/staff ratios. He felt that the University's going for growth strategy was not compatible with staff leaving under MSS or VS. The DVC Strategy reminded Court of the philosophy behind the MSS and advised that, while the expected costs of the MSS were within the budget approved by Court, the Executive Board could not yet provide a definitive update on the impact of the final uptake of the scheme. The DVC Strategy would report further to Court at its meeting in March 2018.
- iii. The Court also noted the External Audit Letter of Representation which would be signed by the Principal of GCU on 23rd November 2017 at the time the Annual Financial Statements were signed. The Court noted that the letter contained the standard representations and was in accordance with prior year letters signed on

behalf of the University.

- 17.43 Agreed Court approved the Annual Financial Statements and External Audit Letter of Representation for the year ended 31st July 2017 and noted the University's compliance with the financial covenants.

Letter of Support for GCU-NYC, Inc.

- 17.44 Agreed Court considered the Letter of Support for GCU-NYC, Inc. (Document UC17/29) which contained assurances sought by KPMG LLP, external auditors for GCU-NYC, Inc., over the financial support that would be provided to GCU-NYC, Inc. in order for the organisation to meet its liabilities and obligations through the foreseeable future, and at least until 1 December 2018. GCU also needed to provide GCU-NYC, Inc. with a parental letter of support for the same period. The Chair of the GCU-NYC, Inc. Board advised that he and the other directors and trustees of GCU-NYC, Inc. and GCNYC who were also members of the GCU Court had a potential conflict of interest in this matter and would not participate in the decision on whether to approve the letters of support. Court approved the letters of support.

2017-18 Trimester A Student Recruitment

- 17.45 Considered
- i. Document UC17/30, which provided an overview of student numbers for Trimester A of Academic Year 2017-18 based on registrations at GCU as at 13 November 2017. The Director of Strategy and Planning advised Court that:
 - (a) The University was expected to be comfortably within the SFC student number limits for non-controlled subjects in academic year 2017-18.
 - (b) For 2017-18, the position for new intake and continuing RUK undergraduate student numbers was at 93% of the Trimester A target.
 - (c) The University had exceeded target for Trimester A new and continuing international students by 1% and was 12% above the final 2016-17 Trimester A position.
 - (d) Due to strong recruitment from the UK/EU market, GCU London was at 133% of its student number target.
 - ii. Court noted the significant under recruitment of undergraduate international students in the School of Engineering and Built Environment and of postgraduate international students in the Glasgow School for Business and Society. Court queried whether this under recruitment was a function of the University's offer to students or its marketing of programmes in these schools. The DVC Academic advised Court that the University had planned to review both the portfolio and the associated marketing plan. Court noted that the Schools had been asked to re-profile portfolios to determine where the University could disinvest in some programmes so that resources could be refocussed on more viable programmes. In addition, a clearer marketing plan would be developed along with a stronger focus on conversion activities. The PVC International advised that a revised marketing strategy would be presented to the Court to consider at its meeting in March 2018.

School for Work-Based Education Report

- 17.46 Considered
- i. Document UC17/31 which provided an update on current and emerging projects being developed by the School for Work Based Education (SWBE) and projects led by SWBE in collaboration with other Schools. Court noted the update and

requested that routinely core information should be provided concisely using a spreadsheet format. Court accordingly requested a further report which set out the full pipeline of projects and the state of play with each as well as the expected value, cost and contribution of each and its RAG rating.

The Vice Chair referred to feedback she had received from some governors about papers submitted to Court and emphasised that all papers should be drafted in such a way that the summary gave a succinctly comprehensive view of the content of the paper.

Another member asked that, as required by the template for Court documents, all papers should have an Equality Impact Assessment or a statement to say that the matter of an EIA had been addressed and none was needed on this occasion.

- ii. A Court member raised a concern about a particular company with which SWBE had engaged, as the company had been the subject of some negative coverage. The Principal assured Court that each company with which the University worked had undergone due diligence including an ethical screening but that further investigation would be carried out in light of the issue raised.

GCNYC Update

- 17.47 Considered
- i. Document UC17/32, being an update on the overall position of GCNYC which included details of the inaugural meeting of the GCNYC Board of Trustees, the MSCHE accreditation process, student recruitment and progression and of profile raising events for GCNYC. Court noted in particular the Gantt Chart setting out the timeline of actions required as part of the MSCHE accreditation process and details of the inaugural GCNYC Board of Trustees meeting held on 26 October 2017 (Document UC17/32b).
 - ii. Document UC17/32a which provided an updated budget forecast for GCNYC for the 2017-18 Academic Year. The DVC Strategy advised Court that this forecast took into account the award of the Provisional Charter, the first intake of students and all available additional intelligence collected around the operations of GCNYC as it progressed through its start-up phase. The revisions followed discussions with the Chair of the GCNYC Board, the Principal and the VP GCNYC. The Chair of the GCNYC Board had sought and received in these discussions assurance from the VP GCNYC that the income targets were deliverable and would be met or exceeded and that expenditure would be contained tightly within budget. The Chair of the GCNYC Board also highlighted that the Board of Trustees contained substantial commercial and financial expertise and was focused on the need to monitor delivery against this budget to ensure the future and the financial sustainability of GCNYC. The Chair of the Board observed that he had been very impressed by the work to date in establishing a brand widely known and seen as interesting in New York. The task was now to ensure that this drove a secure financial position.
 - iii. In relation to a query about the level of staff costs at GCNYC, the Chair of the GCU Remuneration Committee and the Vice-Chair of Court advised members that the Remuneration Committee had asked for additional benchmarking of NY HE remuneration levels to be undertaken and advised that in assessing overall performance of senior staff, the financial performance of GCNYC would be of particular relevance. The DVC Strategy advised Court that the total staff costs related not only to existing programmes but also to planned programmes for 2018-

19. The costs would be incurred by a mix of full-time and adjunct staff. GCNYC needed to demonstrate to MSCHE and NYSED sufficient commitment to staff resources to support its planned operations. The DVC Strategy advised Court that the level of staffing outlined in the material provided to Court was the level required to support the budgeted student recruitment and other operations at GCNYC. The Chair of the GCNYC Board noted that while the level of staff costs appeared high for the number of students currently at GCNYC, it had to be viewed against the significant work being undertaken to develop the enterprise following the grant of the Provisional Charter and to achieve and manage the planned growth.

- iv. The Chair of the Audit Committee noted the possibility that the University would be required to provide in the 2017-18 accounts against the eventuality that the debt was not recoverable. This would substantially depend on the performance of GCNYC in delivering the 2017-18 budget and would be evaluated by the auditors as part of the preparation of the Annual Financial Statements for 2017-18.
- v. A Court member queried how the University managed exchange rate risk. The DVC Strategy noted that this was a risk that the University carried at present and was monitored to assess fluctuations in the level of risk.

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| 17.48 | Agreed | i. Court approved the reforecast GCNYC Budget for 2017-18. |
| | | ii. Court also considered and approved the proposal (Document UC17/32c) to allow GCNYC to use the GCU Coat of Arms, suitably adapted to GCNYC, under a licensing agreement which would be drafted by GCU with advice from the University lawyers. |

GCU London Update

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| 17.49 | Considered | i. Document UC17/33 which provided an update on the overall position of GCU London for the 2017-18 Academic Year. |
| | | ii. A Court member queried whether the departure of a key member of staff represented a single point of failure in relation to the other commercial income for GCU London. The DVC Academic advised Court that, while the departure of key staff was a challenge, it had presented an opportunity to adopt an alternative approach to growing commercial income which involved greater collaboration with the School for Work-Based Education and across GCU London itself. The DVC Academic also advised Court that further opportunities for growing other commercial income were expected to be realised through more effective use of the space by Conference and Events and exploring sub-letting opportunities. The DVC Academic agreed to provide Court with a briefing paper which set out the long term plan for GCU London. In light of queries arising in discussion a fuller briefing on the origins and development of GCUL and GCNYC would be arranged for new governors. |

Student Information Management System Project Report

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| 17.50 | Considered | Document UC17/34 which provided a progress update on SIMS project. The DVC Strategy advised Court that the contractual arrangements between the University and the preferred supplier had been finalised. The revised timeframe for the project was 33 months, with full implementation planned for July 2020 and key |
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functionality would be staged throughout the implementation. The DVC Strategy noted that the revised cost structure was still contained within the overall business case allocation for the project.

SFC Outcome Agreement Guidance and Approach

17.51 Noted Document UC17/35 which provided an overview of the Ministerial Letter of Guidance to the Scottish Funding Council (SFC) and the guidance from the SFC in relation to the development of the University's institutional Outcome Agreement for 2018-19. The Director of Strategy and Planning advised Court that the Scottish Government priorities were unchanged and that there remained a particular focus on widening access and the implementation of the recommendations of the Commission for Widening Access. However, the Ministerial Letter of Guidance prescribed 'intensification' within the Outcome Agreement process. The Director of Strategy and Planning advised that the University was working with its Outcome Agreement Manager to determine what this might mean for GCU. Court noted that a draft Outcome Agreement for 2018-19 would be provided to Court in March 2018 for comment and approval before being submitted to the SFC in April 2018. Court noted a general concern about the single year funding settlements and the uncertainty of future funding from the SFC and queried whether the University had modelled different scenarios based on a range of funding outcomes and the treatment of the funding currently relating to government funding of other EU students. The DVC Strategy advised that modelling of scenarios was underway and would be brought to Court.

Senate Report, Senate Annual Report and Senate Effectiveness Review

17.52 Noted

- i. Court noted Document UC17/36 which summarised the key outcomes from the meeting of Senate on 13th October 2017.
- ii. Court noted Document UC17/37 being the Senate Annual Report 2016-17 which outlined the work of Senate in 2016-17 in relation to fulfilling its terms of reference. Court noted that the annual report from Senate was considered and approved by Senate at its meeting on 13th October 2017. Court members noted that an annual report on the activity of the Senate Disciplinary Committee would be provided to the Court at its meeting in March 2018.

17.53 Considered Court considered Document UC17/38 which provided a summary of the Senate Effectiveness Review that had been conducted in accordance with the requirements of the Scottish Code of Good higher Education Governance and set out the recommendations made by the Senate Effectiveness Review Working Group. The Chair of the Senate Effectiveness Review Working Group advised Court that there was strong, committed engagement by Senate in the review with a very positive outcome overall. The key themes that had emerged from the review were:

- (a) The need to ensure clear communication of the outcomes of Senate to staff and students;
- (b) The need to increase staff understanding of the remit of Senate and the importance of Senate business, and to encourage more staff to seek to serve on Senate as and when vacancies arose.
- (c) Training and development for Senate members and for standing committees should be considered further to enable members to engage effectively with Senate and Committee business.

The Senate appointed governor expressed appreciation of the work of the Chair and administrative colleagues and of the consultative process that had characterised the exercise. Professor Priest was thanked for her considerable work in chairing the review. Court noted the reports and that the final report would be submitted to Senate for approval at its meeting on 15th December 2017.

Report from Finance and General Purposes Committee Meeting held on 16th October 2017

17.54 Noted Document UC17/39, a report on substantive items which the Finance and General Purposes Committee had considered at its meeting on 16th October 2017.

Report from Audit Committee Meeting held on 30th October 2017 and Audit Committee Annual Report 2016-17

17.55 Agreed Court considered Document UC17/40 being the Audit Committee Annual Report for 2016-17 which set out the work of the Audit Committee in its fulfilment of its terms of reference and compliance with SFC requirements. Court noted that the Audit Committee had considered the report and recommended that Court approve the report at its meeting on 30th October 2017. The Chair of the Audit Committee briefly explained the key highlights from the report and invited Court to approve the Report. Court considered the report and approved its submission to the SFC no later than 1 December 2017.

17.56 Considered Document UC17/41, a report on substantive items which the Audit Committee had considered at its meeting on 30th October 2017.

17.57 Agreed Court approved changes to the Audit Committee Objectives and Terms of Reference following the appointment of the GCNYC Audit Committee at the meeting of the GCNYC Board of Trustees meeting on 26 October 2017. The Court agreed a proposed amendment to the Audit Committee Terms of Reference to clarify the scope of the audit responsibility for GCNYC. The Court also agreed additional minor changes to clarify the Audit Committee's role in agreeing the GCU internal audit plan and considering the annual financial statements prior to recommending these to the Court for approval.

GCU Corporate Risk Register

17.58 Considered i. Document UC17/42 being the GCU Corporate Risk Register which included details of significant changes that had been made to the Corporate Risk Register since last presented to Court in February 2017. The DVC Strategy advised Court that the University also maintained a Risk Event Log and that the process for determining what constituted a risk event would be reviewed further at the next meeting of the Risk Management Forum, following feedback from the Audit Committee on the contents of the log. The DVC Strategy also noted that the Risk Register had been updated at the Risk Management Forum meeting on 22nd November 2017 and agreed to circulate an updated version of the risk register to Court members.

ii. Court considered its approach to reviewing the Corporate Risk Register and whether an annual in depth review, in addition to periodic monitoring by Court, should be included in the Court work plan before the Risk Register was approved by Court. The DVC Strategy agreed to consider this proposal further and recommend to Court how the objectives of any in depth annual review by Court members might most appropriately be met.

- iii. In relation to specific risks, Court noted in particular that Risk 11 and 12 made unclear reference to a business plan. Court agreed that the risk descriptions should be updated to clarify the references.

Remuneration Committee Annual Report 2016-17

- 17.59 Noted Document UC17/43, being the Remuneration Committee Annual Report which incorporated full details of the basis of all decisions about the salaries and terms and conditions of service for the Principal and other members of the Executive along with information concerning external comparators and other background information used by the Committee in making its decisions. The Chair of the Remuneration Committee provided a summary of the key elements of the report and confirmed to Court that the Remuneration Philosophy which Court had approved had been applied by the Committee in all remuneration decisions and recommendations.
- 17.60 Agreed Court approved the Remuneration Committee Annual Report and the recommended remuneration of the Principal.

Report from Staff Policy Committee Meeting held on 9th November 2017

- 17.61 Considered Document UC17/44, a report on substantive items which Staff Policy Committee had considered at its meeting on 9th November 2017.
- 17.62 Agreed Court approved the People Strategy Review 2016/17 and 2017/18 implementation which was appended to the report.

Report from Health and Safety Committee Meeting held on 16th November 2017

- 17.63 Noted Document UC17/45, a report on substantive items which the Health and Safety Committee had considered at its meeting on 16th November 2017.

Date of next meeting

- 17.64 Noted The next meeting of Court would be held on Thursday 15th March 2018 at 2.00pm.

Closing Remarks

The Chair advised Court members that, as she was due to demit office as Chair of Court on 5th February 2018, the meeting was to be her final GCU Court meeting. The Principal expressed the warm thanks of the Court and the entire University community for the Chair's outstanding, selfless service and constructive challenge throughout nine years on Court, with three as Chair, during testing and exciting times for the University. The Chair thanked the Principal and the Court and referred to the pleasure and privilege of serving the University as Chair of Court.