

**WEB COPY**

## **Court**

### **Minute of Meeting held on Wednesday 12 December 2012 in the Senate Room**

**Present:**

Mr David Anderson General Council Member, Ms Susan Ashworth Employee Representative, Mr Ken Brown Co-opted Member, Dr Robin Easton Co-opted Member, Professor Christine Forde Senate Member, Dr Marie Freel Senate Member, Mr James Harrison SRC President, Mr Brian McBride General Council Member, Mr Alan Macfarlane General Council Member, Mr Donald Mackay SRC Member on Court, Mr Murdoch MacLennan Chancellor's Representative, Ms Margaret Anne McParland Employee Representative, Professor William Martin Senate Member, Ms Margaret Morton Co-opted Member, Dr Alan Owen Senate Member, Professor Miles Padgett Senate Member, Mr David Ross General Council Member (Convener of Court), Professor Michael Scott-Morton Co-opted Member, Professor Adrienne Scullion Senate Member, Dr Donald Spaeth Senate Member, Mr Kevin Sweeney General Council Member

**In attendance:**

Ms Ann Allen (Director of Estates & Buildings), Professor Steve Beaumont (Vice-Principal Research & Enterprise), Mr Ian Black (Director of Human Resources), Professor John Briggs (Clerk of Senate), Professor John Chapman (Head of College of Science & Engineering and Vice-Principal), Professor Frank Coton (Vice-Principal Learning & Teaching), Professor Anna Dominiczak (Head of College of Medical, Veterinary and Life Sciences and Vice-Principal), Mr Robert Fraser (Director of Finance), Ms Deborah Maddern (Administrative Officer), Mr David Newall (Secretary of Court), Professor Andrea Nolan (Senior Vice-Principal), Professor Murray Pittock (Head of College of Arts and Vice-Principal)

**Apologies:**

**Members:** Mr Peter Daniels Co-opted Member, Rt Hon Charles Kennedy MP Rector, Cllr Matt Kerr Glasgow City Council Assessor, Professor Anton Muscatelli Principal

**Attenders:** Professor Anne Anderson (Head of College of Social Sciences and Vice-Principal), Professor Neal Juster (Vice-Principal Strategy & Resources)

#### **CRT/2012/12. Announcements**

Court welcomed Professor Christine Forde and Donald Mackay to their first meeting of Court. Court also welcomed John Lauwerys as observer. Mr Lauwerys was undertaking a review of Court governance.

#### **CRT/2012/13. Minutes of the meeting held on Wednesday 10 October 2012**

The minutes were approved.

### **CRT/2012/14. Matters Arising**

With regard to minute *CRT/2012/5.3 Consultation Outcomes – Nursing and Health Care*, Court would receive an update report at the February 2013 meeting. In the meantime, positive discussions were being held with Glasgow Caledonian University.

With regard to minute *CRT/2012/6.7 Student Lifecycle Project /MyCampus*, meetings had been held with Colleges, the SRC and support services, where feedback had shown that there were improvements since last year but still areas that needed to be addressed; many of these related to better use being made of the system rather than changes to the system itself. The Direct Admissions element was still to be implemented.

With regard to minute *CRT/2012/4.3 Stevenson Building Extension/GUU Social Facility*, the building project was progressing well, with planning permission being sought for a March 2013 start. With respect to the Queen Margaret Union reviewing its forward plan, given the difficult business environment in which it was operating, the union had been working with external consultants and it was expected that the Student Finance Committee would look at the revised plan in early 2013.

### **CRT/2012/15. Report from the Principal**

In the absence of the Principal, Professor Nolan was available to respond to questions on the report from the Principal.

#### *CRT/2012/15.1 Student Admissions*

At the last meeting, Court had noted data from the 2012 applications and admissions cycles, and an update on RUK undergraduate recruitment, where there had been a drop in numbers UK-wide, and where the University was pursuing a very active recruitment strategy to maintain its position.

Court noted an update on admissions figures. With regard to registrations, there had been a reduction in total PGT registrations year on year, with home/EU registrations contracting and International registrations growing. Further details would be circulated to Court.

#### *CRT/2012/15.2 Outcome Agreements*

At the October meeting, Court had been reminded that it had agreed earlier in the year that a draft Outcome Agreements paper, that was going to SMG, should also be circulated to Court, and that authority to sign off the agreement be delegated to the Convener of Court and the Principal. The agreement had been submitted to the Funding Council in mid July.

The SFC had advised that a number of funding streams would be available in the forthcoming HE budget and had requested bids ahead of the indicative grant letter to be issued in mid December. The University had prepared bids in priority areas identified by the SFC, and in line with the University's strategic plan. A summary of progress to date and future plans was noted by Court.

#### *CRT/2012/15.3 Key Activities*

Court noted a summary of some of the main activities in which the Principal had been involved since the last meeting of Court, covering internal and external activities beyond daily operational management and strategy meetings. The activities were under the broad headings of: Academic Development and Strategy; Internationalisation activities; Lobbying/Policy Influencing and Promoting the University; Internal activities and Communications.

## **CRT/2012/16. Report from the Secretary of Court**

### *CRT/2012/16.1 Pensions Liability*

Court was reminded that three individuals present at the meeting, Andrea Nolan, David Newall and Margaret Anne McParland, had an interest in the matter, being trustees of the University of Glasgow Pension Scheme (UGPS).

At the October meeting, Court had received correspondence from the Chair of the Trustees of the UGPS, advising that the UK's Pensions Regulator had raised concerns regarding the UGPS deficit recovery plan, as submitted by the University in 2011. This plan had been intended to fund a pension scheme deficit as calculated in April 2010. In the time since then, the deficit had increased significantly, largely because of the low rate of return applying to bonds, which had had the effect of increasing the value of pension liabilities.

The Chair of the Trustees and the Pension Scheme Actuary had met the Principal, the Convener of Court, the Chair of Finance Committee and the Director of Finance. The Chair of the Trustees had briefed the meeting on the action currently being taken by the UGPS Trustees. This involved an independent review, by KPMG, of the strength of the University's financial covenant, a review of arrangements for funding the UGPS deficit, and a review of the Trustees' investment strategy. It had been clear that, in seeking to address the pension scheme deficit, the Trustees would ask the University to increase substantially its financial commitment to the scheme.

The Trustees had met on 22 November to discuss these issues further. On 12 December, Court had received extracts of a letter to the Principal from the chair of the Trustees following that meeting, in which letter the Trustees had outlined their aim to remove the deficit, and various options that existed to achieve this, including an increased level of annual contributions. The Trustees were seeking Court's view on this and on other proposals relating to the investment strategy.

In advance of the Court meeting, the Convener had suggested that Court might wish to establish an expert working group to provide advice. Its suggested terms of reference had also been provided. The group would review proposals for addressing the current UGPS deficit, and would also consider the future benefit structure of UGPS, given the need for future pension arrangements to be financially sustainable. It would:

1. receive all correspondence to the University from the Chair of the UGPS Trustees regarding the funding of the UGPS deficit;
2. invite the Principal, in discussion with SMG colleagues and in consultation with the relevant campus trade unions, to prepare proposals for responding to the Trustees' concerns regarding the funding of the UGPS deficit;
3. invite the Principal, in discussion with SMG colleagues and in consultation with the relevant campus trade unions, to make suggestions as to the appropriate future benefit structure of the UGPS;
4. consider the submissions received per 2 and 3 above, seeking expert advice where the group considers this was required; and
5. report to Court in April 2013, making recommendations on:
  - how it should respond to the UGPS Trustees' concerns regarding the funding of the UGPS deficit, and
  - the future benefit structure of the UGPS.

Court approved the proposal to proceed in this way. The Convener would brief the Chair of the UGPS Trustees on how Court intended to take the matter forward.

*CRT/2012/16.2 Review of Court's Effectiveness*

The report would be brought to the February 2013 meeting of Court.

*CRT/2012/16.3 Western Infirmary*

Since the last meeting of Court, senior officers of the University and NHS Greater Glasgow & Clyde had come to agreement on terms for the transfer of Western Infirmary Site B, and the Pharmacy Production Unit, to the ownership of the University. It was expected that legal documents would be concluded shortly.

*CRT/2012/16.4 Review of Higher Education Governance/ Scottish Code of Governance*

Following publication of the Von Prondzynski report on 1 February, the Cabinet Secretary for Education had made a parliamentary statement on 28 June, which had included an announcement by the Minister that he was asking the Scottish Funding Council to take forward the establishment of an HE Advisory Forum, and that he had asked the Committee of the Scottish Chairs of Higher Education Institutions to lead a group to develop a new Scottish Code of Good Higher Education Governance.

Court members had received a copy of a letter from Kevin Clarke and Peter West, in their capacity as consultants appointed by the Committee of Scottish Chairs to support the work of the Steering Group in developing a new Scottish Code of Governance. Peter West would visit the University on 18 December as part of this exercise, and would meet with several members of Court, including staff, student and lay representatives.

*CRT/2012/16.5 Post-16 Education (Scotland) Bill*

On 28 November, the Scottish Government had presented its bill for legislation on Post-16 Education. Following committee scrutiny, it was likely that an Act would be passed in the autumn of 2013. The bill focused largely on the Further Education, but 4 matters related to universities:

- Section 3, which would place a requirement on universities to comply with principles of good governance as a condition of SFC grant. This Section was apparently intended to provide a statutory basis for compliance with the Scottish Code of HE Governance. However, as drafted, it required compliance with principles of good governance and management practice, as might appear to the Scottish Ministers to constitute good practice in relation to higher education institutions from time to time. It was noted that this text therefore required careful consideration as it threatened the autonomy of Universities and that Universities Scotland would be making representations on the draft.
- Section 4, which addressed widening participation, and would enable SFC to require a 'widening access agreement' as a condition of grant to institutions.
- Section 5, which would cap RUK fees at the level of the highest fees payable elsewhere in the UK.
- Section 6, which would give SFC power to conduct reviews of fundable further and higher education, building from its existing duty to secure coherent provision.

*CRT/2012/16.6 Nominations Committee/Lay members of Estates Committee*

Following Morris Murray's departure as a lay member of the Estates Committee, the University had advertised for a new lay member, with suitable skills and experience to contribute in particular to the development of the Campus Estates Strategy.

Nominations Committee had recommended to Court that Steve Inch and David Milloy be co-opted to membership of the Estates Committee. Court members had approved this following its October meeting.

*CRT/2012/16.7 Senate Assessor on Court*

Professor Christine Forde had been elected to Court, to the professorial Social Sciences vacancy (arising from Eleanor Gordon's departure from Court) from 8 October 2012 until 31 July 2016.

*CRT/2012/16.8 Student Representative on Court*

Donald Mackay had been appointed as SRC Assessor on Court until 31 October 2013.

*CRT/2012/16.9 Heads of School*

The following Senate Assessors would serve on appointing Committees for Heads of Schools where vacancies were occurring during 2013:

College of Social Sciences

*Adam Smith Business School (current head Prof Farhad Noorbakhsh)*

Dr Alan Owen would be the Senate Assessor on the appointing committee.

*School of Law (current head Professor Rosa Greaves)*

Dr Marie Freel would be the Senate Assessor on the appointing committee.

On Court's behalf the Secretary of Court had agreed to an extension of a term of office as follows:

College of Arts

*School of Modern Languages and Cultures*

Professor John Macklin's term of office would end on 31 December 2013 rather than 31 July 2013.

Court approved an extension of a term of office as follows:

College of MVLS

*School of Dentistry*

Professor Jeremy Bagg's term of office would be extended from 1 August 2013, for a further period to be determined by the Vice-Principal and Head of College. This would bring the appointment into line with appointments of Heads of Subject, which did not require to be made by Court. It had previously been agreed at the time of the restructuring that, while the Dental School was not formally a School in the terms of the restructure proposals, it should have its Head appointed formally by Court, given the significance of the role in interfacing with the NHS. Post-restructure, that concern had steadily diminished.

*CRT/2012/16.10 Induction Session for Court and committee members*

An induction Session for new members of Court and lay members of Court committees would be held on 5 February 2013.

*CRT/2012/16.11 Court meeting at Dumfries Campus*

The 10 April 2013 meeting of Court would be held at the Dumfries Campus.

*CRT/2012/16.12 Resolutions*

The following draft Resolutions had been approved and were with the Senate and General Council for consultation. A copy of the Resolutions was available from the Court Office.

**DRAFT RESOLUTION 656 - FOUNDATION OF THE DONALD J ROBERTSON CHAIR OF ECONOMICS**

**DRAFT RESOLUTION 657 - CHANGE OF NAME OF THE CHAIR OF INFECTIOUS DISEASES (AMENDMENT TO ORDINANCE NO 329. – (GLASGOW NO 94))**

**CRT/2011/17. Learning and Teaching Strategy**

Professor Frank Coton updated Court on the Learning and Teaching Strategy, including performance against Key Performance Indicators, under the key strategic aims of shaping the University Learning Community; Excelling in Learning and Teaching; and Delivering an Excellent Student Experience. KPIs were noted with regard to Undergraduate student satisfaction, where the feedback was very positive; to student Progression, where progress continued to be made in relation to student retention, and where key developments that would impact on this area were the restructuring of the Student Learning Service within the Learning and Teaching Centre, including the establishment of a Writing Centre, and the Retention Working Group recently applying to join a national project on student retention; and on Job Prospects, where performance was very good but action was being taken to strengthen the position further via a strong institutional focus on Graduate Attributes, Expansion of the Club 21 placement scheme, and new appointments including a Careers Enterprise Manager.

As Court had heard previously, the 2011/12 Admissions Cycle had proved to be one of the most challenging in recent years. Undergraduate applications from EU students had risen by 28%. This, coupled with modest growth in the number of Scottish applicants, had put considerable pressure on places in the home/EU pool which was only open to Scottish and EU students. In contrast, the RUK registrations stemming from the 2011/12 Admissions Cycle had a projected intake considerably below target. Overall, international registrations had exceeded the University target despite the negative impact of stricter UKBA rules. However, targets were stretching and if UKBA applied further requirements on universities, there would be additional challenges.

Priorities for the year ahead under the Learning and Teaching area were the development of the University E-learning Strategy; preparation for the Enhancement Led Institutional Review in early 2014; and expanding Widening Access (Top-up/Summer School), where the SFC had recently funded additional places.

Court thanked Professor Coton for the briefing.

## **CRT/2012/18. Reports of Court Committees**

### *CRT/2012/18.1 Finance Committee*

#### *CRT/2011/18.1.1 University Financial Statements as at 31 July 2012*

The Director of Finance, Robert Fraser, gave a presentation on the University's financial statements for the year to 31 July 2012.

The operating surplus was £10.3m (£9.8m after exceptional items), which was the seventh consecutive operating surplus after a decade of operating deficits. This was £2.5m better than original budget, with £1.4m from operational movements (including staff savings of £7.2m and increased income of £3.5m offset by higher consumables of £9.1m), £1.4m from movements in endowments and £0.5m from movements in FRS 17 and £-0.8m from University of Glasgow Trust.

Cash and deposit balances had closed at £116.9m, which was an increase of £5.5m in the year. The increase was mainly due to operating cashflows. Capital expenditure for the year was £22.8m which was a decrease of £1.3m compared to 2011. The decrease was largely due to IT systems investment in 2010/11. There was a 1% increase in the value of endowment assets. The deterioration in global stock markets was offset by new bequests.

The net pension liability for the University of Glasgow Pension Scheme and Strathclyde Pension Fund increased by £65.9m mainly as a result of the impact of falling gilt yields. Court received a briefing including details of the assumptions used with respect to the pension scheme liabilities and projections. Calculations were very complicated owing to factors such as estimating lifespans and the huge sways in projections resulting from relatively small changes in yields. As Court had heard, the UK Pensions Regulator was concerned about the deficit within the UGPS, and the University would now be discussing with the UGPS Pension Trustees what should be done to address this concern. Court had agreed earlier in the meeting that it would receive and consider a report on this matter from an independent group in the spring of 2013.

Court approved the University Financial Statements for the year to 31 July 2012.

#### *CRT/2012/18.1.2 Universities Subsidiaries and Trust Financial Statements as at 31 July 2012*

Court approved the financial statements of the subsidiary companies and Trust.

#### *CRT/2012/18.1.3 US GAAP*

Finance Committee had received consolidated financial statements prepared in accordance with the United States Generally Accepted Accounting Principles (US GAAP) for submission to the US Higher Education Department. From November 2010 the US Department of Higher Education had begun enforcing the requirement for restated financial statements. The requirement arose because of US Department of Education rules for any foreign institution in receipt of federal student loans above a certain threshold.

#### *CRT/2012/18.1.4 Endowments Investment Report*

Court noted the Endowments Investment Report at September 2012.

*CRT/2012/18.1.5 Financial Overview*

Court noted the Period 2 2012/13 Overview of Performance.

*CRT/2012/18.2 Audit Committee*

Kevin Sweeney presented the annual report from the Audit Committee to Court. Mr Sweeney highlighted the committee's interest in the compliance culture within the institution, which it saw as moving in a positive direction, and that it would retain an ongoing interest in this. Court noted the report, including its conclusion that 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 believed that the University generally had an adequate framework of internal control.

*CRT/2012/18.3 Human Resources Committee*

*CRT/2012/18.3.1 Management of Organisational Change*

At the last meeting, Court had agreed that University management should expand the proposals relating to the Management of Organisational Change policy to clarify processes relating to mitigation and avoidance and that further discussions should be held with the unions and others on their concerns about proposals, particularly regarding mitigation and the composition and powers of the Procedural Review Group. Court had also agreed with a suggestion from Professor Martin that the Procedural Review Group be referred to as the Court Procedural Review Group.

A summary of steps taken since the last meeting, and a revised policy, had been circulated. The paper provided to Court proposed a way forward based upon the consultation undertaken; it also highlighted the Trade Unions' continuing concerns. A letter from the University and Colleges Union Glasgow had also been circulated to Court members by email prior to the meeting, indicating that there remained concerns in particular about the proposed mechanism for 'tier 2' cases.

The Convener advised that given concerns expressed by some Court members close to the time of the present Court meeting, it was proposed that the matter be deferred to the February 2013 meeting of Court, which would provide an opportunity for further discussions to be held.

*CRT/2012/18.3.2 Human Resources Key Performance Indicators*

Court noted details of Human Resources KPIs, under the agreed headings of acquiring, developing, rewarding and retaining staff; and in relation to Diversity and Motivation.

*CRT/2012/18.3.3 Staff Survey 2012*

The University conducted biennial staff attitude surveys. In June 2012, a brief set of key highlights from the 2012 Survey had been presented at Court. Court now noted fuller details, including an update on communications and engagement, and noted that relevant parts of the survey had been presented to management and committees across the University. Further tailored presentations would be made to some Schools and Research Institutes. Broad outlines had been placed on the MyGlasgow website, and referred to by the Principal in his podcasts.

The survey had revealed some improvements, and some areas where the scores had declined. The University was taking action to address areas of concern.

*CRT/2012/18.4 Estates Committee*

*CRT/2012/18.4.1 Estates KPIs*

Court noted that the current KPI – achievement of 75% of buildings in Condition A/B by 2014/2015 - could not be achieved within the current revenue available and that a new suite of KPIs would be developed by March 2013.

*CRT/2012/18.4.2 Sale of property*

Court noted Estates Committee's approval of the sale of Glencaple Road, Dumfries to Dumfries and Galloway Homes Ltd in the sum of £540,000 with a leaseback arrangement.

*CRT/2012/18.4.3 Beatson Translational Cancer Research Centre*

The building at Garscube had recently reached practical completion and had been handed over to the University

*CRT/2012/18.5 Remuneration Committee*

The report was noted, including details of the Committee's annual review of the salaries of members of the Senior Management Group. The Committee had affirmed its belief that good performance should be rewarded in a tangible way. It had decided that given that the Committee had felt unable to make annual performance related pay awards to SMG in the 4 years since August 2008; and that there had been an albeit modest uplift in national salary scales since 2008 and that many University staff had benefited from incremental increases during that period; and that comparison with others in the sector showed that several members were now being paid considerably less than their counterparts in other Universities, it should make modest performance related increases, ranging from 0 to 3%, to members of SMG with effect from August 2012. It had also agreed that adjustments should be made to the salaries of 5 members of SMG whose salaries were clearly below the levels of equivalent positions at other universities. The Committee, in the absence of the Principal and Secretary of Court, had also agreed that in the light of the Principal's performance, which had been taken into account in the recent Court decision to re-appoint the Principal, the Principal should receive a 3% salary uplift consistent with the highest performance-related award being made to other members of the SMG.

**CRT/2012/19. Report from the Rector**

In the absence of the Rector there was no report.

**CRT/2012/20. Communications from meeting of Senate 6 December 2012**

Communications from the meeting of Senate held on 6 December were noted by Court. Senate had received briefings on the Staff Survey; Maximising Academic Performance Career Development; Outcome Agreements; and on the UK Border Agency audit, where Senate had heard that the audit of the University's compliance with 'Tier 4' responsibilities announced for 2012 had not yet taken place, but that preparations were continuing. Court was pleased to note that the UKBA had confirmed renewal of the University's Highly Trusted Status with effect from September 2012 until 24 September 2013.

**CRT/2012/21. Any Other Business**

There was no other business.

**CRT/2012/22. Date of Next Meeting**

The next meeting of the Court will be held on Wednesday 13 February 2013 in the Senate Room

*Prepared by Deborah Maddern Clerk to Committee [deborah.maddern@glasgow.ac.uk](mailto:deborah.maddern@glasgow.ac.uk)*