Court – Wednesday 15 February 2012

Principal's Report

Items A: For Discussion

1. Restructuring Review – action plan
At its December meeting, Court received a report on the first year assessment of our Restructuring, which included input from staff surveys. Court heard that an action plan would be developed in early 2012 and that a further update would be provided to it at the February meeting. Court had particular concerns about the staff survey feedback on improvements to the decision making process and on communication above local level.

The Senior Vice-Principal will speak about the action plan at the Court meeting.

2. Investment Priorities
The VP (Strategy & Resources) prepared and presented a paper and associated spreadsheet to SMG which outlined the investment priorities discussed by budget holders during the preliminary budget meetings held in December 2011. The paper also recommended actions aimed at enabling the University to meet its objectives contained Glasgow 2020: a Global Vision.

The paper was set within the context of a reasonably positive financial position. The SFC indicative grant letter for 2012-13, issued in December 2011, had enabled our forecasts to be updated with more accurate SFC income information. This had resulted in higher surpluses over the forecast period, increasing the T-Grant by £12.4m (more than forecast), the REG grant by £1.2m, and the PGR grant by £0.8m, both less than forecast.

The net impact of these clarifications was an extra £3.4m of income in 2012-13 over the forecast produced in late November 2011. This together with the savings made against the University’s budget plan enabled the SMG to agree investment proposals in areas of strategic importance for immediate action.

The areas identified for potential investment were:
- Research leadership posts across all four Colleges
- Fellowships across all four Colleges
- Arts research themes (including digital humanities, cultural policy, etc)
- Sensor Systems
- Synthetic Biology
- Polyomics and Bioinformatics
- Research Institute in Public Policy
- Max Planck Centre in Measurement and Observation at the Quantum Limit
- REF Support, including web development.
- Enhanced support for research leadership appointment (scholarships etc)
- Continued investment in Business School
- International Reputation and Student Recruitment
- Alumni and Development
A detailed set of recommendations associated with these areas, along with investment costs and the person(s) responsible for taking them forward was included with the paper and the SMG agreed the proposals and action list.

4. Student Applications and Admissions

Data from the 2012 Applications cycle show a strong increase in applications to Glasgow for both Undergraduate and Postgraduate qualifications.

For Undergraduate applications, there has been a 15% growth in total numbers, and a 33% growth in international UG applications, compared to last year. Within these numbers there is a strong RUK performance, with Glasgow’s applications from RUK increasing by 11.4% compared to its competitors, where RUK applications have reduced by around 1.9%. A similar analysis, comparing applications from England only, shows Glasgow significantly growing its application base from England (21.6%), against applications to competitors, which have reduced by 1.1%. Work will take place over the next few months to convert RUK applications into firm acceptances; this will include electronic and printed communications about the University, opportunities to visit, and details of the Welcome Bursary, the Access Scholarship and tuition fee discount.

These successes must in part be attributed to the University’s decision regarding fees for RUK, though strong results in the NSS, tariff adjustments, and recruitment activity by RIO and Colleges must also have had an impact.

RUK applications to the School of Medicine however have fallen, and steps are being taken to analyse and respond to the reasons for this downturn.

With regard to Postgraduate applications, there has been a 25% growth in total numbers (24% PGT and 30% PGR) compared to last year, with all Colleges showing significant year on year growth.

Finally, there has been a 24% increase in international applications, with all categories showing growth:

- UG - 33% (increasing from 926 to 1,232)
- PGT - 24% (increasing from 8,365 to 10,359)
- PGR - 26% (increasing from 329 to 415)

There were 7,034 PG international applications to the Business School, representing a 24% year on year growth and 65% of all international applications; and 7,723 applications from China, representing a 34% year on year growth and 72% of all PGT and PGR applicants.

For Court’s information, the University has submitted its response to the recent UCAS Admissions Process Review Consultation, which recommended fundamental changes to admissions processes from 2016 with introduction of Post Qualification Admissions. Glasgow’s response, which is in line with the Russell Group position, is not supportive of the proposals as they stand.

Items B: For Information

5. Key activities

Below is a summary of some of the main activities I have been involved in since the last meeting of Court (14 December). As members will know, given my absence for a week or so in January, some of these events were covered by the Senior VP and other members of the Senior Management Group. I am grateful to them for stepping in at short notice. Such events included the Universities Scotland Main Committee in Dundee (17 January); the Jim Wight Lecture to launch the Vet School 150th celebrations; the General Council meeting on Saturday 21 January; the Holocaust Lecture delivered by Professor Nicholas Stragardt which attracted an audience of over 300 (24 January); a visit from Alistair Darling MP to hear about our Business School; a dinner for all VCs with Mike Russell prior to the publication of the report on Governance and a
service and dinner for the Moderator of the Church of Scotland (31 January). I was also represented at the launch of the Scottish Government's Cities Strategy in St Andrews by the Deputy First Minister which we are supporting with a joint investment with St Andrews University.

I have divided the rest of this report into 4 themes: Academic Development and Strategy; Internationalisation activities; Lobbying/Policy Influencing and Promoting the University; Internal activities and Communications

5.1 Academic Development and Strategy

On 12 January we welcomed Mr Luis Juste, Director of Santander Universities, and Mr Steve Pateman, Executive Director, Corporate Commercial & Business Banking Santander to the University for a Scholarship reception and an evening lecture. Santander Universities now has an impressive network of 900 Universities across 14 countries and supports a range of scholarships and Mobility Awards, and the University has 20 such awards running at the moment. The reception was an opportunity for Mr Juste to meet with our Santander Scholars and present them with a congratulatory certificate. Our current group of scholars represent 10 nations and cover a broad sweep of academic disciplines including languages, law, finance, business and management, literature, textile conservation, museum theory and practice, media management and geo information, technology & cartography. In the evening Mr Pateman, delivered a lecture entitled *The Banking Crisis: hidden challenges* to an audience of Business School colleagues and students and members of the business community. Building our international student community, our post graduate numbers and developing our relationship with the wider community are all parts of our strategic focus and this day and evening with Santander brought all these elements together in an encouraging and positive way.

By the time Court meets on 15 February, we will have launched the University’s Space Research Cluster (13 February) and we are delighted that the Rt Honourable David Willetts MP has agreed to attend and mark this new and exciting initiative.

5.2 International Activities

On 16 December, I travelled to Hong Kong to attend the University of Hong Kong Centenary Celebrations 17-18 December, 2011. I was able to combine this with Glasgow University business which included a special event and meetings aimed at strengthening our relationship with alumni and contacts who had expressed an interest in becoming more involved with the University.

The key University event was held on the evening of 19th December in the British Council. It was described as a Hong Kong Panel Evening and Reception and included presentations and discussion on the topic *World Economic Crisis and Global Solutions: A view from Europe and Asia*. In addition to a presentation from me, we were delighted to have as our guest speaker, Dr Hongbin Qu (MPhil, 1990) Chief Economist for China, HSBC. This was followed by a panel discussion, Q&A session, featuring our special guest Professor Sir James Mirrlees, Nobel Laureate in Economic Sciences. It was an excellent event and allowed us to showcase Glasgow, and our expertise in business and financial areas, to our alumni, influencers, potential industrial, government and academic research collaborators in Hong Kong. Following the event the business contacts who attended were sent a copy of the *Glasgow at a Glance* brochure with a covering letter from me and it is intended that they will be invited to relevant University events in the future. In addition, the British Council and Corporate Communications invited a number of media outlets to attend the evening. This resulted in an interview with i-Money Magazine and the article was published on the 31 December. These outcomes and the opportunity I had to meet personally with one or two key supporters all added to the value of the trip – one certainly worth undertaking and which I am sure will bear fruit in due course.

5.3 Lobbying/Policy Influencing and Promoting the University

On the 9th of January I had the pleasure of welcoming around 60 Fulbright Scholars from the USA to the University as part of their week’s visit to Scotland. This was a great opportunity to introduce these top flight PG students, many of whom will go on to be community and national leaders, to the University. In addition to my introduction to Glasgow, our strategy and ambition, four of our leading academics gave presentations on their work and this was followed by a tour of the Hunterian museum. In many respects we are fortunate that the University’s estate has that ‘wow factor’ and sells itself - the scholars were impressed with the
setting – but there is that added value in being able to showcase the fact that we have world leading academicians at a prestigious University, a fact some of our visitors may not have been aware of before so it was tremendous to be able to sow the seed! The visit was rounded off with a Civic Reception in Glasgow City Chambers.

On 21 January I attended meetings with CRUK in London on our Cancer Studies strategy and a meeting of the sector-wide Financial Strategy Steering Group.

On the 30 January I welcomed 16 VCs and other senior delegates from Pakistan universities. They were visiting under the auspices of the Leadership Foundation for Higher Education/British Council/Pakistan Higher Education Council. The purpose of these visits to the UK (there have been four to date) are aimed at enhancing the modernization of universities in Pakistan and the relationship between the universities and their regulatory agencies. As Pakistan has recently determined to devolve the management of HE to its provinces, it was recognized that Scotland, with its similarly devolved powers, was likely to have useful insights into the pros and cons of such an approach. Glasgow was chosen as one of the venues for a visit, and after a welcome dinner on Monday night hosted by the VP (Learning & Teaching) they returned to Glasgow on Wednesday for a full day of presentations and workshops covering our strategy, financial management, HR strategy, knowledge transfer and commercialisation activities, international strategy and activities, and communications. This provided an excellent opportunity for Glasgow to bring itself to the attention of HE leaders in Pakistan and we understand they thoroughly enjoyed their time with us.

On the 11 January I received a visit from the new Italian Consul General, and on the 13 January a courtesy call from Ruth Davidson, the leader of the Scottish Conservative and Unionist party and later that day the Chief Executive, Scottish Chamber of Commerce. On Thursday 2 February I had the opportunity to meet and welcome, along with Professors Vivienne Baumfield and Mary Ann Lumsden and the Director of RIO Fiona Docherty, Mr Mike Nithavrianakis, the British Deputy High Commissioner of Southern India.

I attended the UUK Board meeting in London on 3 February.

At the time of writing, I am looking forward to what is becoming a regular annual Alumni event in the Caledonian club London – a Burns supper for our London based alumni and supporters. Apart from the traditional elements of a Burns supper, including a ceilidh, it gives me the opportunity to update our friends and supporters on what’s going on at Glasgow.

5.4. Internal activities and Communications

Looking ahead to the week before Court, SMG and Court members we will be involved in our annual Risk assessment workshop, run by Deloitte.

I continue my monthly meetings with the SRC and intend to hold my next group of staff surgeries in February.

6. Senior Management Group business

In addition to standing items the following issues were discussed.

SMG Meeting 15 December 2011
Plans for the REF
Business case for Glasgow Knowledge Transfer fund
Recruitment issues and Fast Track recruitment
Capital Plan update
International fees

SMG Meeting 18 January 2012
Research Process review
SECTION A - ITEMS FOR DISCUSSION / DECISION

A.1 Review of Higher Education Governance

The report of the Review of Higher Education Governance, chaired by Professor Ferdinand von Prondzynski, was issued to Scottish Ministers on 16 January and was published on 1 February. It is understood that the Cabinet Secretary intends to consult with the higher education sector later this year, with a view to introducing draft legislation to Parliament in the autumn.

The issues in this document are far-ranging. They will be summarised in a presentation at the pre-Court briefing, where there will be the opportunity for Court members to discuss the main points arising. In order to assist Court in formulating its input to the Cabinet Secretary's consultation process, would Court like to establish a working group, which will include staff, student and lay representation? If this is acceptable, the Convener of Court will discuss membership of the group with the Senior Senate Assessor and the SRC President.

To assist in analysing the report, Annex 1 places its recommendations into three categories.

- Category A comprises recommendations for action by the Government or the Funding Council. While these are not addressed to the University, there will be points on which we will have views.
- Category B comprises recommendations that are addressed to the universities and with which Glasgow complies or could readily comply.
- Category C comprises recommendations that are addressed to the universities and that would involve a significant change from current practice at Glasgow.


A.2 Western Infirmary Site B

Discussions have continued with the Health Board over the University's possible acquisition of Western Infirmary Site B (the 4-acre site adjacent to Church Street). On 17 January, the Health Board agreed, rather than placing the site on the open market, that it would continue discussions with the University with a view to concluding an off-market transfer of the site by 30 June. The broad terms of the agreement are likely to be similar to that for the 10-acre Site A that was acquired by the University in March 2011.
Court created a Project Group of executive and lay officers to oversee the acquisition of Site A. Members of that group will be kept briefed on discussions with the Health Board on Site B.

SECTION B – ITEMS FOR INFORMATION / ROUTINE ITEMS FOR APPROVAL

B.1 Stevenson Building Extension/Glasgow University Union

At its October meeting, Court noted Estates Committee's approval in principle of the proposed Stevenson Building Extension, subject to satisfactory plans being developed to address Glasgow University Union's needs for a suitable social facility to replace the Hive extension. University officials have discussed this matter with officials of the GUU, and with a firm of Architects, who developed outline proposals for the Stevenson extension and for associated works to improve GUU's accommodation. Court heard further details at the pre-Court briefing on 14 December.

Work is continuing with GUU to determine the best option for this project in terms of the facilities that require to be provided and the financial implications for the University and the Union. Court will be updated on this at its next meeting.

B.2 Open Programme Update

At its June 2011 meeting, Court endorsed the recommendation of the consultation panel that the University should continue to provide courses through the Open Programme, but that a robust business model should be established.

The Open Programme has now been embedded within the work of University Services, and a business plan for the Programme is included within the draft budget and financial projections that have been prepared for University Services and will form part of the budget proposal to Court in June. In line with Court's decision in June 2011, the Business Plan for the Open Programme involves it achieving a break-even position (i.e. with no continuing reliance on SFC grant income) by 2014/15.

B.3 Senate Assessors on Court

Professor Miles Padgett and Dr Don Spaeth will both be members of Court until 31 July 2015 and not for 3 years from their dates of election, as previously reported.

B.4 Employment-related Tribunal / Grievance

A tribunal was established to hear a disciplinary case relating to a member of staff in the College of Science & Engineering. As previously reported, the University’s case, that the conduct in question was good cause for dismissal, was upheld. The individual appealed, with the appeal being heard by an independent person. The appeal was not upheld.
A Stage 2 Grievance Committee was set up to consider a grievance from a member of staff in the College of Social Sciences. The grievance was not upheld at stage 2 although stage 1 recommendations about staff development were endorsed.

B.5 Ethical Principles behind the Acceptance and Refusal of Donations

Following the well-publicised controversy regarding LSE's acceptance of finance from the Gaddafi regime, The Principal and I met with Cathy Bell, Director of Development, to review the University's policy on the acceptance of gifts. We also invited Margaret Morton to contribute to that discussion, given Margaret's professional expertise in this area. The outcome is a statement of Ethical Principles, which appears at Annex 3. Court's approval of the statement is sought.

B.6 Induction Session for Court members

An induction session primarily for newer members of Court is being held on 2 March. It will cover areas including governance, strategy and finances. As with previous sessions of this kind, all Court members are welcome to attend. General Council Business Committee and Audit Committee members have also been invited.

B.7 University Directorships

Audit Committee recently asked that Court keep under review Directorships of wholly owned subsidiary companies. For information, and any comment, the current directorships are:

GU Heritage Retail Ltd: John Wright, Neil Campbell, David Gaimster, David Newall

B.8 Resolution

The following draft resolution has been approved and is with the Senate and General Council for comment

DRAFT RESOLUTION OF THE UNIVERSITY COURT OF THE UNIVERSITY OF GLASGOW No. 653 - CHANGE OF NAME OF THE CHAIR OF GREEK

DN/DM
Annex 1

**Review of Higher Education Governance in Scotland**

The Report of the Review into Higher Education in Scotland was published on 1 February. In presenting it to Parliament, the Cabinet Secretary for Education stated that he would consult with the higher education sector on its recommendations. It is understood that the Government intends then to prepare legislation for consideration by the Scottish Parliament in the autumn of 2012.

The recommendations of the report are set out below. They are placed in 3 categories:

A  Recommendations that are addressed to the Government or the Funding Council

B  Recommendations that are addressed to the universities and with which Glasgow already complies or which would require only a minor change to current practice

C  Recommendations that are addressed to the universities and which would involve a significant change from current practice at Glasgow.

It is suggested that Court might establish a working group to meet as necessary in the months ahead to ensure an effective input to the consultation exercise.
A RECOMMENDATIONS ADDRESSED TO THE GOVERNMENT / FUNDING COUNCIL

2.2 The role of the Privy Council

The existing jurisdiction of the Privy Council in relation to universities and higher education institutions should be transferred to a committee comprising the First Minister of Scotland, the Lord Advocate and the Lord President of the Court of Session, subject to parliamentary scrutiny.

2.3 A New Statute of the Scottish Parliament

The Scottish Parliament should enact a statute for Scotland's higher education sector setting out the key principles of governance and management and serving as the legal basis for the continued establishment of all recognised higher education institutions.

Under the new statute, the designation 'university' should be reserved to independent public bodies accredited in Scotland under legislation for these purposes.

2.4 Academic Freedom and Institutional Autonomy

A definition of academic freedom should be incorporated in the statute governing higher education, based on the definition contained in Ireland's Universities Act 1997, and applying to all 'relevant persons' as under the existing 2005 Act.

2.5 The Role of Governance

The fundamental principle of a collaborative approach wherever appropriate should be enshrined in the Scottish university system through making the fostering of collaboration between universities a task for the Scottish Funding Council.

2.8 Advisory Forum

A Scottish Higher Education Forum should be established, convened by the Scottish Funding Council and chaired by the Cabinet Secretary for Education and Lifelong Learning, which would meet on fixed dates at least once a year.

3.2 Remuneration of the Principal and Senior Management

While the Framework Agreement, determining pay scales for university staff up to the grade of professor, is a UK matter, the Scottish Government should investigate whether it might be extended north of the border to include all staff including Principals. There should be a standard format for reporting senior officer pay, and the SFC should publish these figures annually.
The SFC should investigate how the principles of the Hutton Report are being or should be applied to universities in Scotland.

### 7.2 Evidence Base

The Government should instruct the Scottish Funding Council to establish in an appropriate academic setting a Scottish Centre for Higher Education Research, which should be available as a resource for the entire higher education sector and for government.

### 7.3 Avoiding Bureaucratisation

The Scottish Funding Council should undertake a review of the bureaucratic and administrative demands currently made of higher education institutions from all government and public agency sources, with a view to rationalising these and thereby promoting more transparent and efficient regulation and governance.

### 7.4 Code of Good Governance

The Scottish Funding Council should commission the drafting of a Code of Good Governance for higher education institutions.
B RECOMMENDATIONS WITH WHICH THE UNIVERSITY ALREADY COMPLIES OR WHICH WOULD REQUIRE ONLY A MINOR CHANGE TO CURRENT PRACTICE

2.4 Academic Freedom and Institutional Autonomy

Scottish universities and higher education institutions should adopt a similar approach and that each institution should adopt through appropriate internal processes, and present to the SFC, a statement on its implementation of the statutory protection of academic freedom.

2.5 The Role of Governance

Governing bodies should be required to demonstrate that their deliberations and decisions appropriately observe four objectives the panel has set out for university governance, and they should regularly review their own performance against these.

2.9 The Relationship with Further Education

All Scottish universities should not only include responsibilities to their region, alongside their national and international objectives, in their mission statements, but also seek ways to engage proactively, for the benefit of students and the Scottish education system as a whole, with further education institutions and any new governance structures that may be put in place.

3.1 Appointment and Role of Principals

The heads of Scottish higher education institutions should be described as the 'chief officer', and that the job title should continue to be 'Principal'.

3.2 Remuneration of the Principal and Senior Management

Universities should ensure that any payments that may be perceived as bonuses are either abolished or at least transparently awarded and brought into line with the scale of 'contribution payments' available to on-scale staff.

4.2 Membership of Governing Bodies

Positions on governing bodies for lay or external members should be advertised externally and all appointments should be handled by the nominations committee of the governing body. Each governing body should be so constituted that the lay or external members have a majority of the total membership.

There should be a minimum of two students on the governing body, nominated by the students' association/union, one of whom should be the President of the Students' Association and at least one of whom should be a woman. There should be at least two
directly elected staff members. In addition, there should be one member nominated by academic and related unions and one by administrative, technical or support staff unions. The existing system of academic board representatives (called 'Senate assessors' in some universities) should also be continued. Governing bodies should also have up to two alumni representatives.

Governing bodies should be required to draw up and make public a skills and values matrix for the membership of the governing body, which would inform the recruitment of independent members of the governing body. The membership of the governing body should be regularly evaluated against this matrix.

Expenses available to those who sit on governing bodies should include any wages lost as a result of attending meetings.

4.4 Training

All universities should be required to ensure that governors – including external governors, staff governors and student governors – are fully briefed and trained, and their knowledge should be refreshed regularly in appropriate programmes. Each governing body should be required to report annually on the details of training made available to and availed of by governors.

5.1 Composition of the Academic Board and Appointment of Members

In line with existing legislation applying to the ancient universities, the academic board should be the final arbiter on academic matters.

7.1 Whistleblowing

All universities should maintain a whistleblowing policy, and this should be under the overall control of the governing body. Such a policy must include a clear process a person, whether a member of the university or not, wishing to make a complaint can access, and it should be proactively publicised.
C  RECOMMENDATIONS WHICH WOULD INVOLVE A SIGNIFICANT CHANGE TO CURRENT PRACTICE

3.1 Appointment and Role of Principals

There should be widened participation in the process for appointing Principals, and core to this approach should be the reform of the way in which appointment panels are set up and operate.

The appraisal of Principals should involve external governing body members, staff and students.

3.2 Remuneration of the Principal and Senior Management

Further percentage increases beyond those awarded to staff in general should not take place until existing processes have been reviewed and, if appropriate, amended.

Remuneration committees should include staff and student members. The work of the committee should be transparent, and in particular, the basis upon which pay is calculated should be published.

4. Role, Composition and Appointment of Governing Bodies

Meetings of governing bodies should normally be held in public unless the matters under consideration are deemed to be of a confidential or commercially sensitive nature; these exceptional matters should be established through clear guidelines.

4.1 Chairing of Governing Bodies

The chair of the governing body should be elected, thus reflecting the democratic ideal of Scottish higher education (recommended by a majority, one member dissenting).

The chair should receive some form of reasonable remuneration (recommended by a majority, one member dissenting).

4.2 Membership of Governing Bodies

The existing practice in some universities of having 'Chancellor's assessors' should be discontinued.

Each governing body should be required to ensure (over a specified transition period) that at least 40 per cent of the membership is female. Each governing body should also ensure that the membership reflects the principles of equality and diversity more generally, reflecting the diversity of the wider society.

Senior managers other than the Principal should not be governing body members and should not be in attendance at governing body meetings, except for specific agenda items
for which their individual participation is considered necessary, and for those agenda items only.

5.1 Composition of the Academic Board and Appointment of Members

Apart from the Principal and the heads of School (or equivalent) who should attend *ex officio*, all other members should be elected by the constituency that they represent, and elected members should form a majority of the total membership. In establishing the membership of the academic board, due regard should be given to the principles of equality, and the need for the body to be representative. This includes a requirement to ensure that there is significant (rather than token) student representation. Overall, academic boards should not normally have more than 120 members.
Report of the Review of Higher Education Governance in Scotland

Chaired by
Professor Ferdinand von Prondzynski

Submitted to The Scottish Ministers
16 January 2012
Acknowledgements

The review panel would like to acknowledge the support and assistance it received from a variety of sources, including all those who made submissions to it and who gave oral evidence. These contributions were invaluable to the panel in its deliberations.

We also want to express our particular thanks to the officials who supported our work and who provided expert advice and facilities, in particular Neil MacLennan and Stephen O’Connor. We were exceptionally well served.

Ferdinand von Prondzynski
Terry Brotherstone
Iain Macwhirter
Robin Parker
Alan Simpson
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Preface

In June 2011 the Scottish Government established the panel to review higher education governance in Scotland. The task given to the panel was to produce an independent report and to make recommendations for reform.

It has been clear to the panel that the specific remit given to us, and the relatively short timescale for the completion of our task, did not allow us to undertake a root-and-branch review of higher education more generally. On the other hand, we have also been acutely aware that the basic assumptions that underpin higher education internationally are not, or at any rate are no longer, a matter of consensus. Universities in many countries have come under pressure as public funding is decreased or even withdrawn, while at the same time governments have experimented with new resourcing models.

However, many of the public documents about funding have left untouched the ultimately more important questions about what higher education is actually supposed to achieve, and in whose interests. Within the academy itself there have been lively discussions about marketisation, about academic independence, about the role of universities in the economy and in society; but relatively little of this has found its way into the policy documents that have sought to change the material infrastructure of the system in various countries, including those that have been the subject of much attention south of the border.

The panel has been mindful of the fact that it cannot by itself fill this gap, but it has also been determined that it would not simply make technical recommendations for change without considering the broader context. How successful we have been in this necessarily limited endeavour will be for others to judge, but we are at any rate clear in our view that, if Scottish higher education is to be fully capable of fulfilling its mission, change needs to be evidence-based and the subject of continuing review. This latter requirement requires ongoing research, analysis and evaluation, and this in turn calls for the establishment and funding of a research centre into Scottish higher education.

Though a much smaller country in population than its neighbour in the south, Scotland has a proud record of intellectual engagement that rivals or perhaps even exceeds that of England (and certainly now differs from it). This intellectual tradition makes higher education an important element in the development of Scotland’s society, as it is also a vital part of its success as an economy. How the system of higher education is run, therefore, is a matter of legitimate concern to all.

The story of Scottish higher education is overwhelmingly a good one. This report is not an exercise in criticism or complaint. It is an attempt to recommend how the system, at a time of important national change and renewal, can be governed to enable it to play its role as effectively as possible, and with the widest consent and support of its participants and external stakeholders. It is written with the intention of helping Scotland’s universities and higher education institutions to fulfil their potential to the greatest possible extent, and with the greatest possible amount of public satisfaction, enthusiasm and support, so that Scotland can be recognised as a place of critical intellectual curiosity, and scientific and cultural innovation.


Professor Ferdinand von Prondzynski  
Chair
1. **INTRODUCTION**

The 19th century Scottish metaphysician Sir William Hamilton wrote in 1835 that ‘a University is a trust confided by the State to certain hands for the common interest of the nation.’¹ He added that ‘a University may, and ought, by the State to be from time to time corrected, reformed or recast, … looking towards an improved accomplishment of its essential ends.’² It has become widely accepted (and we return to this below) that universities, to be successful and in order to avoid undue influence from outside, need to be autonomous institutions; but this autonomy needs to be seen alongside the legitimate public interest in their integrity and the effectiveness of their mission.

Perhaps the most significant analysis to date of modern higher education in these islands was conducted in the 1960s. The Robbins Report on Higher Education was published in 1963 at a time of major change in the size and character of the British system. The recommendations in the report informed a major expansion of the university system, and also influenced fundamentally the views of the subsequent generations of students and academics as to what higher education was about.

Robbins suggested that higher education had four aims: (i) instruction in skills; (ii) promoting the ‘general powers of the mind’; (iii) the advancement of learning; and (iv) ‘the transmission of a common culture and common standards of citizenship’.² The report also identified some ‘guiding principles’, which included the principle that ‘courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so.’³ In this way Robbins provided the basis for an expanding higher education system which encouraged wider participation and accepted diversity of mission between institutions.

Robbins also set out some principles of internal university organisation, based in particular on a division of governance powers between governing bodies (with external or ‘lay’ majorities) on the one hand and academic senates on the other.⁴ The management is led by the vice-chancellor or principal whose role, according to Robbins, ‘probably fortunately, is seldom precisely spelt out in written constitutions’.⁵

Broadly speaking, the Robbins model of university governance was based on certain assumptions: that governing bodies with lay majorities need to take control of financial and strategic issues, that academic senates (guided by senior academics) need to assure standards and promote excellence, and that principals must coordinate policy formulation, represent the institutions internally and externally, and oversee management.

It has been argued⁶ that Robbins ‘sought to democratise the model without radically changing it, and until the 1980s university expansion was contained within this pattern’. The ‘pattern’ in question was of a system with a binary divide that in at least some respects separated ‘liberal and vocational forms of education’. It could be argued in passing that this separation may not have been as absolute as is sometimes assumed, given the growth of degree programmes in subjects such as engineering, law, architecture and accounting in

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¹ Sir William Hamilton, *Discussions on Philosophy and Literature, Education and University Reform*, 1853, p. 538. The original essay was written in 1835.
² Report of the Committee appointed by the Prime Minister under the Chairmanship of Lord Robbins, 1963, Cmnd 2154, pp. 6-7.
³ Ibid., p.8.
⁴ Ibid., chapter XV.
⁵ Ibid., p.221.
older universities. In Scotland, preparation for the church ministry, school teaching, the law and medicine had been located in part at least within universities for some time.

The major analysis of higher education conducted by Robbins was not on the whole repeated in the decades that followed, despite huge political, demographic, economic, social and constitutional changes. Other reports produced mainly for English higher education did not, or did not much, look into the broader principles and often focused instead on questions of funding and resourcing.

Scotland’s higher education tradition is a distinctive one, rooted, before the twentieth century, in its commitment to social mobility and social responsibility; and, since World War II, in the nation’s particularly strong commitment to the principles of the welfare state, recently re-stated by the Christie Commission. This distinctiveness is of renewed practical importance in the light of very different political choices concerning funding and tuition fees made recently north and south of the border. The ongoing process of devolution and the gathering pace of the debate about Scottish independence have moreover created growing interest in the university sector and in its governance and management.

By many criteria it is clear that Scotland’s higher education institutions perform well. First, there are at present eight in the top 400 in the international rankings, five of them in the top 200. While the validity of these rankings has come in for criticism amid warnings that ‘higher education policy decisions should not be based solely on rankings data’, this reminds us of the importance of maintaining the ability of the Scottish higher education system to support a number of institutions with a real international reputation. Second, Scottish universities have, when set against the size of the populations of both countries, received a disproportionately large share of funding allocated by UK Research Councils – a significant measure of the role they play, and should continue to play, within the UK research community. Third, their educational programmes are generally regarded as being of high quality, as evidenced in reports of QAA Scotland and in the National Student Survey.

In the recent past, however, there have been various issues that have attracted adverse publicity and prompted avoidable disputes, which indicate that there are questions to be addressed. Some of the evidence submitted to this review, speaks of concerns about the extent to which the university community of staff and students is now able to participate in collective self-governance, about the extent to which governing bodies ensure appropriate levels of accountability, and about a perceived bureaucratisation of management. A discourse centred on the best ways of practising management, it is held, has been displaced by one perceived as entrenching managerialism. It is also clear that there is substantial scope for better performance of universities in other areas – notably in developing and improving programmes for widening access (a problem for society as a whole, but with particular implications in education).

Before we can satisfactorily assess whether Scottish higher education institutions are run in a way that promotes their capacity to serve society, we also need to ask briefly what society

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7 In fairness, the reviews conducted by Sir Ron Dearing (Higher Education in the Learning Society) and Sir Ronald Garrick (Report to the Scottish Committee, Higher Education in the Learning Society) in 1997 did attempt to consider wider policy issues related to higher education, but the media focus on funding and structural issues obscured the effort.

8 Commission on the Future Delivery of Public Services, 2011, chaired by Campbell Christie, para 1.4: the Commission declared that in Scotland there is a ‘particular ethos – a set of guiding beliefs or principles – that should underpin the delivery of public services to the citizens of Scotland. Central to that ethos is the conviction that public services exist to support a fair and equal society, and to protect the most vulnerable.’

actually expects of them, particularly in the setting of a more autonomous Scotland. The recent pre-legislative paper of the Scottish government, *Putting Learners at the Centre*, set out the agenda for higher education as follows:10

‘Higher education in Scotland is the mainstay of our knowledge economy and makes a significant contribution to the economic success of the nation. Yet it is not just about the economy: higher education in Scotland is a civilising force which has had a major influence on creating the country and society we are today.’

In the past, there has been debate about how higher education can most effectively play its part in Scottish civil society. It is, moreover, a matter of historical record that, when nation-state-building was underway in the early 19th century, the idea of the university that had emerged in Scotland played an influential role in several European countries and in North America.

One particular strand of thought in Scotland has been the concept of the ‘democratic intellect’. In his book of that title, published around the same time as the Robbins inquiry was under way, George Elder Davie drew a picture of Scottish universities in the 19th century as institutions that maintained a ‘genuinely democratic character’; as institutions they were designed to ‘neutralise the inequalities of scholastic and family backgrounds’, thereby ensuring that ‘careers were open to talents, scientific as well as philological’.11 They did this, according to Davie, by giving ‘general studies of a non-utilitarian kind … pride of place in the curriculum’, as part of a programme of ‘democratic intellectuality’.12

There has been some debate as to the accuracy of Davie’s view of the traditional model of Scottish higher education, as one that promoted generalist education, and whether this promoted democracy as we would understand that today. But a broader idea of the ‘democratic intellect’, suggesting that the pursuit of learning and scholarship is one in which society as a whole has an interest that should be reflected in the development of higher education, could be said to have taken root in Scotland. It is at any rate part of the public discourse on universities. The doyen of American university historians, Sheldon Rothblatt, explains the historical background as follows:

The liberal democratic principle of merit determination in England developed within the core of an aristocratic-led society and within a system, of career advancement dependent upon patronage networks in church and state. In Scotland, principles of merit selection were part of democratic tendencies, if limited in practice.13

Universities in today’s world play many roles of direct significance to society, going well beyond the personal interests of those embarking on higher education, well beyond the organisational ambitions of individual institutions, and well beyond the expectations of those

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13 Sheldon Rothblatt, *Education’s Abiding Moral Dilemma: merit and worth in the cross-Atlantic democracies, 1800-2006*, p.301. Rothblatt later argues that ‘middle-class, English criticism, industrialisation and the development of an urban working class and a social structure more like England in the 19th century made the Scots ‘reconsider their historical trade-off between access and quality’, whereas ‘American academics never supposed that governments would support efforts to establish and maintain high standards of educational attainment, especially if standards appeared to interfere with access. However, in so far as the individual states used their universities to compete for prestige, which in the twentieth century could include obtaining lucrative federal government contracts for the pursuit of research, academics in the public sector welcomed the competition of the elite private colleges and universities, which were their models for quality.’ (pp. 302-3).
who employ graduates. They stimulate economic development; they provide a focus for cultural growth; they are engines of social regeneration; they play a major part in establishing a positive view of Scotland internationally. Universities are major employers and providers of livelihoods, and they own and control buildings, land and infrastructure that are vital assets for communities. They instigate and nourish public debate, and provide necessary critical analysis of the ideas and actions of public bodies and politicians.

For all these reasons, university governance is not just a private matter. Indeed, the public interest in university governance arguably extends beyond that which applies to corporate governance in the business world. It is not just a question of assuring the integrity and transparency of processes, it is a question of allowing society to protect its broader investment in education, knowledge and intellectual innovation in a way that makes the most of a long Scottish tradition adapted to the needs of the 21st century world.

It is in this spirit that we have addressed our task.
2. ROLE AND STRUCTURE OF HIGHER EDUCATION GOVERNANCE

2.1 Institutional and Legal Framework

The Scottish system of higher education is regulated under a very complex legal structure that is made up of papal bulls, statutes, statutory instruments and royal charters. A list of the relevant legal instruments currently in force is included in Annex F.

Scottish universities are commonly divided into three groups: the so-called ancient universities, the chartered universities of the mid-20th century, and the post-1992 ‘new’ or ‘modern’ universities. However in legal terms there are actually six different categories within the higher education sector: (i) the universities of St Andrews, Aberdeen and Glasgow, established by papal bull; (ii) the universities of Edinburgh, Dundee, Stirling, Strathclyde and Heriot Watt, established by royal charter; (iii) Robert Gordon University, Edinburgh Napier University, the University of the West of Scotland, Glasgow Caledonian University, and the University of Abertay Dundee, all of which (or their predecessors before merger) were given university status under the Further and Higher Education (Scotland) Act 1992; (iv) Queen Margaret University, which was granted university status by Privy Council consent in December 2006, with effect from 15 January 2007; (v) Oilthigh na Gàidhealtachd agus nan Eilean (the University of the Highlands and Islands), established in 2011 as a partnership of colleges across Scotland and incorporated as a company limited by guarantee; and (vi) three small specialist institutions. The latter – the Scottish Agricultural College, the Glasgow School of Art and the Royal Conservatoire of Scotland (formerly the Royal Scottish Academy of Music and Drama) – are companies limited by guarantee, and thus subject to company law; they are also accountable to the Scottish Funding Council for funding received from it. The Scottish Agricultural College is in addition specified as a public body under the Schedule 8 of the Public Services Reform (Scotland) Act 2010.

The Open University, though based in England, also has a direct presence in Scotland.

In addition to the instruments that established them, Scotland’s higher education institutions are also subject to various pieces of legislation, some of which apply across the whole sector, while others apply only to specific institutions or to sub-sets within the sector. This makes sector-wide analysis of governance somewhat complex.

While the legislative and constitutional arrangements vary, universities are all independent corporate institutions with charitable status and with a governing body that is responsible for the overall direction and strategy of the institution, and is accountable, alongside the Principal, for its resources.

Despite the rather complex issues surrounding legal status, it is the view of the panel that all universities and higher education institutions are, and should be seen as, independent public bodies. They enjoy (and should enjoy) a high level of institutional autonomy, but they are not private bodies with a primary responsibility to maximise shareholder value; their responsibility stretches to students, staff and the wider community.

2.2 The Role of the Privy Council

The Privy Council, which can trace its origin back to Norman times, is a formal body of advisers to the Queen. Members include senior politicians such as Ministers with most functions of the Council exercised through a single committee, i.e. the Cabinet. The Council is responsible for advising Her Majesty on proposals from universities to amend their royal charter. It also has delegated authority to issue Orders of Council which are the instruments
of governance used to regulate the post-92 institutions and to approve amendments to these. The Council is also the point of application for universities that wish to make changes to their ordinances (ancient universities) or statutes (charter universities), which regulate their internal governance arrangements.

While there has recently been some de-regulation of the areas of governance which need Privy Council consent, in other areas its consent is still required even where the amendment may be relatively minor. In practice, the Council’s consent is based on a positive recommendation from the First Minister, the Lord Advocate or, in the case of certain universities, the Lord President of the Court of Session.

It is the view of the panel that, while the role of the Privy Council has been of value, it is probably time to replace it with a framework that is operated entirely within Scotland and is capable of functioning both expeditiously and in a way that maintains existing safeguards.

The panel therefore recommends that the existing jurisdiction of the Privy Council in relation to universities and higher education institutions be transferred to a committee comprising the First Minister of Scotland, the Lord Advocate and the Lord President of the Court of Session, subject to parliamentary scrutiny.

2.3 A New Statute of the Scottish Parliament

More generally the panel has given some thought to the legal framework as a whole. As has been set out above, the existing framework is complex and not very accessible. It involves a number of statutes and other legal instruments that in some cases apply only to certain institutions. While it is the strong view of the panel that the Scottish system of higher education should continue to embrace diversity of mission and operation, it also believes that there is a case for containing the major principles of regulation within a single statute applying to the whole sector, though this statute in turn can and should allow for variations between institutions in matters other than the key principles. An example that illustrates this approach in another jurisdiction is the Universities Act 1997 of the Republic of Ireland.

The panel therefore recommends that the Scottish Parliament enact a statute for Scotland’s higher education sector setting out the key principles of governance and management and serving as the legal basis for the continued establishment of all recognised higher education institutions.

The new statute should be drafted as a measure that will rationalise and simplify the regulatory framework of higher education governance; it might provide for:

- the conditions applying to the establishment of new universities;
- the key structures of university governance and management;
- the role and composition of governing bodies and academic boards;
- the role and appointment of university principals;
- the drawing up of a code of good governance for Scottish higher education;
- the status of student associations;
- the principles of academic freedom and institutional autonomy (see below).

However, the statute should continue to embrace diversity of mission and of operation, and should reinforce the principles of university autonomy and of academic freedom, to which we return below.
The panel also recommends that, under the new statute, the designation ‘university’ should be reserved to independent public bodies accredited in Scotland under legislation for these purposes.

2.4 Academic Freedom and Institutional Autonomy

We believe that a core principle of higher education is the protection of academic freedom, in accordance with the UNESCO recommendation concerning the Status of Higher-Education Teaching Personnel, made in Paris on 11 November 1997.

This principle is currently protected and defined in section 26 of the Further and Higher Education (Scotland) Act 2005, which provides that universities ‘must have regard to the desirability of ensuring the academic freedom of relevant persons. Subsections 3 and 4 of the section then read as follows:

‘(3) In this section, a “relevant person” is a person who is engaged in—
(a) teaching, or the provision of learning, at a fundable body; or
(b) research at a fundable body.

(4) For the purposes of this section, “academic freedom” includes freedom (within the law) to—
(a) hold and express opinion;
(b) question and test established ideas and received wisdom; and
(c) present controversial or unpopular points of view.’

We have also considered for comparative purposes the definition contained in section 14 of the Irish Universities Act 1997, which reads:

‘A member of the academic staff … shall have the freedom, within the law, in his or her teaching, research and any other activities in or outside the university, to question and test received wisdom, to put forward new ideas and to state controversial or unpopular opinions, and shall not be disadvantaged, or subject to less favourable treatment by the university, for the exercise of that freedom.’

We believe that this definition perhaps expresses slightly more comprehensively the full significance of academic freedom, though we also regard it as important that a statutory definition should apply, as under the Scottish 2005 Act, to universities and colleges.

The panel therefore recommends that a definition of academic freedom be incorporated in the statute governing higher education, based on the definition contained in Ireland’s Universities Act 1997, and applying to ‘relevant persons’ as under the existing 2005 Act.

In implementing the Irish provision, Trinity College, Dublin, adopted a ‘Policy on Academic Freedom’ in December 2010, which was the result of an initiative of the college’s academic staff association (IFUT) and which was developed in a special working group established by the college.

The panel recommends that Scottish universities and higher education institutions should adopt a similar approach and that each institution should adopt through appropriate internal processes, and present to the SFC, a statement on its implementation of the statutory protection of academic freedom.
This policy statement should be treated by the SFC as a condition of grant or, in the case of the establishment of a new university, as a condition to be satisfied before university status is granted.

Academic freedom is separate from, though related to, institutional autonomy. We believe that universities in the Scottish system of HE are and should be independent public bodies. In drawing out the meaning of autonomy, we would make reference to the UNESCO statement and in particular, to Section V.A paragraphs 17-21, and also to the Magna Charta Universitatum, drafted in Bologna in 1988, and which many Scottish universities have signed. Universities and HE institutions should enjoy self-governance and autonomy, subject to public accountability and respect for academic freedom.

2.5 The Role of Governance

A practical definition of the purpose of the governing body is that set out in the Committee of University Chairs (CUC) Code which states that a governing body is ‘unambiguously and collectively responsible for overseeing the institution’s activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised.’

It is tempting to consider university governance as a form of corporate governance, determining the strategic direction of the organisation and ensuring that its management is fully accountable. In fact universities, as part of the national framework of education, have broader responsibilities that need to be reflected in the principles of governance. The panel are of the view that the purposes of university governance are the following:

- effective stewardship of the university to secure its sustainability over the medium and long term;
- safeguarding the mission of the university and the services it provides for the public benefit;
- securing the proper and effective use of public and other funds; and
- ensuring stakeholder participation and accounting to the wider society for institutional performance.

The significance of these principles is that they recognise the role of a governing body in guiding institutional strategy and performance, but in addition point to its role in protecting the interests of the academic community of staff and students, as well as the wider societal interest.

Governing bodies should be required to demonstrate that their deliberations and decisions appropriately observe these four objectives, and they should regularly review their own performance against these and report on the outcome.

We believe that the interest of Scottish universities – and thus their governing bodies – is collectively best served by creating collaborative partnership arrangements with other higher education institutions, and this should override any perceived competitive advantage for an individual institution. Collaboration has in fact been a successful element in the development of the Scottish higher education sector, particularly in the case of research pooling.

The panel recommends that the fundamental principle of a collaborative approach wherever appropriate should be enshrined in the Scottish university system through

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making the fostering of collaboration between universities a task for the Scottish Funding Council.

2.6 The Governance Framework

The governing body of most Scottish universities is called the ‘Court’; in Robert Gordon University, the Glasgow School of Art and the Royal Conservatoire of Scotland it is known as the ‘Board of Governors’; in the Scottish Agricultural College it is the ‘Executive Board’. In addition to the responsibilities described above, the governing body in all institutions appoints the Principal. Some of the work of the governing body is carried out by way of delegation to committees. Governing bodies tend to be quite large, ranging from 17 to 28 members, and include representatives of staff and students. External or ‘lay’ members, who often form a majority of the total membership, are appointed by the governing body, or on its behalf by a nominations committee of it. In all Scottish institutions the Principal is a member (but not the chair) of the governing body. The governing body selects its own chair, usually from the lay membership.

While the governing body has overall responsibility for strategy, resources and the estate, in Scotland’s universities responsibility for academic matters (including curriculum content and student assessment) rests with an academic board, in some universities called the ‘Senate’ (and in others, the ‘Academic Council’). The academic board is currently chaired by the Principal. As the governing body has final responsibility for all resourcing decisions, and as the portfolio of programmes inevitably has resourcing implications, there can be circumstances in which conflict arises between the governing body and the academic board. The panel were briefed on at least one such occurrence, which raised the question as to how such conflicts should be resolved. We consider academic boards further in section %.

A breakdown of the various governance structures that exist across Scottish universities is provided at Annex B.

2.7 Senior Management

All universities in Scotland have senior management teams – groups of senior academic and administrative officers working with the Principal. Sometimes these teams have the status of a decision-making committee, whereas in other cases they operate as informal groups.

An important aspect of the senior management role is to set the tone for the way managers throughout the institution carry out their responsibilities and relate to colleagues. A significant number of submissions to the panel have argued that the senior management modus operandi has sometimes contributed to a culture of ‘managerialism’ in universities, thereby compromising collegiality. In fact managerialism has been the subject of wider analysis and debate within higher education. In 2003 a research team led by Professor Rosemary Deem of the University of Bristol published an article in which they identified a pattern called ‘New Managerialism’15 which was said to consist of a drive to create a centralised strategic direction in universities, administrative structures to implement the strategy and control mechanisms that allow the strategy to be transformed into action.’

While it is widely recognised that complex bureaucratic and financial demands on universities require a professional administration and the appointment of senior staff with management responsibilities, it is sometimes suggested that management teams have

created a business culture within institutions that has subverted the academic mission and academic values and undermined collegiality.

On the other hand it has been argued that dedicated senior management teams have professionalised administration and allowed universities to exploit opportunities, as well as allow them to succeed under financial and other pressures.

Overall, while there has been much debate about academic management in universities, there is a good deal of scope for further analysis and research. Professor Deem and her colleagues in 2003 suggested that 'ways of managing universities other than those permeated by New Managerialism could usefully be explored in future research'. Such research might also usefully consider how new management methods employed in universities have impacted – positively and negatively – upon performance, and whether university managers are always sufficiently aware of best management practice more generally.

2.8 Advisory Forum

We specifically asked those making submissions to the panel to comment on the merits of a 'supervisory council' or advisory forum to represent stakeholder interests. Views on the desirability of this were mixed, with a majority expressing reservations if it involved the creation of an additional layer of bureaucracy. There was however some support for the idea that a forum of some kind could produce more transparency and openness, without compromising or removing existing channels of discussion and communication. We think that there is a case for establishing a forum where the interests of Government and the sector can be jointly considered prior to decisions being taken on sector-wide strategy or direction.

The Scottish Ministers already work with the Scottish Funding Council to provide directions to the sector. Noting the views about additional bureaucracy, the panel considers that there is a case for allowing the Scottish Funding Council to convene, under the chairmanship of the Cabinet Secretary for Education and Lifelong Learning, a representative forum charged with considering, reviewing and informing Scotland’s higher education strategy. The membership of this forum should include government, university management, student and staff representative bodies and community representatives. It should include representation from all Scottish higher education institutions, in each category of membership.

Such a forum could also maintain an oversight of the ongoing development of university governance, as well as monitor the implementation of governance reform.

The panel therefore recommends the establishment of a Higher Education Forum, convened by the Scottish Funding Council and chaired by the Cabinet Secretary for Education and Lifelong Learning, which would meet on fixed dates at least once a year.

The role of the Forum will be to enhance and upgrade existing channels of consultation and negotiation with stakeholders.

There will need to be a clear relationship between such a higher education advisory forum and any similar national forum established with respect to the further education sector.
2.9 The Relationship with Further Education

At the time of writing, we are aware of proposals to establish regional boards in the further education sector that would replace individual governing bodies. We understand that such boards would be part of the grouping of further education colleges into regional clusters with each cluster having one overall board that will set out the strategy and individual institutional targets.

Given the higher education sector's long-standing collaborative work with the further education sector, particularly in terms of widening access, university governing bodies should consider how best to engage with these regional boards in order to play an appropriate part in the development of regional links across the post-16 sector, and also in order to increase and promote articulation arrangements between universities and colleges.

The panel therefore recommends that all Scottish universities not only include responsibilities to their region, alongside their national and international objectives, in their strategic plans, but that they also seek ways to engage proactively, for the benefit of students and the Scottish education system as a whole, with further education institutions and any new governance structures that may be put in place.
3. APPOINTMENT AND REMUNERATION OF PRINCIPALS

3.1 Appointment and Role

The Principal leads the management of the institution, but also leads the community of staff and students overall. For all Principals this leadership is in some contexts one of representation, in others it is one of management, and in others again it is ceremonial. It is important to recognise all these aspects of the role.

University Principals are now often described as their institution’s ‘chief executive officer’, using language borrowed from the business world. In many ways the role is indeed comparable to that of a corporate CEO, but then again it may be that, for the leader of a societal institution such as a university, such comparisons are not altogether useful.

In Ireland, the Universities Act 1997\textsuperscript{16} describes the head of a university as the ‘chief officer’, and the panel believes that this description has some merit. In a number of countries the title of the chief officer is ‘President’, while in others it is ‘Vice-Chancellor’. Continental European countries usually use the title of ‘Rector’. In Scotland the title ‘Principal’ is well established, and the panel recommends that it should be retained.

The panel therefore recommends that the heads of Scottish higher education institutions should be described as the ‘chief officer’, and that the job title should continue to be ‘Principal’.

In all of Scotland’s universities, the Principal is currently appointed by the governing body, usually following an executive search and interview process. The contractual terms of Principals are determined by the governing body, and his or her remuneration is set by a remuneration committee of the governing body.

This pattern is in line with common practice elsewhere in these islands, although it is worth noting that one university, Trinity College Dublin, appoints its chief officer (the Provost) through a process of public advertisement and shortlisting, followed by an election in which the shortlisted persons are the candidates. The electorate consists of permanent full-time academic staff, with students having a small number of representative votes. In a number of European countries the chief officer – usually the ‘Rector’ (the term has a different meaning in Europe from its use in Scotland) – is also elected, sometimes for a limited and comparatively short term. We heard in evidence from the Finnish Ministry of Education about how their Rectors/Principals are elected, following a recent reform programme that deserves further study as a comparator for the Scottish system.

While it is in some ways an attractive proposition to have university heads elected by staff and students – it energises the community, creates debate and affords democratic authority – the experience elsewhere suggests that in such circumstances the candidates will tend to be internal ones.

While we think it should not be beyond the realms of possibility to devise an electoral system that would overcome that perceived weakness, we have insufficient evidence to support moving to an elective system in Scotland at this stage. However, we consider there is a case for widening participation in the appointments process and that core to this approach should be the reform of the way in which of appointment panels are set up and operate.

\textsuperscript{16} Universities Act 1997, section 4 and Schedule 4.
The appointment panel should use transparent criteria and specifications for the post (which should encompass more than managerial skills and cover the institution’s need to interact with the community, the wider education sector, politics and business, as well as the Principal’s need to foster and reinforce collegiality and goodwill within the institution), and it should be required to advertise the post externally. The panel should also draw up a skills and values matrix to identify the characteristics of the ideal candidate. Students and staff should be involved at a formative stage in setting out the skills and values matrix required for the appointment.

Student and staff representatives, as well as external advisers, should be involved in the interview process.

We also recommend that the appraisal of Principals should involve external governing body members, staff and students.

3.2 Remuneration

The pay of Principals and senior university officers has been the subject of some controversy and this controversy has not helped engender trust in governance. As in some other sectors, executive pay over the past decade has been widely perceived to increase at rates beyond those applying to other staff, and it has been suggested that the processes for determining it have not been transparent or robust. There are signs that increases in pay and pension contributions have been modified or halted since the onset of the recession in 2008-09.

The panel recommends that further percentage increases beyond those awarded to staff in general should not take place until existing processes have been reviewed and, if appropriate, amended.

While the pay of Principals is public information, the method of its calculation or the reasons for any increases given are not. It is also not always clear what other benefits, or bonus payments, may be available to individual senior staff.

The panel recommends – in the light of the wider public debate about executive pay and bonuses – that universities ensure that any payments that may be perceived as bonuses are either abolished or at least transparently awarded and brought into line with the scale of ‘contribution payments’ available to on-scale staff.

In this regard too, we note that senior pay is not included in the scales negotiated in the Framework Agreement, which was originally intended as the basis for remuneration across all grades in universities, and which was deemed necessary to ensure compliance with equality legislation.

Staff engagement is recognised as a critical factor in ensuring the success of a university. Staff engagement can be affected by several factors, including working conditions, opportunity, management and pay. Ensuring fair pay within a university is an important aspect of creating an environment where staff engagement can help support good governance.

The panel further recommends that remuneration committees should include staff and student members. The work of the committee should be transparent, and in particular, the basis upon which pay is calculated should be published. While the Framework Agreement, determining pay scales for university staff up to the grade of professor, is a UK matter, we recommend that the Scottish Government investigates whether it
might be extended north of the border to include all staff including Principals. We also recommend there should be a standard format for reporting senior officer pay, and the SFC should publish these figures annually.

We also recommend that the SFC should investigate how the principles of the Hutton Report\textsuperscript{17} are being or should be applied to universities in Scotland.

\textsuperscript{17} Hutton Review of Fair Pay in the Public Sector, chaired by Will Hutton, March 2011
4. ROLE, COMPOSITION AND APPOINTMENT OF GOVERNING BODIES

The governing body of an institution is usually called the ‘Court’ or the ‘Board of Governors’. It is responsible for the strategy of the university, its finances and investments and for the management of the university’s estate and buildings. It has authority to make contracts on behalf of the university, including those for employment, and to enter into loans and mortgage agreements. The governing body will carry out many of its functions through committees, one or more of which may be joint committees reporting also to the academic board.

The governing body has a key responsibility of ensuring public confidence and transparency.

Therefore, the panel recommends that meetings of governing bodies should normally be held in public unless the matters under consideration are deemed to be of a confidential or commercially sensitive nature; these exceptional matters should be established through clear guidelines.

4.1. Chairs of Governing Bodies

In Scotland’s four ancient universities the Rector, an elected lay member, is given the responsibility of chairing the governing body. Under section 4 of the Universities (Scotland) Act 1858 the Rector ‘shall be the ordinary president’ of the university Court. The Universities (Scotland) Act 1889 further provided for the election of Rectors. The University of Dundee also has an elected Rector as a student representative, but he or she does not chair the governing body.

The office of Rector was instituted at a time when academics were in charge of all aspects of universities and there was little in the way of accountability. The position of Rector was therefore established in order to introduce a powerful lay presence in the governing body and to ensure student representation. While it is the case that, in universities as they are today, the principle of lay involvement has been further developed, lay members now usually forming a majority in the governing body, and there is direct student representation, nevertheless the Rector can claim to be the only member in the ancient universities with a formal democratic mandate, and as such brings something unique the governance of these institutions. Rectors often use the post to campaign on policy issues.

However, because of the perception amongst the electorate of the office of Rector there have been occasions when the successful candidates were people who appeared to have little or no interest in advocacy and were largely indifferent to the aims of the university and the nature of the academic community. The appointment of such Rectors has probably worked against good governance, a key objective of which is to have in place procedures and processes that ensure that the best people are appointed and that they can work effectively with others to further the interests of the institution. In turn some universities, at certain stages of their recent history, may not have been fully supportive of Rectors.

Candidates for the rectorship of the ancient universities are now expected to sign the ‘Rector’s Charter’. This commits them to performing their function for a specified number of days every month, to be available to students and to attend the vast majority of Court meetings. Though signing the charter is not obligatory, its existence has effectively ended the emergence of so-called ‘vanity’ candidates, although an unintended consequence is that it has also discouraged candidates who have regular employment.
Governance is only part of the role a Rector is expected to play. There is also an ombudsman role in terms of hearing complaints and grievances of students and (in some cases) staff. This requires an understanding of the established policies and procedures that all institutions have in place and the necessary skills and expertise around arbitration and dispute resolution. The Rector is also expected to take a leading role in the public issues as they affect students. This can involve media appearances, speaking engagements and participation in conferences and panels, which suggests that a measure of media awareness is important. The Rector also has a number of ceremonial engagements including an ambassadorial role that can be similar to that of the Chancellor.

However, generally the Rector in the ancient universities is not the person with whom the Principal liaises or to whom he or she reports. In most of these universities there is also a senior governor, who deputises for the Rector where the latter is not available to chair meetings or chooses not to do so, and who acts as the key governance contact for the Principal and is the university’s designated member on the Committee of Scottish Chairs.

Outside of the four ancient universities and the University of Dundee, no institution has established the office of Rector. More generally, there is at the current time no uniform pattern in Scotland’s universities regarding the chairing of governing bodies. In all the universities that do not have a Rector the chair of the governing body is selected (usually from the number of existing lay members) by its members for a specified period of office (typically three years). It is not common for the post to be advertised or for external applications to be invited.

Chairs of governing bodies, however chosen or selected, can and should play a vital role in the running of the university. They set the tone for the meetings, they have a crucial role in setting the agenda, they have a relationship of constructive and where necessary critical engagement with the Principal, they preside over the process that leads to the adoption of institutional strategy. In order to ensure the appropriate degree of transparency in university decision-making, it is important that chairs work closely with Principals but are independent of them. The chair has a key responsibility to ensure that the work of court is underpinned by effective and inclusive practices involving all the members.

It is the view of the panel that the process for appointing governing body chairs needs to be rigorous and transparent. As a minimum, chairs should be appointed after a process including a public advertisement and competitive selection including shortlisting and interview. In each case there should be a proper job specification and a set of attributes and skills expected of the successful candidate. The latter should be publicly available.

Candidates should be interviewed by a panel that, in addition to lay members of the governing body, should include staff and student representatives and senior external experts.

However, the panel (by a majority) recommends that the chair of the governing body should be elected, thus reflecting the democratic ideal of Scottish higher education.

In order to ensure that the candidates for election possess the appropriate experience and skills, their nomination should be sought by public advertisement, followed by an interview of potentially appointable candidates leading to the drawing up of a final short list of appointable candidates, not in any order of preference. These procedures are not intended to limit the field of candidates for election, but to make as certain as possible that those presenting themselves for election are able to fulfil the role responsibly.

18 These procedures are not intended to limit the field of candidates for election, but to make as certain as possible that those presenting themselves for election are able to fulfil the role responsibly.
candidates, but so as to ensure that those submitted for election have the necessary background and skills and are on that basis appointable. Candidates on the short list should then be submitted to an election by staff, students and, potentially, representatives of external stakeholders. Votes should be weighted so that staff and students are equally represented in the appointment decision. The successful candidate, though elected by these constituencies, would not ‘represent’ them at court, that role being carried out by others more effectively. The chair would however ensure that all stakeholders are fully involved in governance, that constructive challenge is taking place, and that a clear strategy for the direction of the university is being set out.

Eligibility for election should be reserved to persons who are not, and have not recently been, members of staff of the university, and who are not currently students of the university. The term of office of the chair should be three years, and persons selected should be allowed to be candidates for the role for a second term, but no more.

Elected chairs, in recognition of the unique historical role of Rectors and of the Scottish educational tradition, should continue, where the office already exists, to be called ‘Rectors’ but might be otherwise designated elsewhere.

The panel recommends (by a majority) that the chair should receive some form of reasonable remuneration.

There are a number of benefits associated with remunerating the chair, key amongst these being that it would open the position up to a wider field of candidates (i.e. other than those who are able to do it without payment).

The panel considers that rather than a salary, a stipend or reasonable attendance allowance would be the most appropriate way to do this. In setting the amount, the appointments committee should of course be mindful of the adverse perceptions that may be generated by what are perceived to be ‘generous’ settlements. The idea of remuneration is to recognise commitment that has previously gone unrewarded and open it up to those who previously were effectively precluded. The notion that a ‘competitive’ stipend should be offered in order to attract ‘the best candidate’ is not consistent with the tradition of the role. It would be helpful if a standard rate could be agreed sector-wide, perhaps as an extension to the Framework Agreement.

4.2 Membership of Governing Bodies, including co-opted members

While there are several models in operation across Scotland, governing bodies generally all share a principle whereby the majority of court members is classed as ‘lay’ or ‘independent’. This is taken to mean that these members do not currently work or study at the university.

This ‘lay’ representation has been presented in responses as an important aspect of how the university sector engages with the wider community. Furthermore, it has been explained that such engagement allows the university to draw on a wide field of experience covering areas of expertise such as finance, human resources and estate management, all of which have value in governance terms.

Accordingly, the appointment of lay members to the court and the in-built majority that they enjoy, assuming they are encouraged and equipped to act independently, brings real benefit to university governance, both in terms of practice and perception.
The benefit in adopting this approach can be lost if the process for appointment is not handled properly. In order to promote confidence, it is essential that recruitment is both open and transparent. If not, a governing body will leave itself open to accusations, whether justified or not, of patronage or inappropriate deference to senior management, and trust and confidence will thereby suffer.

Some institutions already follow Nolan principles concerning selection and recruitment. The panel regards this not just as good practice, but as essential in terms of building confidence with the wider stakeholder group. There is no detriment in operating a system of recruitment that is transparent - the candidate with the best skills match will still be appointed.

The panel recommends that positions on governing bodies for lay or external members should be advertised externally and all appointments should be handled by the nominations committee of the governing body. Each governing body should be so constituted that the lay or external members have a majority of the total membership.

As with all aspects of governance, students and staff (as part of the work of the appointments committee) should be fully involved in identifying and keeping under review the skills, knowledge and value sets required of lay members as part of the successful governance of the university. The skills and experience sought from new members should be drawn up in such a way as to make possible a governing body whose members come from a wide range of backgrounds and professions, including industry, the voluntary sector, the education sector, and professions such as law and accountancy.

Recognising the comments that have been made to the panel about the shortage of suitable candidates, we believe there could be scope for collaborative working amongst universities through the identification of a suitable pool of potential candidates who could be approached when appointments had to be made; all appointments, however, should be made in accordance with the transparent procedures described above.

All governing bodies should also have effective representation of internal stakeholders.

The panel recommends that there should be a minimum of two students on the governing body, nominated by the students’ association/union, one of whom should be the President of the Students’ Association and at least one of whom should be a woman. There should be at least two directly elected staff members. In addition, there should be one member nominated by academic and related unions and one by administrative, technical or support staff unions. The existing system of academic board representatives (called ‘Senate assessors’ in some universities) should also be continued. Governing bodies should also have up to two alumni representatives.

The panel however recommends that the existing practice in some universities of having ‘Chancellor's assessors’ should be discontinued.

Overall, governing bodies also need to observe the principles of gender balance and of diversity.

The panel therefore recommends that each governing body should be required to ensure (over a specified transition period) that at least 40 per cent of the membership is female. Each governing body should also ensure that the membership reflects the principles of equality and diversity more generally, reflecting the diversity of the wider society.
The panel recommends that governing bodies should be required to draw up and make public a skills and values matrix for the membership of the governing body, which would inform the recruitment of independent members of the governing body. The membership of the governing body should be regularly evaluated against this matrix.

Expenses available to those who sit on the governing body should include any wages lost as a result of attending meetings.

This should encourage an interest in membership amongst a wider group and thereby produce greater social and professional diversity.

Finally, it is common practice in many universities for the senior management team to attend governing body meetings as observers. While this practice ensures that the governing body has available at its meetings information and expertise from senior managers, their presence can create an appearance of imbalance.

The panel therefore recommends that senior managers other than the Principal should not be governing body members and should not be in attendance at governing body meetings, except for specific agenda items at which their individual participation is considered necessary, and for those agenda items only.

4.3 The Committee Structure

An essential element of the governance of universities is the binary structure of the governing body and the Academic Council, Board or Senate. The former has responsibility for the resources, including the staff, estate and finance, while the latter has responsibility for the academic side of the institution which include the students, learning, teaching, research and knowledge transfer.

Much of the detailed work of both governing body and academic board is undertaken by sub-committees; the exact remit will differ slightly from institution to institution, but there are similarities across the sector. Beneath the governing body there will be an Audit Committee which is a requirement of the Financial Memorandum of the Scottish Funding Council, and often a finance committee, an ethics committee, a staffing or human resources committee, a remunerations committee and a nominations committee.

Each of the sub-committees has the opportunity of introducing lay members who are not on the governing body and who bring particular expertise to the role; for instance it is normal for an audit committee to have an external chartered accountant or similarly qualified individual.

The academic board may, in some cases, also have appropriate sub-committees.

The binary structure of governance can potentially lead to a lack of coherence between the strategic planning of resources, which is the remit of the governing body, and the academic planning which is the remit of academic board. To avoid this, there may be merit in the idea of a joint committee in each university to coordinate academic planning and resourcing issues, without compromising the core principle that academic boards are responsible for academic governance. This committee would cover the remit of both a finance committee and a planning committee and would ensure that academic priorities are considered together with the human, financial and physical resources necessary to deliver them.
The importance of an ethics committee has been highlighted by the recent issues at the London School of Economics and the subsequent Woolf Report.\textsuperscript{19} Ethical questions and the reputational risk flowing from them need to be addressed as part of governance, and the ethics committee would normally report to the governing body. However, ethical questions can arise in relation to academic activity and can potentially affect fields of academic study with implications for academic freedom. For this reason consideration should be given to making the ethics committee a sub-committee of both the governing body and the academic board.

4.4 Training

As the responsibilities and duties of governance have become increasingly important but also much more complex, it has become hugely important that those entrusted with these tasks are skilled in exercising them. While we have no doubt that governors across the higher education sector in Scotland apply themselves to their role with energy and commitment, it is not always clear whether they are in all cases adequately informed and trained.

The panel recommends that all universities should be required to ensure that governors – including external governors, staff governors and student governors – are fully briefed and trained, and that their knowledge is refreshed regularly in appropriate programmes. Each governing body should be required to report annually on the details of training made available to and availed of by governors.

Such training should include programmes on corporate governance generally, financial and business planning, human resources issues, equality and diversity, and developments within education.

\textsuperscript{19} The Woolf Inquiry: an inquiry into the LSE’s links with Libya and lessons to be learned, 2011.
5. **ROLE, COMPOSITION AND APPOINTMENT OF ACADEMIC BOARDS**

5.1 Composition of the Academic Board and Appointment of Members

Given the diversity of Scottish higher education institutions in terms of size and mission, there is no national standard size of the academic board. That said, the panel has heard evidence which points towards dysfunctionality where the membership of the board is too large.

The academic board has a key role in the governance of an institution and therefore needs to be constituted in such a way as to maximise its effectiveness. It must retain the confidence of those it represents, or it risks becoming inquorate or vulnerable, except when high profile controversies arise. Key amongst the responsibilities of the academic board is the oversight of academic quality, the safeguarding of academic freedom and the necessary co-ordination with governing body to ensure that decision-making at all levels is properly informed.

The panel recommends that, in line with existing legislation applying to the ancient universities, the academic board should be the final arbiter on academic matters.

An important role for the academic board is to set the academic tone of the institution and to provide academic input for the institutional strategy. It is important that academic board decisions are not simply seen as endorsements of previous management decisions and that staff are engaged, so that academic boards are seen as genuine fora of academic debate and governance. Meaningful consultation and serious participation are both key.

The academic board will tend to be bigger than the governing body, and in order to remain effective its membership should be of a size that enables effective representation of the academic community, but in any case it should not normally be larger than 120 members.

The panel recommends that, apart from the Principal and the heads of School (or equivalent) who should attend *ex officio*, all other members should be elected by the constituency that they represent, and elected members should form a majority of the total membership. In establishing the membership of the academic board, due regard should be given to the principles of equality, and the need for the body to be representative. This includes a requirement to ensure that there is significant (rather than token) student representation. Overall, academic boards should not normally have more than 120 members.

The balance between students and staff on academic boards should be considered, bearing in mind that student representatives need to be able to represent the current student cohort, whereas staff members represent not so much their immediate constituents, as the longer-term academic interests of the institution.
6. ROLE OF STAKEHOLDERS

6.1 Staff

Scotland's universities, we have argued, have a distinctive and important history and an understanding of this should inform decisions about how, in a changing world, their governance relates to staff and students (see 6.2 below). A 'Scottish solution' to the problems this panel was set up to address should involve general recognition of the need for all staff to feel involved in meaningful consultation and collegial decision-making, and also of the role trade unions play as their representative bodies, not only for bargaining purposes with regard to material conditions but also in supporting and promoting good governance.

Strong opinions have been expressed to the panel that consensual decision-making is greatly enhanced and damaging disputes are most effectively avoided when there are well functioning working relations between unions and management. Trade unions also have an important role in protecting academic freedom, particularly since the most secure way of safeguarding that core value – legally protected academic ‘tenure’ – was abolished by the UK parliament in the Education Reform Act 1988.

Higher education trade unions have, as part of their role as important contributors to Scottish civil society, promoted a wider understanding of the importance of universities in Scottish society, and the need for public debate about higher education, particularly since the advance of devolution in the 1990s.20 We have accordingly recommended enhancing the role of trade unions in university governance (see 4.2 above), and we further draw attention to the desirability of governing bodies regularly reporting on how they monitor their institutions’ relations with all staff, and with trade unions.

6.2 Governance and Student Associations / Unions

Students have a major part to play in the governance of institutions and it is right that the student body is engaged and represented at all levels from classroom to the management board. The role of students’ associations is currently set out in the Education Act 1994.

In most cases there is a strong working relationship between students’ associations and university courts. Where, occasionally, there is a breakdown in communication, the cause is often a lack of support and facilitation from the university. Universities should ensure that their students’ associations are adequately resourced and given sufficient time in order to consult with their members, in order to ensure that students have sufficient opportunity to contribute to the decisions taken by management and by governing bodies.

We would support the introduction of partnership agreements, as suggested in the Government’s recent pre-legislative paper,21 and would suggest that they incorporate elements that relate to institutional governance. They could set out the relationships between

20 In 1997 a conference in Inverness on ‘Higher Education and a Scottish Parliament’, organised by the Association of University Teachers Scotland (AUTS) and sponsored by the Scottish TUC, the Comhairle na Gaidhealtachd, the UHI Project (as it then was) and The Times Higher Educational Supplement [THES] sought 'to put Higher Education on the [new Holyrood Parliament’s] agenda' and to outline 'outcomes and problems to be faced.' See also David Bleiman, THES, 11 April 1997, calling for a policy that would place her universities at the heart of the ‘new’ Scotland, while safeguarding autonomy and academic freedom. Since the Holyrood elections of 2007, which brought the first SNP Government into office, UCUS has organised two major conferences, first, in 2008, 'Intellect and Democracy', and then, during the 2010-11 Green Paper consultation, ‘The Future of Higher Education in Scotland’ (February 2011), jointly sponsored with the University Lecturers Association of the Educational Institute of Scotland.

21 Putting Learners at the Centre: Delivering our Ambitions for post-16 Education, 2011.
institutions and students’ association/unions, as well as indicating to individual students the role they can expect to play in the institution.

The proposed new statute should fully recognise the role of students’ association in the governance of Universities.

6.3 Wider Community

While there are well-recognised models for the involvement of staff and students in the governance of universities, there is currently no standard method of involving the wider community in governance. Some universities have invited local authority councillors to join the court in an attempt to address this; however, valuable though this is in itself, it is not clear how effective it is in prompting universities to consider local issues and concerns. We would like to see universities becoming more involved in community planning partnerships and to consider more effective ways of community engagement. Collaborative working could again have an impact through the sharing of best practice.

6.4 Industry and the business community

Where they do not already have such bodies, universities should consider establishing business and industry advisory committees to ensure appropriate levels of communication.

They should wherever possible enhance their understanding of the skills employers seek, and are likely to seek, in graduate employees, not only today but in the foreseeable future. It should also be a role of such committees to impress on employers the importance of the broadened outlook, critical intellectual curiosity and general life skills that a university, even when it is focussed on entirely non-vocational subjects, can impart. It should also be within the remit of such committees to explore, and report to academic boards and governing bodies on, the development of partnerships with industry in appropriate research projects.
7. **OTHER ISSUES**

7.1 **Whistleblowing**

The ability to report irregularities without fear of retribution is an important aspect of collaborative governance whereby all staff and students are encouraged to take some measure of responsibility for the good and proper administration of the institution. While it is clear that unlawful or malicious allegations are not acceptable, where concerns about impropriety are submitted in good faith the person doing so should be able to do so without fear of recourse.

The panel recommends that all universities maintain a whistleblowing policy, and this should be under the overall control of the governing body. Such a policy must include a clear process a person, whether a member of the university or not, wishing to make a complaint can access, and it should be proactively publicised.

7.2 **Evidence Base**

In the course of our deliberations the panel has gathered a considerable amount of evidence from individuals and organisations. However, we were struck by the apparent lack of formal research in this area. Where faculty of education research programmes are concerned they appear to focus on school and early years rather than further and higher education, with the exception of teacher training.

Governance is not just about structures and management. It is also about values, accountability, credibility and trust. It would be useful to review the body of material that is already available covering these areas and to set an agenda for future research requirements.

We are not aware, for example, of any rigorous look at what the 1992 changes achieved for higher education in Scotland. We have also heard many views on the shortcomings of league tables, but we are not aware of any work looking at the consequences of adherence to them, much less work that would support an institution that wanted to break free. Where Ministerial directions are concerned, we also think that there would be merit in carrying out rolling research looking at progress against objectives, which in turn could be used to inform subsequent directions. The latter could involve the production of an annual report to the advisory forum which we have recommended above.

A striking feature of the evidence presented to the panel has been the sharply divergent narratives about the state of Scotland’s universities today. It is also clear that there is much more to learn than the panel, despite its best efforts, was able to achieve in the time available to it; this could usefully extend to collecting much more evidence from international sources.

Over the next few years Scotland will discuss its constitutional future and how its politics and social institutions can best both represent and serve its people. The nation’s universities should be at the centre of this discourse, not only in informing public opinion and encouraging understanding the arguments concerning independence but also in recognising that their own role and how they conduct themselves has to come under objective scrutiny. Scotland’s universities already play a central part in defining the nation’s distinctiveness, enhancing its economic performance, critiquing its social values, developing the cultural and intellectual capacities of its citizens, and establishing its reputation in the world. In an
independent Scotland that would be all the more true. No informed decision about the desirability of independence, or any other new constitutional settlement, can be made without including the future of the universities in the public debate. This approach underlies our recommendations.

The panel took advice about the existing research base, and what is now required to make a reality of the Government’s desire for evidence-informed policy. We note that Scotland’s seven Schools of Education focus mainly on the school sector. There is some work on further, adult and community education but virtually none on higher education. Both Universities Scotland and the Scottish Funding Council of course collect data relevant to governance issues (e.g. reviews of institutional mergers) but it is not published in a form readily accessible for independent, critical-analytical scrutiny, nor, given their practical responsibilities, is it their role to act as neutral bodies for research purposes.

The panel therefore recommends that the Government instruct the Scottish Funding Council to establish in an appropriate academic setting a Scottish Centre for Higher Education Research, which should be available as a resource for the entire higher education sector and for government.

The centre would have the task of conducting research into issues of relevance to higher education policy, including issues that have been highlighted in this report. Carrying out this work, with an initial deadline for some meaningful results of perhaps 2014, will have the added advantage of putting in place a mechanism to monitor the implementation of policy outcomes from this review and the Government’s response to it.

7.3 Avoiding the Bureaucratisation of Higher Education

In this report the panel has made a number of recommendations which it hopes will strengthen and improve the governance of higher education institutions. In doing so it has been mindful of the fact that, over recent years, these institutions have had to face increasing demands for formal reporting and accounting, some of them requiring the deployment of major human and material resources. It is not our intention that this report should be seen as adding to these burdens, and we are of the view that in all reforms the risk of excessive bureaucratisation should be taken into consideration.

The panel recommends that the Scottish Funding Council should undertake a review of the bureaucratic and administrative demands currently made of higher education institutions from all government and public agency sources, with a view to rationalising these and thereby promoting more transparent and efficient regulation and governance.

7.4 Code of Good Governance

In its work the panel was greatly assisted by the Committee of University Chairs (CUC) Guide for Members of Higher Education Bodies. Given the increasing divergence, however, between the Scottish and English systems of higher education, it may be timely to

22 The recently established Centre for Higher Education Research (CHER) at St Andrews acts as a loosely-organised forum for diverse activities across different academic disciplines; and its output so far has focused on widening participation, students’ use of e-books, enquiry-based learning, computer simulations and graduate employment. The CHER website contains no material to inform the current Review. The Scotland-relevant research encouraged by the UK Higher Education Academy focuses not on governance but on curriculum, assessment and the student experience.

consider a specifically Scottish code of good governance, which could then also take into account the recommendations of this panel.

The panel therefore recommends that the Scottish Funding Council should commission the drafting of a Code of Good Governance for higher education institutions.

7.5 Specialist Institutions and the Open University

Earlier in this report (see 2.1 above) we have drawn attention to the existence of three smaller specialist higher education institutions in Scotland, as well as the presence here of the England-based Open University. It is the view of the panel that our recommendations should, where possible, apply to these also. However, we are aware that these institutions may wish to have their special status recognised in particular ways, and we take the view that further consideration may need to be given to them in that context, a task which due to the time frame of this review we were unable to undertake.
ANNEX A: LIST OF RECOMMENDATIONS

2.2 The role of the Privy Council

The existing jurisdiction of the Privy Council in relation to universities and higher education institutions should be transferred to a committee comprising the First Minister of Scotland, the Lord Advocate and the Lord President of the Court of Session, subject to parliamentary scrutiny.

2.3 A New Statute of the Scottish Parliament

The Scottish Parliament should enact a statute for Scotland’s higher education sector setting out the key principles of governance and management and serving as the legal basis for the continued establishment of all recognised higher education institutions.

Under the new statute, the designation ‘university’ should be reserved to independent public bodies accredited in Scotland under legislation for these purposes.

2.4 Academic Freedom and Institutional Autonomy

A definition of academic freedom should be incorporated in the statute governing higher education, based on the definition contained in Ireland’s Universities Act 1997, and applying to all ‘relevant persons’ as under the existing 2005 Act.

Scottish universities and higher education institutions should adopt a similar approach and that each institution should adopt through appropriate internal processes, and present to the SFC, a statement on its implementation of the statutory protection of academic freedom.

2.5 The Role of Governance

Governing bodies should be required to demonstrate that their deliberations and decisions appropriately observe the four objectives the panel has set out for university governance, and they should regularly review their own performance against these.

The fundamental principle of a collaborative approach wherever appropriate should be enshrined in the Scottish university system through making the fostering of collaboration between universities a task for the Scottish Funding Council.

2.8 Advisory Forum

A Scottish Higher Education Forum should be established, convened by the Scottish Funding Council and chaired by the Cabinet Secretary for Education and Lifelong Learning, which would meet on fixed dates at least once a year.

2.9 The Relationship with Further Education

All Scottish universities should not only include responsibilities to their region, alongside their national and international objectives, in their mission statements, but also seek ways to engage proactively, for the benefit of students and the Scottish education system as a whole, with further education institutions and any new governance structures that may be put in place.

3.1 Appointment and Role of Principals
The heads of Scottish higher education institutions should be described as the ‘chief officer’, and that the job title should continue to be ‘Principal’.

There should be widened participation in the process for appointing Principals, and core to this approach should be the reform of the way in which of appointment panels are set up and operate.

The appraisal of Principals should involve external governing body members, staff and students.

3.2 Remuneration of Principals and Senior Management

Further percentage increases beyond those awarded to staff in general should not take place until existing processes have been reviewed and, if appropriate, amended.

Universities should ensure that any payments that may be perceived as bonuses are either abolished or at least transparently awarded and brought into line with the scale of ‘contribution payments’ available to on-scale staff.

Remuneration committees should include staff and student members. The work of the committee should be transparent, and in particular, the basis upon which pay is calculated should be published. While the Framework Agreement, determining pay scales for university staff up to the grade of professor, is a UK matter, the Scottish Government should investigate whether it might be extended north of the border to include all staff including Principals. There should be a standard format for reporting senior officer pay, and the SFC should publish these figures annually.

The SFC should investigate how the principles of the Hutton Report are being or should be applied to universities in Scotland.

4. Role, Composition and Appointment of Governing Bodies

Meetings of governing bodies should normally be held in public unless the matters under consideration are deemed to be of a confidential or commercially sensitive nature; these exceptional matters should be established through clear guidelines.

4.1 Chairing of Governing Bodies

The chair of the governing body should be elected, thus reflecting the democratic ideal of Scottish higher education (recommended by a majority, one member dissenting).

The chair should receive some form of reasonable remuneration (recommended by a majority, one member dissenting).

4.2 Membership of Governing Bodies

Positions on governing bodies for lay or external members should be advertised externally and all appointments should be handled by the nominations committee of the governing body. Each governing body should be so constituted that the lay or external members have a majority of the total membership.
There should be a minimum of two students on the governing body, nominated by the students’ association/union, one of whom should be the President of the Students’ Association and at least one of whom should be a woman. There should be at least two directly elected staff members. In addition, there should be one member nominated by academic and related unions and one by administrative, technical or support staff unions. The existing system of academic board representatives (called ‘Senate assessors’ in some universities) should also be continued. Governing bodies should also have up to two alumni representatives.

The existing practice in some universities of having ‘Chancellor’s assessors’ should be discontinued.

Each governing body should be required to ensure (over a specified transition period) that at least 40 per cent of the membership is female. Each governing body should also ensure that the membership reflects the principles of equality and diversity more generally, reflecting the diversity of the wider society.

Governing bodies should be required to draw up and make public a skills and values matrix for the membership of the governing body, which would inform the recruitment of independent members of the governing body. The membership of the governing body should be regularly evaluated against this matrix.

Expenses available to those who sit on the governing body should include any wages lost as a result of attending meetings.

Senior managers other than the Principal should not be governing body members and should not be in attendance at governing body meetings, except for specific agenda items at which their individual participation is considered necessary, and for those agenda items only.

4.4 Training

All universities should be required to ensure that governors – including external governors, staff governors and student governors – are fully briefed and trained, and their knowledge should be refreshed regularly in appropriate programmes. Each governing body should be required to report annually on the details of training made available to and availed of by governors.

5.1 Composition of the Academic Board and Appointment of Members

In line with existing legislation applying to the ancient universities, the academic board should be the final arbiter on academic matters.

Apart from the Principal and the heads of School (or equivalent) who should attend ex officio, all other members should be elected by the constituency that they represent, and elected members should form a majority of the total membership. In establishing the membership of the academic board, due regard should be given to the principles of equality, and the need for the body to be representative. This includes a requirement to ensure that there is significant (rather than token) student representation. Overall, academic boards should not normally have more than 120 members.

7.1 Whistleblowing
All universities should maintain a whistleblowing policy, and this should be under the overall control of the governing body. Such a policy must include a clear process a person, whether a member of the university or not, wishing to make a complaint can access, and it should be proactively publicised.

7.2 Evidence Base

The Government should instruct the Scottish Funding Council to establish in an appropriate academic setting a Scottish Centre for Higher Education Research, which should be available as a resource for the entire higher education sector and for government.

7.3 Avoiding Bureaucratisation

The Scottish Funding Council should undertake a review of the bureaucratic and administrative demands currently made of higher education institutions from all government and public agency sources, with a view to rationalising these and thereby promoting more transparent and efficient regulation and governance.

7.4 Code of Good Governance

The Scottish Funding Council should commission the drafting of a Code of Good Governance for higher education institutions.

Please click on the below link which will take you to an opinion from panel member Mr Alan Simpson on the recommendations from this report:
Letter on recommendations
**ANNEX B: GOVERNANCE STRUCTURES**

**Edinburgh Napier University** has a 25-member Court including a Chairman of Court and a Vice Chair. The university also has a Chancellor, a Principal (also the Vice-Chancellor), and three Vice-Principals. The majority of Court members (15) are classed as 'independent members'. Court also includes three members of staff (two of whom are directly elected, and one who is appointed by the Academic Board) and two student members who are the President and another office-bearer of the Students’ Association. The Principal is also the Convenor of the Academic Board which comprises 17 elected members of academic staff, 4 student representatives and 12 ex-officio members (including the Principal and 2 Vice-Principals).

**Royal Conservatoire of Scotland** has a Board of Governors with a maximum membership of 24, comprising of a maximum of 19 Lay Governors, 2 elected staff members, a student representative and 3 ex-officio members (the Principal, the Vice Principal and the President of the SU). The Academic Board has 13 members, including the Principal (Chair), Vice Principal, Deans, 3 independent externals, 2 elected members of academic staff and 2 student representatives in addition to 15 ex-officio members (the Principal, Vice Principals, Academic Registrar, Deans of School, Heads of Divisions etc.).

**Queen Margaret University** has a 24-member Court including a Chairman of Court and a Vice Chair (appointed from among the lay members). The university also has a Chancellor, a Principal (also the Vice-Chancellor and Chief Executive Officer), and two Vice-Principals. The court comprises between 12 and 16 lay members (currently 16), the Principal and Vice Principals, 3 staff members (two of whom are elected by staff and one of whom is elected by the Senate), the Student President and one other Student Union office bearer. The Principal is also the Convenor of the Senate and nominates one of the Vice Principals as the Deputy Convenor. The Senate comprises 18 elected members of academic staff and two student representatives in addition to 15 ex-officio members (the Principal, Vice Principals, Academic Registrar, Deans of School, Heads of Divisions etc.).

**Glasgow University** has a 25-member Court, comprising the Lord Rector (the Chair who is elected by the student body), the Principal, the Chancellor's Assessor, a representative of Glasgow City Council, five assessors elected by the General Council, seven Senate Assessors elected by the Academic Senate, two employee representatives, the President of the Students' Representative Council, one assessor elected by the Students' Representative Council, and five co-opted members. The Academic Senate, which has several hundred members, comprises all the Professors of the University as well as elected academic members, representatives of the Student’s Representative Council, the Secretary of Court and directors of University services. The President of the Academic Senate is the Principal. The General Council is the final part of the tri-partite structure, and is an advisory body comprising all graduates and senior academics.

**Heriot Watt University** has a 25-member Court, of whom 14 are classed as ‘independent’, 4 are nominated by the Senate and 2 by the student body. The Principal and Vice Principal are ex-officio members of Court. Of the independents, 10 are co-opted, 2 are members of the graduates and former students association and 1 is a local authority councillor. The 14th independent is the Chair of the Court. There are also 3 staff members in addition to the 4 Senate members, of whom 2 are non academic and 1 is an academic. The Senate membership includes the following members: the Principal (who acts as Chair); the Vice-Principal; the two Deans of the University; the Chairs of the Senate Committees; the Librarian; the Heads of Schools and Institutes; the President of the Students Union and a member of the Council of the Students Union (elected by the Council of the Students Union);
up to six holders of academic posts. Each School and Institute elects members to the Senate. The number of elected members of each School is based upon the number of relevant staff (FTE) per School. Elected members make up two thirds of the total membership of the Senate.

**University of the West of Scotland** has a Court, of whom not less than 13 and not more than 17 appointed by the Court are classed as lay governors from outwith the institution. 2 are appointed by the Senate from among the academic staff who are members of the Senate. One is appointed by the Student's Association from the student office bearers. The Principal, Depute Principal and Student President are ex-officio members of Court. One governor is elected by the academic and one by all the other staff. The Court appoints its Chair and such deputies as required from among the lay governors. The Senate includes the Principal (who acts as Chair), the Depute Principal, the Vice Principals, Deans of the Faculties, Heads of Schools, President of the Students' Association, Heads of Support Services in such number as determined from time to time and up to 4 co-opted members. 3 academic staff elected from each of the 3 Faculties, 3 elected by and from the Professoriate and a further 3 elected by and from the academic staff. One student representative from each of the four campuses.

**University of Dundee** has a 23-member Court, chaired by a lay member, and comprising: The Chairperson, The Principal, assessor nominated by the Chancellor, assessor nominated by the Rector (or the Rector), The Lord Provost of Dundee City Council (or his/her nominated assessor), 2 assessors elected by the Graduates' Council, 2 Professors and 2 Readers, Senior Lecturers or Lecturers elected from among its members by the Senate, 2 members elected by the Academic Council, a member elected from and by non-academic staff, President of the Students' Association, a matriculated student elected by the student body, Seven other co-opted persons, not holding full-time appointments from Court. The Senate is chaired by the Principal and also comprises: the Vice-Principals, Deputy Principals, 2 members of Academic Council elected by the Council, at least 3 student representatives, a minimum number of fifty-one Professors, Readers, Senior Lecturers and Lecturers (not less than two-thirds of the total membership shall be Professors), and such other person recommended by the Court. (The proposed new Statute for Senate, yet to be approved by the Privy Council, has the following membership: Principal, Vice-Principals, Deputy Principals, 2 members of Academic Council elected by the Council, at least 3 student representatives, the Deans of the Schools, a minimum number of 34 members of the academic staff.)

**University of Stirling** has a 25 member University Court chaired by a lay member and comprising: Principal; Chancellor's nominee; Senior Deputy Principal; 6 Academic Council appointees (not fewer than two of whom shall be of non-professorial); Convener of Stirling Council; President and the Vice-President & Treasurer of the Students’ Association; alumni appointee; up to 11 Court lay member appointees; Staff Assembly appointee (not being from Academic Staff). The Academic Council is chaired by the Principal and also includes Deputy Principals, Librarian, 6 from among the Heads of School (ex officio); 7 professors; 7 non-professorial designation (at least four of whom are academic staff); 2 student representatives (including President); up to 2 others co-opted by the Academic Council.

**University of Aberdeen** has a total possible membership of 28 on the University Court comprising: Rector; Rector’s Assessor, Principal, Chancellor’s assessor (Senior governor); Vice-Principals (to a maximum of 3); City of Aberdeen Council assessor; Aberdeenshire Council assessor; 4 General Council assessor; 6 Senate assessors; President of the Students’ Representative Council; up to 8 co-opted members; with other Vice-Principals in attendance. The Senate is chaired by the Principal and also includes all Vice-Principals,
Heads of College, Heads of School, elected representatives of the academic and research staff of each School, representatives of the Students' Association and a number of ex officio members who hold University, College or School appointments.

**Robert Gordon University** has 18 members on the Board of Governors comprising: Principal; Academic Council appointee; elected member from the academic staff; elected member from all other staff; 2 elected by the students (one undergraduate and one postgraduate); other appointed or elected independent members. The Academic Council is chaired by the Principal and also includes the Deputy Principal and Vice- Principals, Deans/Heads of School, Directors of Library Services and Marketing, Communication and Student Recruitment, Research Institute Directors, 3 Student representatives (including President), 3 academic staff members elected from each Faculty, up to 2 co-opted persons.

**University of Abertay, Dundee** has a total possible membership of 25 on the University Court with 13 forming the independent lay core (including Chair), 6 being co-opted, 3 being ex officio (Principal, Vice-Principal, President of the Students' Association) and 3 representing academic and non-academic staff. The Senate is chaired by the Principal and also includes the Vice–Principal, assistant principal, head of department, the president of the students’ association’ chief librarian, a number of persons elected by full–time academic staff and matriculated students as may be determined by the University Court (to aggregate to not less than one–third and not more than two–thirds of the ex officiis members), up to 4 co–opted persons and such other persons the University Court may approve.

**University of St Andrews** has a 24 member University Court, comprising: Rector (President); Senior Governor (Vice-President); Principal; Senior Vice-Principal; Chancellor's Assessor; Rector's Assessor; Provost of Fife's Assessor; Local Councillor; 2 General Council Assessors; 4 University Senate Assessors; 1 Non-Teaching Staff Member; 2 Students' Association members (including President); maximum of 8 co-opted independent Members. Senate membership is in excess of 140.

**University of Edinburgh** has a 22 member University Court, comprising: Rector; Principal; Chancellor's Assessor; 3 General Council Assessors; 4 Senate Assessors; City of Edinburgh Council Assessor; 8 co-opted independent members; 1 Non-Teaching Staff Assessor; 2 Student representatives. The Principal is President of the Senate, with a deliberative and casting vote, and membership also includes; all Professors, elected non-professorial representatives of readers, senior lecturers and lecturers, elected representatives of University demonstrators and research staff, elected student representatives and other ex-officio members not already in any of these categories.

**University of Strathclyde** has a 24 member University Court, comprising: Principal; Vice–Principal; City of Glasgow Council appointee; 5 Senate appointees; President of the Students Association; Students Association Executive appointee; Graduate/former students appointee; Professional Services staff appointee; up to 12 other persons co-opted by the Court. One-third of the total actual membership of the Court shall constitute a quorum. The Senate is chaired by the Principal and also includes the Vice-Principal and the Deputy Principals; Deans of the Faculties; Directors or Heads of Professional Services as recommended by the Court; Heads of the academic departments as recommended by the Court; such numbers of the Academic Staff, Research Staff and Teaching Staff as recommended by the Court; and such other members (not exceeding 5) as recommended by the Court.

**Glasgow Caledonian University** has a maximum of 23 members on University Court with an appointed lay membership (min 9 and max 18) majority. Ex officio members are:
Principal; President of the Students' Association; elected academic staff representative; elected non-academic staff representative; and a Senate appointee. The Senate is chaired by the Principal and also includes the Vice-Principal; Head of Academic Department; President of the Students' Association; a number of persons elected by full-time academic staff and matriculated students as may be determined by the Senate (to aggregate to not less than one-third and not more than two-thirds of the ex officiis members), up to 4 co-opted persons.

**Glasgow School of Art** has a maximum of 25 members on the Governing Body comprising: Director; Deputy-Director; and Convenor of the Students' Association, as governors ex officiis; independent lay members appointed by the Governors (minimum of 11 and maximum of 19); full-time academic staff appointment by the academic council; elected full-time academic staff representative; elected full-time non-academic staff representative. The Academic Council comprises thirty members: 18 ex officiis including the Director, Deputy Director and heads of departments, four co-opted members including the Senior Tutor and the president of the Students' Representative Council and eight elected members.

**University of the Highlands and Islands** has 28 members on the Governing Body comprising: Principal; and President of the Students' Association, as governors ex officiis; elected academic staff representative; elected support staff representative; 7 Court appointed members from the governing bodies of Academic Partners; 14 independent members (three appointed by the Foundation to secure reasonable geographical representation of the Highlands and Islands; two appointed by Highlands and Islands Enterprise, and nine appointed by the Court); 3 members appointed from each of the University Members (Universities of Aberdeen, Edinburgh and Strathclyde).

**Scottish Agricultural College (SAC)** is a private company limited by guarantee with charitable status. The SAC Board is composed of a combination of Non-Executive and Executive Directors. The maximum number of Directors is 18 comprising of no more than 6 Executive Directors and no more than 12 Non Executive Directors. The Academic Advisory Committee, which reports directly to the Board, comprises 10 members including the Vice Chairman (as Chair), 3 other Non Executive Directors, the Chief Executive and Principal, the Academic Director and Vice Principal Research, the Vice Principal Learning, the Finance and Corporate Affairs Director, and 2 student representatives (including the President of SAC’s Students’ Association).
ANNEX C: CONSULTATION RESPONDENTS (ALPHABETICAL LIST)
(consultation responses can be viewed at the following link:
http://www.scotland.gov.uk/Publications/2011/10/25103503/0)

4 Consulting Ltd
Alliance of Sector Skills Councils in Scotland
Combined Union Committee at GCU
Committee of Scottish Chairs
Douglas Connell
John Dunn
Educational Institute of Scotland
Educational Institute of Scotland (University of the West of Scotland Branch)
Edinburgh Napier University
Edinburgh University Joint Unions Liaison Committee
Edinburgh University Student's Association
General Council of the University of Edinburgh
Glasgow Caledonian University
Glasgow School of Art
Mark Godfrey
Chris Harvie
Heriot Watt University
Marion Hersh
Institute of Chartered Accountants in Scotland
Paddy Lyons
Judith McClure
Thomas Munck
National Union of Students Scotland
Adam Ogilvie-Smith
Open University in Scotland
Quality Assurance Agency for Higher Education Scotland
Queen Margaret University
Royal Conservatoire of Scotland
The Royal Society of Edinburgh
St Andrews Student Association
Scottish Agricultural College
Scottish Funding Council
Small Specialist Higher Education Institutions
Unison Scotland
University and College Union (Glasgow Caledonian University Branch)
University and College Union (University of Glasgow Branch)
University and College Union (University of Aberdeen Branch)
University and College Union Scotland
Universities Scotland
University of Aberdeen
University of Abertay
University of Dundee
University of Edinburgh
University of Glasgow Court
University of the Highlands and Islands
University of St Andrews
University of Strathclyde
University of Stirling
University of the West of Scotland
The Watt Club
Stephen White
<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Affiliation</th>
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<tbody>
<tr>
<td>Chris Harvie</td>
<td>Former MSP. Professor of British and Irish Studies, University of Tübingen</td>
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<tr>
<td>Mark Batho</td>
<td>Scottish Funding Council</td>
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<td>Wilma MacDonald</td>
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<td>Michael Crow</td>
<td>Arizona State University</td>
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<td>David Belsey</td>
<td>Educational Institute of Scotland</td>
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<td>Jason Robertson</td>
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<td>Vaughan Ellis</td>
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<td>Anton Muscatelli</td>
<td>University of Glasgow</td>
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<tr>
<td>Lesley Sawyers</td>
<td>Scottish Council for Development and Industry</td>
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<td>James Alexander</td>
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<td>Allan Pall</td>
<td>European Students Union</td>
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<tr>
<td>Eve Lewis</td>
<td>Student Participation in Quality Scotland (SPARQS)</td>
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<td>Gerry Webber</td>
<td>University Secretaries Group</td>
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<td>David Newall</td>
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<td>Kim Waldron</td>
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<td>Steve Chapman</td>
<td>Universities Scotland</td>
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<td>John Wallace</td>
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<td>Alastair Sim</td>
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<td>Darren Thomson</td>
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<td>Jens Vraa-Jensen</td>
<td>Education International</td>
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<tr>
<td>Ulla Mäkeläinen</td>
<td>Ministry of Education, Finland</td>
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<td>Tomi Halonen</td>
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<td>Gordon Watson</td>
<td>University and College Union</td>
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<td>Dave Anderson</td>
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<td>Ann Gow</td>
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<td>Mary Senior</td>
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<td>Tony Axon</td>
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<tr>
<td>Walter Humes</td>
<td>Educationalist. Visiting Professor of Education at the University of Stirling</td>
</tr>
</tbody>
</table>
ANNEX E: Bibliography

Bradley Report on Australian Higher Education (Bradley report):

National Strategy for Higher Education in Ireland (Hunt report):
http://www.hea.ie/en/node/1303

CUC Guide for Members of Higher Education Governing Bodies in the UK:
http://www.hefce.ac.uk/pubs/hefce/2009/09_14/

A Framework for Identifying Governing Body Effectiveness in Higher Education:
http://www.lfhe.ac.uk/governance/reviewinggovernance/gbeffframework.pdf

Achievement and Accountability: Report of the Independent Review of HE Governance in Wales:
http://www.lfhe.ac.uk/governance/govpublications/mccormick.pdf

University Governance - Questions for a New Era, by Professor Malcolm Gillies:
http://www.hepi.ac.uk/files/UniversityGovernance.pdf

The Good Governance Standard for Public Services:
http://www.lfhe.ac.uk/governance/govpublications/goodgov.pdf

A Report to the CUC on Good Practice in Six Areas of Governance of HEIs, 2004:
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http://www.oecd.org/dataoecd/0/20/35747684.pdf

Global Trends in University Governance: World Bank paper, March 2008:

EC Report (2008): Progress in higher education reform across Europe: Governance:

Link to Governance section of Leadership Foundation for Higher Education website:
http://www.lfhe.ac.uk/governance/


ESU's Budapest Declaration on student participation: http://www.esu-online.org/asset/news/6065/Budapest-Declaration-FINAL.pdf

NUS's Good Governance guide: http://www.nusconnect.org.uk/goodgovernance/guidance/

The Alternative While Paper on English HE signed by senior academics:
http://www.guardian.co.uk/education/interactive/2011/sep/27/higher-education-alternative-white-paper

Trinity College Dublin Statement on Academic Freedom: http://www.tcd.ie/about/policies/academic-freedom.php

Education International position paper for the Bologna Follow-up group in Krakow October 13-14.

Tribalism and Competitive Branding in (Scottish) Higher Education, Walter Humes, University of Stirling:

Intellect and Democracy, UCU report to Cabinet Secretary for the 2010 Green Paper consultation.


From Robbins to McKinsey, Stefan Collini: http://www.lrb.co.uk/v33/n16/stefan-collini/from-robbins-to-mckinsey
Don’t Look to the Ivy League, Howard Hotson: http://www.lrb.co.uk/v33/n10/howard-hotson/dont-look-to-the-ivy-league
The governance of the ‘ancient’ universities (Aberdeen, Edinburgh, Glasgow, St Andrews) is regulated by the Universities (Scotland) Acts 1858 – 1966:

Universities (Scotland) Act 1858 (c.83)
Universities (Scotland) Act 1889 (c.55)
Universities (Scotland) Act 1922 (c.31)
Universities (Scotland) Act 1932 (c.26)
Universities (Scotland) Act 1966 (c.13)

A number of universities are governed by Royal Charter:

University of Edinburgh Charter
Heriot-Watt University Charter
University of Dundee Charter
University of Stirling Charter
University of Strathclyde Charter

The Open University Charter

The governance arrangements for the ‘post-1992’ universities and other higher education institutions are contained in the following statutory instruments:

The Queen Margaret University, Edinburgh (Scotland) Order of Council 2007

The Robert Gordon University (Scotland) Order of Council 1993
The Robert Gordon University (Establishment) (Scotland) Order 2006
The Robert Gordon University (Scotland) Order of Council 2006
The Robert Gordon University (Scotland) Amendment Order of Council 2006

The Napier University (Scotland) Order of Council 1993
The Napier University (Scotland) Order of Council 1993 Amendment Order of Council 2007
The Edinburgh Napier University Order of Council 2008

The Glasgow Caledonian University Order of Council 2010

The University of Abertay Dundee (Scotland) Order of Council 2004

The University of Paisley (Scotland) Order of Council 1993
The University of the West of Scotland Amendment Order 2007
The University of the West of Scotland Order of Council 2009

The Glasgow School of Art (Scotland) Order of Council 1996

The Royal Scottish Academy of Music and Drama (Scotland) Order of Council 1995

UHI Memorandum and Articles of Association

Other statutes of relevance to all universities include:

Further and Higher Education (Scotland) Act 1992 (c. 37)
Further and Higher Education (Scotland) Act 2005 (asp 6)
ANNEX G

Trinity College Dublin
Policy on Academic Freedom

1. Introduction

1.1 Background

In January 2008, representatives of the Academic Staff Association in Trinity College Dublin prepared a document on 'Academic Freedom and Research Plans', and a draft of this document was agreed with the then Bursar. This document was later presented to the Vice-Provost/Chief Academic Officer, and it was agreed that the subject of academic freedom was one that would benefit from a formal policy established by the University Council. To that end, it was agreed to propose to the University Council that a Working Group on Academic Freedom be established. The purpose of the Working Group would be to bring forward a policy document on academic freedom in TCD. The document would give the context for academic freedom in universities and recommend principles to inform decision-making in College.

1.2 Strategic Plan (2009-2014)

The College’s Strategic Plan (2009-2014) specifically references academic freedom as an effective instrument for achieving the goals of the University. Allied with academic freedom is the principle of autonomy of the university; Trinity’s Strategic Plan reiterates the importance of institutional autonomy alongside a commitment to accountability for the quality of teaching and research, and for the stewardship of resources. A specific action in the Strategic Plan relates to the College taking an increased leadership role in public debate, further reinforcing the idea of the university as a public ‘space’ which values diversity of opinion and expression.

1.3 Definition

Academic freedom is valued as a defining characteristic of the university. It includes the freedom, subject to the norms and standards of scholarly inquiry, to conduct research, teach, speak and publish without interference or penalty, no matter where the search for truth and understanding may lead. No member of the college community should feel that their position in the College is made insecure because of the expression of a particular opinion. This extends to all manner of opinions on social, cultural, or political topics related to academic work. Academic freedom encourages the exploration of new ideas, the testing of received wisdom and, ultimately, the search for truth; it is a sine qua non for free inquiry. In the past, threats to academic freedom, and hence to freedom of intellectual enquiry and expression, have originated from individuals and groups within and outside the university using their power to prevent the expression of opinions contrary to theirs; such instances have been well documented (1).

1.4 Current potential sources of threats to academic freedom

The pace of recent changes in universities, many of which are motivated by or arise in response to changes in the wider society, are seen by some commentators to threaten academic freedom. Such activities that could run into conflict with academic freedom are:
Strategic planning, particularly relating to research. Though academic planning can be a positive, rational exercise, it carries with it risks such as requiring individuals to participate in research activities against their better judgement, and the marginalisation of the work of those whose research or teaching does not fit the strategic objectives of the university, thereby excluding individual academics’ full participation in the activities of their School or Department.

Measurement of performance in research, including allocation of resources based on meeting targets for research productivity. While it is a fundamental assumption that all academics in an institution such as Trinity College engage in research, productivity metrics carry with them the potential to impose an external set of academic priorities on the work of individuals. Such metrics may dictate the timing, structure, and purpose of research, or prescribe the ways in which research results are reported, in a manner that limits the autonomy of the individual academic staff member as the prime mover of research activity. If the metrics are not drawn correctly and with due appreciation of the diversity of research conducted in the university, then certain fields of study or modes of research activity might be wrongly excluded.

Changes in university governance. The collegiate model in academic governance is the product of a long period of evolution and highlights the value of an environment in which the differing perspectives of academics from a wide range of disciplines, backgrounds, and levels of seniority are given influence and accorded respect. The collegiate model has shown itself capable of supporting a diversity of intellectual goals and practices, and cultivates a spirit of academic freedom in the decision-making process. Models of governance that are more hierarchical have the perceived advantages of quicker and more directed decision-making, but the disadvantage of reductions in levels of individual autonomy in teaching and research. To the extent that hierarchical models of governance are imposed by external sources (whether directly or indirectly) the risk to academic freedom may arise not only through the potential loss of the opportunity for individual input into decision-making, but through the loss of the university’s own autonomy in accepting a re-definition of its internal structure and its role in society.

State control through funding mechanisms. In a democratic society the State usually encourages or (by extension) discourages certain activities indirectly using funding mechanisms. While the university necessarily takes a long-term strategic perspective on the value and importance of its activities in research and teaching, the state may wish to harness the talent within the university in pursuit of more immediate goals. Recognising their vital role in society, universities - especially those which receive state funding - will often respond positively to such initiatives. Nevertheless, any view that universities are adjuncts to the State potentially threatens academic freedom by external prioritisation of some lines of learning and enquiry over others.

Academic tenure and fixed-term contracts. Most discussions of academic freedom accept as axiomatic that security of tenure is a necessary condition for the maintenance of academic freedom. Fixed-term contracts are also problematic for academic freedom as it may be difficult if not impossible to develop certain kinds of research within the confines of a fixed-term contract; individuals on such contracts may feel under obligation to fulfil specific needs rather than to plan and develop an independent academic career. While the limited use of short-term contracts for specific purposes is not, in itself, necessarily problematic for academic freedom, suggestions to eliminate secure tenure as the basic form of academic contract do represent a threat to the principle of freedom of intellectual enquiry and expression. At the level of the institution,
imposed constraints on the ability to offer contracts which include security of tenure also threaten the capacity of the university to provide an environment which is conducive to academic freedom and the benefits which it brings.

1.5 Purpose of this document

This document, then, is designed to address the challenges of the present in the light of experience which shows that the only way for the university sector to maintain a commitment to excellence is to maintain a robust commitment to the freedom of intellectual enquiry and expression: to separate universities from the specific political or economic objectives of government (and indeed to allow for a critique of the status quo in society), to ensure that funding continues to be used to the benefit of students and society at large by supporting research and teaching on the basis of sound academic criteria, and to protect the security of individuals within the system to engage in research, teaching, and learning subject only to academic standards.

2. Academic Freedom - The Policy Context

The position put forward in this document is in line with that articulated by the International Association of Universities (IAU) at their UNESCO-sponsored meeting in Nice, 1950. This statement affirms the defining principles of the modern university, among them (1) 'the right to pursue knowledge for its own sake and to follow wherever the search for truth may lead' and (2) 'the tolerance of divergent opinion and freedom from political interference'. A similar position is expressed in the Magna Charta Universitatum, which was originally signed in Bologna in 1988 and has now been signed by 660 universities (including Trinity College Dublin) from 78 countries around the world. Among its fundamental principles, the Magna Charta states that:

‘Freedom in research and training is the fundamental principle of university life, and governments and universities, each as far as in them lies, must ensure respect for this fundamental requirement’. (3)

Underscoring this principle almost 50 years after its initial declaration, the IAU has more recently emphasised

‘that neither Academic Freedom which encompasses the freedom to enquire and to teach as well as the freedom of students to learn, nor University Autonomy are privileges but that they are the basic and inalienable conditions which enable the University as an institution of scholarship and learning’. (4)

This theme was later echoed by the First Global Colloquium of University Presidents, which declared in 2005 that

‘The activities of preserving, pursuing, disseminating, and creating knowledge and understanding require societies to respect the autonomy of universities, of the scholars who research and teach in them, and of students who come to them to prepare for lives as knowledgeable citizens’. (5)

The Global Colloquium links the autonomy of institutions to the autonomy of individual scholars and to that of students: without autonomy at each level, universities are unable to function. Academic freedom is thus neither an extension nor a duplication of the freedom of speech protected by the law of the land in democratic countries, nor is it an individual privilege: it is a specific defining characteristic of the university. In the university, the
commitment to research, no less than the commitment to teaching, is also a commitment to academic freedom.

These internationally-recognised principles of academic freedom have also been recognised in Irish law. A recent comparative study shows that Ireland is in fact well ahead of many other European countries in its recognition of the values of academic freedom. (6) The Universities Act, 1997 explicitly recognises the role of academic freedom in teaching, research, and public life in guaranteeing that

a member of the academic staff of a university shall have the freedom, within the law, in his or her teaching, research and any other activities either in or outside the university, to question and test received wisdom, to put forward new ideas and to state controversial or unpopular opinions and shall not be disadvantaged, or subject to less favourable treatment by the university, for the exercise of that freedom. (7)

Citing the Universities Act, the 2010 Consolidated Statutes of Trinity College Dublin and of the University of Dublin include a provision that 'College guarantees to respect, defend and vindicate the traditional principles of academic freedom and freedom of expression', recognising that 'such freedoms are fundamental to the pursuit of knowledge and the advancement of truth'. (8)

While the development of academic freedom as a feature of the university has a long history, experience in the 20th century and into the present day has shown the dramatic effects of conflicting tendencies in academic life. In recent history, in some countries, universities have witnessed the suppression of research and teaching which go against prevailing societal orthodoxies (whether political, religious, or economic), the use of funding mechanisms to influence academic development on the basis of non-academic criteria, the transformation of universities functioning as arms of the state, and political restrictions on travel and communication. Those who framed the Nice declaration in 1950 would have been freshly aware of the fragile nature of academic freedom, and its importance for a democratic society.

There have, however, been counterbalancing positive movements towards democracy and decentralisation in the university sector, particularly in the second half of the 20th century. University governance has increasingly given a role to more junior academic staff and to students, efforts are taken in many countries to broaden the social basis of university participation, and the revolution in print and electronic media has transformed the ability of scholars in different parts of the world to collaborate in ways that overcome local constraints. The recognition of academic freedom can thus be seen in parallel with further trends towards a more open society in many countries.

3. Relevant issues from the University Council Working Group on Academic Freedom

The Working Group on Academic Freedom has had the opportunity to examine a range of recent developments in College which may have implications for the principles of academic freedom. The recent revision of the College statutes, which now include explicit provisions in relation to academic freedom and security of tenure, provide a crucial framework for discussions of this kind. Emerging from the discussion, and in support of the principles which follow in Section 4 of this document, the following points should be noted.
3.1 Summary of Working Group Discussion on Research Plans

It is a condition of employment for academic staff in College that they be active in research. This condition is not prescriptive of the nature or direction of research, nor of the means by which research is reported, or of the timing or frequency with which the results of research activity are made public. While outside funding may be supportive of research, and in many cases funding is required to conduct the research, the contractual obligation to conduct research does not imply an obligation per se to raise outside funding. Therefore, participation in research planning exercises at discipline, school, unit, or College level, while it is to be encouraged cannot be seen as mandatory if it encroaches on the individual's academic freedom. The principles of academic freedom respect both the positive benefits of academic planning and co-ordination and the importance of allowing individual academics to opt in or out of planning activities without fear of marginalisation. Research planning exercises should not be used to channel the individual academic's research activity into (or away from) particular areas. Where a planning exercise reveals impediments to the development of an individual's research aspirations (e.g. due to lack of resources, imbalances in administrative workloads, the need for enrichment of the individual's knowledge or skills base, etc.), other mechanisms (such as mentoring, research leave, etc.) should be brought into play in order to develop an environment which is conducive to further development. (9)

3.1 Summary of Working Group Discussion on Academic Freedom and Research

The academic's obligation to conduct research in an environment of academic freedom can have many different outcomes. A working definition of research in College is what constitutes the discovery, creation or critical development of new facts, ideas, theories or processes that advance knowledge in the relevant discipline or field of study or result in works of artistic accomplishment.

This definition should be read in an enabling sense: as a minimal definition of the many different kinds of academic activity which make new contributions to knowledge and experience in the university environment. Incentivised reward systems, which allocate some portion of funding on the basis of research activity, are not inherently in conflict with the principles of academic freedom. They must, however, offer each individual an equal chance to participate in such funding systems. The principle of affording equal chances to individuals based on their merits within their own academic areas determines that any system of 'Research Quality Metrics' (RQM), for example, must be defined in terms that are broad enough to encompass all academically legitimate forms of research activity and related professional practice, and not to privilege any particular subject area or type of research outcome over others. Not only must Research Quality Metrics therefore be fully inclusive, their implementation must be based on adequate knowledge of each individual's research activity. No less than with research plans, the system of Research Quality Metrics as currently being implemented in College should be understood as a specific tool for a specific purpose: it does not define the nature of research, it does not define whether or not an individual is active in research relative to the terms of their conditions of employment, and it does not measure the quality of research; it reflects the quality of an individual’s involvement with research by the quantification of agreed research outcomes. Rather, the system, to the extent that it accords full recognition to the diversity of research activities in the modern university, is a way of allocating funding to academic units where agreed thresholds of research activity have been documented.

The relationship between academic freedom and research is intimately bound to the question of research and teaching. The notion of 'research-led teaching' figures prominently
in such discussions. Experience and understanding of this phrase varies widely across College. In some disciplines, the current research of academic staff members feeds directly into teaching, even at undergraduate level: the latest research discovery may form the topic for a lecture which could not have been anticipated the week before. In other areas, undergraduate education is more incremental, and more time may be spent on basics at undergraduate level which do not have an obvious connection to ongoing research at a high level. The principle which values the activity of the teacher-scholar, which is a fundamental aspect of the College ethos, nevertheless values an approach to teaching which is informed by current research and an approach to research which views students as a potentially crucial audience for the outcome of research. In some areas, it could well be argued that the presentation of research findings before a class of students who will go on to become influential in their chosen field will have far more impact than presentation in a journal read by a small number of specialists: while this argument may not hold across all areas, it underscores the importance of recognising, in RQM or by other means, the teacher-scholar's commitment to the seamless development of research and teaching practice.

Postgraduate students occupy a particularly crucial status in the interface between teaching and research. In a collegiate model, all students enjoy an element of academic freedom, as they too constitute a part of the community of scholars. Postgraduate students naturally occupy a place of higher autonomy as students: postgraduate research is based on the principle of making an original contribution to knowledge, and the research student, particularly, is required to demonstrate individual, self-directed skills in research and the reporting of research. The relationship between student and research supervisor, as well as the funding environment, may, however, pose threats to the principles of academic freedom. Research students who are recruited as part of a team, or funded by specific research projects, may be required to carry out work which is directed to achieving the goals of the Principal Investigator's research grant. Students who feel that they have been brought in to do a specific job for a research project may feel little sense of academic autonomy, despite the stated goal of research students as making an original contribution to knowledge. However, it should also be noted that many postgraduate students appreciate the opportunity of working under the supervision of a Principal Investigator and find that their academic freedom is facilitated as their learning develops in the course of the research degree. Funding agencies may make explicit demands on what a project is to deliver, and these may in due course come to conflict with the research student's academic development; resolving such conflicts requires the exercise of judgement on behalf of the supervisor. Though specific remedies to problems of this kind lie beyond the terms of reference of the Working Group, discussion has highlighted this matter as one that requires attention and continued awareness on the part of both students and their supervisors.

4. Principles regarding Academic Freedom

The Working Group proposes the following principles in order to steer the institutional response to the challenges which are discussed in this document. In particular they should serve to inform the University Council and its Academic Committees, and the Board and its Principal Committees in their policy and oversight roles at all levels.

4.1 Freedom of Expression:

Policies should recognise that freedom of expression is a core value in the College. No policy should be adopted that would, inadvertently or otherwise, curtail freedom of expression among either staff or students. Likewise decisions made by College Officers in the performance of their duties should give due importance of the benefit to the academic community, and society as a whole, that flows from freedom of expression. Staff and
students should understand the obligations and responsibilities that freedom of expression brings.

4.2 Teaching:

Notwithstanding the requirement of teaching staff to teach a curriculum arrived at through collegial discussion at discipline or other appropriate level, the College will maintain an environment for teaching and learning that values diversity of opinion, encouraging exchange of opinion between teacher and student as part of a robust educational process. Staff are not required to present as valid what they consider to be inaccurate or untrue, and students will be enabled to question that for which inadequate evidence is given. In all cases, the College will seek to develop the search for truth as a part of the experience of teaching and learning, relying not on the imposition of authority or acceptance of received knowledge but rather on the exercise of the critical faculties of the human mind. Diversity, whether in teaching and learning styles and modalities, subject matter, or learning outcomes, is valued as a natural consequence of academic freedom.

4.2 Research:

Recognising that the search for new knowledge, experience, and practice is an essential part of the College's reason for being, the College will ensure that an environment is maintained that facilitates the pursuit of knowledge wherever it may lead. The maintenance of this undertaking relies on both a positive principle of support and a negative principle of restraint. On the positive side, College policy is to support, by various means available to it, individuals and groups in pursuit of their diverse research aspirations. This support includes the role of College in incentivising or rewarding particular areas of research in an open manner. Subject to the requirements of law and good academic practice, however, the principle of restraint ensures that College will not actively disadvantage any particular area or type of research.

Footnotes

Footnote 1

Footnote 2

Footnote 3
Magna Charta Universitatum. See www.magna-charta.org/home2.html.

Footnote 4

Footnote 5
Footnote 6

Footnote 7
Universities Act, 1997, Section 14 (2).

Footnote 8
The 2010 Consolidated Statutes of Trinity College Dublin and of the University of Dublin

Footnote 9
Further details as to a 'code of practice' for the compilation of school or departmental research plans are contained in the 2008 academic freedom document referred to at the start of this report; though some details of this document may have become obsolete due to ongoing changes in the way in which College business is conducted, the basic principles provide a point of reference for further work.
ANNEX H: COMMITTEE MEMBERSHIP

Chair: Professor Ferdinand von Prondzynski, Principal, The Robert Gordon University

Members:  Terry Brotherstone, STUC Nominee
           Iain Macwhirter, Rector, University of Edinburgh
           Robin Parker, President, NUS Scotland
           Alan Simpson, Chair of Court, University of Stirling

Secretariat:  Neil MacLennan, Scottish Government
              Stephen O’Connor, Scottish Government
1. The University should seek philanthropic support which is aligned with its values, strategic goals and financial needs as a legitimate, sustained and vital component of its income.

2. Ethical guidelines for the acceptance and refusal of donations should be available in the public domain.

3. Impartial, independent research, scholarship and teaching are the basis for the furtherance of knowledge. The University should not accept philanthropic gifts if this is not clearly understood and accepted by all parties.

4. As a charitable body, the University must observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds. Ultimate responsibility regarding the acceptance and refusal of donations rests with the Court of the University.

5. Members of the court of the University and their delegates must take all decisions relating to the acceptance and refusal of donations the best interests of the University and must not allow individual or collective personal, political or commercial interests, nor personal views on political or ethical issues affect their judgement.

6. Acceptance of major donations - of £250,000 or more - will in every case require the approval of the Gift Acceptance group, consisting of the Vice-Chancellor, Secretary of Court, Director of Development and one co-opted lay member of Court. The responsibility of this group will be to implement the University’s ethical policies on donations and ensure that they are consistently applied and in the best interests of the University.

7. Donations of up to £250,000 may be accepted by the Director of Development, who should nevertheless consult with the Gift Acceptance group in any situation where there appears to be a possible conflict with the University’s ethical principles.

8. The University should take all reasonable steps to ensure that it is aware of the source of funding for each gift, and have processes in place to satisfy itself as far as possible that the funds do not derive from activity that was or is illegal, or runs counter to the core values of impartial, independent research, scholarship and teaching.

9. Discussions with potential donors that may give rise to significant public interest, or which raise complex questions with regard to acceptability, should be considered at the earliest stage possible by the Gift Acceptance group who should be fully informed of the purpose and the background to the donation and the source of funds.

10. The legal and reputational rights of potential donors should also be considered as part of any due diligence undertaken in assessing the acceptability of a proposed donation. In this regard, a clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting that the University may wish to consider the reputational risks that could be incurred through public perception of any particular donor.

11. Donors must accept and, for significant gifts of £10,000 and above, sign appropriate gift agreements to confirm that the management and governance of programmes funded through benefaction rest solely with the University. The University will however, without undermining this core principle, offer donors opportunities for continuing engagement with the activities that they have funded. The University will continue to employ its standard procedures relating to recruitment, admissions, hiring, promotion, procurement, management and governance for all research, teaching, outreach, capital development, or student scholarship programmes funded by gifts.

12. The Gift Acceptance group will also have procedures in place for reviewing and reconsidering previous decisions taken in good faith relating to the acceptance of particular gifts if subsequent events or the subsequent availability of additional information require it. The response to such circumstances should be transparent and proportionate to the particular circumstances that have arisen.
Court – Wednesday 15 February 2012

Report from the Meeting of the Estates Committee held on 9 January 2012

Brief Description of Paper

Minute of the Estates Committee meeting of 9 January 2012.

Action Requested

Court is asked to:

Endorse Estates Committee’s approval of three new projects and their addition to the Capital Plan (EC2011/22 and appended Capital Plan refers) (Annex 1):

- Gilmorehill Halls (Fabric and Structural Repairs) in the sum of £1.85m;
- WILT (Provision of two 80 seat seminar rooms) in the sum of £1.2m; and
- Clinical Research Facility (Southern General Hospital) in the sum of £3m.

Endorse Estates Committee’s approval of CapEx applications in respect of:

- Gilmorehill Halls in the sum of £1.85m (EC/2011/23.1 refers);
- Library Cladding in the sum of £4.57m (EC/2011/23.2 refers);
- Main Building Conservation Works (funding increase) in the sum of £191k (EC/2011/23.3 refers);
- Centre for Virus Research (CVR) £9.2m (University Investment) (EC/2011/23.4 refers);
- Garscube Learning and Social Space (GLaSS) in the sum of £5.75m (EC/2011/23.5 refers); and.
- Western Infirmary Lecture Theatre Extension in the sum of £1.2m (EC/2011/23.6 refers).

Note the remainder of the minute of 9 January 2012.

Originator of the Paper

Lynn Duncan
Clerk to Estates Committee
18 January 2012
Court – Wednesday 15 February 2012

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Note the remainder of the minute of 9 January 2012.

Originator of the Paper

Lynn Duncan
Clerk to Estates Committee
18 January 2012
UNIVERSITY of GLASGOW

Estates Committee

Minute of the meeting held in the Turnbull Room on
Monday 9 January 2012

Present:
Mr P Daniels (Convener), Mr R Fraser, Dr G Hay, Ms A Johnson, Professor N Juster, Professor W Martin, Ms M Morton, Mr M Murray, Professor A Muscatelli (Principal), Mr D Newall.

In Attendance:
Mrs L Duncan, Ms F Quinn, Mr S Sutton

Apologies:
Mr R Kilpatrick

EC/2011/17 Minutes of the meeting held on Monday 7 November 2011

The minutes were approved.

EC/2011/18 Matters Arising

EC/2011/18.1 GUU Options Appraisal (CapEx Application Stevenson Building Extension (EC/2011/10.1 refers)

The Committee noted that the previously reported timescale for the exploration of alternative student facilities had, on reflection, been somewhat ambitious. It was reported that outline options would be available for the next meeting, scheduled to take place on 19 March 2012.

EC/2011/18.2 Western Infirmary (Site B) Acquisition (EC2011/10.2 refers)

The Committee noted that a Project Group, tasked with undertaking the University’s due diligence process in relation to the proposed acquisition, would be established.


The Convenor asked the Committee to consider the revision of the 75% Building Condition Target (2014/2015) in light of the acquisition of the Western Infirmary site or whether the site should be excluded from the dataset used to inform performance against target. It was agreed to continue consideration to the next meeting.

EC/2011/18.4 Appointment of New Director of Estates (EC2011/15.4 refers)

The Secretary of Court advised that five applicants had been shortlisted for interview, all of which were scheduled to take place on 17 January 2012.

EC/2011/19 Declarations of Interest

There were no declarations.
EC/2011/20 Carbon Management Committee (CMC)

EC/2011/20.1 Communications Campaign

The Committee noted that the University of Glasgow was one of six Scottish universities participating in the HE Carbon Management Awareness Campaign programme 2011/2012.

It also noted a number of approvals given by the CMC at its last meeting: the launch timetable would be adjusted to coincide with the HE CM Awareness Campaign programme; to aim to secure support through student internships; to aim to expand the number of green champions.

EC/2011/20.2 Carbon Management Plan (CMP)

The Committee noted the University’s CMP would be updated during May 2012 and the intention to identify “champions” within each University management area to drive the concept and objectives of the plan.

EC/2011/20.3 University Policies on Sustainability

The Committee endorsed CMC’s approval of the proposal to create a Policy Framework. It also noted that a number of related policies would be updated by March 2012 and annually thereafter.

EC/2011/21 Expenditure

EC/2011/21.1 Approved Projects Status (RAG)

The Committee noted the current status of approved projects.

EC/2011/21.1.1 CP11/415 John Macintyre Building University Reception

The Committee requested clarity on the concept of the project as there appeared to be a degree of uncertainty about the intended future use of the building. The Assistant Director (Estates Development) would provide a report for the next scheduled meeting.

Action SS

EC/2011/22 Capital Plan Update

The Committee noted the annual update of the Plan (v 1.4) which reflected: those projects which had been completed during the past 12 months; project timing changes as a result of the design/construction process; and the projected cash position over the period.

The Committee was advised that current assumptions indicate sufficient cash availability to deliver all projects currently scheduled up to and including 2015/2016, although it recognised that priority changes may be required depending on master planning priorities for the Western Infirmary site beyond 2015/2016. It was expected that over the next 18 months SMG would consider and propose a number of new capital projects to be added to the Plan.

The Committee approved three new projects which had been added to the plan since its last Court approval in June 2011:

Gilmorehill Halls – Fabric and Structural Repairs (£1.85m), Priority – KEY
Ongoing progressive movement of the building structure causing water ingress and falling masonry;

WILT – Provision of two 80 seat seminar rooms (£1.2m), Priority – KEY
Provision of teaching capacity for expanding Business School student numbers; and

Clinical Research Facility at the SGH (£3m), Priority – KEY
Replacement of CRF on the Western site allowing the College of MVLS to take forward a full programme of existing and future clinical research programmes on the South Glasgow Hospital site.

A number of minor projects had also been approved by CapEx resulting in a significant budget overspend although this had been accommodated as a result of the slippage in other large projects such as the QEB refurbishment at GRI. Together with residual spend on projects primarily carried out in
2010/2011 the maintenance revenue budget for 2011/2012 is fully committed prior to the addition of the aforementioned new projects.

The Committee was advised that Period 4 forecasts indicate that proposed additional revenue spend of £665k could be accommodated in 2011/2012 and recommended the additional spend on this basis.

Projected additional revenue spend of £1,385k in 2012/2013 would be discussed in the current planning round where attempts will be made to absorb as much of this sum as possible within next year’s projected £14m revenue budget.

After a full discussion, the Committee approved the updated Capital Plan.

**EC/2011/23 CapEx Applications**

**EC/2011/23.1 Gilmorehill Halls**

The Committee was advised of the need for extensive building fabric repairs which are essential to permit the continued safe use of the building and for the prevention of further deterioration to the building structure.

The Committee approved the application in the sum of £1.85m and requested that all options to recover monies from collateral warranties were explored and reported to the next scheduled meeting.

**EC/2011/23.2 Library Cladding**

The Committee was aware of the historic problems and progressive deterioration with the existing cladding system which was believed to be the result of chloride attack, poor compacting of concrete during original construction and insufficient coverage of re-enforcement bars. The Committee noted that cladding panels were loose and there was a high risk of movement potentially resulting in slippage.

Estates and Buildings had undertaken a feasibility study to explore the options and outline a plan to address the problems, ensuring that the building remained in full occupation whilst works were on-going. The proposed solution would treat the existing façade, undertaking repairs as required and thereafter overclad the towers with a new rain screen cladding system.

The Committee approved the application in the sum of £4.57m but noted planning consent had been delayed, consequently delaying the start of the project until later in 2011/2012 and with the majority of the project spend likely to occur in 2012/2013.

**EC/2011/23.3 Main Building Conservation Works (funding increase)**

The Committee noted the request for an increase of £191k to the overall funding for this project. The increase was for additional works over and above the current budgeted programme to repair and replace paving within the East Quadrangle. Additional works will further improve the aesthetics of adjacent areas within the quadrangles and will also address a significant tripping risk.

The Committee approved the application for a funding increase in the sum of £191k.

**EC/2011/23.4 Centre for Virus Research (CVR)**

The Committee noted the CapEx application in the sum of £9.2m (University Investment), for the development in partnership with the Medical Research Council, Wellcome Trust and Wolfson Foundation which would secure the national CVR for the University of Glasgow.

The Committee approved the application in the sum of £9.2m.

**EC/2011/23.5 Garscube Learning and Social Space (GLaSS)**

The Committee noted the application to develop a facility aimed providing a dynamic learning and social hub on the Garscube Campus. Together with the Centre for Virus Research and broader general proposals to redevelop and re-design external elements of the campus, this project will contribute to the
provision of a well organised, modern and fit for purpose campus with improved aesthetic appeal and functional use.

The Committee approved the application in the sum of £5.75m.

EC/2011/23.6 Western Infirmary Lecture Theatre Extension

The Committee noted the recent increase in Business School PGT recruitment and that an analysis of accommodation had identified some weaknesses in the current provision in relation to its condition and flexibility for PGT use. It was recognised that there were distinctive and complex requirements in PGT programmes and, together with the anticipated increase in numbers, investment was required to create flexible, co-located teaching rooms, including breakout and tutorial space adjacent to a large capacity lecture theatre.

The proposed extension and refurbishment of the WILT would demonstrate commitment to Business School PGT expansion and would ensure sustainability for the next 7-10 years. The Committee noted that the refurbished facility would also offer improved conference and event space for commercial income generation and would provide much needed flexibility for the scheduling of student examinations.

The Committee approved the application in the sum of £1.2m.

EC/2011/23.8 Kelvin Hall (update)

The Committee noted that a further lottery funding bid had been submitted and that stakeholder discussions were ongoing.

EC/2011/23.9 Southern General Hospital (update)

The Committee noted that whilst the University had specified its requirements within the project, the NHS had yet to clarify its requirements.

EC/2011/24 Any Other Business


The Committee noted the content of the report, and that it would be provided with updates on delivery of the CMP and the Carbon Footprint Measure of Success.

EC2011/24.2 Main Steam Infrastructure Risk

The Committee noted the content of the paper and requested that plans begin to identify a programme of replacement, subject to including in the Capital Plan and any necessary CapEx applications.

EC/2011/25 Schedule of Meetings for 2011/2012

19 March 2012
21 May 2012
UNIVERSITY OF GLASGOW
Capital Plan Update

Brief Description
Attached is the latest version of the Capital Plan (version 1.4) narrative and associated spreadsheet.

There are 3 new projects in the plan in addition to those approved by Court in June 2011: Fabric repairs for Gilmorehill Halls at a cost of £1.85M; provision of additional seminar rooms for the WILT at a cost of £1.2M; and the development of a Clinical Research Facility (CRF) at the SGH.

A number of “minor projects” have been approved by CAPEX (as indicated in the Plan). As can be seen this has significantly overspent the original budget. This overspend had been accommodated because of slippage in other large projects such as the QEB refurbishment at the GRI. Together with residual spend on projects primarily carried out in 2010-11, the maintenance revenue budget for 2011-12 is fully committed without the addition of the new projects listed here.

The anticipated impact of the projects on the available revenue and capital budgets are as follows:

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<th>Project</th>
<th>£k</th>
<th>Revenue</th>
<th>Capital</th>
<th>Total</th>
<th>2011-2</th>
<th>2012 on</th>
<th>External</th>
<th>Uni Total</th>
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</tr>
<tr>
<td>CRF</td>
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</tr>
</tbody>
</table>

Given the period 4 forecasts the anticipated additional revenue spend of £665k can be accommodated in 2011-12. The projected additional revenue spend of £1,385k 2012-13 will be discussed as part of the current planning round. Attempts will be made to absorb this in next year’s projected £14M budget, however it is unlikely that costs will be able to be fully absorbed. SMG, and Estates and Finance Committees will be informed of progress as part of the current planning round.

There is no immediate impact on the cash available for projects contained within the next 5 years of the Capital Plan if these projects go ahead. The long term impact should be mitigated by the ability of the Business School to attract full fee paying students, and MVLS to generate income from clinical trials and thus help maintain the University’s targeted surpluses.

SMG have approved the changes listed.

Action Requested

1) To approve inclusion of the Gilmorehill Halls repair in the Capital Plan
2) To approve inclusion of the WILT extension in the Capital Plan
3) To approve inclusion of the CRF facility at the SGH in the Capital Plan
4) To approve an additional £665k of revenue spend over and above the 2011-12 budgeted allocation to allow existing estates and buildings revenue commitments to be met and allow work on Gilmorehill Halls to commence in this financial year

Recommended Person/s responsible for taking the action(s) forward
Vice-Principal (Strategy & Resources), Director of Estates

Resource implications
As outlined in above

Timescale for Implementation (where appropriate)
Immediate

Equality Implications
None identified

Originator of the paper
Neal Juster
BRIEF DESCRIPTIONS AND JUSTIFICATIONS OF PROJECTS

Gilmorehill Halls

Fabric repairs for Gilmorehill Halls at a cost of £1.85M. This is an unforeseen maintenance project that is necessary to allow the building to be used safely and to prevent further expensive deterioration to the structure of the building.

Gilmorehill Halls of the University is ‘B’ Listed on the ‘List of Buildings of Architectural or Historic Interest’. The University has a statutory obligation to maintain the building in a good order. Gilmorehill Halls are of traditional masonry construction with external stone walls, internal masonry/brick walls, timber roof structure and slated roof. The property has undergone alterations and refurbishment with a large steel frame and support structure built within the hall to accommodate theatre lighting, etc.

The principle structural concerns are as follows:-

- Lateral movement at North West corner of 30-35mm has occurred at the top gable corner as noted by significant openings in the window head, lancet ridge and copes.
- Lateral movement has occurred at the North West Window.
- Outward movement of the four feature lancets has occurred.

From the above it is self evident there is ongoing progressive movement within the building particularly at high North gable wall at each corner, along the West elevation at each lancet and at the rear flying buttresses. Reason for failure of structure and fabric include:-

- The design of the roof structure to the building and its connections with the masonry outer skin have inherent weakness in the connection of elements one to another.
- The repair works required will address these inherent weaknesses.
- The introduction of modern services into the roof structure (M & E) have increased the loading and put further stresses on an existing structure which has a low safety factor.

The building refurbishment in the mid 1990’s would appear to have concentrated very strongly on the internal aspects of the project but less so on the external envelope of the building fabric which is now demonstrating the need for repair to address its weaknesses which are contributing to its failures.

In respect to Health and Safety a crash deck and fan has been provided over the West entrance door and adjacent lower roof light to protect the public and occupants over the interim period to the main contract works being carried out to strengthen inherent building defects.

It is essential that the repair works are now implemented fully to halt the ongoing movement of the structure. To delay the implementation of works would be to disregard the Health and Safety issues; it would also result in further deterioration resulting in the work content increasing with greater financial consequences and loss of the use of further parts of the building.

WILT Extension

Recent Business School success with PGT recruitment has exposed some weaknesses in the current structure of teaching accommodation, in terms of both the fabric and flexibility of available space. It also adds weight to the case presented through four successive rounds of the Annual Monitoring exercise (to the end of session 2009/10) for flexible and suitably appointed accommodation capable of satisfying the specific requirements of PGT programmes, especially those catering for premium fee students. This recognized that the GU Estate is basically configured for undergraduate provision, that space reserved for PGT programmes is under growing pressure with larger numbers of participating students, and that a viable model of large scale PGT delivery is unlikely to be served by (or grow into) the facilities currently available for undergraduate programmes.

There are distinctive elements with PGT, mostly associated with the ‘long-stay’ or extended-use aspect of full and multiple day learning, especially with the Business School Specialist MSc programmes (currently operating with 40-70 students each). These are delivered in parallel with core ‘multiple-programme’ lecture
sessions which require a traditional theatre. They are also offered alongside a General MSc in Management (currently with 288 students) which relies upon full-group, 2-3 hour lecture sessions interspersed with, and supported by, interactive workshop and tutorial activities. These are complemented by second semester elective classes that typically cater for 60-70 students each. In addition, the School provides advanced programmes in Accountancy and Finance (MAcc 250 and MFin 180) combining ‘long and thin’ core classes with electives for 70-80 students at a time.

Managing for this level of complexity, and possibly additional numbers on each of these programmes in the near future, requires an investment to create flexible, co-located (or ‘clustered’) teaching rooms, including ‘breakout’ and tutorial space adjacent to a large capacity lecture theatre. The proposed extension and refurbishment of the WILT (from May 2012) demonstrates a serious response to Business School PGT expansion, promoting effectiveness and sustainability over the next 7-10 years. Creating two large, sub-dividable rooms with an extension to the existing seminar space provides the flexibility to schedule combined lecture and group learning sessions with fewer co-ordination problems and distractions of the sort that arise just now from trying to manage related group or case work across dispersed campus venues. It also adds capacity, allowing Specialist and General MSc electives to be scheduled at the same time for example. The projected capacity of 70 or so in each room is consistent with elective and specialist programme participation, while easy adjustment to four, accessible, 35 person tutorial rooms offers assistance with break-out work.

The works will also include the removal of the lecture theatre projector room to increase capacity and participation, which is particularly significant given demand for the General MSc in Management. It also permits development of the foyer, opening up the cloak room as a common space with wifi and stackable seating/tables for self/group/private study and socialisation at low cost. Together with the alterations to the teaching accommodation, this modest development of open and underutilized areas will serve to reinforce the Business School identity and establish a stronger sense of community among this significant PGT population. Developing the WILT as a focal point for Business School PGT in the near future should also make it easier to promote a collegiate atmosphere and support the brand in the short term.

A refurbished and extended WILT will also offer improved conference and event space for commercial interest.

The new seminar rooms will provide additional space for student examinations.

**Clinical Research Facility**

NHS Greater Glasgow and Clyde have undertaken a strategic review and restructure of their estate, which has resulted in a number of clinical patient treatment and specialist services areas being relocated to other hospital sites. In particular, it is anticipated that both Yorkhill and Western Infirmary Hospitals will close and be decommissioned in 2015. This will leave the University without access to a Clinical Research Facility (CRF) unless a new facility is build at the SGH.

There have been high level Senior Management discussions with the NHS, which suggest that the NHS will contribute to a new CRF but the timing of the release of funds and the absolute certainty of the sum, has yet to be agreed. Discussions regarding this matter are currently on-going. The Clinical Research Facility component anticipates a total investment level range of between £3.95m for a refurbishment option and £7.54m for a new build option. Whist recognizing that a new build or refurbishment and the cost split has yet to be agreed, the capital plan contains a place holder of £3m for the CRF based upon a refurbishment and a 25% contribution from the NHS. It is further anticipated that the University contribution will be covered by a £3m fundraising campaign.

The CRF at the new South Glasgow University Hospital will bring together clinician scientists across a wide range of disciplines including cardiology, neurology and stroke medicine, rheumatology, endocrinology, hypertension and renal medicine as well as all aspects of paediatric research. It will provide the infrastructure for the highest standard of multidisciplinary clinical research.

The CRF will be a major clinical research hub serving the population of the west and south of Glasgow and beyond. It will not only contain a clinical area but also facilities for meetings, training, storage, administration, data analysis and IT. It will be easily accessible and provide parking space for study participants.
The clinical area of the CRF will contain patient rooms that can be flexibly used for studies ranging from questionnaire-based surveys to overnight phase 1 clinical trials. More specialised rooms for imaging (e.g. ultrasound), exercise tolerance tests and other larger instruments will be shared between researchers and projects and bring together equipment from different disciplines. Mobile devices such as ECGs, infusion pumps and blood pressure monitors will be stored centrally and will be made available to researchers for their specific studies. A nursing station will be placed centrally to oversee the patient rooms and the waiting area. In addition to the generic layout of patient rooms more specialised clinical areas will be provided for example to facilitate gene therapy studies, and consulting rooms for examination of and discussion with patients will be available. Some of the rooms shall be able to cater for studies in children and adolescents.

The CRF will provide all facilities to prepare and temporarily store biological specimens. Clinical studies will be supported by a laboratory area to process blood and other samples with appropriate waste management. Sufficient freezer space for short-term storage will be provided. Areas to prepare study equipment, drugs and relevant paperwork will be located close to the patient rooms. Study drugs will be prepared and dispensed in the CRF in a dedicated pharmacy area.

The CRF will be a hub for the training of clinical scientists and research nurses, contribute to student teaching and facilitate interaction between researchers from different disciplines and from different study centres.

In order to achieve its mission the CRF will be closely linked to NHS services. This will include integration with resuscitation services and intensive care, shared use of imaging and other NHS facilities and the opportunity to combine clinical appointments with study visits. The CRF will therefore be in close proximity to relevant NHS services.

If the CRF is not replaced it would affect the University’s ability to:

- Research in an informed and meaningful programme of patient-centred application fit for 21st century requirements. Taking into account current and future governance and ethics aspects of clinical research, the University would have to discontinue clinical research activity in all major areas of our expertise with a projected loss of £10 million annually.
- Research in a manner that makes the most of the strategic and embedded links with the NHS clinical and patient-centred environments
- Situate Clinical Research Facilities in line with the strategic re-organisation and geographical relocation that is currently on-going in the NHS
- Maintain and grow its reputation as an excellent, world-class centre for Medical Clinical Research
University of Glasgow
Glasgow 2020 – A Global Vision

Capital Plan 2011-21 (Version 1.4)

0 Update Status
This version of the plan contains updates from the Plan approved by court in June 2011. All changes are recorded in this section (Section 0) of the plan and are reflected in the attached spreadsheet.

The only changes to Sections 1 to 5 (pages 3-8), from the original plan approved in June 2011, has been to move all projects that had commenced prior to the beginning of the 2011-12 financial year into the “Key Projects” category rather than leaving them as Priority 1, 2 or 3.

0.1 New Projects
The following new projects have been added to the Capital Plan
- Gilmorehill Halls – Fabric and Structural Repairs (£1.85M), Priority - KEY: Ongoing progressive movement of the building structure has resulted in water ingress and falling masonry
- WILT – Provision of two 80 seat seminar rooms (£1.2M), Priority - KEY: To provide teaching capacity for the expanding student numbers in the Business School
- Clinical Research Facility at the SGH (£3M), Priority - KEY: To replace the CRF on the Western site and allow the College of MVLS to take forward a full programme of existing and future clinical research programmes on the South Glasgow Hospital site. Anticipated that development would be fully funded by a yet to be launched fund raising campaign

0.2 Projects Commenced
Approval has been given at CAPEX/Estates Committee to commence work on the following major projects contained in the capital plan:
- TBA/4 Development of Vet Teaching Centre (£6M): Now renamed the Garscube Learning and Social Space (GLASS) Building. £250k design fees released to move project to Stage D.

0.3 Projects Delayed
The following projects are likely to slip for reasons stated, and the spend profiles will not match those of the approved capital plan. Projects where the spend profiles have been altered on the attached spreadsheet are marked with an *. Changes will be made to the other projects when there is more certainty regarding new profiles.
- *08/162 – Development of QEB at GRI (£6.9M): Main NHS contractor has now been appointed and should be onsite by 1 January. However work on the Glasgow University refurbishment unlikely to take place until at least week 60 of the project.
- 09/305 Stevenson Building Extension (£9M): On hold whilst options for replacing the Hive and other bars in the GUU extension are investigated.
- *08/166 West Medical Building (£4.3M): Use of space still under consideration
- *TBA/15 Library Cladding Replacement (£5M): Planning consent has delayed start of project until later in 2011-12 shifting the majority of the spend into 2012-13. CAPEX approval has been given for a total spend of £4.57M. Provision in the capital plan remains at £5M.

0.4 Call Offs on “General Lines”
Some of the lines in the Capital Plan are allocations for a range of projects i.e. Lab and Lecture Theatre Refurbishment, Equipment, Minor Projects. CAPEX committee have now approved the following projects and this is reflected in the spreadsheet. Overspend on the “small projects” line have been covered by re-profiling the spend of some of the projects listed in Section 0.3 above.
- TBA/2 – Seminar Room and Lecture Theatre Programme (£400k in 2011-12, now £92k remaining)
  - 10/404 Refurbishment of BOB Level 7 (SLP vacated space) (£308k)
- Var/5 Equipment (£3M/year, now £1.5M remaining in 2011-12):

6 Updated spreadsheet: V1.4 dated 12 December 2011
- Polyomics Equipment - MVLS. Matching contribution to Wellcome Trust Grant (£700k in 2011-12, £732k in 2012-13)
- Detector Development lab – Physics. Contribution of £185k from SUPAII (£185k)
- Mass Spectrometer – GES. Contribution of £390k from ERC (£160k)

- **Var/4B Small projects (£2.5M in 2011-12, now £1.5M overspent):**
  - 10/369 Development of Social Space, Level 1 Gilbert Scott (£900k)
  - 10/400 Refurbishment of Graham Kerr LT (£300k)
  - 11/402 Refurbishment of Level 8 Teaching Lab Dental School. Contribution to £433k cost (£284k)
  - 11/415 Refurbishment of SRC McIntyre Building (£420k)
  - 11/419 Relocation of Economics to Gilbert Scott (£400k)
  - 11/422 Redevelopment of Labs C316-C326 Cardiovascular. Contribution to £200k total costs (£100k)
**Introduction**

This document and attached spreadsheet is the formal annual update of the Capital Plan, recognising the completion of projects over the last 12 months; the shift in timing of projects caused by the design and construction process; and the projected availability of cash over the period. One of the functions of the annual update is to enable cash flow forecasts to be included in the annual budget presented to Court.

The Capital Plan contains all projects identified by the budget holders prior to the restructure into Colleges, and accepted by SMG, that have a probability of being implemented in the next 10 years. The spreadsheet contains the capital and revenue costs of building, refurbishing and maintaining the University Estate. The term “ERR” appears in lines of the Affordability Table of the attached spreadsheet (in the “CAPEX” tab) if capital funding requirements exceed available cash in any year or if annual revenue spend exceeds a predefined limit (currently £12.9M in 2011/12 and £14M thereafter).

The Capital Plan provides a roadmap for initiating projects. Most projects have indicative costs based upon the best available information. Before any cost or significant staff time is expended on a project, it will require a business case to be progressed through the CAPEX process and will be subject to the normal University procedures for conducting capital projects.

Current assumptions show that sufficient cash would be available to deliver all projects timed to be constructed between now and 2015/16. However, affordability is really dependent upon how much cash the University wishes to have available to develop the Western Infirmary Site post 2015/16. In line with the previous version (2010-20) of the Capital Plan it is recommended that only projects in the Key and Priority 1, 2 and 3 categories should be considered for development in the medium to short term.

Now that the University has acquired the Western Infirmary Site it can begin to Master Plan the site. A working group is being setup to consider the use of the site. In addition the establishment of the new academic structure (Colleges, Schools and Research Institutes) will require thought as to how the Estate can be developed to fully support the University and College strategies. The categories make it easier to determine where to draw the line on the affordability of the projects.

The Capital Plan is a working document and can be altered in-year, with significant changes discussed by SMG and reported to Estates Committee for approval.

The CAPEX and Estates Committee will be guided by this Capital Plan before approving (or rejecting) any project.

**Priorities**

The projects are ranked as either:

- Key
- Priority 1 to 5

Key Projects are those projects that have commenced it may be possible to cancel some of these projects but significant expenditure would already have been incurred. All other projects have been placed into the 5 priorities on a qualitative rather than quantitative basis. An initial holistic view has been taken as to how the projects will help contribute towards the University and College strategies. The categories make it easier to determine where to draw the line on the affordability of the projects.

**Major Changes from the 2010-20 Capital Plan**

The assumed VAT has altered from 17.5 to 20% (section 4)

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7 Current spreadsheet: V1.1 dated 25 May 2011 (the original spreadsheet subsequently approved by Court in June 2011)
Projects removed from Capital Plan due to Completion

- **08/174 – Acquisition of Western Infirmary Site**: Purchased March 2011. Site not available for development before late 2014.
- **07/142 – Boyd Orr Lecture Theatres 1 & 2**: Refurbishment.
- **09/306A – Alexander Stone Lecture Theatre**: Refurbishment.
- **09/306B Rankine Lecture Theatre (£455k)**: Refurbishment
- **Var/4A Small projects**: Small (<£100k) projects to react to in year opportunities – this line was used to record projects already committed prior to establishment of first capital plan in 2010. Funding line Var/4B (Priority 2) now used to allocate funds to new projects
- **09/307 College/School Structure (£150k)**: Creation of space for college support teams and schools.
- **08/193 – Development of West Registry for seminar rooms**: Conversion
- **08/158 Refurbishment of Alexander Stone for Law**: To enable growth of teaching in Law through transfer of diploma from Strathclyde.
- **09/315 Glasgow International College Phase 4**: Creation of new space for GIC to accommodate more students in line with business plan.
- **09/281 Demolition of Stables Garscube**. Demolished.

Projects removed from Capital Plan - unlikely to happen

The following Priority 5 projects have been removed from the plan as they are unlikely to be realised over the next 10 years. Can be readded at a later date by an SMG sponsor if desirable

- **TBA/21 – Development of new Wing at SUERC East Kilbride (£3M estimate)**: SUERC jointly run by the Universities of Edinburgh and Glasgow. Site owned by Glasgow. Houses a number of NERC Facilities but infrastructure looking tired and not fit for purpose. May be best to wait until Western Site becomes available and move SUERC to that site.
- **08/211 – Development of Pharmacy Site (£32M estimate)**: Potential site for Systems Biology. Development unlikely to begin in next 5 years. Will probably require external funding for large percentage of costs.

Projects added to the Capital Plan

- **TBA/20 – Refurbishment of 13 University Gardens (£500k)**. To put the Hetherington Club space into academic use. CAPEX approved. Funded from Minor Project Allocation. Priority 2

Projects whose timing, priority and/or costs have been altered

- **08/166 West Medical Building (£4.3M)**: Development of research laboratories for FBLS including Neuroscience. CAPEX approved spending has slipped by 18 Months to ensure design meets College priorities.
- **TBA/16 Development of Western Infirmary Site: (£90M estimate)**: A holding figure of £90M has been included for the years 2016/17 – 2020/21. No account has yet been taken of any income from disposal of assets
- **05/883 Development of SCENE II (£4.2M)**: Creation of accommodation for students on field trips. Improves student experience. Majority of costs should be covered by external funding. Design at Stage F (detail design, ready to go to tender). CAPEX approved subject to no university funds being used to cover costs. Capital Plan assumes that SCENE costs the University no more than £750k. Delays in InterReg funding approval have delayed project start.
- **TBA/15 Library Cladding Replacement (£5M)**: Phased programme to replace external cladding on library. Becoming unsafe so project reprioritised and timescales compressed. Project planning for on site by end 2011 for an 18 month project.
- **TBA/8, 9, 10, 11 Redevelopment of Library**: Phased upgrade of library. Improves student experience. These projects currently on hold and moved from Priority 3 to 4 to accommodate library cladding project.
- **09/305 Stevenson Building Extension (£9M)**: Provision of 2 new sports halls and dance studio. Improves the student experience. Moved from Priority 4 to priority 2 as Glasgow Life planning on...
shutting facilities in Kelvinhall by mid 2012. Cost increased from £7M. Desired completion date moved forward to 2014/15.

- **08/157 Development of McIntyre Building (£4M):** Reconfigured accommodation for Student Representative Council, better reception point for University and SRC. CAPEX approved to convert old John Smith bookshop and current cafe for PG teaching, funded from the Minor Projects budget to be open by September 2011. Roof replaced in 2010/11. Plans to reception on ground floor being developed for potential construction in mid 2012. Full refurbishment of building unlikely in short to medium term. Moved from Priority 5 to Priority 4 to reflect strategic importance of SRC and the fact that some work is progressing.

**Assumptions in Plan**
The Capital Plan is based on the following income assumptions:

- The University can return surpluses in line with budget forecasts presented to Court in June 2011.
- SFC will provide £5M per year of Capital funding for the period of the plan.
- 70% of the SFC capital funding will be used for capital projects and 30% credited to the Income and Expenditure account for revenue expenditure on maintenance and refurbishment.
- VAT is assumed at 20%
- The Development and Alumni Office will be able to raise £2M per year for capital projects in addition to specific fundraising projects such as the Beatson TRC and SCENE II.
- No assets will be sold over the period of the plan.

The Capital Plan assumes that revenue spend on refurbishment and maintenance projects will not exceed £14M a year (£12.5M in 2011/12 due to acceleration of £1.5M spend in 2010/11).

**Current Projects**
Projects are categorised as follows:

**Key Projects**
Projects that are difficult to move due to external constraints or key to the future development of the Estate:

- **01/525R – Beatson TRC (£38.9M):** Translational research centre to support Cancer Research Strategy and ensure Glasgow University’s Cancer is recognised as world leading. Contractors on site March 2011. Beatson Pebble appeal currently over 80% of way to £10M fund raising target.
- **09/319 – Virology Building (£20M estimate):** New build to re-house MRC Virology Unit and other University staff. Grant of £28M over 5 years from MRC includes £6M for capital plus rental on the building. £5M also awarded by Wolfson/Wellcome. Fees released to proceed to Stage D. Design team appointed. Site cleared. Project passed through Decision Point/Gateway 0.
- **08/162 – Development of QEB at GRI (£6.9M):** NHS developing whole of their Queen Elizabeth Building at the GRI. University paying for development of 2 floors. Post development will occupy 2 rather than 4 floors at reduced rental. CAPEX approved. Staff decanted. Work being led by NHS. Contractor should be appointed before 1 August 2011.
- **08/160 – Build of new academic building at SGH (£6M estimate):** NHS reorganisation of major hospitals means University staff will be displaced from Yorkhill and the Western Infirmary to the SGH. NHS should pay for most of the new build. University may wish to pay for extra postgraduate space – currently costed at £6M.
- **08/197 – Housing for MAGTEM, Kelvin Building:** Housing for new microscope aligned with SUPA II and recruitment of new professor. Intended to improve research income in Physics Microscope funded from SUPA II and University resources. CAPEX approved.
- **05/883 Development of SCENE II (£4.2M):** Creation of accommodation for students on field trips. Improves student experience. Majority of costs should be covered by external funding. Design at Stage F (detail design, ready to go to tender). CAPEX approved subject to no university funds being used to cover costs. Capital Plan assumes that SCENE costs the University no more than £750k.
- **TBA/14 Upgrade of Lifts (£3M):** Phased replacement of lifts including Boyd Orr. CAPEX Approved
- **TBA/15 Library Cladding Replacement (£5M):** Phased programme to replace external cladding on library. CAPEX approved. Currently planning to be on site late 2011 for an 18 month project.
• TBA/1A Redevelopment of Thompson Building (£3M): 1st phase of development to improve Anatomy suites (will improve CPD ability). CAPEX approved.

**Priority 1**

• TBA/2 – Seminar Room and Lecture Theatre Programme (£750k): Upgrades of teaching spaces to improve quality student experience. Priorities determined in discussion with Vice-Principal (Teaching and Learning) who chairs a Teaching Infrastructure working group of EdPSC. Projects expected to be completed within the next 24 months include, but are not restricted to:
  o Refurbishment of Graham Kerr 224
  o Changes to internal layout of the WILT

• TBA/3 – Teaching Laboratory Programme (growing to £1M/year from mid 2012/13): Upgrades of teaching laboratory spaces to improve quality student experience. Priorities determined in discussion with Vice-Principal (Teaching and Learning) who chairs a Teaching Infrastructure working group of EdPSC. Projects expected to be completed within the next 24 months include, but are not restricted to:
  o Refurbishment of Boyd Orr Level 10

• TBA/7 Development of PG Building (£13M): Creation of new teaching and social spaces for postgraduate students. Aligned with PG expansion strategy. Still to identify a site. Unlikely to be built in next 5 years.

• TBA/16 Development of Western Infirmary Site: (£90M estimate) No firm plans. Could just secure site after purchase and not develop until funds become available. Unlikely to commence build in next 5 years. Desire for a new Physical Sciences building – particularly to house expensive equipment used by more than one research group – and an interdisciplinary research hotel. May also include some of the projects listed elsewhere e.g. development of Postgraduate Building (above). A holding figure of £90M has been included for the years 2016/17 – 2020/21. No account has yet been taken of any income from disposal of assets that might be possible as academic activity moves onto the site.

• 09/297 Hunterian move to Kelvin Hall (£6M): Working with Glasgow Life (formally Culture and Sport Glasgow) to move Hunterian stores to Kelvin Hall. Project may develop into move of displays. Round 1 HLF bid submitted April 2011.

• TBA/19 Carbon Reduction (£1.5M): Set of projects that will reduce carbon footprint. Should produce savings in utilities bills in I&E account. CAPEX approved.

• Var/5 Equipment (£3M/year): Equipment to maintain well founded research base.

• Main/1, 2, 3, 4 5 (Total £7M/Year): Revenue spend to ensure legislative compliance, fabric repairs and annual maintenance programmes.

• TBA/20 WILT extension (£1M): Proposal to extend seminar rooms in WILT complex to provide a better teaching cluster – primarily for taught postgraduate students but also for summer conferences and undergraduate teaching.
Priority 2

- **08/166 West Medical Building (£4.3M):** Development of research laboratories for FBLS including Neuroscience.
- **Var/1 General refurbishment (£1.5M/year):** 5 major budget holders given budget to make minor alterations and refurbishment of their infrastructure.
- **TBA/17 Upgrade of Hunterian Art Gallery (£6M estimate):** If 09/297 results in move of Hunterian Art Gallery then space should be developed to improve student experience – next to Library. Will not happen in next 5 years.
- **TBA/18 Space Rationalisation (£500k/year):** Allowance to move staff and help reduce overall Estate Holding. Also to be used to help co-location of Schools and Research Institutes.
- **Var/4B Small projects (£2M/year):** Small projects to react to in year opportunities. Prior to 09/10 this line was approximately £7M/year. Some of this has been moved to laboratory and lecture theatre refurbishment. Overall budget now reduced. Projects over £100k funded from this allocation will be explicitly identified in the Capital Plan. Reducing budget below £2M would stop most small refurbishment and realisation of in-year opportunities. Projects expected to be completed within the next 24 months include, but are not restricted to:
  - Move of Economics to the Gilbert Scott Building
  - Collocation of new integrated research grants team
  - Relocation of RIO, Disability Services, Student Counselling and Residential Services as part of review of student services in Fraser Building
  - Best use of Gregory Building
- **09/305 Stevenson Building Extension (£9M):** Provision of 2 new sports halls and dance studio. Would remove need to hire facilities in Kelvin Hall from Culture and Sport Glasgow. Improves the student experience.

Priority 3

- **TBA/4 Development of Vet Teaching Centre (£6M):** Will provide expanded and better teaching space, social space and catering facilities. Improves student experience. Project being scoped as part of the design of the Virology building.

Priority 4

- **TBA/8, 9, 10, 11 Redevelopment of Library (£5.75M):** Phased upgrade of library. Improves student experience. On hold until library cladding costs fully determined and cash available.
- **08/157 Development of Stair Building (£18M):** Allow Law to be a one site School including teaching and research. Now looking at other plans to enable school expansion over 2 sites. Improves teaching numbers and research. Desires for all of the Stair Building side of University Gardens (including numbers 10 and 11) to be used by Law. Probably be realised in phases.
- **TBA/12 Refurbishment of Level 5 Stevenson (£380k):** Improves the changing rooms. Improves student experience.
- **Var/2 Strategic Appraisals (£200k/year):** Fund to enable Estates and Buildings to conduct or commission feasibility studies to be carried out on projects that occur in year.
- **07/080 Demolition of Pontecorvo and Virology (£500k):** Clears site for redevelopment or sale. Reduces overall floor space of Estate. No current plans for use of cleared site. CAPEX submitted to obtain demolition warrant for Pontecorvo – will probably not demolish until Virology empty and ready for demolition. Some work already done on Pontecorvo to strip asbestos and reroute IT infrastructure funded from revenue.
- **08/157 Development of McIntyre Building (£4M):** Reconfigured accommodation for Student Representative Council, better reception point for University and SRC. CAPEX approved to convert old John Smith bookshop and current cafe for PG teaching, funded from the Minor Projects budget to be open by September 2011. Roof replaced in 2010/11. Plans to reception on ground floor being developed for potential construction in mid 2012. Full refurbishment of building unlikely in short to medium term.


Priority 5

- **TBA/1B Redevelopment of Thompson Building (£20M):** Phased development to improve Anatomy suites (will improve CPD ability) and overall upgrade of building. 1st stage (£3M) is priority 3 (CAPEX approved). Balance would not be spent in first 5 year of plan. Building will not be disposed of, but will require substantial upgrading over the period of the plan.

- **TBA/6 Redevelopment of Alexander Stone Building (£10.6M):** Improves building for Law, or redevelops space if Law move into Stone Building. Building will probably not be disposed of, but will require refurbishment in later years of the plan.

- **TBA/13 Development of additional student accommodation (£21M):** Creation of additional bed space. Unlikely to happen in next 5 years. Improves student experience. A number of private developers have offered to build and lease-back accommodation. Continually under review. Short term needs filled by taking options with 3rd parties.

- **09/266 Development of Level 5 Kelvin (£3M):** Development of space for researchers in the School of Physics.

- **09/285 Pedestrian Crossing, University Avenue (£1M):** Better, and safer, pedestrian flow between North and South sides of University Avenue. Also improve vehicle access to University main gate.
Report from the Meeting of the Finance Committee held on
18 January 2012

Cover Sheet

Brief description of the paper
This report sets out those items considered at the Finance Committee's last ordinary meeting which require Court approval or which it was considered should be brought to Court's attention.

Action Requested
A Items – for action/discussion

CA/2011/38. Finance Committee Remit
Finance Committee noted that Court had requested a further amendment to the proposed remit for Finance Committee to take account of the Committee’s role in Capex recommendations.

Finance Committee agreed to recommend the revised remit (Annex 1) to Court for approval.

B Items – for noting

CA/2011/39. Gilmorehill Halls
Finance Committee received a paper detailing major structural concerns with Gilmorehill Halls which required urgent repair to the building structure and associated building fabric. The total capital cost was £1,850k.

Finance Committee noted this was a significant health and safety issue and approved the application.

CA/2011/40. Main Building Conservation update
Finance Committee received a request for an additional £191k to allow for replacement and repair of existing east quadrangle paving stones.

Finance Committee had previously approved the Main Building Conservation application and approved the additional resources.

CA/2011/41. Centre for Virus Research
Finance Committee received a capex application from the College of Medical, Veterinary and Life Sciences to develop a Centre for Virus Research at the Garscube Campus. The Capex application requested the release of £9.2m to extend the design team's appointment and appoint a contractor to develop the CVR. Finance Committee noted that there were ongoing discussions with MRC to transfer the MRC Virology Unit (including 50-60 members of staff) to the University of Glasgow control and it
was intended this Unit would form a part of the CVR. Finance Committee strongly supported this project but expressed some concern at approving the capex application until the outcome of the discussion with MRC to transfer the MRC core grant is known, given the sensitivity of this grant (and related pension liabilities) to the projected financial outcome.

**Finance Committee approved the project, subject to satisfactory agreement with MRC regarding the transfer of staff.**

**CA/2011/42. Library Cladding update**
Finance Committee received a request to increase the funding approved for the Library Cladding process. The Committee noted that the original Capex application had been approved at £3.8m which was based on budget costs received in late 2010.

**Finance Committee approved the application at a revised figure of £4.57m.**

**CA/2011/43. Western Infirmary Lecture Theatre (WILT) extension**
Finance Committee received a Capex application for £1.2m to extend the Western Infirmary Lecture Theatre to accommodate the significant growth in PGT numbers in the Business School. Finance Committee noted that the development was on the Western Infirmary site and would have an expected life span of ten years.

**Finance Committee approved the application.**

**CA/2011/44. Garscube Learning and Social Space (GLaSS)**
Finance Committee received an application for £6m to develop social interaction space, a catering facility and a flexible learning and study environment on the Garscube campus capable of accommodating the increasing number of staff and students. It was noted that the development of the Centre for Virus Research would further increase the number of staff on Garscube campus.

It was agreed that the members of Finance Committee would receive a presentation from Estates and Buildings in advance of the meeting of Court.

It was noted that the GLaSS development was a Priority 3 for investment on the Court-approved Capital Investment Plan but SMG had reassigned the project as a ‘Key Priority’ in the Capital Investment Plan which would be submitted to Court at its next meeting.

**Finance Committee approved the application, subject to the Committee receiving the briefing and being satisfied that the proposed works and their cost are acceptable, and on the assumption that the Capital Investment Plan was approved by Court at its next meeting.**

**CA/2011/47. Finance Key Performance Indicators**
Finance Committee received the Finance Key Performance Indicators in advance of their submission to Court. The Key Performance Indicators are attached in Annex 2.

**CA/2011/48. Investment Managers Reports as at 31 December 2011**
Finance Committee noted the Endowment Investments Report. The Committee noted that while the fund managers were producing acceptable levels of income they
continued to fail grow the capital of the portfolio. The Endowment Investments Report is attached in Annex 3.

**CA/2011/49. Minutes of the Investment Advisory Committee 4 November 2011**
Finance Committee noted the minutes of the Investment Advisory Committee from 4 November 2011. The minutes of the Investment Advisory Committee are attached in Annex 4.

**CA/2011/50. Overview of Performance at Period 4 2011/12**
Annex 5 of the Finance Committee report is Period 4 2011/12 Overview of Performance. The overview reported an operating surplus £3.9m higher than year to date budget and the full year outlook increased by £1.0m to a projected year-end operating surplus of £8.9m.

Prepared by: Gavin Lee

Last modified on: Thursday, 2 February 2012
University of Glasgow
Finance Committee
Minute of Meeting held on Wednesday, 18 January 2012
in Melville Room

Present:
Mr Ken Brown (Convener), Mr Peter Daniels, Mr Robert Fraser, Ms Amy Johnson, Prof Andrea
Nolan (vice Prof Anton Muscatelli), Prof Miles Padgett, Mr David Ross, Prof Adrienne Scullion, Mr
Iain Stewart

In attendance:
Mr Andrew Charters, Prof Neil Juster, Mr Gavin Lee, Prof John Marsh (Head of School of
Engineering attending for CA/2011/45), Mr David Newall, Mr David Rhodes (Head of Finance,
College of Science and Engineering attending for CA/2011/45), Ms Carolyn Timar

Apologies:
Prof Anton Muscatelli, Mr Kevin Sweeney, Ms Fiona Quinn

CA/2011/35. Minutes of the meeting held on Wednesday 16 November 2011

The minutes of meeting held on Wednesday 16 November 2011 were approved.

CA/2011/36. Matters Arising

The Committee noted three matters arising from the previous meeting – Stevenson Building
Expansion, Review of Approved Capex Reports and Efficiency in Higher Education- were
ongoing and would be reported to the following Finance Committee.

CA/2011/37. Conflicts of Interest

No conflicts of interest were noted.

CA/2011/38. Finance Committee Remit (paper 5.1)

Finance Committee noted that Court had requested a further amendment to the proposed remit
for Finance Committee to take account of the Committee’s role in Capex recommendations.
The revised remit included:

Having received a report from the Capex Committee: to make recommendations to
Court on the budget for capital projects; to decide on all Capex proposals involving
expenditure of £500,000 or above, subject to these proposals being included in the
Court approved capital plan and, where appropriate, having been approved by the
Estates Committee; and to decide on all requests for capital budget variances of
£500,000 or above.

Finance Committee agreed to recommend the revised remit to Court for approval.

CA/2011/39. Gilmorehill Halls (paper 5.2.1)

The Committee received a paper detailing major structural concerns with Gilmorehill Halls
which required urgent repair to the building structure and associated building fabric. The paper
noted that there was considerable lateral movement at the north west gable corner, north west
window and outward movement of the four lancets. The total capital cost was £1,850k. The Committee noted this was a significant health and safety issue and approved the application.

**CA/2011/40. Main Building Conservation update (paper 5.2.2)**

Finance Committee received a request for an additional £191k to allow for replacement and repair of existing east quadrangle paving stones. Finance Committee had previously approved the Main Building Conservation application and approved the additional resources.

**CA/2011/41. Centre for Virus Research (CVR) (paper 5.2.3)**

The Committee received a capex application from the College of Medical, Veterinary and Life Sciences to develop a Centre for Virus Research at the Garscube Campus. The Committee noted that the development is a £20m development in partnership with the Medical Research Council (MRC), Wellcome Trust and Wolfson Foundation and intends to deliver a leading UK and international hub for virology research. The capex application requested the release of £9.2m to extend the design team's appointment and appoint a contractor to develop the CVR. It was reported that Estates Committee had received a very persuasive presentation from Estates and Buildings and had unanimously agreed their support for the application. Finance Committee noted that there were ongoing discussions with MRC to transfer the MRC Virology Unit (including 50-60 members of staff) to the University of Glasgow control and it was intended this Unit would form a part of the CVR. The Vice Principal (Strategy and Resources) confirmed the University desire to transfer the MRC Unit to University control but highlighted an ongoing area of discussion between the University and MRC with regards to pension liability for the staff transferred under the TUPE regulations. Finance Committee strongly supported this project but expressed some concern at approving the capex application until the outcome of the discussion with MRC to transfer the MRC core grant is known, given the sensitivity of this grant (and related pension liabilities) to the projected financial outcome. It was noted that other funders had placed some conditionality on their support.

Finance Committee approved the project, subject to satisfactory agreement with MRC regarding the transfer of staff.

**CA/2011/42. Library Cladding update (paper 5.2.4)**

Finance Committee received a request to increase the funding approved for the Library Cladding process. The Committee noted that the original Capex application had been approved at £3.8m which was based on budget costs received in late 2010. Since the approval of the original application the cost of raw materials, particularly aluminium had risen significantly and Glasgow City Council Development Regeneration Services have added various conditions to the planning application. The Committee approved the application at a revised figure of £4.57m.

**CA/2011/43. Western Infirmary Lecture Theatre (WILT) extension (paper 5.2.5)**

The Committee received a Capex application for £1.2m to extend the Western Infirmary Lecture Theatre to accommodate the significant growth in PGT numbers in the Business School. The Committee noted that recruitment to the Business School had surpassed expectations and to ensure a high quality student learning experience for these students they required additional, flexible space to accommodate large numbers of PGT students in the lecture theatre and sufficient break-out space for small group working. Finance Committee noted that the development was on the Western Infirmary site and would have an expected life span of ten years.

The Committee approved the application.

**CA/2011/44. Garscube Learning and Social Space (GLaSS) (paper 5.2.6)**
Finance Committee received an application for £6m to develop social interaction space, a catering facility and a flexible learning and study environment on the Garscube campus capable of accommodating the increasing number of staff and students. It was noted that the development of the Centre for Virus Research would further increase the number of staff on Garscube campus. The Vice Principal (Strategy and Resources) reported that the capital expenditure was defensive to ensure that the Vet School income is protected. It was noted that other UK Vet Schools had invested significantly in their infrastructure and University of Glasgow risked losing ground to competitors in the UK and the US. Finance Committee noted concerns that the expenditure would not generate any additional income and requested more information to assure the Committee that the project reflected value for money. It was agreed that the members of Finance Committee would receive a presentation from Estates and Buildings on 15th February at 1.30pm in advance of the meeting of Court.

It was noted that the GLaSS development was a Priority 3 for investment on the Court-approved Capital Investment Plan but SMG had reassigned the project as a ‘Key Priority’ in the Capital Investment Plan which would be submitted to Court at its next meeting.

Finance Committee approved the application, subject to the Committee receiving the briefing and being satisfied that the proposed works and their cost are acceptable, and on the assumption that the Capital Investment Plan was approved by Court at its next meeting.

CA/2011/46. US GAAP Report (paper 5.4)

The Committee received US GAAP Reports which the US Government require from all Higher Education establishments which receive student loan funding via the US Department of Education (USDE). The University received $9.5m of funding from USDE in 2010/11 and is required to submit financial statements by 31 January 2012. The Group Financial Controller explained that a number of differences in calculation between UK and US reporting meant that the institutional surplus in the US GAAP report showed as $39.3m. Group Net assets are reported as $314.1m under US GAAP compared to £561m in the UK. The main differences include the treatment of revalued fixed assets and classification of deferred capital grants. Finance Committee noted that USDE have now requested audited statements in Sterling rather than Dollars.

Finance Committee approved the US GAAP Report.

CA/2011/47. Finance Key Performance Indicators (KPIs) (paper 6.1)

The Committee received the Finance Key Performance Indicators in advance of their submission to Court. The Committee noted that total revenue continues to grow year on year though noted that the pace of growth had declined from a peak of 9.60% in 2007/08 to 2.43% in 2010/11. The University’s Strategic Plan set an operating surplus target of 2% which the University achieved in 2010/11 and is predicted to exceed in 2011/12 with a surplus representing 2.15% of total income. The ratio of operating cash flow to net capital investment peaked in 2010/11 at 3.9 due to low capital expenditure and high cash flow but is expected to drop significantly in 2011/12 to 0.47 in line with previous years. The KPIs compare favourably with other Russell Group institutions with Glasgow exceeding the Russell Group average for increase in tuition fee income (UoG 12.8%, RG Avg. 11.6%), with overdrafts and loans (UoG £0m, RG Avg. £83.9m) and ratio of current assets to liabilities (UoG 1.12, RG Avg. 0.91). However the University did record a -0.9% decrease in research income in 2010/11 against a Russell Group average increase of 0.7%. Due to the expected expenditure on the Western Infirmary site the University also has a significantly lower level of net capital expenditure than the Russell Group average at £4.3m against £31.5m.


Finance Committee received the performance report overview for endowments managed through Newton and Schroders. As at 30 November 2011 the total valuation of endowments was £120,171,295 which marks a £1,511,482 decrease in overall value since 31 October 2011.
The endowments are forecast to pay the University £6.65m in the year. The Convener of Investment Advisory Committee noted that while the fund managers were producing acceptable levels of income they continued to fail grow the capital of the portfolio.

CA/2011/49. Minutes of the Investment Advisory Committee 4 November 2011 (paper 6.3)

Finance Committee noted the minutes of the Investment Advisory Committee from 4 November 2011.

CA/2011/50. Overview of Performance at 30 November 2011 (paper 7.1)

The Committee received an overview of performance as at 30 November 2011. The Committee noted that Period 4 reported an operating surplus £3.9m higher than year to date budget and the full year outlook increased by £1.0m to a projected year-end operating surplus of £8.9m. The main variances in progress against budget are positive variances in salaries which are £2.6m lower than budget to date and are projected to be £3.6m against the full year budget with savings in salaries across Colleges and Services. Tuition Fee outlook has been reduced by £0.5m across the institution due to projected reductions in the College of Arts and the College of MVLS and despite improvements against budget projected in the College of Social Sciences (+£1.4m). The full year research contribution has also been reduced across all Colleges with negative variances of up to £1m due to reduction in research volume. It was agreed that future overviews would include a comparison with the previous year.


The Committee received an overview of debtors as at 31 December 2011. The Group Financial Controller reported that overall debt was lower than the same period last year showing a £4.8m reduction in the year to £66.8m. The introduction of MyCampus had impacted on the level of tuition fee debt at December 2011. The overall balance reflected a slight increase on the same period last year (£57m vs. £55.8m) and showed a variance in split between student and sponsor debt. The level of student debt at December 2011 was significantly higher (£30.2m) than the previous year (£14m) but sponsor debt was significantly lower in 2011 (£26.8) than the same period in 2010 (£41.8m). The sponsor balance at 31 December 2011 includes £22m of SAAS balances with expected payment in January and February. Commercial debt had reduced considerably from £12.4 in December 2010 to £7.4m in 2011 and as a result, the Committee noted that average debtor days had reduced by 9 days to 25 days in December 2011. The movement was the combined impact of significant payments from Research Council UK shared service centre during December and the timing of the issue of quarterly invoices by the University. The Vet and Small Animal Hospital debt remained consistent with previous months with an outstanding balance of £1.05m.

CA/2011/53. Payroll System

The Director of Finance reported that following four months of running parallel payroll systems the new system would be live this month. The Committee noted that the system had been thoroughly tested and in the last month only twelve issues had been noted from six and a half thousand payments.

CA/2011/54. Banking Limits

The Committee noted that the University cash position was very good and due to payment schedules the amount of cash was expected to peak at £175m. The University’s current bank accounts could only hold £155m at currently agreed limits so it was necessary to consider options for new bank accounts. The University only held bank accounts with highly-rated banks ((AA- and above) so could increase the number of accounts held with these banks, potentially concentrating the risk, or open bank accounts with lower rated banks. The
Committee agreed to provide suggestions for alternative banks and approved the opening of bank accounts with A-rated banks.

CA/2011/55. Date of Next Meeting

28 March 2012 at 2pm, Melville Room

Prepared by: Gavin Lee, Clerk to Committee, Gavin.Lee@glasgow.ac.uk
Last modified on: Monday, 30 January 2012
Court February 2012

Key Performance Indicators
The University’s financial Key Performance Indicators (KPIs) have been updated to reflect the 2010-11 final results and the latest estimate of 2011-12 performance. The forecast for 2012-13 as submitted to Court in June 2010 has also been included as a comparator.

As in previous years the KPIs have been benchmarked externally. Information has again been extracted from the 2010-11 financial statements of the Russell Group universities where available (18 of the 20 universities, Cardiff University and University of Cambridge not available) and the information on four measures is also attached. The University ranks as follows across the Russell Group:

- Operating Surplus as a % of Income: 15th highest out of 18
- Cash & Deposits less Overdrafts and Loans: 3rd highest out of 18
- Income Year on Year Growth: 13th highest out of 18
- Salaries as a % of Total Income: 17th highest out of 18
### Financial Key Performance Indicators

#### 2007/08 - 2010/11

<table>
<thead>
<tr>
<th></th>
<th>2007/08</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>397</td>
<td>421.2</td>
<td>439.5</td>
<td>450.2</td>
</tr>
<tr>
<td><strong>Year on Year Growth</strong></td>
<td>9.60%</td>
<td>6.10%</td>
<td>4.30%</td>
<td>2.43%</td>
</tr>
<tr>
<td><strong>Operating Surplus before FRS17 &amp; Endowments</strong></td>
<td>2.6</td>
<td>3.8</td>
<td>6.2</td>
<td>9.9</td>
</tr>
<tr>
<td><strong>Operating Surplus after FRS17 &amp; Endowments</strong></td>
<td>6.9</td>
<td>5.3</td>
<td>7.3</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>Operating Surplus as a % Total Income</strong></td>
<td>1.70%</td>
<td>1.30%</td>
<td>1.70%</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>Ratio of Operating Cashflow to Net Capital Investment</strong></td>
<td>0.7</td>
<td>0.6</td>
<td>-9.6</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Ratio of Current Assets to Current Liabilities</strong></td>
<td>0.99</td>
<td>0.91</td>
<td>1.04</td>
<td>1.15</td>
</tr>
</tbody>
</table>

#### 2011/12 Budget & Outlook

<table>
<thead>
<tr>
<th></th>
<th>2011/12 Budget</th>
<th>2011/12 Outlook</th>
<th>2012/13 Forecast as per June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>434.8</td>
<td>432.7</td>
<td>443.5</td>
</tr>
<tr>
<td><strong>Year on Year Growth</strong></td>
<td>-3.4%</td>
<td>-3.9%</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>Operating Surplus before FRS17 &amp; Endowments</strong></td>
<td>7.8</td>
<td>8.9</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Operating Surplus after FRS17 &amp; Endowments</strong></td>
<td>8.2</td>
<td>9.3</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Operating Surplus as a % Total Income</strong></td>
<td>1.89%</td>
<td>2.15%</td>
<td>1.80%</td>
</tr>
<tr>
<td><strong>Ratio of Operating Cashflow to Net Capital Investment</strong></td>
<td>0.44</td>
<td>0.47</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Ratio of Current Assets to Current Liabilities</strong></td>
<td>1.18</td>
<td>1.02</td>
<td>1.07</td>
</tr>
</tbody>
</table>

#### Commentary

- The budgeted 2011/12 reduction in income is driven by the significant reduction in SFC income along with a prudent assessment of the current economic environment on Research and Other income. The 2012/13 Budget as presented to Court predicted that income would rise as a result of continued growth in overseas students and improved Research performance. Confirmation of the SFC funding position for 2012/13 indicates an improved funding position that may lead to upside against the originally presented position.

- The operating surplus before FRS 17 and endowments has remained positive and close to the 2.0% target as set out in the University's strategic plan. The 2011/12 position will remain positive with potential further upside to budget due to additional overseas students, staff vacancies and VS scheme provision not utilised.

- The 2010/11 figure represented net £4.3m of capital expenditure against £16.9m of operating cash. The 2011/12 outlook figures are based on a higher net capex figure of £12.4m on a forecast operating cash flow of £5.8m. The 2012/13 figure shows the impact of increasing capex as a result of investment in the Virology Centre and TRC.

- KPI continues to remain relatively steady.
Operating Surplus as a % of Income

Cash & Deposits Less overdrafts & loans
2010/11 Benchmark Data

Total Income Year on Year Growth

- **KCL** 6.1%
- **GLA** 5.8%
- **UCL** 5.2%
- **QUE** 5.1%
- **BRI** 4.9%
- **OXF** 4.5%
- **SOU** 4.3%
- **KCL** 3.2%
- **EDI** 2.7%
- **MAN** 2.6%
- **NEW** 2.6%
- **WAR** 2.6%
- **GLA** 2.4%
- **BIR** 1.8%
- **LIV** 1.6%
- **IMP** 1.6%
- **NOT** 0.0%
- **QUE** 3.0%

Salaries as a % of Total Income

- **KCL** 58.7%
- **GLA** 56.2%
- **UCL** 56.0%
- **QUE** 55.8%
- **BRI** 55.7%
- **NOT** 54.4%
- **LEE** 53.9%
- **SOU** 53.6%
- **NEW** 53.5%
- **LIV** 53.0%
- **BIR** 52.9%
- **OXF** 52.1%
- **MAN** 52.0%
- **LSE** 51.9%
- **IMP** 51.8%
- **SHE** 51.5%
- **EDI** 50.9%
- **WAR** 49.0%
- **AVG** 53.5%
<table>
<thead>
<tr>
<th>University</th>
<th>Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>University College London</td>
<td>UCL</td>
</tr>
<tr>
<td>Imperial College</td>
<td>IMP</td>
</tr>
<tr>
<td>University of Oxford</td>
<td>OXF</td>
</tr>
<tr>
<td>University of Edinburgh</td>
<td>EDI</td>
</tr>
<tr>
<td>Kings College London</td>
<td>KCL</td>
</tr>
<tr>
<td>University of Manchester</td>
<td>MAN</td>
</tr>
<tr>
<td>University of Bristol</td>
<td>BRI</td>
</tr>
<tr>
<td>University of Warwick</td>
<td>WAR</td>
</tr>
<tr>
<td>University of Birmingham</td>
<td>BIR</td>
</tr>
<tr>
<td>London School of Economics</td>
<td>LSE</td>
</tr>
<tr>
<td>University of Glasgow</td>
<td>GLA</td>
</tr>
<tr>
<td>University of Sheffield</td>
<td>SHE</td>
</tr>
<tr>
<td>University of Nottingham</td>
<td>NOT</td>
</tr>
<tr>
<td>University of Southampton</td>
<td>SOU</td>
</tr>
<tr>
<td>University of Leeds</td>
<td>LEE</td>
</tr>
<tr>
<td>University of Liverpool</td>
<td>LIV</td>
</tr>
<tr>
<td>Newcastle University</td>
<td>NEW</td>
</tr>
<tr>
<td>Queens University Belfast</td>
<td>QUE</td>
</tr>
<tr>
<td>Average</td>
<td>AVG</td>
</tr>
</tbody>
</table>
## Finance Committee

**Investments Held for Endowments - Performance Report for Finance Committee**

### Objectives

**NEWTON**

An income equivalent to a yield of 3.5% on the initial portfolio value which is expected to grow over time in "real" inflation adjusted terms

To preserve the capital value of the fund over a rolling 5 year period with the All Share Index used as a reference point

**SCHROEDERS**

Produce income of £ 2.1 m adjusted by the UK RPI in the year and to grow income in subsequent years in line with the UK All items RPI.

To increase capital value of the Fund at least in line with RPI, measured over rolling 5 year periods.

### A. Income

<table>
<thead>
<tr>
<th>Date</th>
<th>Income received £</th>
<th>Paid over to University £</th>
<th>Balance held by Fund Manager £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEWTON</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income Received in Year</td>
<td>2006-7</td>
<td>1,790,779</td>
<td>1,135,466</td>
</tr>
<tr>
<td></td>
<td>2007-8</td>
<td>2,657,375</td>
<td>2,820,000</td>
</tr>
<tr>
<td></td>
<td>2008-9</td>
<td>3,058,616</td>
<td>3,000,000</td>
</tr>
<tr>
<td></td>
<td>2009-10</td>
<td>2,956,164</td>
<td>2,900,000</td>
</tr>
<tr>
<td></td>
<td>2010-11</td>
<td>2,865,663</td>
<td>3,060,000</td>
</tr>
<tr>
<td><strong>SCHROEDERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Income received £</td>
<td>Paid over to University £</td>
<td>Balance held by Fund Manager £</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------</td>
<td>---------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>2006-7</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2007-8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2008-9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009-10</td>
<td>1,500,962</td>
<td>1,085,000</td>
<td>415,962</td>
</tr>
<tr>
<td>2010-11</td>
<td>2,483,588</td>
<td>2,280,000</td>
<td>625,643</td>
</tr>
</tbody>
</table>

**Current Year**

| Income received to 30-Nov-11 | 968,722 | 1,060,000 |
| Forecast to July             | 1,793,838 | 2,650,000 |
| Total income for the year    | 2,762,560 | 3,710,000 |

| % of current portfolio valuation | 4.21% | 5.65% |

**NEWTON**

Current quarterly valuation: 30-Sep-11 62,557,169


Monthly Movement: -672,340

**SCHROEDERS**

Current portfolio valuation: 30-Nov-11 65,691,309

Previous portfolio valuation: 31-Oct-11 55,319,128

Monthly Movement: -839,142

### B. Capital

<table>
<thead>
<tr>
<th>Date</th>
<th>Portfolio Valuation £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEWTON</strong></td>
<td></td>
</tr>
<tr>
<td>30-Nov-11</td>
<td>65,691,309</td>
</tr>
<tr>
<td>31-Oct-11</td>
<td>66,363,649</td>
</tr>
<tr>
<td>Monthly Movement</td>
<td>-672,340</td>
</tr>
<tr>
<td><strong>SCHROEDERS</strong></td>
<td></td>
</tr>
<tr>
<td>30-Nov-11</td>
<td>54,479,986</td>
</tr>
<tr>
<td>31-Oct-11</td>
<td>55,319,128</td>
</tr>
<tr>
<td>Monthly Movement</td>
<td>-839,142</td>
</tr>
</tbody>
</table>

### C. Capital since inception

<table>
<thead>
<tr>
<th>Date</th>
<th>Portfolio Valuation £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEWTON</strong></td>
<td></td>
</tr>
<tr>
<td>30-Sep-11</td>
<td>62,557,169</td>
</tr>
<tr>
<td>Portfolio valuation at inception</td>
<td>67,583,817</td>
</tr>
<tr>
<td>Movement since inception</td>
<td>-5,026,648</td>
</tr>
<tr>
<td>Performance since Inception</td>
<td>-2.40%</td>
</tr>
<tr>
<td>All Share Index since inception</td>
<td>-1.80%</td>
</tr>
<tr>
<td>RPI since inception</td>
<td>5.30%</td>
</tr>
<tr>
<td>No of years held</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>SCHROEDERS</strong></td>
<td></td>
</tr>
<tr>
<td>30-Sep-11</td>
<td>53,168,107</td>
</tr>
<tr>
<td>Portfolio valuation at inception</td>
<td>51,246,870</td>
</tr>
<tr>
<td>Movement since inception</td>
<td>3,233,116</td>
</tr>
<tr>
<td>Performance since Inception</td>
<td>3.70%</td>
</tr>
<tr>
<td>All Share Index since inception</td>
<td>2.20%</td>
</tr>
<tr>
<td>RPI since inception</td>
<td>5.30%</td>
</tr>
<tr>
<td>No of years held</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Present:

Professor Anton Muscatelli - Principal
Mr David Ross (Convenor]
Mr Keith Niven
Mr Gavin Stewart
Mr David Sutherland
Mr Steven Scott

Attending:

Mr R Fraser, Director of Finance
Mrs Carolyn Timar, Financial Accountant
Mrs Anne Wheeler, Accounting Assistant

1. Apologies:

Professor John Holland
Mr David Newall, Secretary of Court

2. MINUTE OF THE LAST MEETING

The Committee approved the Minute of the meeting held on Friday 26th August 2011 subject to clarifying that the last two sentences of Item 2(b) confirmed committee’s decision to maintain the objectives in the existing mandates.

3. MATTERS ARISING

Transfer of Non Pool Funds

The Committee approved the transfer of the Non Pool funds, from funds held for the various Sir Alexander Stone’s Bequests to the main Endowment Pool Funds with the sum of £ 305,886.47 to be transferred to Newton's to add to the Portfolio.

4. LETTERS TO FUND MANAGERS

The Committee discussed the letters that were issued to the Fund Managers and their responses, in particular the responses to the issues raised with Schroders about the purchase of US stock which, by using hedging, Schroders were treating as UK stocks. The Committee agreed that the University’s position remained unchanged, that US funds could not become UK funds by hedging. While the Portfolios should be managed within the mandates given to the Managers, if a Manager believes that there is an investment case for changing the percentages set within their agreed mandate, they should come back to the Committee to have further discussions. Schroders had now unwound their position, so this was no longer an issue and they would only report UK equities as UK in the future. The Convenor, David Ross
advised Schroders of the Committee’s position on this matter before the start of their presentation. The Committee commented that the information from Newton on risk management was in much greater detail than that provided by Schroders. Newton’s covered far more of the actual process, which the Committee were looking for; Schroders were also advised of this; although the Committee noted that ultimately what mattered was how the risk was actually managed.

5. INVESTMENT MANAGERS REPORTS

The Committee commented on the improved report by Schroders and were happy to see that both Fund Managers were able to include the new requested tables within the September reports.

6. INVESTMENT MANAGERS PRESENTATIONS

1. Schroders - Geoff Day, Paul Duncombe and Nicholas Kirrage.

Geoff Day started his presentation by acknowledging the comments made in the letter of 12th October and the Committee’s disappointment in their actions. Schroders felt that they had acted in the best interest of the University but have taken on board the Committee’s comments.

Commenting on the Quarterly report Geoff advised that this was a unique form of report for Schroders, but that they were delighted to try and meet the University’s requirements, including the standardised tables.

Geoff advised that the quarter to September had been extraordinary, lead by weak economic data, with China down at 6% growth, with the resulting effect that assets that were seen to be risky had fallen very sharply. Sovereign bonds however had performed quite well over the period but overall within the Portfolio, they had seen sharp falls.

There were pleased that they had been able to meet the income objective of a monthly payment of £ 210,000 starting in August 2011. However the other objective of increasing the capital value of the fund in line with RPI had not been met. Since inception the RPI return had been 5.3%pa while the Portfolio’s return had been 3.7% pa. The diversified nature of the Portfolio has lead to the Portfolio failing to meet that objective. Around half of the Portfolio was down due to the fall in the equity markets.

The income received over the last quarter has been very up and down with July yielding £ 732K while August and September were only around the £ 102K each. The reason for this, Geoff explained, was due to the pooled funds within the Portfolio, with two paying their distributions in July. These were the Global High Yield Fund and the Broad Market Bond Fund which produced over half a million pounds of income between them.

Reviewing the performance of the Portfolio, Geoff advised that stock selection against benchmark was mixed over the last quarter The performance of the funds in the UK and global equity markets had been reasonable resilient over the quarter. The UK equities in the Portfolio were down at 11.7% against the benchmark which was down 13.5 % and the global equities in the Portfolio were down 10.5% against a fall
of 16.6% in the benchmark for the Global equities. However over the period, UK fixed Interest within the Portfolio was up 3.5% while the benchmark was up 6.3%. The reason for this was three fold.

At the beginning of the period, they were taking a more sanguine view of the outlook for economic growth; they believed that there would be upward pressure on interest rates, so they had taken a defensive view in the Portfolio, holding a short duration position. During this period however risk aversion came to the fore, where you really wanted to have a long duration position and they were on the wrong side of that, and this was a mistake on Schroders part. Overweight to credit and a bias towards higher yielding corporate bonds all had an effect on the Portfolio, to a greater or lesser degree. Gavin Stewart enquired if they had kept these positions on or had they changed their views. Geoff replied that they had changed their views. Taking what has happened in Europe had made them change their position. They have now moved to neutral duration within the bond Portfolio from a short duration, toning down the risk positions on financials. There is still a bias towards credit, their thinking is that there will be a low rate of positive growth within the UK economy.

Keith Niven asked how the Global Equities Portfolio had achieved the fall of 10.5%. When looking at the table for Unit Trust Performance, the SISF Asian Equity Yield Fund was down 20% with the SISF Global Equity Yield Fund down 15.8%, so it was hard to see from these figures how the fall of only 10.5% was achieved.

Geoff explained that the performance table are based on the way securities are categorised and it is not possible to change this for the University reports as Schroder’s systems cannot handle the split that the University would like. If a quoted infrastructure stock is quoted as a UK quoted company it may fall into the Global Equity Funds, and this makes it harder to understand the tables. They suggested that in future they only list the stocks held within the University Portfolio to give a clearer picture.

Another area that they fell short over the quarter was the property fund that we hold. The Manager holds an exposure to quoted equities and the listed market fell 20% while the direct property markets were flat. As there is currently around 10% of the Portfolio within this asset class this did have an effect on the overall performance but it is their view that this will come back.

Paul Duncombe continued the presentation discussing the disappointing performance over the quarter by global high yield bonds. The index was down 7.1% with the holding in the Portfolio down 8.8% but with the yield on this now around 9% they do not believe that it is an appropriate point to bail out, as they still had an important part to play in achieving the income target. Currently holding 11% out of a maximum of 15%, Gavin Stewart was keen to know if they had any plans in increasing their position. Paul advised that there was probably still too much uncertainty in the market to increase it much more than they currently have but in their monthly meetings they have been looking at this, and there is a possibility that they could increase it slightly.

Steve Scott asked what drives the movement within the market.

Paul Duncombe advised that from an asset allocation point of view, in the first half of the year, the recovery was on track, even though issues like the Japanese Tsunami, which had impacted on production and the two big political issues in the early summer, US debt ceiling and the re-emergence of the sovereign debt crisis had created uncertainty in the markets. They did de-risk the Portfolio in August because
of their concerns before the big fall in September but there had been some falls that had already started that they missed.

There is a reasonable amount in fixed income, Government bonds, US Treasury and Bunds, within the Portfolio but the yields are poor so to meet the income targets they are trying to manage the asset allocation, to soften the downside and keeping the volatility at around 9%. The areas in fixed income that they could move into to pick up income are areas that have some risk. They are trying to balance the need to generate income without moving into areas that are going to fall.

Nick Kirrage added that it is going to be difficult over the next three months with the concerns over Greece leaving the Euro, it may be very damaging for markets, destabilising markets but he did not believe it would be terminal. Parts of the markets are extremely cheap, but these are narrow with common threads, domestically orientated or consumer lead. In order to gain perspective you need to look at the long term view.

Going back to the letter from Schroders in response to our questions on risk, David Ross said it outlined a good approach but the Committee did not know from their reply how the risk was actually being managed.

Paul Duncombe indicated that he had tried to give examples in the report of the risk attribution to two different points in time to illustrate where the contributions to risk come from and the limitations to using basic statistics. They are trying to achieve a real return on our Portfolio that keeps up with inflation. They have built a lot of their own software to do this, having seventy people around the world dealing with the multi-asset investments, building the risk tools required. They have a formal process for reviewing and developing their asset allocation policy which involves other specialists around the firm. The asset allocation decisions will come from the six member senior multi-asset investors.

Paul advised that it was Remi Ajewole, a fund manager in the asset allocation team that is responsible for taking the views of the asset allocation committee and tailoring them for our Portfolio, picking the funds that the Portfolio goes into, increasing or decreasing high yield bonds or equities, within the context of the decisions made by the asset allocation committee.

The Committee were keen to meet the fund manager and it was agreed that she would attend the next meeting.

David Ross thanked Schroders for their presentation

2. Newton – Peter Henderson and June Jessop

Peter started his presentation by introducing June Jessop, who works on our Portfolio along with Peter but is based in Newton’s Edinburgh Office, dealing with the charities sector.

Peter updated the Committee on the current position of the markets. Over the twelve months period to September, he thought the markets were reasonable surprising with Gilts up 7.8% and Overseas Bonds up 6.3%. The UK All Share was down 4.4% with the world markets down 4%. Due to the current events in Europe the European
markets were down 13.6% and this did have an effect in the period on the Portfolio, as well as the down turn in emerging markets which were down 14.9%.

Looking at the income target that was set at 5.1% of the capital value of the Portfolio, Peter commented that this target was a challenge to achieve. If they put the Portfolio all into the All Share they would be short, as the income yield would only be 3.7%, they could almost get there with the FTSE 350 higher yield at 4.8% but otherwise it would require being in the global high yield bonds.

Within the Portfolio they have moved into some low yielding equities, particularly in the technology area and those have performed reasonably well in the last quarter but if they sat on them for the rest of the year they would not have the sufficient income that they require so they will probable not be holding these for much longer. They intend to switch back into some of the higher yielding stocks. They have been giving up yield today to get capital appreciation.

Half of the growth in this year in the All Share index is coming from the mining sector and traditionally they paid very low dividends. They are now increasing their dividends quite rapidly but as a low yielding sector it is not a sector that they have much exposure to. Although the UK markets are growing, it is down to a few subsectors of the market, which they have chosen not to have much exposure to because they are lower yielding.

The capital value of the Portfolio at inception was £74.99 million and now currently it is at £61.94 million. Peter advised that history has taught us the in the last hundred years if you were to go into equities you would have maintained the real capital value but this scenario is no longer the case.

Looking at the RPI increase over the period since they started managing, the Portfolio value should have been at £87.84 million so they are quite a bit short of that target. However they are in line the All Share Index at £61.97 million but there would not have been sufficient income to meet our needs, if they were only in the All Share. To get the income they would have had to be in the 350 Higher Yield Index but the Portfolio would then only be worth £53.97 million so they have done well with the income and they are happy with the capital against the market performance but the disappointment is that they have not kept up with inflation.

On the asset allocation Peter advised that they had added to bonds, a short term tactical move, in buying gilts but not holding them to maturity, as an insurance measure on the Portfolio. They believe that there is a real chance that we can get to zero inflation and perhaps deflation within the UK.

The stocks that performed well in the last quarter were Xstrata, Lloyds Banking Group and Anglo American, none of which are currently held in the Portfolio but Rio Tinto, another stock which performed well is held comprising 0.9% of the Portfolio.

Peter was asked by Keith Niven on his view on the banks and he replied that their analysts are still very much against banks even with HSBC, mainly due to all the regulations that are now in place, capital is too expensive, and they still have a lot of debts to write off.

Continuing with the presentation June Jessop took the Committee through what happened over the summer to affect the markets due to the crisis in Europe, from the Greek Parliament imposing sever austerity measures to the IMF implying a write down of Greek debt being inevitable. In a consumer driven economy the markets are
at an all time low, with money not getting into the economy but remaining in the balance sheets. In the UK like the US, it is consumer driven economy and consumer confidence has fallen with the rise in unemployment and fall in disposable income. The outlook for a consumer lead recovery in these economies is very doubtful at present.

Newton prefers to invest in companies with strong fundamentals and good cash flow. The types of stocks that have an above average dividend yield and are held within the Portfolio are the likes of Total at 6.6%, GlaxoSmithKline at 5.3%, and Royal Dutch Shell at 5.1% or Novartis at 4.5%. Their exposure in emerging markets is a mixture of the multi nationals, some direct funds and a few pooled funds. 46% of global retail sales now come from the emerging markets, with over 80% of new mobile phone subscriptions being from emerging markets.

Summing up the current themes that Newton have, they are evolving rather than changing. Themes like De-leverage - too much debt is weighing on economic activity and this has caused them to be cautious of banks. Health + Demand - with the ageing population in the West and “active oldies” there are still pockets of growth that they can find attractive.

Steve Scott enquired if there had been any changes to the themes since the quarter end. Peter replied that they have a dozen or so themes every year and one or two of them do change. Most of the themes are long term themes. They use them to guide the 25 in house analysts. They use the themes to filter down the information available so that they are not caught out by some of the trends. There is a core of stocks that they invest in but changes do take place, particularly with the more volatile conditions we have had recently and this is the real challenge at the moment.

The biggest change in the Portfolio was due to the holding of European stocks being down from 17% to 10% within the last year. This was driven partly because these European companies exported to the emerging markets and there was a slowdown in emerging markets. However they are very comfortable coming out of them and placing the funds not in cash but in bonds on a temporary basis. They are looking at companies in the long term, rather than the short term to get the growing in income and preserve the capital.

Finally discussing risk, Peter advised that Newton take risk very seriously, it is high on their agenda, they are in the business of fund managing and this is all they do. They have to take risks but they control those risks and they know what the risks are. They have an independent risk team, reporting directly to the board and not via the Fund Managers but as they are integrated with the teams they are aware of what the Fund Managers are doing but not influenced by them.

David Ross thanked Newton for their presentation.

The next meeting of the Investment advisory Committee will be on Friday 4th May 2012 in the Turnbull Room.
Period 4 Management Pack
2011/12
The P4 results are £3.9m higher than year to date budget. The full year outlook has increased by £1.0m to a projected operating surplus of £8.9m.

The main variances are as follows:

- Tuition fee outlook has been reduced by £0.5m based on current expectations of student numbers. Arts - £0.5m, MVLS -£1.4m and Social Sciences +£1.4m.
- Salaries year to date are £2.6m lower than budget, relating to timing of vacancies being filled across the Colleges and University Services.
- The full year salary outlook has been reduced by £3.6m to reflect these savings with Arts +£0.5m, MVLS +£1.5m, Science & Engineering +£1.1m and University Services +£0.5m
- The consumables forecast is £1.2m adverse. £0.9m is within University Services, £0.2m in Science & Engineering and £0.1m in Social Sciences.
- Research contribution year to date is £0.3m lower than budget, mainly within Science & Engineering driven by vacancies in professorial posts.
- The full year research contribution outlook has been reduced by -£1.0m with Science & Engineering -£0.6m, Arts -£0.2m and Social Sciences - £0.1m
### Operating Summary - Income & Expenditure Account

#### General Funds

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>YTD</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SFC Income</strong></td>
<td>44,026</td>
<td>43,930</td>
<td>96</td>
</tr>
<tr>
<td><strong>Tuition Fees net of Discounts</strong></td>
<td>27,075</td>
<td>27,075</td>
<td>0</td>
</tr>
<tr>
<td><strong>Gross Salaries</strong></td>
<td>(53,748)</td>
<td>(56,349)</td>
<td>2,600</td>
</tr>
<tr>
<td><strong>Salary Recoups</strong></td>
<td>4,133</td>
<td>4,644</td>
<td>(511)</td>
</tr>
<tr>
<td><strong>Consumables</strong></td>
<td>(27,642)</td>
<td>(27,698)</td>
<td>56</td>
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<tr>
<td><strong>Depreciation / DCG</strong></td>
<td>(2,183)</td>
<td>(2,498)</td>
<td>315</td>
</tr>
<tr>
<td><strong>Endowments</strong></td>
<td>(37)</td>
<td>(2)</td>
<td>(35)</td>
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<tr>
<td><strong>Other Income</strong></td>
<td>19,019</td>
<td>18,055</td>
<td>965</td>
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<tr>
<td><strong>Interest</strong></td>
<td>253</td>
<td>96</td>
<td>156</td>
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<tr>
<td><strong>Total General Funds</strong></td>
<td>10,896</td>
<td>7,256</td>
<td>3,640</td>
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#### Research

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>YTD</th>
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</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>26,771</td>
<td>29,062</td>
<td>(2,291)</td>
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<tr>
<td><strong>Salaries</strong></td>
<td>(11,743)</td>
<td>(12,598)</td>
<td>854</td>
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<tr>
<td><strong>Salary Recoups</strong></td>
<td>(3,427)</td>
<td>(3,806)</td>
<td>379</td>
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<tr>
<td><strong>Consumables / Depreciation</strong></td>
<td>(8,629)</td>
<td>(9,805)</td>
<td>1,176</td>
</tr>
<tr>
<td><strong>Contribution after recoups</strong></td>
<td>2,972</td>
<td>2,853</td>
<td>119</td>
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<tr>
<td>% Contribution</td>
<td>11.1%</td>
<td>9.8%</td>
<td>1.3%</td>
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<tr>
<td><strong>Contribution before recoups</strong></td>
<td>6,399</td>
<td>6,659</td>
<td>(260)</td>
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<tr>
<td>% Contribution</td>
<td>23.9%</td>
<td>22.9%</td>
<td>1.0%</td>
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</table>

#### Commercial

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>YTD</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>15,526</td>
<td>13,471</td>
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<td><strong>Salaries</strong></td>
<td>(7,740)</td>
<td>(7,161)</td>
<td>580</td>
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<tr>
<td><strong>Salary Recoups</strong></td>
<td>(510)</td>
<td>(604)</td>
<td>95</td>
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<tr>
<td><strong>Consumables / Depreciation</strong></td>
<td>(5,242)</td>
<td>(3,917)</td>
<td>(1,326)</td>
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<tr>
<td><strong>Contribution after recoups</strong></td>
<td>2,034</td>
<td>1,790</td>
<td>244</td>
</tr>
<tr>
<td>% Contribution</td>
<td>13.1%</td>
<td>13.3%</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>Contribution before recoups</strong></td>
<td>2,543</td>
<td>2,394</td>
<td>149</td>
</tr>
<tr>
<td>% Contribution</td>
<td>16.4%</td>
<td>17.8%</td>
<td>-1.4%</td>
</tr>
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</table>

#### Other Funds

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>YTD</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>515</td>
<td>511</td>
<td>3</td>
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<tr>
<td><strong>Expenditure</strong></td>
<td>(862)</td>
<td>(624)</td>
<td>(38)</td>
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<tr>
<td><strong>Total Other Funds</strong></td>
<td>(148)</td>
<td>(113)</td>
<td>(35)</td>
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#### Operating Surplus Before Overlays

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>YTD</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Singapore Institute of Technology</strong></td>
<td>15,754</td>
<td>11,786</td>
<td>3,968</td>
</tr>
<tr>
<td><strong>Strategic Investment</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Operating Surplus</strong></td>
<td>15,754</td>
<td>11,786</td>
<td>3,968</td>
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#### Operating Surplus

<table>
<thead>
<tr>
<th></th>
<th>Year to Date</th>
<th>YTD</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td><strong>Singapore Institute of Technology</strong></td>
<td>15,754</td>
<td>11,786</td>
<td>3,968</td>
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<tr>
<td><strong>Strategic Investment</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Operating Surplus</strong></td>
<td>15,754</td>
<td>11,786</td>
<td>3,968</td>
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## Operating Summary By College

<table>
<thead>
<tr>
<th>College</th>
<th>YTD Actual Nov 2011</th>
<th>YTD Budget Nov 2011</th>
<th>YTD Variance</th>
<th>YTD Actual Nov 2010</th>
<th>Variance vs Prior Year</th>
<th>Full Year Outlook (FY)</th>
<th>Original Budget (FY)</th>
<th>Full Year Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£000</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts</td>
<td>4,083</td>
<td>4,016</td>
<td>66</td>
<td>4,098</td>
<td>(15)</td>
<td>11,537</td>
<td>11,536</td>
<td>0</td>
</tr>
<tr>
<td>Medical, Veterinary and Life Sciences</td>
<td>15,820</td>
<td>14,842</td>
<td>978</td>
<td>14,890</td>
<td>930</td>
<td>40,580</td>
<td>40,377</td>
<td>203</td>
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<tr>
<td>Science and Engineering</td>
<td>8,993</td>
<td>8,620</td>
<td>373</td>
<td>10,560</td>
<td>(1,566)</td>
<td>24,083</td>
<td>23,996</td>
<td>87</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>7,861</td>
<td>7,914</td>
<td>(53)</td>
<td>6,967</td>
<td>894</td>
<td>23,342</td>
<td>22,045</td>
<td>1,297</td>
</tr>
<tr>
<td><strong>Total Colleges</strong></td>
<td>36,757</td>
<td>35,392</td>
<td>1,365</td>
<td>36,515</td>
<td>242</td>
<td>99,542</td>
<td>97,955</td>
<td>1,587</td>
</tr>
<tr>
<td>University Services</td>
<td>(16,117)</td>
<td>(16,148)</td>
<td>30</td>
<td>(15,179)</td>
<td>(938)</td>
<td>(43,795)</td>
<td>(43,627)</td>
<td>(168)</td>
</tr>
<tr>
<td>Premises</td>
<td>(13,444)</td>
<td>(13,922)</td>
<td>478</td>
<td>(12,535)</td>
<td>(909)</td>
<td>(44,204)</td>
<td>(43,961)</td>
<td>(243)</td>
</tr>
<tr>
<td>Catering</td>
<td>99</td>
<td>48</td>
<td>50</td>
<td>118</td>
<td>(20)</td>
<td>287</td>
<td>225</td>
<td>63</td>
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<td>Residences</td>
<td>10,167</td>
<td>8,881</td>
<td>1,286</td>
<td>9,901</td>
<td>266</td>
<td>2,488</td>
<td>2,777</td>
<td>(289)</td>
</tr>
<tr>
<td>Corporate Overheads</td>
<td>(1,707)</td>
<td>(2,466)</td>
<td>759</td>
<td>859</td>
<td>(2,566)</td>
<td>(2,431)</td>
<td>(2,535)</td>
<td>104</td>
</tr>
<tr>
<td><strong>Total Central Costs</strong></td>
<td>(21,003)</td>
<td>(23,606)</td>
<td>2,603</td>
<td>(16,835)</td>
<td>(4,168)</td>
<td>(87,654)</td>
<td>(87,121)</td>
<td>(533)</td>
</tr>
<tr>
<td><strong>Operating Surplus Before Overlays</strong></td>
<td>15,754</td>
<td>11,786</td>
<td>3,968</td>
<td>19,679</td>
<td>(3,925)</td>
<td>11,887</td>
<td>10,833</td>
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Operating Summary – Analysis

P4 11/12 vs Budget – By College

- **£000**
  - YTD Budget: £11,786k
  - Arts: +66k
  - MVLS: +978k
  - Social Sciences: +53k
  - Arts: +0k
  - MVLS: +203k
  - Social Sciences: +1,297k
  - Arts: +0k
  - MVLS: +203k
  - Corporate Services: +2,603k
  - YTD Actual: £15,754k
  - MVLS: +87k
  - Social Sciences: +877k
  - Arts: +0k
  - MVLS: +203k
  - Corporate Services: +2,603k
  - Central Overlays: +0k
  - Full Year Budget: £7,833k
  - Full Year Outlook: £8,887k
  - £1.0m
  - £3.9m

P4 11/12 vs Budget – By Activity

- **£000**
  - YTD Budget: £11,786k
  - SFC Income: +96k
  - Tuition Fees: +0k
  - Salaries: +2,600k
  - Research Before Recoups: +260k
  - Commercial Before Recoups: +149k
  - Interest: +156k
  - Other Income: +665k
  - YTD Actual: £15,754k
  - SFC Income: +211k
  - Tuition Fees: +471k
  - Salaries: +3,600k
  - Research Before Recoups: +987k
  - Commercial Before Recoups: +18k
  - Interest: +156k
  - Other Income: +433k
  - Full Year Budget: £7,833k
  - Full Year Outlook: £8,887k
  - £1.0m
  - £3.9m

Full Year Outlook vs Full Year Budget – By College

- **£000**
  - Full Year Budget: £7,833k
  - MVLS: +203k
  - Social Sciences: +1,297k
  - Corporate Services: (533k)
  - Central Overlays: 0k
  - Full Year Budget: £7,833k
  - MVLS: +203k
  - Social Sciences: +1,297k
  - Corporate Services: (533k)
  - Central Overlays: 0k
  - Full Year Outlook: £8,887k
  - £1.0m
  - £3.9m

Full Year Outlook vs Full Year Budget – By Activity

- **£000**
  - Full Year Budget: £7,833k
  - Consumables: (1,215k)
  - Research Before Recoups: +987k
  - Commercial Before Recoups: +18k
  - Interest: +156k
  - Other Income: +433k
  - Full Year Budget: £7,833k
  - Consumables: (1,215k)
  - Research Before Recoups: +987k
  - Commercial Before Recoups: +18k
  - Interest: +156k
  - Other Income: +433k
  - Full Year Outlook: £8,887k
  - £1.0m
  - £3.9m
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### RESEARCH

% of Year Elapsed = 33%

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### TUITION FEES

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Balance Sheet & Cashflow

Commentary

- Net Funds as at P4 are £114.7m, which is a cash inflow of £6.3m for the year to date.
  - The main year to date cash movements are:
    - Operating cashflow of £17.6m underpinned by the operating surplus as outlined in the I&E commentary;
    - A reduction in working capital of £9.2m primarily due to the timing of creditor payments;
    - Capital expenditure of £3.3m offset by grant income of £1.2m
  - The closing cash forecast is £101.8m. A cash outflow of £6.6m is forecast for the year versus a budgeted cash outflow of £6.9m
Detail By College / Service Area
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<th>YTD</th>
<th>Budget</th>
<th>Variance</th>
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<td><strong>TOTAL</strong></td>
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Court – Wednesday 15 February 2012

Report from Meeting of the Audit Committee held on
9 November 2011

Cover Sheet

Brief description of the paper
The paper contains Audit Committee minutes from a meeting held on 9 November 2011, for information, and the annual report of the Audit Committee.

A item
The annual report of the Audit Committee is at Annex 1. As a matter of good governance, the Audit Committee reports annually to Court, including its assessment of the adequacy of the University’s systems of internal control.

Note: this report from the Audit Committee was provided with the December 2011 Court papers, but is also with the February 2012 Court papers because the chair of the Audit Committee, who was not able to attend the December 2011 meeting of Court, will present the annual report of the Audit Committee on 15th February.

Prepared by Deborah Maddern
6.2.12
UNIVERSITY OF GLASGOW

Audit Committee

Minute of Meeting held on Wednesday 9 November 2011
in the Melville Room

Present:
Dr Paul Brady, Mr Hamish Guthrie, Mr Neil Menzies, Ms Elizabeth Simpson (Vice-Convener), Mr Kevin Sweeney (Convener)

In attendance:
Mr Jim Bishop (Ernst & Young), Mr Andrew Charters (Group Financial Controller), Ms Gillian Connal (Deloitte LLP), Mr Robert Fraser (Director of Finance), Mr Colin Gibson (Deloitte LLP), Mr Paul McGinty (Deloitte LLP), Mr David Newall (Secretary of Court), Ms Deborah Maddern (Clerk), Mrs Carolyn Timar (Financial Accountant)

Apologies:
Mr Ken Baldwin (Ernst & Young), Mr Jo Elliott, Professor Anton Muscatelli (Principal)

Andrew Charters, Group Financial Controller, was welcomed to the meeting.

AUDIT/2011/15. Minutes of the meeting held on 20 September 2011
The Minutes were approved as a correct record subject to a correction to the attendance list.

AUDIT/2011/16. Matters Arising

.1 Research Management System (Audit/2010/28 and 39)
Work on process re-engineering was ongoing with Deloittes. A review of internal controls and efficiencies would be necessary following this, and might require additional resource. The committee would be updated further in February 2012.

.2 Review of Contract Risk Management - Bribery Act (Audit/2010/15.1,27.1,42 and Audit 2011/1); and

.3 Travel and Expenses and Entertainment (Audit/2011/4)
At the last meeting, the Committee had asked that Mr Newall check that contracts of employment for new staff were clear about the requirements relating to expenses claims and that further discussion should take place at SMG about options, including the possibility of annual sign-off or regular spot checks by managers in the context of local arrangements for expense claims.

The committee noted that SMG would be discussing the matter further. The committee agreed that its concerns relating to the need for adequate controls and for line-managers to take responsibility for signing off expenses should be advised to SMG. The committee wished to be reassured that the system was operating as it should.

.4 Public Interest Disclosure (Interim Report) (Audit 2011/4)
A recent investigation had concluded that University procedures may not have been properly followed in relation to commencement of a research project. The Committee had agreed at the last meeting that the University should continue to pursue the matter and consider widening the investigation.
A meeting had been held with the staff in question. DN would update the committee further at the next meeting.

**ACTION DN**

.5 Misconduct Cases – update (Audit/2011/4)
Since the last meeting, a disciplinary tribunal had recommended the dismissal of a member of staff under the University’s disciplinary procedures. A separate investigation relating to another member of staff was in progress.

.6 HMRC audits relating to VAT matters (Audit/2011/5)
The committee noted details of HMRC audits. The HMRC had been satisfied with the University’s response, which related to very minor matters.

.7 Health & Safety Compliance Monitoring (Audit/2011/6)
At the last meeting it had been requested that Mr Newall look into the possibility of an external contractor undertaking an audit of health and safety management practice in schools, institutes and service departments. The matter was in hand.

.8 Estates Maintenance
A report would be made to the next meeting.

**AUDIT/2011/17. Internal Audit Update**

.1 Internal Audit Update Report
Since the last meeting, a number of areas in the 2010/11 Internal Audit Plan had been progressed. There were no Priority One recommendations in the current report. The key points from the reviews were as follows:

**Review of Financial Control Framework**
The overall conclusion was that the controls in place at the University had been significantly strengthened and were generally adequate, although there was scope for improvement in some areas, including IT controls, purchasing and review of journal entries. The broad framework did not require to be changed.

**Review of College Management MVLS**
The review had identified that considerable progress had been made, given the significant workload involved in setting up the College, but there were still some challenges. A number of process and structural efficiency opportunities had been identified within the College support resources (e.g. financial transaction processing); however, for these to be addressed, more progress in terms of consistency across the College was needed. In the context of a major event such as the restructuring, the committee agreed that much had been achieved. It noted that the Head of College had not yet had an opportunity to meet with Deloittes to discuss the report, but would be doing so. It was agreed that the committee would meet with her thereafter if required.

It was agreed that the matter of apportionment of teaching income within the College and Research Institutes would be carried forward for discussion at the November 2012 meeting of the committee.

**Investigation: Accounts Payable**
An internal audit report relating to a staff member in the College of Science and Engineering had suggested that inappropriate financial transactions had occurred. An investigation was now ongoing in the context of the University’s disciplinary procedures. A separate audit report would address financial controls within the relevant School. The committee agreed that it would examine this in detail at the next meeting.
Updates on other areas were noted. With respect to the ongoing review of the consultancy procedures, and in the context of the investigation relating to accounts payable within the College of Science and Engineering, the committee agreed that it wished its concerns to be relayed to Court, about appropriate controls being essential and about appropriate responsibility being taken by managers including those responsible for signing expenses. In both these areas there must be a rigorous culture in evidence. These matters would be reflected in the committee’s annual report to Court.

It was also agreed that RF would consider how reports might be generated to provide a method of checking for possible misuse of the expenses and purchasing systems.

**ACTION RF**

2 Internal Audit 2010/11 Annual Report

The Committee noted a report of activity undertaken by the internal auditors in the past year. All fieldwork for the 2010/11 plan had been completed, with 65 recommendations arising from the reports, compared to 88 in the previous year. Two recommendations had been rated as Priority One, compared to five the previous year. Management had requested the auditors’ input to a number of investigations during the year, relating to areas including expenses, use of purchasing cards and compliance with University procedures. The Committee noted that these instances underlined the importance of the design and operation of detailed controls at a process and departmental level, as well as the benefit of planned improvements such as the new payroll and integrated expenses system which was being implemented.

The results of follow ups of internal audit recommendations had shown that 94% of prior year recommendations had either been fully or partially implemented. Testing had confirmed the robustness of University management’s reporting to the Committee on follow ups.

**AUDIT/2011/18. University Financial Statements**

1 Review of the University Financial Statements for the Year ending 31 July 2011

There were no prior year restatements within the financial statements for 2011. The operating surplus was £10.4m (£11.2m after exceptional items), which was the sixth consecutive operating surplus after a decade of operating deficits. This was £7.9m better than original budget, with £5.6m from operational movements, £1.9m from movements in FRS 17 and endowments and £0.4m from group subsidiaries. Cash and deposit balances had closed at £111.4m, which was an increase of £23.6m in the year. The increase was mainly due to strong operating cashflows and a reduction in working capital resulting from the timing of accounts payable balances at year end. Capital expenditure for the year was £24.2m, which was an increase of £4.7m versus 2010. The increase was largely due to the £9.3m acquisition of the Western Infirmary site. There was a 9% increase in the value of endowment assets. The net pension liability for the University of Glasgow Pension Scheme and Strathclyde Pension Fund had reduced by £9.3m as a result of better than expected asset returns and a move to CPI as the basis of assumption on pension increases. £9m had been spent on the voluntary severance scheme. The committee asked that p.21 of the accounts be edited so as to apportion this cost between academic and administrative units.

**ACTION RF**

2 Reports of the External Auditors for the year ending 31 July 2011

(1) Audit Results

The auditors commented that the year end process had proceeded well. The auditors anticipated issuing unqualified audit opinions in respect of the consolidated University
accounts and the accounts of the subsidiary companies. The Finance team was thanked.

The committee noted the key areas addressed during the audit, including: accounting for severance costs; Pension and related obligations; VAT partial exemption methodology; Accounting for research balances; Accounting for fixed assets; Compliance with the Statements of Recommended Practice; and an overview of the funding position.

(2) Draft Representations by Management

The report was noted.

(3) Fee Schedule

The report was noted. The schedule included a fee relating to US GAAP work.

AUDIT/2011/19. Draft Accounts of the Subsidiary Companies and University Trust for the Year Ending 31 July 2011

The Committee noted the Accounts. The committee requested that the process for periodic review (by Court) of appointments of non executive directors be taken forward.

ACTION DN

AUDIT/2011/20. Audit Committee Annual Report to Court

It was agreed that the report would be augmented to include more information on audits undertaken in the past year and on the recent discussions about the operation of, and responsibilities associated with, the expenses system. PB would provide some suggestions to DM.


The Committee noted the terms of reference of a review of HE Governance, commissioned by Scottish Ministers, and the University’s submission to its call for evidence.

AUDIT/2011/22. Any Other Business

The committee noted that a review of the implementation of the MyCampus system was ongoing, and that the operation of the system would be subject to audit review in the current session.

AUDIT/2011/23. Date of Next Meeting

Wednesday 22 February 2012 at 10am in the Melville Room.

Prepared by: Deborah Maddern, Clerk to Committee, deborah.maddern@glasgow.ac.uk
Audit Committee

Annual Report to Court, December 2011

1. Introduction

In line with good governance practice, the Audit Committee submits an annual report to Court, providing an overview of the Committee's work in the course of the year. In particular the report reflects the Committee's assessment of the adequacy and effectiveness of the institution's internal control system and the extent to which the governing body can rely on that system. The report below summarises the work of the Committee for the year up to and including its meeting on 9 November 2011.

2 Summary of the Year's work

2.1 Membership of the Committee

Membership of the Committee has been constant throughout the year: Kevin Sweeney (chair), Paul Brady, Jo Elliott, Hamish Guthrie, Neil Menzies, and Elizabeth Simpson.

2.2 Financial Accounts

The Committee has reviewed the University's accounts for 2010/11 and the commentary thereon, along with the audit results report prepared by the external auditor, Ernst & Young. The audit opinion was unqualified and, for the sixth successive year, the accounts reflect an operating surplus.

2.3 Internal Audit Activity, 2010/11

The Committee has continued to devote a substantial part of its time to the work of Internal Audit, a service provided by Deloitte LLP. During 2010/11, the Committee has:

- reviewed the outcome of each new internal audit report and noted the main areas requiring attention;
- required the Director of Finance and the Secretary of Court to report regularly on progress in implementing internal audit recommendations; and
- on occasion convened special meetings to look in more depth at areas in which it is particularly interested. These meetings have included a briefing about Estates matters.

There has been a steady reduction in the number of Priority 1 audit recommendations in recent years, coupled with a clear commitment by management to respond to audit recommendations in an effective and timely way. The number of Priority 1 recommendations was 2 (down from 5 in 2010 and 8 in 2009). At November 2011, 94% of prior year recommendations have either been fully or partially implemented (95% in November 2010).
Particular areas of interest for the Audit Committee, arising from specific audits or reviews, or from wider aspects of the University’s operation, were:

- the outcome of an audit review of Research Management, undertaken in 2009/10. A number of recommendations had been made relating to core issues surrounding efficiency and effectiveness. During 2010/11, the Committee was updated on progress against the recommendations. This included the Secretary of Court setting up a detailed review of research management, with the review group concluding that pre- and post-award Research activities should be combined, and a process re-engineering exercise being implemented to ensure a more efficient and transparent service for users and maintain the required controls, including those required for funders. The Committee will maintain a strong interest in the implementation and effectiveness of the new system.

- the outcome of an audit review relating to the UK Border Agency’s new 5 Tier points-based system for migrant entry into the UK. The new regulations impose a high administrative burden on the University. The auditors made a number of recommendations, relating to controls, which are being addressed through ensuring that international students are aware of checkpoints for monitoring attendance and that relevant staff comply with annual requirement to renew key documentation.

- an assessment of the procedures and protocols followed before the start of a particular research project, where the overall conclusion was that these may not have been properly followed, there being issues relating to the approval of the project in question, the ownership of the research, records and supporting documents, and University staff awareness of the project. The matter is being progressed by senior management.

- the expenses system, where, while content with the design of the required processes, the Committee has expressed disquiet about their operation in some areas and has asked the University for details of measures to ensure that a positive control environment exists all across the institution, including appropriate levels of responsibility being taken by managers with oversight of expense claims. In the context of an ongoing review in 2011/12, where there is evidence of possible misuse of University funds, the Committee has reiterated its concern that the compliance culture in the institution must be rigorous.

- ongoing monitoring of progress relating to Estates and Buildings Procurement, where regular reports from a secondee from Purchasing Office to Estates have been provided including details about the increased use of approved contractors in estates maintenance.

- efficient management of IT across the University, where the Committee is particularly concerned that use is made of the opportunities offered by Restructuring.

- the monitoring of the implementation of the new University structure, on an ongoing basis, to ensure that opportunities for more coherent management of support services, such as Finance and HR, are pursued.

2.4 Western Infirmary Site

Following a special meeting of the Audit Committee on 17 November 2010, to consider the University’s proposed acquisition of the Western Infirmary site, a recommendation was made that Court establish a Project Group to act on its behalf in concluding the Western Infirmary transaction. Such a group was established and the Committee received an update of its activities via extracts of Court minutes relating to the acquisition of site A.
2.5 **Bribery Act 2010,**

The Committee received a summary of the main provisions of the Bribery Act 2010, under which it is now an offence to offer or accept a bribe, or bribe a foreign public official, and there is a corporate offence of ‘failure to prevent bribery’ by ‘persons associated’ with a commercial organisation, a term that includes the University. The Committee approved actions being taken forward to address the University’s responsibilities, which included drawing the attention of all members of staff to the Compliance section of the University's Financial Regulations; undertaking a comprehensive review of the use of overseas agents and introducing new contractual terms that addressed specifically their responsibilities in terms of the Bribery Act; and introducing a 6-monthly report to the Senior Management Group of all significant (>£250K) donations received.

2.6 **Risk Management**

The Committee has continued to take an interest in the University’s approach to risk management. The Committee is pleased that Risk Management has become embedded as a regular element in the agenda of the Senior Management Group, with the University’s key business risks identified, risk owners appointed from among SMG members, and risk mitigation strategies clearly defined. The Committee has commended the University on this approach.

2.7 **Singapore Institute of Technology**

The Committee was kept informed about the setting up of a company in Singapore to facilitate the University’s collaborative arrangements with the Singapore Institute of Technology to deliver undergraduate programmes.

2.8 **Review of Higher Education Governance**

The Committee noted the terms of reference of the Independent Review of HE Governance, commissioned by Scottish Ministers, and the University’s response to the questions posed in the Call for Evidence, which seeks to gather views on key aspects of the current arrangements for HE governance in Scotland, the effectiveness of management and governance, the clarity of strategic purpose and its efficient implementation.

2.9 **The Committee's plans for 2011/12**

At its meeting on 20 September 2011, the Committee reviewed the annual internal audit plan. This had been drafted by Deloitte in discussion with the Secretary and the Director of Finance. The Committee endorsed the plan. In the coming year, the Committee will focus on audits relating to increased coverage of core operations, in particular those relating to international activities (primarily the international strategy, the relationship with Kaplan, and international student applications); the management of library costs; management of commercialisation of University knowledge; and the delivery of teaching through the use of e-learning technology. It will also retain a strong interest in a number of areas from the
past year, including the follow-up to the research management review, as discussed above; implementation of the Student Lifecycle Project/MyCampus; implementation of Restructuring; and compliance matters relating specifically to expenses - including management responsibility for this area – but, more generally, the overall culture in the University in relation to financial discipline.

3 Adequacy and Effectiveness of Internal Control

On the basis of the internal audit work undertaken in the course of the year, and of the comments of the external auditors on the University's financial statements, the Audit Committee believes that the University generally has an adequate framework of internal control. However, there are areas referred to above where it will be maintaining a particular interest.

KS/DM 2.12.11
Court – Wednesday 15 February 2012

Report from the Meeting of the Human Resources Committee held on
25 January 2011

Cover Sheet

Brief description of the paper

HR Committee Minute – 25 January 2012

Updated Disciplinary and Grievances Policies (Annex 1 and Annex 2)

Action required

Court is asked to note the HR Committee Minute 25 January 2012

Court is asked to approve the updated Disciplinary and Grievance Policies

Ann Hastings
HR Operations Manager & Clerk to HR Committee
1 February 2012
Mr D Anderson (Convener) (DA), Professor A Muscatelli (AM), Mr A Macfarlane (AM),
Mr D Newall (DN), Mr I Black (IHB), Professor E Gordon (EG), Professor E Cameron
(EC), Mrs H Durndell (HD), Dr A Owen (AO), Dr D Spaeth (DS), Mr G Scott (GS)

In attendance: Mrs A Hastings (AH) (Clerk), Professor A Nolan (AN), Mrs C Barr (CB), Ms G Shaw (GS),
Mrs F Quinn (FQ)

Apologies: Professor A Anderson (AA)

DA welcomed Dr Don Spaeth who was attending his first meeting as Senate Assessor.

He also welcomed Fiona Quinn, the Principal’s new Executive Assistant to the meeting which she
was attending as part of her induction to the University and its structures.

HR/11/19 Minute of Last Meeting

15.1 The minute of the meeting on 8 November 2011 was approved subject to an amendment to
11/19: “struck” replacing “stuck”.

HR/11/20 Matters arising

20.1 IHB updated the committee of the status of the staff opinion survey which is due to be rolled
out to staff in February/March. IB had consulted the SMG: it is the intention to take the
University-wide results back to them in May. More detailed outcomes will be discussed at
the College and School/RI level Committees and there will be a presentation to the HRC in
June. The Principal endorsed this approach which was also welcomed by the committee.

ACTION: IHB

20.2 KPI – Sickness Absence

AH reminded the committee of its request to separate the KPI data into 2 categories - greater
than, and less than 5 days absences. DA requested that information be available with the
total population of the constituent groups and totals for the categories to understand the
significance and magnitude of the issues. The Committee agreed the information provided to
date was very useful information and asked for it to be continued supplemented by the
additional data.

ACTION: AH

20.3 DA provided feedback to the committee on the Human Resources KPI presentation at Court
in December 2011. He believed there was a higher level of interest in the information
provided and the implications. IHB concurred, and it was agreed that these presentations
should continue.
21.1 National Pay situation
IHB reported the current situation with pay negotiations nationally to the committee. UCEA has advised HEIs to pay the flat rate increase of £150 which had the agreement (if somewhat reluctantly) of most Unions. UNITE nationally contests this had a meeting with the University on 19 January 2012 seeking some changes. The university position is that it engages in national pay bargaining, not local, but it was checking the situation with other HEIs. The proposal is to pay the award with the arrears in February 2012: it was considered risky to complicate the first run of the new payroll system (January) with pay arrears. Consultation has begun with HEIs for the 2012 award.

21.2 HR/Payroll System
IHB updated the committee that the project board for the HR/Payroll System implementation had concluded that the system was sufficiently robust for pay purposes and parallel running should cease at the end of December. The first “live” pay run will be from the new system in January 2012. There are still some interface issues with the general ledger which are being addressed, but this does not affect staff being paid properly. The HR part of the system had been live since October, and appeared to be fit for purpose. There are a number of outstanding issues being worked up in phase 1 and it is planned that these will be complete by April 2012. Phase 2 is being specified at the moment: this includes training and development management and records, performance and development review administration and functionality, and a review of the functionality of the e-recruitment system within core which has recently been upgraded, and may now exceed that of the current Lumesse system.

21.3 Other University systems
IHB advised that lessons learnt from challenges in the new student system had been taken into consideration to avoid the similar difficulties, particularly with user communications. There has been significant progress on investigating and specifying the systems used for managing research. The rollout will also require significant HR support as roles etc., change.

21.4 Professorial Zoning
IHB updated the committee that the professorial zoning project was 70% complete and more information would be supplied later in the meeting.

21.5 Performance and Development Review
IHB reported that the results of the P & DR round from last year had been collated and sent to SMG for information and discussion. This is currently only 60% of the data but this will be updated for the February SMG. IHB commented that there has been significant progress and improvement in the process, although there remains a lot still to be done next year. The SMG will consider proposals in February.

21.6 VSER
IHB updated the committee that the VSER scheme which Court had agreed to close in December 2011. Since January 2011 there have been 456 applications processed, and net with savings of £10.8 million achieved. He asked the committee to note the excellent work undertaken by many in HR and line management which had resulted in this achievement. The committee agreed.

21.7 Policy Update
To be covered in a later item
IHB advised that the Equality and Diversity Unit and HR had been working with Research and Enterprise to develop a Glasgow code of practice for selection of academic staff for inclusion in the REF. Since the last RAE, the Equality Act had come into force, and HEFCE via the Equality Challenge Unit was very concerned that fair appropriate criteria be developed and used. IHB also reported to the Committee that HR would be very busy with the increased recruitment required for REF.

**Policy Update – Grievance and Discipline**

GS updated progress concerning the review of policies related to the Employment Ordinance. The Age Equality Policy and Capability Procedure have been approved by this committee and Court and have now been implemented. Following concerns raised by UCU the draft Competency Procedure has been put on hold until the Discipline and Grievance procedures are agreed. There will then be further consultation with the Unions.

The HR Committee was asked to approve the new Disciplinary and Grievance procedures. GS detailed minor changes to the examples of gross misconduct following final discussions with the Unions the previous day. GS confirmed that he would circulate updated versions to the Committee highlighting these changes. On this basis the Grievance and Disciplinary procedures were approved by the Committee and will be recommended to Court.

There was discussion about the arrangements for hearing appeals within both the procedures. GS said that a guidance notes on appeals had been developed providing further clarity on arrangements and agreed to circulate this to the Committee.

IHB and GS reported that the last major policy to be discussed would address changes in the organisation, including redundancy issues. They noted that a very good working atmosphere had been developed with the TU representatives to date, but this last policy would be challenging for all.

The Committee thanked GS for the progress made to date, and commented on the concise but robust approach in the policies.

**KPIs – Women in Senior Posts**

The KPI for the percentage of women in senior posts was noted. In support areas, over 50% of the senior managers were female: in Professorial, Clinical Professorial and SMG roles the numbers were less than the 30% desired, but the statistics revealed a steady, if slow, growth. There was a general discussion about strategies in place for improving the numbers of women in senior positions but it was acknowledged that the situation had improved over the last decade. DA requested the constituent population be included in the next presentation of the information. The Committee noted that 20% of the professoriate were women.

**Maximising Academic Performance and Career Development (Professor Andrea Nolan and Mrs Christine Barr)**

Professor Nolan and Mrs Barr attended to update the committee of the progress of the managing academic performance project. The project has been on-going since December 2009: phases 1 and 2 were the professorial/senior admin zoning projects. These are nearly complete with a Board of Review in March to finalise professorial results. Phase 3 was the revision of the academic promotions criteria and procedure: a key desire was to ensure these criteria were consistent with approach in the Professorial zoning criteria. This work is now complete and will go live for staff at the end of February 2012.
Phase 4 is the review of academic “probation” and the preliminary should be completed later this year.
DA commended CB and AN for the great amount of work completed as well as acknowledging the work of the Professorial Working Group (24 Professors from different areas of the University) who worked extensively on the project. It was felt the professorial zoning approaches been well received and is more robust than previously. EC advised the committee that he had been sceptical about the ‘zoning’ of Professors but was now quite reassured that it was fit for purpose and gave great flexibility in retention issues.
There was a brief discussion about the general remuneration of Professorial staff and CB pointed out that 5 years of non consolidation of reward had an impact on the level of salaries of Professorial salaries. It was felt that this should be taken into consideration when preparing the approach to next year’s University reward process. All information relating to the project is available on the HR website. DA thanked CB and AN for their excellent presentation on behalf of the committee and look forward to hearing more at a later date.

HR/11/25 Overview of College of Arts HR

Ms Gillian Shaw, Arts/US HR Manager gave an overview of the role of the HR function within Arts and also the complexity of her role which included some University Services and HR Training aspects. The key areas discussed were the structure of the College, the integrated local HR team, adding value to the College, the challenges to support the College’s strategic direction and the challenges for the HR team. The committee was very grateful for the presentation and acknowledged the work involved in both the College and University Services responsibilities.

HR/11/26 Any Other Competent Business

None

Ann Hastings
27/01/12
THE UNIVERSITY OF GLASGOW
GRIEVANCE PROCEDURE

1. GENERAL PRINCIPLES

1.1. The University is committed to developing and maintaining constructive relations with its employees. This non-contractual procedure provides a framework for dealing with grievances, individual and collective, arising in the course of employment or at events sufficiently connected to employment.

1.2. The University will act fairly and consistently when dealing with cases under the Grievance Procedure.

1.3. The procedure will give effect to the principle that, in their areas of academic expertise, staff engaged in teaching, the provision of learning or research will have freedom within the law to hold and express opinion, to question and test established ideas and received wisdom and to present controversial or unpopular points of view without placing in jeopardy their employment or any entitlements or privileges they enjoy.

1.4. The University will seek to resolve employment issues at the lowest possible level and, where appropriate, on an informal basis.

1.5. The University will carry out any necessary investigations to establish the facts in any particular case and will do so without unreasonable delay.

1.6. An employee has the right to be accompanied at any formal meeting and related appeal by a work colleague, a duly accredited Trade Union representative or an official employed by a Trade Union and may also be accompanied on request at investigatory meetings.

1.7. If an employee has particular requirements at any stage of the procedures because of a disability, or wishes to inform the University of any relevant medical condition, the employee should contact the appropriate Human Resources representative.

1.8. The University may commence the process using one procedure but continue the process using a different procedure if it is more appropriate and reasonable to do so.
1.9. Notes of formal meetings will be taken, these will be summaries of the key points and not a verbatim record. Copies of these notes will be given to the parties present and they should inform the University if they wish to comment on the accuracy of the notes within 5 working days of receiving them. It is normally expected that all documentation including witness statements will be shared with relevant parties [except where the University has to withhold some information to protect a witness]. The University will keep a written record of every grievance case which will be treated as confidential and kept in accordance with the Data Protection Act 1998. Notes of informal meetings may also be taken where appropriate.

1.10. Training and coaching of managers operating the procedure will be available. Advice and guidance on the application of the Grievance Procedure will be provided by Human Resources and a Human Resources Representative may be present at any stage in the process.

2. **GRIEVANCE PROCEDURE**

2.1 **Raising grievances informally**

Employees are expected to raise any grievance informally in the first instance with their line managers. If the employee feels unable to speak to the line manager and/or the grievance relates to that line manager, he/she should contact the next level of management.

The appropriate line manager should meet with the employee who has raised the grievance, clarify the issues, investigate the matter, seek to identify a resolution and make a decision. The outcome will be confirmed in writing to the employee.

It is anticipated that before the formal grievance procedure is used, reasonable effort will be made by all parties to resolve grievances informally. The emphasis should be on the identification and resolution of any problem(s) identified.

The informal route to deal with allegations of bullying and harassment is the Harassment Policy and Procedures for Staff.

Where an employee has raised such a matter informally and it has not been resolved to the employee’s satisfaction or he/she considers the incident too serious to be resolved informally a formal grievance should be raised under this procedure.
2.2 **Mediation**

In some circumstances it may be appropriate for grievances to be addressed through mediation. This involves using a trained mediator to facilitate discussions with the parties involved to seek a satisfactory resolution. Mediation will only be used where all parties involved agree to participate.

2.3 **Formal grievances:**

Generally, if individual grievances cannot be resolved informally or the grievance is too serious to be resolved informally the following procedure will be used.

Where a grievance has already been considered informally, and the employee believes it has not been resolved, a formal grievance should be raised within 10 working days of the outcome on the informal stage.

Where cases have not been considered informally, formal grievances should be raised as soon as possible after the issues present a difficulty up to a maximum of three months after the event.

2.3.1 **Statement of grievance**

The employee should concisely set out their grievance in writing without unreasonable delay and send this to their Head of School / Service / Director of Research Institute. The statement should indicate that the employee is invoking this formal grievance procedure and specify the nature of the grievance, including any relevant facts, dates and the names of individuals involved and outline the desired resolution to the grievance. The University may ask an employee to provide further information to clarify the subject matter of the grievance in advance of the meeting.

Where the grievance relates to the employee's Head of School / Service / Director of Research Institute, the statement should be directed to the next level of management. In cases of dispute, the relevant HR representative will decide who the grievance should be directed to.
2.3.2 **Meeting**

Grievance meetings to hear cases will normally be convened by an appropriate member of staff nominated by the Head of School / Service / Director of Research Institute not previously involved.

The University will require a reasonable opportunity to thoroughly investigate the grievance. This investigation is likely to include interviewing the employee and any witnesses or others referred to in the grievance (if relevant).

The University will invite the employee to attend a meeting to discuss the grievance without unreasonable delay. The meeting will normally be held between two and four weeks of receiving the grievance and relevant information. The employee will be informed of his/her right to be accompanied at the grievance meeting by a work colleague or Trade Union representative.

The normal expectation is that all key parties will attend a grievance meeting. The purpose of the grievance meeting is to enable the employee to explain their grievance and how they think it should be resolved and to allow the individual the grievance has been raised against an opportunity to respond. All parties should participate in meetings appropriately, respectfully and in good faith.

The manager convening the meeting will decide on the outcome including whether the grievance has been upheld or not. Where appropriate they will seek guidance from a relevant HR representative. Following the meeting, the University will notify the relevant parties of its decision in writing and advise the employee raising the grievance of their right of appeal. This will normally be done within 10 working days of the meeting.

3. **APPEAL**

If the employee raising the grievance wishes to appeal, the appeal should
be made in writing, setting out in full the grounds of appeal to the appropriate HR Manager. The employee has 5 working days to notify intention to lodge an appeal from the date of receipt of the University’s decision and a maximum of a further 5 working days to submit the full grounds of the appeal.

The employee will be invited to attend an appeal meeting which will normally take place without unreasonable delay following receipt of the appeal notification and grounds of appeal. The letter will advise the employee of their right to be accompanied at the meeting by a work colleague or a Trade Union representative.

Grievance appeals will be heard by a panel of two.

The employee will be informed of the outcome of the appeal meeting in writing normally within 15 working days of the meeting and that this is the final stage of the grievance procedure.

There is no further right of appeal. This exhausts the University’s procedures.

**Final Draft 18-1-12**
THE UNIVERSITY OF GLASGOW
DISCIPLINARY PROCEDURE

1. GENERAL PRINCIPLES

1.1. The University is committed to developing and maintaining constructive relations with its employees. This non-contractual procedure provides a framework for dealing with misconduct situations.

1.2. The University will act fairly and consistently when dealing with cases under the Disciplinary Procedure.

1.3. The procedure will give effect to the principle that, in their areas of academic expertise, staff engaged in teaching, the provision of learning or research will have freedom within the law to hold and express opinion, to question and test established ideas and received wisdom and to present controversial or unpopular points of view without placing in jeopardy their employment or any entitlements or privileges they enjoy.

1.4. The University will seek to resolve employment issues at the lowest possible level and, where appropriate, on an informal basis.

1.5. An employee has the right to be accompanied at any formal meeting and related appeal meeting under the Disciplinary Procedure by a work colleague, a duly accredited Trade Union representative or an official employed by a Trade Union and may also be accompanied on request at investigatory meetings.

1.6. If an employee has particular requirements at any stage of the procedures because of a disability, or wishes to inform the University of any relevant medical condition, the employee should contact the appropriate Human Resources representative.

1.7. Different procedures apply to competency and sickness/ill health cases. The University may commence the process using one procedure but continue the process using a different procedure if it is more appropriate and reasonable to do so.

1.8. The University will generally follow each of the stages set out in these Disciplinary Procedures in any particular case but reserves the right in
appropriate cases to commence the procedure at any of the specified stages or to omit a particular stage/stages.

1.9. Notes of formal meetings will be taken, these will be summaries of the key points and not a verbatim record. Copies of these notes will be given to the parties present and they should inform the University if they wish to comment on the accuracy of the notes within 5 working days of receiving them. It is normally expected that all documentation including witness statements will be shared with relevant parties [except where the University has to withhold some information to protect a witness]. The University will keep a written record of every disciplinary case which will be treated as confidential and kept in accordance with the Data Protection Act 1998. Notes of informal meetings may also be taken where appropriate.

1.10. Formal disciplinary action will not be taken against a recognised Trade Union’s representative until the circumstances of the case have been discussed with either the Branch Chair/Secretary or if they are not available, with a full-time official.

1.11. Training and coaching of managers operating the procedure will be available. Advice and guidance on the application of the Disciplinary Procedure will be provided by Human Resources and a Human Resources Representative may be present at any stage in the process.

2. DISCIPLINARY PROCEDURE (CONDUCT)

2.1. Investigation

The University will investigate the alleged misconduct, without unreasonable delay, carrying out any necessary investigations to establish the facts in any particular case. The individual will be advised in appropriate detail of the allegations that are being investigated. Where practicable the person who conducts the disciplinary meeting should be different from the person(s) who carries out the investigation.
Where investigations into research misconduct and student complaints result in allegations of misconduct the relevant parts of the investigation carried out through the appropriate University procedure may be utilised. In the case of financial irregularities there may be an investigation undertaken by internal/external parties as appropriate. Where financial irregularities are identified the outcome of the investigation may be utilised. A separate disciplinary investigation will not normally be instigated in the circumstances outlined above. In some circumstances it may be appropriate to carry out some additional investigation.

2.2. **Informal disciplinary action**

Informal disciplinary action may be taken in appropriate cases. This involves informally discussing the matter with the employee, defining the conduct that is unacceptable and identifying any remedial action.

The employee should be made aware that formal action may be taken if the informal action does not resolve matters.

2.3. **Suspension**

If serious or gross misconduct is alleged the employee may be suspended on full pay and benefits or temporarily deployed on alternative duties. The period of suspension will be as brief as possible in the circumstances and should be kept under review. Suspensions will be agreed in advance with the appropriate HR Manager.

Suspension is not a disciplinary action nor does it infer any guilt.

2.4. **Formal disciplinary meeting**

If informal action does not resolve matters or if following investigation the alleged misconduct is considered sufficiently serious to potentially merit formal disciplinary action, the steps outlined below will be taken.

2.4.1. **Inform the employee in writing**

The University will inform the employee in writing of the allegations. The letter will contain sufficient information about the allegations and the possible consequences to enable the employee to respond to these at the disciplinary meeting.
The letter will normally enclose copies of any documents that have been gathered during the investigation process to allow for adequate preparation by the employee.

Possible consequences up to and including dismissal, will be outlined in the letter. The letter will also advise the employee of their right to be accompanied by a work colleague or Trade Union representative.

2.4.2. The Meeting

Disciplinary meetings to hear cases will normally be convened by the manager of the member of staff under investigation. The meeting should be held without unreasonable delay whilst allowing the employee reasonable time to prepare their case. Normally a minimum of 5 working days notice of disciplinary meetings will be given.

At the meeting the University will explain the allegations against the employee and go through the evidence that has been gathered. The employee will be allowed to set out their case and answer any allegations that have been made. They will also be given the opportunity to ask questions and present evidence.

It may be appropriate for relevant witnesses to attend the disciplinary meeting and the employee will be given the opportunity to raise points at the meeting about any information provided by witnesses. Where an employee or the University intends to call a witness, they should notify the other party of this in writing in advance of the meeting and ensure that they attend at the appropriate time. No individual can be compelled to attend a disciplinary meeting as a witness.

The manager convening the disciplinary meeting will decide on the outcome, where appropriate, seeking guidance from the relevant HR representative.

After the meeting, the University will notify the employee of its decision in writing. This will normally be done within 10 working days of the meeting. If disciplinary action is taken the employee will be advised of the right to appeal.
Disciplinary sanctions

The University has discretion to determine the appropriate disciplinary sanction to apply to an employee who it concluded has committed an act of misconduct. These sanctions include:

2.5.1. **Formal oral warning**

This will usually be appropriate for a first act of misconduct where conduct falls below an acceptable level or a minor offence has been committed and there are no live written warnings. This warning will remain live for 6 months.

2.5.2. **Written warning**

This will usually be appropriate for misconduct where there is already a live formal oral warning on the employee’s record or where the misconduct is considered sufficiently serious to warrant a written warning even although the employee has no live warnings. A written warning will remain live for 9 months.

2.5.3. **Final written warning**

This will usually be appropriate for misconduct where there is already a live written warning on the employee’s record or where the misconduct is considered sufficiently serious to warrant a final written warning even although the employee has no live warnings. A final written warning will remain live for 12 months.

2.5.4. **Dismissal**

Dismissal will usually be appropriate in respect of the following:

2.5.4.1. repeated or serious misconduct during the first 12 months of an employee’s employment;

2.5.4.2. further misconduct where there is a live final written warning; or

2.5.4.3. any gross misconduct regardless of whether there are live
warnings.
Gross misconduct will usually result in summary dismissal without notice or payment in lieu of notice. Examples of conduct which are likely to amount to gross misconduct are attached as an Appendix to this procedure.

If the University decides that dismissal is the appropriate sanction, the employee will be informed of the reasons for the dismissal and the date on which employment will end.

An employee will not normally be dismissed for a first act of misconduct unless the University concludes that it amounts to gross misconduct or the employee is in the first 12 months of employment.

2.5.5. **Alternative sanctions short of dismissal**

In appropriate cases the University may consider some other sanction short of dismissal e.g. demotion or redeployment

2.5.6. **Warning to Employee**

For both formal oral, first and final written warnings the University will inform the employee of the nature of the misconduct, the change in behaviour required, the likely consequences of further misconduct and that the warning will remain live for 6 months for formal oral warnings, 9 months for first written warnings and 12 months for final written warnings.

3. **Appeal**

If the employee wishes to appeal, the appeal should be made in writing, setting out in full the grounds of appeal to the appropriate HR Manager. The employee has 5 working days to notify intention to lodge an appeal from the date of receipt of the University’s decision and a maximum of a further 5 working days to submit the full grounds of the appeal.

The employee will be invited to attend an appeal meeting which will normally take place without unreasonable delay following receipt of the appeal notification and grounds of appeal. The letter will advise the
employee of their right to be accompanied at the meeting by a work colleague or a Trade Union representative.

Dismissal appeals will be heard by a panel of two: all other appeal meetings will be held by another member of staff, normally in the employee’s line management structure who has not previously been involved in the case.

The employee will be informed of the outcome of the appeal meeting in writing normally within 15 working days of the meeting and that this is the final stage of the disciplinary procedure.

There is no further right of appeal. This exhausts the University’s procedures.
Appendix 1

1. **GROSS MISCONDUCT**

1.1 The following are examples of matters that are normally regarded as gross misconduct:

(a) Theft or fraud;
(b) Physical violence (actual or threatened);
(c) Deliberate and serious damage to property;
(d) Unlawful discrimination, harassment, bullying or intimidation against employees, contractors, students or members of the public on the grounds of sex, sexual orientation, marital or civil partner status, pregnancy and maternity, gender reassignment, race, disability, religion or belief, or age which contravenes the University’s Equality Policy or Harassment and Bullying Policy;
(e) Deliberately accessing internet sites containing pornographic, offensive or obscene material;
(f) Defamatory and/or abusive comments regarding the University or its staff through the inappropriate use of social networking technology, electronic web logs (blogs) or other internet sites;
(g) Intentional or malicious refusal to comply with reasonable instructions or requests made by a line manager within the workplace;
(h) Bringing the University into serious disrepute such as serious misuse of University property, name or reputation;
(i) Giving false information as to qualifications or entitlement to work (including immigration status); using fraudulent identity or withholding information that would be relevant;
(j) Incapability to work due to being under the influence of alcohol, illegal drugs or other substances during working hours;
(k) Causing loss, including loss of life, damage or injury through serious negligence;
(l) Serious or repeated breach of health and safety rules or serious misuse of safety equipment;
(m) Serious breach of confidence including unauthorised use or disclosure of confidential information or a serious failure to ensure that confidential information in the employee’s possession is kept secure;
(n) Acceptance of bribes or other secret or undeclared payments;
(o) Conviction for a criminal offence that in the University’s opinion may affect the University’s reputation or its relationships with staff, students or the public, or otherwise affects the employee’s suitability to continue to work for the University;

(p) Possession, use, supply or attempted supply of illegal drugs;

(q) Serious neglect of duties, or deliberate breach of the University’s procedures;

(r) Deliberate or malicious unauthorised use, processing or disclosure of personal data which contravenes the University’s Data Protection Policy;

(s) Making a disclosure of false or misleading information under the Code on Public Interest Disclosure (Whistleblowing Policy) maliciously, for personal gain, or otherwise in bad faith;

(t) Making untrue/vexatious allegations in bad faith against a colleague;

(u) Serious misuse of the University’s information technology systems (including misuse of developed or licensed software, use of unauthorised software and serious misuse of e-mail and the internet);

(v) Serious and/or malicious misconduct in connection with research activities.

This list is intended as a guide and is not exhaustive.

Final Draft 31-1-12
Court – Wednesday 15 February 2012

Report from the Meeting of the Health, Safety & Wellbeing Committee held on
Tuesday 6 December 2011

Cover Sheet

Brief description of the papers

Health, Safety & Wellbeing Committee Minute from the meeting held on 6 December 2011 (for information purposes only)

Action required

No action required. The report is for noting.

Author’s Name: Debbie Beales
Title: Clerk to HSW Committee
Date 1 February 2012
University of Glasgow

Health Safety and Wellbeing Committee

Minute of Meeting held on Tuesday 6 December 2011 at 10:00 AM in the Melville Room

Present:

Mr Ian Black, Dr Gordon Duckett, Prof Alex Elliott, Mr James Gray, Mr Jim McConnell, Mr David McLean, Dr Catherine Martin, Mr David Newall, Dr John O'Dowd, Ms Julie Ommer, Mr Paul Phillips, Mrs Elizabeth Richardson, Mr Alex Ross, Ms Selina Woolcott, Ms Ellen Docherty, Dr Robin Easton, Ms Amy Johnson, Mr John Malcolm

In Attendance:

Ms Debbie Beales

Apologies:

Dr Desmond Gilmore, Ms Aileen Stewart

HSWC/2011/10 Minutes of the Meeting held on Thursday 15 September 2011

The Minute of the meeting of 15th September 2011 was approved.

HSWC/2011/11 Convenors Business

The Convenor welcomed new members to the Committee: Mr J Malcolm (replacing Nancy Donald from College of Social Sciences), Mrs E Richardson (JULC rep) and Ms E Docherty & Ms A Johnson (both SRC reps).

HSWC/2011/12 Matters arising

HSWC/2011/12.1 Asbestos Management Compliance (verbal update Mr J McConnell)

Mr J McConnell informed the Committee that an offer had been made, and accepted, for the post of Asbestos Manager. The successful candidate was a Dr Nick Elliott, coming from South Lanarkshire Council. His expected start date would be Monday 9th January 2012. Mr J McConnell also informed the Committee that 95% of the asbestos management surveys were now complete with the remainder to be completed by the end of January 2012, well ahead of schedule. The Committee thanked Mr J McConnell for all of his hard work on this matter. As this was to be Mr J McConnell's last Committee meeting before leaving the University the Committee also thanked him for his active involvement in the Committee.
HSWC/2011/12.2 PAT Working Party recommendations (verbal update Mr D Newall)

The Committee agreed that the guidelines should be circulated to School/Institute/Unit managers in January as well as being raised at meetings of College management and USMG.

HSWC/2011/12.3 Health & Safety Risk Register (Paper 1)

The Committee discussed the various risks listed in the Paper and came to the agreement that the following be identified as the top 8 risks: Asbestos, building maintenance, electrical safety, fieldwork, fire, manual handling, stress and work equipment. Ms S Woolcott agreed to work with the College and University Service reps to develop action plans to address these risks as they relate to their operational areas.

HSWC/2011/12.4 Health Surveillance Policy (verbal update Ms A Stewart)

In Ms A Stewart's absence, Ms S Woolcott informed the Committee that Court had approved the Policy in October 2011 and, as a result, a letter had been circulated to HoS, Directors of Research Institutes, Heads of University Services and College Deans. This had generated a number of enquiries and it was felt that operational areas were now much more aware and were responding positively to the Policy.

HSWC/2011/12.5 Gas cylinder maintenance (verbal update Mr D McLean)

Mr D McLean informed the Committee that the gas supplies contract with Advanced Procurement for Universities & Colleges (APUC) was due for renewal in September 2012. This would be a good opportunity to add the maintenance of gas manifold systems to the renewed contract. He also informed the Committee that, after discussions with an APUC contact at Edinburgh, this contact would raise the matter with the manager of the APUC contract for consideration at renewal. The Committee suggested that it would also be worthwhile exploring the NHS GGC contract for medical gas cylinder maintenance to compare costs and effectiveness.

HSWC/2011/12.6 ToR (Paper 2)

The Convenor informed the Committee that Court had approved the ToR subject to the inclusion of a reference to the Committee's regular liaison with SMG on matters requiring its attention. The Committee agreed that this information was already included in the ToR as follows:

2.12 Accountability:

- The University of Glasgow Health, Safety & Wellbeing Committee is accountable to the University of Glasgow Court and, as such, will inform, report and make recommendations to Court.
- The Committee will also provide assurance through the Senior Management Group in the form of regular topical reports.

4.10 Items requiring urgent attention of the Senior Management Group or Court will be raised by University Services management representative or Lay Court member respectively.
Ms S Woolcott informed the Committee that E-Induction was now live. New employees would now be contacted when they first joined the University with a reminder after 2 months. Anyone not completing the e-induction within 3 months would have their names passed to their line manager. Ms S Woolcott was entering into discussions with areas where online induction was not an ideal fit. Cleaning Services, after discussions with Ms S Woolcott and Mr D McLean, had decided to add H&S induction to their existing induction training.

HSWC/2011/13 OH Report (Paper 3)

Ms S Woolcott informed the Committee that, due to the system being relatively new, there was no way to compare the last quarters stats with last years stats until the beginning of next year. The report did, however, compare the previous 2 quarters and showed that referrals for work-related mental health issues had reduced significantly since the last quarter. Ms J Ommer asked how occupational health were capturing disability issues and agreed to meet with Ms S Woolcott to discuss further.

HSWC/2011/14 Accident statistics (Paper 4)

The Committee noted the Paper that was circulated. The stats now included a breakdown of minor injuries by causation and Mr D McLean was now able to provide some detail on each. Similar detail would be available for dangerous occurrences in future reports. Mr D McLean informed the Committee that USHA now required the stats in academic year format. This would require a change in reporting practice as the stats had historically been presented as January - December. Preparation of statistics for both time intervals would be administratively wasteful. However, a change of the reporting basis within the Health, Safety & Wellbeing Annual Report to mirror the USHA academic year format would solve this. He also informed the Committee that the stats were starting to be classified by College/Schools which would prove useful for College reps. The Committee asked if he felt that the reporting of accidents was satisfactory. In response he answered that reporting from the School of Medicine seemed low and in some cases was very late. Few reports came from hospital sites and it was suspected that they may be reporting incidents to the NHS through their in-house system. He felt that dual reporting may be required in the future to ensure that both the University and the NHS received the required reports and had discussed this with the School of Medicine.

HSWC/2011/15 Employers liability activity report (Paper 5)

The Committee noted the Paper that was circulated and agreed that the content had not materially changed since the last report. As a result the Committee agreed that this report need only be produced annually rather than quarterly.

HSWC/2011/16 Approval of programme of Audits (verbal update Ms S Woolcott)

Ms S Woolcott informed the Committee that 3 Schools would have health & safety management audits before Christmas with a fourth being audited in January. The rest would be audited in the next 6 months. The insurers had originally pushed for all audits to be completed before Christmas but the auditors agreed that this was not feasible. Ms S Woolcott thanked the 4 areas being audited in Dec/Jan for being so co-operative at such short notice. The audits would be a mixture of document
assessment and walk rounds (with the opportunity to speak to staff) followed by a wash up session. Each audit was expected to last between 1/2 and a full day. Ms S Woolcott **agreed** to provide the Committee with feedback from the initial four audits at the next meeting in March.

**HSWC/2011/17 HSE fee charging proposal (verbal update Mr D McLean)**

Mr D McLean **informed** the Committee that the Health & Safety Executive (HSE) were implementing Government plans to charge Universities for inspections that required a letter or intervention in relation to a "material" breach of legislation. Although examples were given in the consultative document as to what might constitute a "material" breach, it was not clearly defined and there was, therefore, a concern over whether a relatively low risk breach would result in fees being levied. He asked that the Clerk forward the consultative document to the Committee for further information. Fees could be issued for inspector and administrative time associated with the visit and any follow-up documentation and action and, for very major incidents, could potentially cost the University tens of thousands of pounds. The Committee **agreed** that the University would have to create a budget for this once the practice was established.

**HWS/2011/18 Any Other Business**

*HWS/2011/18.1 Workplace transport action plan (verbal update Ms S Woolcott)*

Ms S Woolcott **informed** the Committee that, due to a transport risk assessment 18 months ago, 4 main pieces of work were to be carried out as part of this years capital plan. These would be: the review of signage at the Main Gate, review of overall campus signage, an extended footpath running from the south flagpole to the James Watt building and the installation of a mirror to aid drivers at Pearce Lodge.

*HWS/2011/18.2 Soddy Box at Kelvin Building*

Mr G Duckett informed the Committee that the issue of the Soddy box had not been resolved. A quote was required for the disposal of the contents but, as the box was locked, the contents were unknown. Mr G Duckett would work with the Radiation Protection Service to hopefully resolve this issue.

*HWS/2011/18.3 Singapore Institute of Technology*

Mr G Duckett **informed** the Committee that he had, with input from the Head of SEPS, developed a health and safety booklet for students studying at the Singapore Institute of Technology. He provided the Committee with copies of the paperwork that was to be provided to the students. This was welcomed as a valuable reference document given that other similar trans-national partnerships were likely to be considered by the University. Ms S Woolcott **informed** the Committee that the poor suitability of the current e-induction material for staff at SIT had been raised with her. The Committee **agreed** that this would require further consideration.

*HWS/2011/18.4 Sport & Recreation Wellbeing Week*

Ms J Ommer informed the Committee of an upcoming event to be held over a week from 30 January - 5 February. The focus on mental health and wellbeing would include an inspirational talk by Jamie Andrew and a trade show. More information
would be published shortly on the S&R website. The Committee agreed that this would contribute positively to the wellbeing agenda.

*HSWC/2011/18.5 Change in membership for HSWC*

Mr A Ross informed the Committee that there was to be a change in JULC appointed membership within the Committee. As Philip Duffy had stepped down, there were to be 2 new reps named Deric Robinson and Robert Arthurs, both from Estates & Buildings.

*Created by: Miss Debbie Beales*
University of Glasgow

University Court
Wednesday 15 February 2012

Communications to Court from the meetings of Senate held on 16 January and 2 February 2012

1. Slavonic Studies

In June, Court approved the recommendations of the School of Modern Languages & Cultures (SMLC) consultation panel, subject to the comments of SMG. These had included a recommendation that September 2011 would be the last year that student cohorts would be admitted to the degree programme in Slavonic Studies. Since the meeting in June, two members of academic staff in the Law School, Professor Mullen and Dr McHarg, had argued that Court's decision to withdraw the Slavonic Studies degree programme, contrary to Senate's expressed view, was ultra vires. The Secretary of Court's response on Court's behalf, which had been supported by the opinion of the University's lawyers, was that Court had acted within its powers. Court had received details of the exchange of views between the Secretary and those academic staff. It had noted the arguments presented by the two members of academic staff and the response that had been sent by the Secretary of Court with the advice of the University's lawyer. Court had also noted that, given the nature of the University's constitution, which included provisions in several Acts of Parliament, different interpretations of Court's powers were possible. Court had agreed that it was clear that it had an overall governing and strategic role, which included making decisions such as this one, about the long term and best interests of the University. It had exercised this role in coming to the decision in June. Finally, Court had noted that the arguments made by the Secretary of Court, supported by the opinion of the University's lawyers, that it was within its powers to decide to withdraw Slavonic Studies and concluded that as a result that decision remained in effect.

Following the October meeting of Court, with the encouragement of the Convener of Court, a meeting was arranged between Dr McHarg and Dr Godfrey and the University's lawyers. Mr Newall had also attended. While there had not been agreement on the issue, those attending had been able to explain their positions. In early December, Dr Cockshott had separately circulated legal opinion he and other Senate members had obtained on the matter. This had also questioned whether the Court had the power to withdraw the programme. Mr Newall had forwarded this advice to the University's lawyers, with the request that they provide a formal legal opinion on the question. The latter had now been obtained. It expressed the view that the decision by Court had been legally competent.

In discussion at Senate on 16 January, in view of the importance of the issue as a matter of principle, it was agreed that it would be appropriate for full details to be provided for Senate and that the opinion obtained from the University's lawyers should be circulated to Senate.

Professor Macklin, the Head of SMLC, stated that he accepted that there was an issue of principle that colleagues wished to settle. However, he was concerned that the attention that the matter was absorbing would have the effect of leading to the atrophy of Slavonic studies in the University.
In Professor Macklin’s view of the current position, Russian remained viable as a joint Honours programme. However, student numbers in Czech and Polish were extremely low and research in the general area of Slavonic studies faced particular challenges. Expertise was spread across two Colleges and its distribution was neither logical nor clear cut. Difficulties had been partly masked by the large Language-based Area Studies grant, but this had now ended. Significant opportunity costs would be associated with maintaining the status quo. Nonetheless, there were strengths and potentially greater strengths in the area. Teaching of cultural studies and area studies and of Baltic and other East European languages was provided and the merger of the Language Centre with SMLC would be of mutual benefit.

In Professor Macklin’s view, maintenance of the status quo was not a viable option. In his view, a legal challenge or other attempts to reverse the Court decision would not be helpful to the subject, and he urged colleagues to accept the decision to close the current programme. Rather, Professor Macklin had suggested to colleagues that they should consider alternative means of reviving the subject. This suggestion had been supported by SMLC and there was willingness in colleagues in Russian/Slavonic to take this idea forward. Professor Macklin now proposed to Senate that discussions should be convened involving staff with relevant expertise from both the College of Arts and of Social Sciences to devise a new undergraduate programme. This should include cultural studies as well as the full range of languages. In Professor Macklin’s view, a new model could be developed also for taught postgraduate provision and research. There were considerable strengths in the subject and it had much to contribute.

Dr Culik welcomed Professor Macklin’s proposal, subject to detailed considerations that might emerge. He was grateful for the suggestion that the discussions should involve those with subject expertise. There remained 110 students on the current programme. While numbers in Czech and Polish were low, these constituted strands of the larger overall programme. Dr Culik endorsed the view that there was good potential in developing postgraduate provision.

The Head of the School of Social and Political Sciences, Professor French, stated his willingness to participate in the discussions proposed by Professor Macklin. He had already discussed the matter briefly with Professor Macklin and with the Head of Subject in Central and East European Studies. Relations between the Schools were positive. However, there was need to avoid further consideration of matters that had been the subject of previous discussions and to establish the parameters for the new approach. Time and further information would be required. Professor French also noted that Central and East European Studies already offered a Masters programme.

Senate approved the proposal that discussions should be held with those involved and convened by Professor Macklin, with a view to developing a new approach to Slavonic studies at the University. Senate would be kept informed of progress.

At the meeting of Senate on 2 February, it was noted that, on the recommendation of the Senate Communications Working Group, work was being done on an internal guide to University governance. This would include considering what improvements could be made to ensure that Senate and Court interacted effectively in future in considering important decisions. The governance guide was being drafted for the initial consideration of the Communications Working Group by a group comprising: the Secretary of Court, the Clerk to Court, Professor Munck (Communications Group member), the Head of the Principal’s Office and Director of the Senate Office.
Senate also received copies of the following documents concerning the withdrawal of the programme in Slavonic Studies:-

(i) A letter to the Secretary of Court from Professor Mullen and Dr McHarg
(ii) Legal opinion on the matter obtained by Dr Cockshott et al
(iii) Legal opinion on the matter provided by the University's lawyers

The letter from Professor Mullen and Dr McHarg and opinion obtained by Dr Cockshott expressed the view that the University Court did not possess the authority to withdraw the programme. The opinion of the University's lawyers was that Court had been acting within its powers.

Professor Hanson noted that the opinion of the University's lawyers found the Court to have acted competently on the basis of its responsibility for finances. He noted also that a letter from the Principal of 11 June 2011 stated that the reasoning for the withdrawal of the programme had not been predicated on financial grounds but in the context of University strategy. Professor Hanson expressed the view that this rendered the University lawyers' position that of a post-facto rationalisation. He also referred to the report of the Government review of governance in Scottish Higher Education, published on 1 February. The report recommended that the separation of powers in the constitutions of the Scottish ancients between university governing bodies, which were responsible for strategy, resources and the estate, and academic boards, which were responsible for academic matters, should be retained and extended to the Scottish sector as a whole. Professor Hanson argued that the position of the University Court with respect to the Slavonic Studies programme was at odds with the Government review. He further noted that the governance review suggested that universities establish joint Senate/Court planning committees as means of helping to reconcile the respective responsibilities of the two bodies, and commended this suggestion to Senate. The Principal responded that, with respect to provision in Slavonic Studies in the University, he understood there to have been a positive discussion at the last meeting of Senate and that work was being taken forward by the Head of the School of Modern Languages and Cultures and others in the relevant discipline areas. Professor Macklin reported that one meeting had taken place and further meeting including the Head of Central & East European Languages was scheduled. With respect to the governance context, the Principal had also wished to inform Senate of the governance review report. Some of the main recommendations involved the creation of a single statute to determine governance at all universities, a reaffirmation of academic freedom, which was being widely welcomed, and the restriction of university title to public bodies. The last had also been welcomed in the sector. However, the development of draft legislation would take time and would involve consultation, and it would be premature for Senate to discuss potential outcomes until the Government's intentions were better known.

2. Draft Ordinance on the Composition of the Senatus Academicus

Senate endorsed the text of the draft Ordinance 208, concerning the composition of Senate. However, it was reported that the Privy Council would be unlikely to consider approving the Ordinance pending the conclusion of the Scottish government's review of Higher Education governance.

3. MyCampus Lessons Learned Working Group Update

At its meeting in October, Senate had discussed difficulties that had arisen in the introduction of MyCampus, particularly concerning student registration and enrolment. A key priority had been
the need to learn lessons from the difficulties experienced, and Vice-Principal Professor Coton had been asked to convene a working group that would consider this. At its meeting on 16 January, Senate received a paper from the Working Group providing an update on its activities and findings.

Professor Coton began his report by outlining the process the Working Group had followed. Meetings with staff groups had been held and a focus group had taken place involving the SRC. A Sharepoint site for staff had been established, which was openly accessible. An email box was also set up for students to submit views. Many comments had been submitted by staff and students. The Working Group had then held discussions with the Student Lifecycle Project (SLP) team to begin to identify solutions to issues already identified. A document listing the key issues was then produced and issued on the Sharepoint site. In the next phase of activity, comments were sought on the key issues document to ensure concerns had been accurately captured and to inform prioritisation. Responses from staff and students dealt with both broad and detailed issues. The final report from the Working Group would cover both sets of issues. There had also been consultation with Queen’s University, Belfast (QUB), which had previously introduced a similar system.

The update report grouped issues under the following headings, although some of the lessons would apply beyond MyCampus:

- User interface
- Student finances
- Enrolment
- Access to information
- System performance
- Data management
- Communication
- Training and support

The update report Senate had received reflected much of the final report, which would be issued shortly. Professor Coton summarised key aspects.

MyCampus was the biggest software implementation the University had ever undertaken.

It was necessary to have a clear and shared vision amongst staff for the system and to be clear on its objectives. This was not currently the case. Staff expectations of the capabilities of the system varied and it was important to set these expectations correctly.

The MyCampus implementation had been constrained by timing and resource issues: missing the go-live date would have necessitated a costly one-year delay. These constraints impacted negatively on the delivered functionality.

For the future, a much higher priority should be placed on communications. A vital aspect of this was the provision of opportunities for the community to contribute views and be sure they were being heard. Many had felt they had not been listened to in the period prior to
implementation. University restructuring had interrupted and in some areas fragmented the flow of communications. At the point when training was offered, some staff did not know what their roles would be in the new structure. This had also affected accountability: in some instances, the locus of SLP Champions had also changed with restructuring. Staff did not know who to contact about difficulties. These matters required to be corrected. Similarly, more online guidance and other support materials were needed.

When difficulties had been encountered during registration and enrolment, temporary workarounds had been developed. For the future, these would have to be removed in order that bad practice did not become established.

A critical issue was that the usability of the system was poor for students and staff; this also required to be addressed. This had had a particularly bad impact on advisers. Further clarification of the role of the latter was needed, and account had also to be taken of those, such as Honours programme conveners who carried out roles like that of advisers. The interface required to be improved in order that it supported those in advisory roles rather than further burdening them.

The Group had strongly felt that rigorous piloting that replicated real conditions was required before new software was introduced, and that it should only be introduced if it worked successfully. Some aspects of MyCampus had not been robustly tested. A representative user group should be involved in the specification, development and testing of the solutions identified and in future upgrades.

Change to the registration and enrolment processes should also be considered. This session, international students had experienced particular difficulty, and had been unable to enrol because of the system's requirements for academic and financial registration. This had given a poor first impression of the University.

The University had traditionally, and correctly, emphasised the choice available to students. However, choice featured within the system even where programme structures meant that there were no choices. This added unnecessary complication and the Group was recommending that it be removed.

Professor Coton’s report recognised that mistakes had been made and that the University had to commit to fixing the system. This would take time. It also required that the community as a whole accepted that achieving the desired improvements and benefits was a shared responsibility.

In discussion, a number of comments related to the ambitiousness of the original project and the desirability of adopting a pragmatic approach to what could realistically be achieved and by when. It was noted that some elements had already been deferred, such as direct admissions for non-UCAS applicants. Several members agreed with the point that tutorial timetabling could be much more efficiently organised locally; this was likely to be a recommendation of the Working Group. The Secretary of Court, who convened the SLP Project Board, reported that the Board had met in December and earlier in January and had been able to consider draft versions of the Working Group findings. This had led to the development of a revised Project Plan which reprioritised items, with some deferred. The revised plan would be considered by the SMG on 18 January.

Discussion also addressed the sequencing of enrolment and the provision of studies advice. It was reported that it was possible for students to enrol ahead of receiving advice and that this
had been requested by some subjects where there were few options available to students. However, this was not a requirement, and it was possible for enrolment to follow the provision of advice on course choices.

Mr Newall reported that he would be discussing with the Heads of College the provision of resources to assist Schools. The point was made that resource calculations needed to take account of the levels of stress system changes produced. It was queried whether there would be remuneration for staff who had been particularly affected by difficulties with the system. Mr Newall noted that the recognition and reward scheme provided means to address this and that cases would be viewed sympathetically.

Members were clear that many staff had identified problems with the system well in advance of its implementation and that there were aspects that were not ready to be implemented, but that concerns had not been listened to. Professor Nolan reported that SMG acknowledged fully the severe difficulties that had affected academic and administrative staff and she apologised for this, expressing concern that the system should be significantly improved in the coming period. Senate would receive regular updates on developments.

4. University Re-structuring – Year 1 Review

At its meeting on 16 January, Senate received for comment documents concerning the Year 1 review of the University restructuring implemented in August 2010: the main review report, the list of success criteria for restructuring, the document ‘Roles and responsibilities of the College, School (and Subject) and Research Institute’, the report on feedback from senior staff carried out by Valuta (a consultation company) and summary findings of the staff opinion survey carried out in summer 2011.

The item was introduced by Professor Nolan, who provided a presentation on the Year 1 review and who had led the project to develop and implement the new structure.

Senate was reminded that the context for restructuring had been set by the Strategic Plan, *Glasgow 2020: A global vision*. Accordingly, the main objectives of the exercise had been to improve research performance, enhance the research student environment, improve student success and the student experience and to enhance efficiency and effectiveness. Criteria had been identified by which to gauge the success of the new structure; these centred on the establishment of functioning new units – the Colleges, Schools, Research Institutes and Graduate Schools - together with sustained good results in student satisfaction surveys. Year one had also coincided with a number of other developments, including the cost reduction and voluntary severance scheme, academic shape consultations and expansion of the University’s portfolio of postgraduate taught programmes. These had combined to make the first year challenging for staff.

At a headline level, the new units had been established and student satisfaction rates had largely been sustained, but it had been seen as important to review matters more deeply. To obtain more detailed information, feedback had been sought from managers, partly through the Valuta review. Among the findings here were that the new structure was logical, there was support for objectives and concerns with communication and trust. Emerging recommendations reflected these matters but also included better acknowledgement of the success of the University prior to restructuring. Subsequent feedback from a similar group indicated that management teams were working well, there was ownership of strategic development in Colleges, the Deans were working effectively, committees were operating satisfactorily, the Graduate Schools were developing well and there was centralised administrative support in
most Schools. In addition, there had been significant improvement in financial control, more responsive Human Resources support and progress with IT.

There had also been a survey of the views of all staff in late summer. The 17% response rate had been disappointing. Findings included: a sustained high level of commitment to the University, but concerns that SMG was not acting consistently with its values and with the number of SMG change initiatives; concern at the impact of insufficient administrative support; and a drop in staff job satisfaction of 8% (46%, as compared with 54% in 2009). There was also a very high level of contentment with local communications. However, this decreased in proportion to the distance from the local work group, with only 16% content with SMG communications. There were concerns regarding decision-making processes, with only 34% feeling involved or consulted. Processes for decision-making were felt to have become more complex and remote and to have been pushed up to higher levels. The majority felt that restructuring had not yet led to improvements, but that it remained ‘early days’.

As a separate measure, College Secretaries had carried out a review of support structures. This had led to the identification of process improvement, consideration of staff distribution and skills development as priorities for the current year.

Other findings had included continuing concern in some areas about the role of subjects and pressure on the Deans.

In response to comments from members, Professor Nolan stated that restructuring was working operationally, but not optimally and there was much work to be done. She regarded the commitments agreed at the Heads of School, Directors of Research Institute and SMG away-day as vital. In future, there would be more detailed consideration by SMG of the cumulative impact of the full range of change projects on staff. An action plan with measurable objectives was under development. These would reflect a set of commitments identified by SMG, the Heads of School, Directors of Research Institutes and Deans:

- Improve internal communications, in particular face to face
- Improve staff engagement /transparency in decision making processes
- Deliver an organisational development programme to support staff
- Reduce ‘bureaucracy’ around core processes
- Review administrative resource (staffing levels /skills)
- Develop the website further

In discussion, members’ comments focused on governance and communications in the new structure, and on aspects of the Year 1 review itself.

The correlation between the proximity of communication sources and staff satisfaction was seen as very telling. With regard to governance, reference was made to the focus in accountability to the line management structure as given in the Roles and Responsibilities document. By contrast, formal engagement with staff was expressed in terms of information-sharing. The effect of this was to formally divorce staff from decision-making. Several members expressed dismay and dissatisfaction with this and spoke of senses of disenfranchisement and anger at being excluded. Senior management did not appear to listen: this was seen to be evidenced by the recent instances where Senate views had been rejected. The corollary of the perceived
remoteness of decision-making from the concerns of staff was that decisions could not be fully informed. One member noted that Senior University Teachers and Senior Lecturers felt this in particular, and yet the smooth functioning of many University activities depended on this group and relied upon its good will. Associated with this were high workload levels, and one member expressed the view that the Performance & Development Review process did not reflect contributions appropriately. There was also concern that the time and effort the restructuring exercise had absorbed would harm research output. Concern was also voiced regarding reported feelings of exclusion on the part of some talented younger academic staff.

The view was put that College and School Management Groups did not constitute a sufficient decision-making apparatus. There was need for more genuinely consultative bodies that engaged staff and that possessed decision-making powers. The roles of the new units with respect to academic standards was not felt to have been articulated. Concern was expressed that Senate was constitutionally in danger of being stranded because there was no longer a direct formal link to academic units. It was contended that this was damaging to the development and delivery of academic strategy. It was noted that the Communications Working Group (see below) had in fact recommended that the establishment of the College Councils as Senate committees, as the former faculties had been, should be considered.

It was questioned whether the larger units created in the restructuring were inherently more impersonal than smaller staff groups. It was reported that elements of the directly available support for students previously provided was no longer in evidence. While levels of student satisfaction had been sustained for the moment, these measures were likely to be affected in the longer term. Ms Johnson, SRC Vice-President, reported that the changeover in structures appeared smooth to students generally. She appreciated that this was due to the commitment of staff, but was sorry to hear of staff disillusionment. Reference was also made to departmental loyalty and sense of identity in the former structure which continued to persist and it was suggested that the subject areas be considered afresh by SMG.

Appreciation was expressed for the review documentation, which was seen to have correctly identified problems. However, the independence of the Valuta consultation was questioned, as it had only involved senior staff. The low participation rate for the staff survey was also seen to provide a poor basis on which to found conclusions.

Professor Nolan reported her agreement with some of the comments made, which reflected those in the report. She recognised that the aims of the restructuring had not yet been met fully; she noted that the restructuring process would take time, that progress had been made and was being made, and that this would continue. The concerns expressed were identified in the report and the majority of these were reflected in the commitments noted above and would inform the action plan under development. Among these was the intention that decision-making would be pushed to the appropriate level. Identifiable action would also be taken to help with the re-engagement of staff. She re-iterated the acknowledgement by the SMG of the major contributions of staff, and her appreciation for their dedication to delivering an excellent student experience and ongoing research.

5. Research Planning & Strategy Committee: Research Excellence Framework (REF) 2014 Planning and Draft Code of Practice for the Selection of Staff

At its meeting on 2 February, Senate received from RPSC a paper detailing key features of the University’s plans for REF 2014, together with a draft Code of Practice for the selection of staff for submission to the REF. The papers were introduced by Professor Beaumont, Vice-Principal (Research & Enterprise).
Professor Beaumont cautioned that some details concerning the REF had not yet been finalised by the Higher Education Funding Council for England (HEFCE), and that it was therefore possible that some aspects of the University’s approach might require to be altered in consequence.

Key dates for the REF were provided. Research published in the period 1 January 2008 - 31 December 2013 could be submitted. The relevant period for the required impact case studies (i.e., the period when the impact was made) was between 1 January 2008 and 31 July 2013, although the underpinning research could date from 1993. The assessment period for research doctorates and research income was 1 August 2008 - 31 July 2013, and the census date for staff to be submitted by the University was 31 October 2013. The due date for the submission itself was 29 November 2013.

Within the University itself, the proposed Action Plan recommended that institutional quality thresholds were agreed by 19 April 2012. The proposed Code of Practice for staff selection would be submitted to HEFCE by 27 April 2012. It was possible that some Units of Assessment (UoAs) would wish to set thresholds higher than the University standard figure; these would be agreed by 20 June. Equalities training for staff involved in the selection process would then take place and the selections would be made from 1 August - 31 December. An appeals process would operate January - June 2013.

The management structure to support development of the submission was based on that used for RAE 2008. REF-specific committees would include RAE panel members and School/Research Institute Research Convenors and would aim for a 70:30 gender balance. College Assessment Panels would report to RPSC, which, advised by the REF Working Group, would report to the Senior Management Group.

Professor Beaumont explained aspects of the assessment of impact, which would contribute 20% of the total assessment. Impact was defined for the REF as an effect on, change or benefit to the economy, society, culture, public policy or services, health, the environment or quality of life, beyond academia. Understanding of what was meant by impact had improved and feedback from other institutions suggested the University was well positioned in this regard. Some case studies were already being prepared and there was confidence that they were of good quality. The mini-REF and HEFCE Impact Pilot had built momentum in the preparation of impact case studies and the associated timetables were under development. A total of 150 case studies would be prepared. The Vice-Principal’s Office was developing good practice resources.

Significant changes since RAE 2008 were noted. Selection procedures required HEFCE approval. The Equalities Act 2010 also helped determine procedures and decisions. The process for considering special circumstances provided greater consistency. At the University, the selection process would involve one stage. The handling of complex circumstances was still under discussion, but would involve consideration at College and/or University level.

Quality thresholds were also addressed. Senate was reminded that the institutional threshold in 2008 had been set at 2*. However, it had been announced that research rated at 2* in the REF would not be funded by the Scottish Funding Council. It was expected that 4* research would be funded at triple the rate of 3* work. The University would aim to maximise the volume of 4* and 3* research submitted and minimise 2* and lower rated output.

A range of selection criteria had been modelled for impact on volume, funding and aggregate quality. This had been based on mini-REF results (updated as appropriate). In RAE 2008
University outputs were awarded an aggregate Grade Point Average (GPA) of 2.51, and the University had been ranked 33= in the THES league table. Professor Beaumont explained that a threshold of 2.5 for submission (i.e., two papers at 3* and two at 2*) would deliver a significant improvement in the institutional GPA. However, this would lead to a small decrease in overall funding. A threshold of 3* would produce a greater overall fall in income because it would involve a markedly lower submission rate.

In conclusion, Professor Beaumont reported that modelling was being refined through the inclusion of anticipated outputs and in light of revisions to grade criteria. It was very important that there was further improvement in output quality. Heads of College and RPSC would recommend the institutional threshold in April, with local variation above that level to be agreed on a UoA basis. Court would be requested to approve the selection strategy in June.

In discussion at Senate, the point was made that misplaced pessimism concerning research outputs would have significant negative impact on the University’s performance. It was suggested that great care should be taken before discounting work for inclusion and that setting a threshold between 2* and 3* was undesirable. An aspect of this concern was that the additional expertise that would be available to the REF panels in sub-disciplines would be more likely to provide accurate assessments than might emerge from internal exercises, where there was less likelihood of specific expertise. There was support for the suggestion that effort be made to ensure broad internal readership of work to inform assessment. It was noted that this had contributed to more precise assessment in the past and would help to promote transparency and confidence in the process of developing the University’s submission. Professor Beaumont said that he would welcome further discussions outwith the meeting on statistical aspects of the University’s approach to shaping its submission.

Consideration was also given to the importance of the institutional GPA beyond its financial implications. Members strongly emphasised the GPA’s reputational significance. This was important in informal and general terms, but also contributed to league tables that directly influenced potential sponsors, notably overseas. It was also reported that the GPA was of much greater importance than volume in the formulation of league tables. The best way to influence the GPA for the better was through high quality outputs. The GPAs of UoAs was also very important in the context of the Scottish Government’s announcement that it wished to concentrate research funding to a greater extent than was currently the case. Senate would receive information on the GPAs from RAE 2008. Further updates would also be provided to the Colleges, particularly on any significant developments announced by the Funding Councils.

Subject to external policy developments that might arise, Senate approved the REF Action Plan and the draft selection policy document. In so doing, Senate noted the draft status of the latter paper and the possible need to amend the process for reviewing special circumstances.

7. University Finances

At the meeting on 16 January, Vice-Principal for Strategy & Budgeting, Professor Juster, provided a presentation, updating Senate on the University’s financial position.

Professor Juster reminded Senate that best and worst case and most likely financial forecasts had been prepared in June 2011. The worst case had shown the University slipping into the red in 2012/13, with a worsening deficit thereafter. The best case saw the University remaining in the black and returning increasing surpluses, with a surplus of c. £28M in 2014/15. The most likely forecast saw the University remain in the black, but with surpluses declining to c. £2M in 2014/15.
Normally, the Main Grant Letter was issued by the Funding Council in March. However, an indicative funding letter that included decisions on most of the grant had been issued to the sector in late December. This reflected the increase in sector funding reported at the October Senate. Consequently, the forecast for the University had been revised and was more positive than the June position and nearer the June best case prediction. A key contributory factor was the replacement of funded places in STEM subjects (science, technology, engineering and mathematics) at a higher than expected level (2.5% above the 2010/11 level). It was now anticipated University income would be c. £10M higher than earlier forecast. Discussions were now underway on investments, bearing in mind the desirableness of ensuring a margin of surplus each year. Research fellowships and leadership posts were likely to be released shortly. While there remained a number of risks, the overall position had improved over that of 2011.


At its meeting on 16 January, Senate received the final report from the Academic Structures Implementation Group (ASIG) on the structure of the academic year. The report was introduced by Professor Watt, ASIG Convener.

Professor Watt reminded Senate that the current academic year structure had been introduced in 2008. An early review had been scheduled and took place in 2009 to deal with any severe difficulties encountered. The present report stemmed from the comprehensive review held in 2010-11. Although available in October, consideration of the report had been delayed.

The report summarised consultation feedback, identified key issues and provided options for change. The paper contained three options for Senate to consider:

Option A – the status quo (Median date for Week 0 = 13 September; 13 + 17 week semesters)

Option B – Median date for week 0 = 10 September; 14 + 16 week semester pattern

Option C – Median date for Week 0 = 10 September; 14 + 15 week semester pattern

(A fourth option, with a start date four days before the current start of Semester 1 was also noted, but not recommended on the basis of opposition expressed by the Schools to such an early start to the year.)

Key issues concerning the status quo were the compressed revision and examination periods and the imbalance between the lengths of the Semesters. The current structure allowed for only two days for revision and ten for examinations in Semester 1. This was barely adequate. A small change of three days to the start date would allow Semester 1 to increase to 14 weeks. This would give five days for revision and 12 days for December examinations and would reduce the need for examinations to be scheduled on Saturdays. Examinations would in Options B and C finish by 21 December. However, end of year examinations and graduations would be later in Option B, and would have the effect of shortening the period available for postgraduate taught programme dissertations and staff research. Option C addressed this issue, but by removing the revision week before the spring examination diet.

Professor Watt noted that there was no solution that accommodated all concerns; each option had its pros and cons. ASIG itself did not wish to recommend one option over the others it considered feasible.
SRC representatives commented that the SRC Council’s preference was for Option B, since it increased revision time ahead of the semester 1 examinations. They did not favour Option C, as it removed the revision week from before the Semester 2 examination diet, and preferred the status quo to Option C.

The opportunity for fieldwork in relevant subjects provided by Option B was welcomed.

A number of members identified negative effects of Options B and C:

- The earlier start to the session would conflict with the conference season
- The later end to the session would reduce the opportunity for research
- The time taken for non-EU students to be provided with visas was already pressured and would be potentially damagingly worse with an earlier start to the year.

It was also requested that the December examination timetable was issued as early as possible to help international students plan travel home at Christmas. Concern was expressed that the period between the end of the spring examinations and graduations should not be shortened, as the marking and examination board period was already very intensive.

It was suggested that the December examinations should either take place during scheduled classes or abolished. The relevant course material could either be examined at the time of the spring diet (it was argued that this would facilitate deep learning) or Semester 1 materials assessed by other means. In response to a query, Mr Harrison, SRC Vice-President, reported that the SRC preferred some examinations to be held in December as it reduced the volume of examinations students took in spring. Professor Coton reported that the number of examinations held at the University now was unprecedented. Work was commencing on an initiative to help identify and promote alternative forms of assessment. A similar initiative at another university had led to significant reduction in the amount of assessment carried out by examination.

From the range of comments made, it was apparent that there was no unanimous support for any of the options. Consideration was given to leaving the matter on the table and making a decision at the next meeting. Several staff members had spoken against adopting Option B, which was favoured by the SRC. On a show of hands, there was little support for Option C. It was also noted that voting at a meeting by means of a show of hands did not allow members to rank the option in order of preference in the way a Single Transferrable Vote would.

In view of the divided opinion and uncertainty of the matter and the point that none of the options provided an ideal solution, it was agreed that the status quo (Option A) should be retained.

Professor Watt and his colleagues on ASIG were warmly thanked for their report; the decision to retain the current structure did not detract from the valuable work they had undertaken.

9. Application Statistics

The Principal reported on application statistics as of 15 January. These showed the University performing extremely well against a set of combined figures for neighbouring universities. The figure for applications to the University from England was particularly strong – an increase of 21.6% over the 2011 figure - and well ahead of the grouped institutions’ statistic, which had dipped slightly over the 2011 figure. The University had set a fee for Rest of UK (RUK)
countries lower than St Andrews and Edinburgh and it had been difficult to predict what effect this would have. It was very encouraging that the combined applications from RUK countries were markedly ahead of the group of neighbouring universities’. RUK figures were particularly higher than previously at the University in Arts and Social Sciences. Applications from Scotland were also 12% higher than in 2011. The Principal expressed his gratitude to colleagues who had worked to achieve these statistics and wished to recognise also the work that was going on across the university to convert the applications to enrolments.

10. Reports from the Research Planning & Strategy Committee meetings of 5 October and 17 November 2011 and 19 January 2012

10.1. Report on the Review of Graduate Schools

RPSC had accepted the report on the review of all four Graduate Schools since the institutional restructure in August 2011. The recommendations captured in the report were being rolled into agendas for discussion at forthcoming Directors of Graduate Schools (DoGS) Committee meetings and many recommendations were already being implemented. Ensuring effective communication with students, staff and supervisors in the most focussed and appropriate way remained a challenge. The DoGS Committee would be concentrating on resolving this particular issue in the coming session and examples of good practice would be shared. The paper was commended and the Committee agreed that a light touch review of all four graduate schools had been appropriate.

10.3. Fellowships Plus

The Fellowships Plus proposal developed by RPSC had been approved, which would provide financial packages for up to thirty externally-funded fellows, as well as funds for twenty internally-funded Kelvin Smith Fellowships. It would include support for seven externally-funded fellows in MVLS and six internally-funded fellowships in Social Sciences. In addition, funding for fellowships in the Colleges of Arts and Science & Engineering had been approved which would be included in the advertising and recruitment process for the Kelvin Smith Fellowships. All applicants would be judged against the same quality thresholds. The Fellowship packages would vary in duration from three years (internally-funded Kelvin Smith Fellowships and Arts fellows) to five years (externally-funded fellowships) and would support salaries at Grade 7 of 8. The total investment in the overall programme would be £10.7m over six years.

10.4. Postgraduate Research Experience Survey (PRES)

Graduate Schools had been asked to examine their performance and the student responses giving in the 2011 PRES, and to provide action plans to address issues that arose from the survey. A paper providing a summary of these plans was submitted to the Senior Management Group on 18 January 2012. In most cases, individual College action plans were already underway. The Deans of Graduate Studies Committee would consider possible ways of increasing the response rate to the PRES. They had also agreed a timeline to progress an interim internal PRES and an alternative means of accessing the survey, in the hope of improving the response rate.

11. Appointment of Clerk of Senate

Professor Caie is due to retire as Clerk of Senate on 31 July 2012. Senate is presently establishing the Finding Committee which makes recommendations on the appointment. The report from the Finding Committee will be submitted to Senate on 7 June.
12. Appointment of Senate Assessors on Court

At its meeting on 16 January, Senate confirmed the appointments of Professor Miles Padgett and Dr Donald Spaeth as Senate Assessors with immediate effect.

13. Honorary Degrees 2012

The following individuals have agreed to receive Honorary Degrees from the University in 2012:

- **For the Degree of Doctor of Divinity**
  - Reverend W J Harvey

- **For the Degree of Doctor of Laws**
  - Baroness Vivien Stern

- **For the Degree of Doctor of Letters**
  - Ms Julia Donaldson
  - Professor Dame Janet L Nelson
  - Dr Marilyn Cochran-Smith
  - Professor Fernando Galvan
  - Ms Jackie Bird
  - Ms Katalin Bogyay

- **For the Degree of Doctor of Science**
  - Professor Rolf-Dieter Heuer
  - Dr Lee Goldman
  - Dr David Grant
  - Professor Dame Valerie Beral
  - Professor Wilson Sibbett

- **For the Degree of Doctor of the University**
  - Professor Thandabantu Nhlapo
  - Mr Ian Callum (GSA)
  - Mr Steve Inch (GSA)
  - Ms Alison Bruce

The following persons had accepted the invitations to receive the award of an Honorary Degree in 2013:

**For the Degree of Doctor of Laws**
Ms Elinor Ostrom

**For the Degree of Doctor of Letters**
Ms Joanna Lumley

The names of the persons concerned are now in the public domain.
14. Intimations

Senate stood in silence to mark its respect for two former members whose deaths had recently been announced:

_Emeritus Professor Andrew Skinner_

Professor Skinner graduated from the University MA in 1958 and BLitt in 1960. He was appointed as a lecturer in Economics in 1964, becoming titular professor in 1977. He was Daniel Jack Professor of Political Economy from 1985-1994 and Adam Smith Professor of Political Economy from 1994-2000. He served as Dean of the Faculty of Social Sciences 1980-1983, Clerk of Senate 1983-1990 and Vice-Principal from 1991-1996. In 2001, he was awarded the Honorary Degree of DUniv.

_Emeritus Professor Hugh Sutherland OBE._

Professor Sutherland was Cormack Professor of Civil Engineering from 1966 until his retirement in 1986. Prior to this he was a student of the University (and of Harvard) and then Lecturer, Senior Lecturer, Reader and Titular Professor. On his retirement in 1986 he served for four years as Director of the University of Glasgow Trust and he subsequently went on to play a leading role in the Development and Alumni Office.