

**WEB COPY**

## **Court**

### **Minute of Meeting held on Wednesday 16 April 2014 in the Senate Room**

**Present:**

Mr Dave Anderson Employee Representative, Mr David Anderson General Council Member, Mr Graeme Bissett Co-opted Member, Mr Ken Brown Co-opted Member, Ms Heather Cousins Co-opted Member, Professor Nick Jonsson Senate Member, Professor Karen Lury Senate Member, Mr Brian McBride General Council Member, Mr Alan Macfarlane General Council Member, Ms Jess McGrellis SRC President, Mr Donald Mackay SRC Member, Ms Margaret Anne McParland Employee Representative, Mr David Milloy Co-opted Member, Ms Margaret Morton Co-opted Member, Professor Anton Muscatelli Principal, Professor Miles Padgett Senate Member, Mr David Ross General Council Member (Convener of Court), Dr Duncan Ross Senate Member, Dr Donald Spaeth Senate Member, Mr Kevin Sweeney General Council Member

**In attendance:**

Ms Ann Allen (Director of Estates & Buildings), Professor Anne Anderson (Head of College of Social Sciences and Vice-Principal), Ms Christine Barr (Director of Human Resources), Professor Steve Beaumont (Vice-Principal Research & Enterprise), Professor John Briggs (Clerk of Senate), Professor John Chapman (Head of College of Science & Engineering and Vice-Principal), Professor James Conroy (Vice-Principal Internationalisation), 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), Professor Neal Juster (Senior Vice-Principal), Ms Deborah Maddern (Administrative Officer), Mr David Newall (Secretary of Court), Professor Murray Pittock (Head of College of Arts and Vice-Principal)

**Apologies:**

**Members:** Professor Christine Forde Senate Member, Dr Marie Freel Senate Member, Cllr Pauline McKeever Glasgow City Council Representative, Mr Murdoch MacLennan Chancellor's Representative

**CRT/2013/37. Announcements**

Court welcomed Heather Cousins (Co-opted Member) and Professor Jim Conroy (Vice Principal Internationalisation) to their first meeting of Court.

**CRT/2013/38. Minutes of the meeting held on Wednesday 12 February 2014**

The minutes were approved.

**CRT/2013/39. Matters Arising**

There were no matters arising.

**CRT/2013/40. University of Glasgow Pension Scheme UGPS**

Neal Juster, Margaret Anne McParland and David Newall, Trustees of UGPS, did not attend for this item.

In October, Court had been informed that a proposal would be brought forward on how the deficit in UGPS would be funded over the coming years, including the possible use of security. A draft proposal had been discussed at the December Court meeting, at which greater clarity had been requested regarding the terms and timing. In February, Court had received an update and additional information relating to the areas in question. In relation to possible use of security, Court had heard that asset valuation had the potential to arrive at very different figures, and there was no guarantee that the valuation exercise would come to a conclusion that would satisfy the University and the Trustees. The University might therefore have to consider other potential options, including: a large cash injection up front; higher annual contributions; and the use of assets with guaranteed income, such as rental income from student residences, which could be collateralised as security. Given that these matters had at that point yet to be discussed with the Trustees and, given the Regulator's deadline of 10 July to have the deficit funding in place, Court had agreed in February that a small subgroup of Court should be formed to liaise with SMG in considering the strategic options, discussing with others as required.

Since the last meeting, Margaret Morton, Duncan Ross and Kevin Sweeney from the subgroup had met with University Officers to agree a proposal for discussion with the UGPS Trustees. The Group had agreed that it did not wish to pursue the option of security; rather, an affordable offer of cash upfront together with annual payments thereafter was preferable. The Group had considered various options for upfront payments and had agreed to discuss with the Trustees an up-front payment of £20M followed by annual indexed payments over 20 years.

University Officers had met with the Trustees in mid March to discuss the proposal and brief them on the campus development. Following that, information had been provided to the Trustees' covenant assessor. A letter had since been received from the Chair of the Trustees proposing an alternative recovery plan, and had been provided to Court. In summary, the Trustees' proposal was an up-front cash payment of £40M followed by annual payments over 15 years, and also included a request that the University commit to further measures, including consulting with the Trustees at key points in the campus development, and providing quarterly key financial metrics.

Following discussion, Court unanimously agreed that it could not support agreement to the terms proposed by the Trustees, for reasons including the potential for capital to be locked for a much longer time than might be necessary, and the potential for involvement of the Trustees in the management of the campus development being inappropriate. Court noted that a 15 year timespan for repayments would be feasible. Court agreed that the matter should be referred back to the subgroup and that a response be provided to the Trustees.

Court would be updated at its next meeting.

## **CRT/2013/41. Report from the Principal**

### *CRT/2013/41.1 Universities Superannuation Scheme USS*

At the last meeting Court had heard that USS had recently started a process of engagement with employers ahead of the triennial valuation in March. At the previous valuation in 2011, the scheme had had a deficit of £2.9bn and a recovery plan and a package of benefit changes had been approved by the Trustees. The estimated deficit had grown over the last 3 years. The deficit had been £7 billion on 30 September 2013; this had reduced slightly to £6.4 billion as at 31 December 2013, having been much higher in March 2013 at £11.5bn (based on the 2011 valuation assumptions). Much of the volatility over these months had been due to the estimates of the scheme's liabilities as opposed to its assets, due to market movements. The deficit was not expected to be significantly different at the triennial valuation in March. Proposed

adjustments to the investment, longevity and inflation risk assumptions for the 2014 valuation would, however, increase the current deficit significantly.

Universities UK had responded collectively to the engagement paper issued by the USS Board, based on consultation meetings with universities and other USS employers. Following consideration of the UUK response, USS was engaging in a dialogue with the regulator, employers and UCU on the issues raised by the engagement paper. The intention was to complete the valuation process and reach a decision on a financial management plan for the scheme by the end of 2014. Court noted that this would need to include 'sectionalisation' of the fund so that institutions were aware of their own liability.

#### *CRT/2013/41.2 IT Strategy*

Earlier in the session, Court members had asked for a briefing on the University's IT Strategy. This was in order to understand how it contributed to advancing the University's overall strategy and its implications for the Campus Estates Strategy.

Court received a draft IT Strategy, and a briefing from the Director of IT Services, Sandy Macdonald. The strategy had been developed with input from SMG, the Information Policy & Strategy Committee, from each College Management Group, and from the University Services Leadership Team.

Court heard that the strategy had been developed in the context of the University's strategic plan *2020: A Global Vision*, to support the University in delivering on its aspirations across its full range of activity and setting the direction the University would follow to deliver the vision. Priorities included: provision of a scalable, flexible, agile, resilient, secure and robust infrastructure capable of supporting leading edge Learning & Teaching and Research regardless of the location of end users; access to data and applications in a manner that took advantage of flexible, mobile and personalised user interfaces and the opportunities provided by the concept of the personal internet; as part of the Campus Estates Strategy, the creation of an intelligent Campus supporting pervasive access; increased user collaboration and improved delivery of services to all end users; delivery of comprehensive Business Intelligence capabilities supporting complex modelling and predictive analytics in support of all aspects of planning and service delivery; and support of Transnational activities including new partnerships and operating models such as Distance Learning.

In supporting the priorities set out in the draft IT Strategy, SMG had asked that work should now be undertaken on an implementation plan, in particular with a view to identifying those aspects of the strategy that would require new investment. Discussion was taking place with College managers on priorities for improvement and development, and these would be reflected in proposals for investment.

Court approved the IT strategy and noted that SMG would consider the implementation plan in the coming weeks.

#### *CRT/2013/41.3 ELIR Early Outcome Report*

The Enhancement-led Institutional Review visits had been completed and the University was now in receipt of a short draft Outcome Report provided by the Quality Assurance Agency (QAA), which Court noted. The University still had the opportunity to comment on any inaccuracies ahead of the Report being augmented by the more detailed Technical Report, which was expected in late May with full and final publication of the review by the QAA in July.

The content of the ELIR report was very positive, in tone, and the University had received the 'Effectiveness grading' which was the best possible outcome. This meant that the University

was considered to have robust arrangements in place for securing academic standards and for enhancing the quality of the student experience.

Court endorsed the Principal's thanks to Professor Frank Coton, the Senate team and all those who had prepared for the review.

#### *CRT/2013/41.4 Appointment of Vice-Principals*

Three new Vice-Principals had been appointed since the last meeting:

Professor Roibeard (Robby) Ó Maolalaigh had been appointed Vice-Principal and Head of the College of Arts. Professor Ó Maolalaigh would take up the post on 1 Jan 2015, succeeding Professor Murray Pittock.

Professor Miles Padgett would take up the post of Vice-Principal (Research) from 1 August 2014; and Professor Jonathan Cooper would be appointed Vice-Principal (Innovation and Knowledge Exchange) from the same date, both succeeding Professor Steve Beaumont Vice-Principal (Research and Enterprise). Both would continue with their research and knowledge exchange activities alongside their new vice-principal roles. Court noted that, given potential conflicts of interest with his Court role, Professor Padgett would be stepping down from his role as Senate Assessor, following the May EGM, and thanked him for his contribution to Court business.

#### *CRT/2013/41.5 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/2013/42. Report from the Secretary of Court**

#### *CRT/2013/42.1 Ordinance on Court composition*

Since the last meeting of Court, a fresh consultation on the draft Ordinance on Court's composition was under way, with the deadline for submission of comments being 23 April. It has been agreed at the February meeting of Court that a special additional meeting should be arranged, at which Court would receive information on the consultation responses and come to a considered view.

In order to assist Court in this exercise, a short-term Governance working group had been established, chaired by the Convener of Court, and including lay, Senate, staff and student members. The working group would meet on 22 April, to consider all submissions received at that date, including those from the General Council Business Committee meeting on 16 April and the Council of Senate meeting on 17 April. Should any further submissions be received after 22 April, these would also be considered by the working group, which would then report to a special meeting of Court that had been arranged for 2 May. The working group comprised: Dave Anderson, David Anderson, Alan Macfarlane, Jess McGrellis, Margaret Morton, David Ross and Duncan Ross. It would recommend to Court either that the Ordinance should be submitted to the Privy Council as drafted, or that amendments should be made in the light of matters raised through the consultation process.

Court agreed that the special meeting would also consider the setting of RUK Fees from the year 2015/16, following a review of this area by SMG.

*CRT/2013/42.2 Glasgow University Union*

In November 2013, Glasgow University Union had published the report of the inquiry into the culture within the Union. The report had contained a series of recommendations on future procedures, practice and constitutional arrangements, which the GUU Board had accepted. Court had asked that University officers, and the Student Finance Committee, maintain a watching brief on progress in this area.

The Student Finance Committee had met with the GUU's senior office bearers in March, and had received from them a progress report on implementation of the inquiry's recommendations. The report was noted by Court. Court agreed that good progress had been made since the report but that this needed to be maintained.

Certain aspects of the inquiry's recommendations had required that amendments be made to the GUU's constitution, and the Union had taken the opportunity also to update the wording of its constitution in other areas. Court noted details of the changes that were now proposed by the GUU's Board of Management. To be implemented, these amendments now required the approval of a Special General Meeting of GUU, which had been called for 28 April. Court agreed that if the constitutional amendments were approved by the Special General Meeting, they could also be approved by the Secretary of Court on Court's behalf.

*CRT/2013/42.3 Industrial Action*

Court had been advised through the HR Committee report that the University might soon face industrial action by UCU and EIS in the form of a boycott of exam marking. Negotiations were taking place on 16 April, with the opportunity then for the national unions to consult with their membership before the planned commencement of the industrial action, on 28 April.

In the event of industrial action taking place, University managers would take all reasonable steps to ensure that examinations were marked, and that students were therefore able to progress as normal to their next year of study or, in the case of final-year students, to graduate. In common with other universities throughout the UK, the University would not accept partial performance by staff.

Court noted an update from Dave Anderson that the threat of action by UCU had been suspended for one week until 6 May, to allow a ballot of members to take place, following further discussions nationally between employers and the unions involved.

*CRT/2013/42.4 Socially Responsible Investment Policy*

At the last meeting, Court had approved the setting up of a group to consider representations submitted via the SRC for the University to divest from fossil fuel industry companies in accordance with the University's Policy on Socially Responsible Investment.

The working group involved two lay members of Court (Graeme Bissett and Murdoch MacLennan), one Senate assessor (Marie Freel), one SRC representative on Court (Donald Mackay) and the Secretary of Court.

The group would report to the June Court meeting.

*CRT/2013/42.5 Rectorial Election*

The Rectorial nominations had been: Alan Bissett; Kelvin Holdsworth; Graeme Obree; Edward Snowden.

Edward Snowden had been elected following a ballot held over 17/18 February. There would be a ceremony to mark his installation as Rector on Wednesday 23 April 2014 at 11.00am in the Bute Hall.

*CRT/2013/42.6 Nominations Committee Business*

Following approval by the Nominations Committee and consultation with the Audit Committee members, Dr Paul Brady had been appointed as chair of the Audit Committee from 1 August 2014 to 31 July 2015, succeeding Kevin Sweeney.

*CRT/2013/42.7 Appointments of Heads of School*

Court noted the following appointments:

College of Science & Engineering

*School of Chemistry*

Professor Stephen Clark had been re-appointed as Head of the School of Chemistry for 2 years from 1 August 2014.

*School of Computing Science*

Professor Chris Johnson had been appointed as Head of the School of Computing Science for 4 years from 1 August 2014.

*School of Engineering*

Professor John Marsh had been re-appointed as Head of the School of Engineering for 2 years from 1 August 2014.

*School of Mathematics & Statistics*

Professor Adrian Bowman had been appointed as Head of the School of Mathematics & Statistics for 4 years from 1 August 2014.

College of MVLS

*School of Life Sciences*

Dr Rob Aitken had been re-appointed as Head of the School of Life Sciences for 2 years from 1 August 2014.

College of Social Sciences

*School of Interdisciplinary Studies*

Dr Carol Hill had been appointed as Head of the School of Interdisciplinary Studies for 4 years from 1 August 2014.

*CRT/2013/42.7 Scottish Funding Council – Strategic Dialogue*

Court noted the SFC's report on the strategic dialogue visit to the University on 7 February. The SFC had found it an open and informative meeting enabling the Council to gain a better understanding of the University, particularly in relation to the chosen discussion topics: Widening Participation, Knowledge Exchange and Estates. The University had used the opportunity to highlight some of its recent achievements in relation to access and KE and had given a presentation on its plans to develop the estate.

**CRT/2013/43. Reports of Court Committees**

*CRT/2013/43.1 Estates Committee*

*CRT/2013/43.1.1 Campus Development Framework*

Court noted and endorsed Estates Committee's approval of the Campus Development Framework. Court agreed to the establishment of a working group to provide guidance to this process, with the Convener to liaise with David Newall and colleagues on Court about the composition.

*CRT/2013/43.1.2 Estates Strategy*

Court noted progress made on the Estates Strategy and its associated work streams.

*CRT/2013/43.1.3 CapEx Applications*

Court noted that Estates Committee had approved CapEx applications relating to: Annual Laboratory and Lecture Theatre Refurbishment Programme £1,194,819; and McCall Building Window Replacement £300k.

*CRT/2013/43.2 Finance Committee*

*CRT/2013/43.2.1 CapEx applications*

Court noted that Finance Committee had approved CapEx applications relating to: Annual Laboratory and Lecture Theatre Refurbishment Programme £1,194,819 (from the £1.5m identified in the 2013/14 Capital Plan to fund teaching space refurbishments); and McCall Building Window Replacement £300k.

*CRT/2013/43.2.2 Finance Key Performance Indicators*

Court noted a report on Finance Key Performance Indicators.

*CRT/2013/43.2.3 Investment Managers Report as at 28 February 2014*

Court noted Endowment Investment Reports.

*CRT/2013/43.2.4 Bank Tender*

Finance Committee had confirmed its decision to initiate a tender process for the University's banking services.

*CRT/2013/43.2.5 Financial reports*

Court noted an Endowment Investment Report and an Overview of Performance as at 28 February 2014.

*CRT/2013/43.3 Audit Committee*

The Committee had received an update on the pensions schemes; reports on recent internal audits of risk management and purchase-to-pay; update reports on actions against recommendations from prior internal audits; and a briefing on the University's heritage assets. It had also approved the internal audit plan setting out the schedule of areas to undergo audit, the plan having been drafted by the recently-appointed internal auditors and based on a full risk assessment of the University's activities. The University's risk register and recent updates to it has been noted.

The report was noted.

*CRT/2013/43.4 Human Resources Committee*

The HR Director had provided an update to the HR Committee regarding: ongoing industrial action and potential marking boycott with effect from 28 April; 2014/15 pay negotiations; arrangements for single table consultation/negotiation with campus recognised trade unions; the 2014 University Staff Survey; recent senior appointments to the University and HR Department; the roll out of the 'People & Organisational Development Strategy'; and the merger of the Organisational Development Framework 2012-14 with the Strategy. The Committee had received an update from an equality and diversity perspective on the progress

of the Athena Swan bronze award action plans.

The Committee had received presentations from the Director of Finance providing an overview of current pension provisions and associated financial challenges; the HR Director providing an update on Maximising Academic Performance & Career Development (MAPCD) and from Professor Neal Juster with regard to KPI progress reports and the anticipated programme for determining the next strategic planning cycle to follow Glasgow 2020. Court noted that criteria for career progression for University Teachers would be reviewed.

The report was noted.

*CRT/2013/43.5 Health, Safety & Wellbeing Committee*

The Committee had received an occupational health report, and approved a policy covering staff who are exposed to vibration at work. The Committee had also received the Health, Safety & Wellbeing Annual Report. It had discussed mechanisms for staff to raise health and safety issues within the institution.

The report was noted.

**CRT/2013/44. Any Other Business**

Court agreed that a working group would be convened over the summer to look at communication, in the context of the Scottish Code of Good HE Governance.

**CRT/2013/45. Date of Next Meeting**

An EGM will be held 2 May 2014 at 1000 in the Yudowitz Lecture Theatre, Wolfson Medical Building.

The next ordinary meeting of the Court will be held on Wednesday 25 June 2014 at 2pm in the Senate Room.