

## **Glasgow Caledonian University Court**

### **Minutes of the University Court held on 11 November 2020 at 9am via Online Conferencing Facilities**

**Present:** Rob Woodward (Chair), Peter Baguley, Dr Douglas Chalmers, Susan Docherty, Dr Morag Ferguson, Campbell Fitch, Sylvie Freund Pickavance, Daniel Gallacher, Ellen Gibson, Professor Pamela Gillies, David Halliday, Asif Haseeb, Gordon Jack, Ian Kerr, Sharon Lowrie, Meg Lustman, Neena Mahal, Bill McDonald, Dr Nick McKerrell, Tabitha Nyariki, Professor Ann Priest, Austin Sweeney, Alistair Webster, Stephanie Young.

**In attendance:** Jan Hulme, University Secretary and Vice Principal (Governance)  
Professor James Miller, Deputy Vice Chancellor (Strategy)  
Susan Mitchell, Chief Operating Officer  
Paul Queen, Director of Finance  
Professor Valerie Webster, Deputy Vice Chancellor (LTSE)  
Professor Cam Donaldson, Pro Vice Chancellor (Research)  
Fiona Campbell, Director of People Services  
Claire Hulsen, Director of Strategy  
Deborah Donnet, Acting Head of Governance (Secretary)

#### **Chair's opening remarks**

The Chair welcomed Ellen Gibson and Dr Nick McKerrell to their first meeting as Trade Union nominated members, and Ms Tabitha Nyariki similarly as the second student governor. All three had previously attended as observers. Deborah Donnet, Acting Head of Governance, was also welcomed.

The Chair invited all present to join him in observing the two-minute silence to mark Armistice Day at 11.00am.

#### **1. Minutes**

- 1.1 Court noted that the minutes of the Court meeting held on 9<sup>th</sup> September 2020 had been approved by prior circulation.

#### **2. Matters arising**

- 2.1 The Court noted a report on the matters arising from the Court meeting on 9<sup>th</sup> September 2020 and the actions taken since that meeting to address them.
- 2.2 It was noted that, when questions had been raised in the Zoom chat during the meeting and not responded to at the meeting, and where the responses were of likely interest to all Governors, a collated response to questions posed would be circulated to Court within 10 days of the meeting. Those answering such questions were now asked to copy their responses routinely to the Acting Head of Governance as soon as possible after a Court meeting.

**ACTION: Governance to circulate unanswered zoom questions to relevant Executives for reply and onward circulation as appropriate.**

- 2.3 It was further noted that in line with the recommendations of the Court Effectiveness Review, relevant contextual, background information should be included in all reports relating to matters which had appeared on previous occasions on the agenda so that the report could be considered as a stand-alone item.

**ACTION: Report authors to ensure relevant contextual, background information is included in reports on matters previously discussed at Court.**

### **3. Declaration of interest**

- 3.1 A summary of the register of interests was included with the court papers. Court members were invited to advise the University Secretary or the Acting Head of Governance if any agenda items give rise to a conflict of interest.

### **4. Items brought by the Chair of Court**

- 4.1 The Chair reported that he and the Vice-Chair had recently had a tour of the campus and were very impressed by the measures in place to provide a Covid safe environment. The Chief Operating Officer would give governors access to the videos showing the campus and the measures in place. If any Governor particularly wished a tour, they should contact the Chief Operating Officer.
- 4.2 The Chair had met the Chair of the SFC twice since the SFC had published its report on the first phase of its work on the review of the FE and HE sectors. Whilst more detail was awaited, it was anticipated that the focus would be on closer collaboration of both sectors and the architecture of a single tertiary sector.
- 4.3 The Chair had completed the Principal's annual appraisal against the objectives the Court had approved last year, and this had followed a similar process to previous years including discussion with individual governors. Despite a year in which the impact of Covid had been and remained significant, there was major achievement against the objectives as well as outstanding leadership in addressing the pandemic. The future would call for careful monitoring and objective review of all the University's activities. He concluded by expressing to the Principal on behalf of the Court his warm thanks and congratulations on the substantial progress and achievements of the past year in what had been an exceptionally challenging set of circumstances.
- 4.4 The annual stakeholder event, entitled the GCU Civic Leaders Forum, was scheduled for the afternoon of 2<sup>nd</sup> December. It would be held virtually via Zoom Webinar and all governors were encouraged to attend and to extend the invitation to their contacts. Further details would be sent to Governors in due course including an invitation that could be circulated to contacts.

*Secretary's note: Subsequent to Court, it was decided to postpone the GCU Civic Leaders Forum to coincide with the launch of Strategy 2030 in January 2021.*

- 4.5 Governors were encouraged to maintain their link contacts, even in current circumstances.

## **5. Principal and Executive Board Report**

- 5.1 The Principal presented her report which provided a summary of items arising since the previous Court meeting.
- 5.2 The Scottish Government had recently announced a commitment to the testing of asymptomatic students to support a safe return home for the Christmas break. This had to be undertaken by individual universities and was a huge logistical task involving two tests, a week apart. Despite media coverage about the incidence of Covid among the student population, cumulatively since September there had been 52 cases of Covid in Caledonian Court, representing an incidence rate equivalent to that in the general community. Public Health officials were very happy with the University's management of cases. It was understood that there would also be asymptomatic testing when students returned for Tri B which began on 25<sup>th</sup> January 2021 after the January assessment period. There was no evidence in the sector of transmission related to face to face teaching.
- 5.3 The SFC review of tertiary education was not now expected to report finally until after the Scottish government elections next year. The Principal highlighted how the review looked only at the FE and HE sectors and did not take account of the wider educational ecosystem which was well illustrated in the diversity of the University's activities and partnerships at home and abroad. It was important too that the research strengths of the University were fully understood. The University would monitor the work of the review carefully and respond to any opportunities emerging as a result of it.
- 5.4 The Principal had been invited to participate in a round table event for COP26 being held in March 2021, with a view to understanding how the University could contribute to the event in November 2021. The Principal would brief Ms Lustman about this opportunity in light of her role as the link governor for sustainability. The Chair of Court was participating in a webinar in November that was designed to build awareness of the importance of COP 26.

## **6. Student President Report**

- 6.1 The Student President reported on the activities of the Students Association since the previous Court meeting and drew particular attention to the strong collaborative work with the University to support students through the disruptive impact of Covid. She described how the Association was promoting student engagement and well-being.
- 6.2 The President welcomed the pilot of additional 24/7 learning support by an external provider recently put in place to complement the highly regarded support delivered by the Learning Development Centre. Dr McKerrell proposed to the Student President that she should meet with the Academic Development Tutors.

- 6.3 It was reported that the University had recently received laptops to give to students under the digital inclusion strategy. Prior to receipt of these, students had been able to borrow laptops. Having access to laptops was a huge help to students who did not have their own equipment
- 6.4 Ms Nyariki described the activities the Students' Association for Black History Month and the work being undertaken by the Association as part of the University's Tackling Racism Working Group.
- 6.5 Court noted the Student President's update.

## **7. Chief Operating Officer report**

- 7.1 Court noted a report from the Chief Operating Officer which included information on the work undertaken to support the continued safe return to campus; work undertaken to support new graduates through the MINT programme; the finalisation of the year-end financial statements and completing the Bank borrowing arrangements. It was confirmed that SIMS (Release 1) successfully went live over the weekend of 23 -25 October, and Court expressed its appreciation for the work undertaken to turn the project round and deliver successfully Release 1.
- 7.2 Work to support student and staff mental health was progressing, and an important new element of this was the launch of the new Mental Health Support partnership with SAMH. Court was reminded of the reporting of Covid cases to Court that had taken place and would continue as appropriate.
- 7.3 Work was underway to establish the Covid testing facility for asymptomatic students as mentioned by the Principal in her update.
- 7.4 The success of the MINT (mentoring, internship, networking and talks) programme was welcomed by Court, with over 1,200 alumni volunteering as mentors, resulting in 400 graduates being matched with an industry mentor, and over 30 students receiving paid internships, 10 of which had translated into permanent roles.
- 7.5 Following the recent reintroduction of furlough by the Westminster Government, work was underway to review GCU staff who had previously been furloughed. It was noted that some had been redeployed within the University. The position would be looked at in relation to the business needs of the University, the financial implications and the impact on the individuals concerned.

## **8. University Secretary's Report**

- 8.1 The Court noted a report from the University Secretary which provided information on the virtual stakeholder event, and information relating to the court calendar for 2021/22 and 2022/23 which would be refreshed/produced for the Court's next meeting.
- 8.2 The report also outlined that the University's external auditors had required additions to the Primary Responsibilities for inclusion in the Financial Statements. These were not fundamentally new but represented an elaboration of the Court's "financial responsibilities" contained in the Statement of Primary Responsibilities of

Court. Court subsequently **approved**, subject to some stylistic edits, the revised Statement of Primary Responsibilities taking account of the required amendments. Court noted that it reviewed how it had fulfilled its Primary Responsibilities annually. However, it was suggested, given the nature of these new Responsibilities, that the Audit Committee might have a role to play in signposting how they were being addressed too.

**ACTION: VP Governance and Acting Head of Governance to finalise wording Statement Primary Responsibilities**

**9. 2020-21 Trimester A student registrations**

- 9.1 Court noted a report from the DVC Strategy which provided an overview of students who had registered by 30 October 2020. Overall, the University was in a relatively strong position with the Tri A intake exceeding the 2019/20 intake across all major categories. The Tri A budget targets had been reduced to a prudent level and at this stage the forecast was that all budget targets had been exceeded. The census date was 1<sup>st</sup> December, so final SFC figures would be known then.
- 9.2 Applications for Tri B were ahead of 2019/20.
- 9.3 The amount of additional funding promised from the SFC due to the increase in numbers as a result of the issues with the SQA exams, was not yet known.

**10. Draft Annual Financial Statements to 31st July 2020 and Supporting Documentation**

- 10.1 The Chief Operating Officer presented to Court the draft annual financial statements for the University and its subsidiary companies for the year ended 31st July 2020. The covering report provided details of the consolidated headline results and the underlying operating surplus for 2019/20 which was £3.6M. The Chief Operating Officer advised Court that, while the Auditors had essentially completed their work and were satisfied, their going concern statement was still outstanding for technical reasons associated with finalising the new loan facility which Court had recommended as part of its budget deliberations during the pandemic. This meant that Court could not finally approve the 2019/20 Statements at this meeting. It was proposed therefore that a sub-group of Court comprising the Chair of Court, the Chair of the Audit Committee and the Chair of the Finance and General Purposes Committee, be given delegated authority to provide final approval and sign off at the appropriate time. The Court would be kept apprised of receipt of the Auditor's going concern statement and the meeting of the sub-committee of Court. The Court's final approval by means of its sub-committee would be captured in the minutes of the Court's next meeting.
- 10.2 Court noted that the accounts and supporting documentation had already been considered at a joint meeting by the Finance and General Purposes Committee and Audit Committee. Both were satisfied that they should be presented to Court. The Audit Committee had also recommended them to Court for approval. Accordingly, Court **approved** the Annual Financial Statements 2019/20, subject to the auditors successfully completing their going concern consideration and finalising the audit, and **agreed** that final approval and sign off, at the appropriate time, would be undertaken by the Court sub-group outlined at 10.1 above.

- 10.3 Court further **approved** the GCU External Letter of Representation, the Bank Covenant Compliance Certificate both of which would be signed by the Principal and Vice Chancellor, and the GCU to GCNYC Letters of Support.
- 10.4 Court further noted the KPMG Audit Highlights Memorandum.
- 10.5 In relation to GCNYC, Court also considered a report on the GCNYC Loan Impairment recognised in the University's consolidated Annual Financial Statements for 2019/2020. The COO explained that GCNYC had not met income targets agreed for 2019/20 and that there had been significant revision of the previous business plan during the year, both of which had led management to conclude that it was unlikely that the University's loan to GCNYC would be repaid within the timeframe previously envisaged. This management view triggered the technical accounting requirement to calculate a loan impairment which had to be recognised in the 2019/20 financial statements. The impairment calculation had no impact on the continuing responsibility of GCNYC to repay the loan, and it had no impact on the University's final position in the consolidated Accounts. The impairment was a formal accounting requirement resulting from this management judgment and could, moreover, be reversed in future years if circumstances changed and earlier repayment of the loan proved likely.
- 10.6 As a direct consequence of this impairment Court considered a proposal by the Chief Operating Officer to describe future funding from GCU to GCNYC as a grant rather than a loan and to replace the current loan agreement with a grant agreement. The impairment value of the cumulative loan had been calculated as at 31 July 2020, and the accounting logic was that this loan amount and the associated impairment calculation were therefore fixed unless management judged in later years that the existing loan would be repaid earlier than now expected. This accounting requirement did not preclude further funding for GCNYC from the University, but such funding could not be identified in accounting terms as a loan. Designating future funding as a grant did not alter the University's expectation of recouping such amounts and nor did the grant agreement in itself mean that Court was in any way committing to a defined period or amount of future support for GCNYC.
- 10.7 Following detailed discussion and explanation, the Court was assured that in practice the grant would be no less repayable than the loan. Court also recognised that, without this legal agreement with GCNYC in place defining the channel for funding beyond 31 July 2020, the GCNYC auditors would be unable to provide their going concern statement for GCNYC's 2019/20 Accounts. With no corresponding financial advantage to the University, this would immediately put at risk GCNYC's standing and the conditions for success it had already achieved. Two staff governors, Dr Chalmers and Dr McKerrell, expressed concern at the University's continued funding of GCNYC.
- 10.8 Court **approved**, with Dr Chalmers, Dr McKerrell and Ms Gibson dissenting,
- a) the grant agreement between GCU and GCNYC;

- b) that the annual budget approval process would be the point at which GCNYC funding for the following year would be approved, and this would be monitored quarterly throughout the year;
- c) an increase in the maximum potential funding to GCNYC from \$30.7m to \$35.3m (to reflect the headroom sum that Court had already approved in agreeing GCNYC's budget for 2020-21 and to assure the College's status as a going concern until December 2021), while noting:
  - i. that this commitment was independent of, and did not pre-empt any discussions about GCNYC progress and future that the Court might wish to have before December 2021; and
  - ii. that spend against this commitment would remain closely monitored by EB, F&GPC and Court.

10.9 Court further **agreed** that, notwithstanding the move to fund GCNYC through a grant, it wished ready identification of, and continued reporting on, the cumulative amount of funding the University was providing by way of loan up to 31 July 2020 and grant thereafter as part of the monitoring by Court and FGPC. Court was assured that the reporting of both loan and grant would be brought forward in future papers.

## 11. Annual Procurement Report 2019/20

11.1 Court **approved** the Annual Procurement Report for 2019/20 which summarised the activities that had been carried out in delivering the University's organisational Procurement Strategy in the period and which will be submitted to the Scottish Government as part of the University's public sector reporting requirements.

## 12. Risk Register

12.1 Court considered and noted the Corporate Risk Register which captured changes since last presented to Court. The Chair of the Audit Committee reported that his Committee had examined the risk register, noting that it was highly detailed, and commended it to Court. The internal and external auditors had commented favourably on the document.

12.2 The Chief Operating Officer advised Court that the Register was very much a live document under constant review and amendment to respond to the rapidly changing environment.

## 13. Strategy 2030 and KPIs

13.1 The Court received a paper from the DVC (Strategy) that, following from the discussions at the Court Strategy event, set out

- the development of Strategy 2030, and highlighted the process undertaken to date and the significant amount of consultation in support of the development

of Strategy 2030, the outcomes of which had culminated in the draft Strategy, and reflections on the Covid-19 pandemic;

- the final Draft Strategy 2030 for Court's approval;
- an Equality Impact Assessment, as approved by Court at its meeting in April; and
- 2030 Key Performance Indicators (KPIs) for approval, noting that the Executive had reflected on the KPIs previously endorsed by Court in light of the pandemic and updated baseline data where available.

13.2 The DVC (Strategy) informed Court that it was proposed to launch Strategy 2030 week commencing 21<sup>st</sup> January, and a revised reporting format and schedule would be brought to Court.

13.3 The Director of Strategy and Planning reported that the KPIs had been set through a consultative approach, but as the full impact of the pandemic could not be foreseen, there might be some consequential impact on target achievement. A formal review would be undertaken in 2025 in addition to the annual consideration of progress against targets

13.4 In discussion around the KPIs, it was suggested that given the uncertainty around Covid and Brexit, a review point earlier than 2025 would be more appropriate. Feedback was also given in relation to KPIs for student mobility, carbon emissions, research and staff and student engagement, and it was agreed to consider further the issues raised.

13.5 Court **approved** the Strategy 2030 and the KPIs on the basis that the latter would be finessed as appropriate in light of the feedback provided.

#### 14. Report from Senate on 19th October 2020

14.1 Court noted the report from the meeting of the University Senate held on 19th October 2020. The Principal welcomed the high level of engagement with Senate by Governors who had attended as observers over the last two years.

#### 15. Standing Committee Business

15.1 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 1<sup>st</sup> October 2020. The Committee considered that following the work of the Race Taskforce there was a training opportunity for the Court to consider.

15.2 Court noted a report from the Court Governance and Nominations Committee which updated Court on the issues discussed and decisions taken by the Committee at its meeting on 6<sup>th</sup> October 2020. Court **approved** changes to Committee membership as follows:

- People Committee: Ellen Gibson and Dr Nick McKerrell to join and Dr Douglas Chalmers to step down from this Committee;
- FGPC: Austin Sweeney, Meg Lustman, and Dr Douglas Chalmers to join.
- CGNC: Austin Sweeney to join
- Audit: Bill McDonald to join this as Chair Elect.

**ACTION: Department of Governance to update committee membership and send committee invitations as appropriate.**

Court also **approved** the reappointment of Ian Kerr, Neena Mahal and Professor Ann Priest for a third, three-year term of office as lay governors with effect from 1st August 2021 (all three governors absented themselves whilst this matter was considered), and the initiation of a new round of lay governor recruitment in light of the completion of third and final terms by Stephanie Young, Alistair Webster and Gordon Jack on 31 July 2021.

- 15.3 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 19<sup>th</sup> October 2020. These included the Committee's first detailed consideration of the factors affecting and issues associated with the Staff Student Ratio. Further work had been commissioned with a view to bringing the conclusions to Court at a later date.
- 15.4 Court noted a report covering both the joint meeting of the Finance and General Purposes and Audit Committees to address the Annual Financial Statements as noted above, and the meeting of the Audit Committee, both meetings having been held on 19<sup>th</sup> October 2020. The Chair of the Audit Committee presented the Audit Committee's 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.
- 15.5 The Court received the annual Remuneration Report 2019/20, noting that the usual work of the Committee had been affected by the earlier budget decisions to approve a pay freeze for all Senior Staff and to pause the assimilation phase for the Professorial Progression Scheme, at the Committee's May 2020 meeting. Coverage of the work of the Committee and of senior remuneration would be published in the Annual Financial Statements for 2019/20.
- 16. GCNYC Board of Trustees Report from Meeting on 14<sup>th</sup> September and 23rd October 2020**
- 16.1 The 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 14th September and 23rd October 2020.
- 16.2 Court noted the report and **approved**
- a) The appointment of the following Trustees, for a further three-year period with effect from 13<sup>th</sup> June 2020:- J Gordon Jack, Professor Pamela Gillies, Professor James Miller, Ian Kerr, Professor Ann Priest, Elinor Tatum, John Walker, and Dan Bena; and
  - b) The appointment of two new Trustees, JoAnne Rolle and Eva Haller, for a three year period with effect from 1<sup>st</sup> December 2020.
- 17. Principal's Objectives 2020/21**

- 17.1 The Court considered the Principal and Vice-Chancellor's Objectives for 2020-21, noting that these had been recommended to Court for approval by the Remuneration Committee.
- 17.2 A query was raised as to whether the objectives should include something specific regarding the SFC review. The Chair acknowledged that this would be an important issue in the year but considered that it was one of several wider contextual issues relevant to the objectives.
- 17.3 It was agreed to **approve** the Principal's objectives for 2020-21, and the Chair would consider how best to corral the topic of the SFC review within them.

**18. Media Report**

- 18.1 The Court noted the Media Coverage Analysis Update Report for September 2020.

**19. Date of next meeting**

- 19.1 The next Court meeting will take place on Thursday 18<sup>th</sup> February 2021.