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Court

Minute of Meeting held on Wednesday 17 December 2014 in the Senate Room

Present:

Mr Dave Anderson Employee Representative, Mr David Anderson General Council Assessor, Professor George Baillie Senate Assessor, Mr Graeme Bissett Co-opted Member, Mr Ken Brown Co-opted Member, Ms Heather Cousins Co-opted Member, Ms Jacqui Dowd (attending for Ms Margaret Anne McParland Employee Representative), Professor Christine Forde Senate Assessor, Dr Carl Goodyear Senate Assessor, Mr Marvin Karrasch SRC Assessor, Professor Karen Lury Senate Assessor, Mr Brian McBride General Council Assessor, Dr Morag Macdonald Simpson General Council Assessor, Mr Murdoch MacLennan Chancellor's Representative, Ms Margaret Morton Co-opted Member, Professor Anton Muscatelli Principal, Ms Breffni O'Connor SRC President, Mr David Ross General Council Assessor (Convener of Court), Dr Duncan Ross Senate Assessor, Dr Donald Spaeth Senate Assessor, Ms Lesley Sutherland General Council Assessor, Professor Paul Younger Senate Assessor

In attendance:

Professor Anne Anderson (Head of College of Social Sciences and Vice-Principal), Ms Ann Allen (Director of Estates & Buildings), Ms Christine Barr (Director of Human Resources), Professor John Briggs (Clerk of Senate), Professor James Conroy (Vice-Principal Internationalisation), Professor Jon Cooper (Vice-Principal Innovation & Knowledge Exchange), Professor Anna Dominiczak (Head of College of Medical, Veterinary and Life Sciences and Vice-Principal), Professor David Fearn (Acting Head of College of Science & Engineering 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 Miles Padgett (Vice-Principal Research), Professor Murray Pittock (Head of College of Arts and Vice-Principal),

Apologies:

Members: Cllr Pauline McKeever Glasgow City Council Representative, Ms Margaret Anne McParland Employee Representative, Mr David Milloy Co-opted Member

Attenders: Professor Frank Coton (Vice-Principal Learning & Teaching)

CRT/2014/12. Announcements

Court welcomed George Baillie, Carl Goodyear and Paul Younger (Senate Assessors), and Marvin Karrasch (SRC Assessor) to the Court meeting.

David Fearn and Murray Pittock were attending their final meeting of Court. Court thanked them for their contributions to Court and wished them well in the future.

CRT/2014/13. Minutes of the meetings held on Tuesday 30 September and Wednesday 8 October 2014

The minutes were approved.

CRT/2014/14. Matters Arising

There were no matters arising.

CRT/2014/15. Report from the Principal

CRT/2014/15.1 Vice Principal Appointments

The matter had been taken at the beginning of the meeting, in the absence of the Court attenders. Professor Anne Anderson and Professor Anna Dominiczak had been reappointed for 5 years as Vice Principals and Heads of College for, respectively, the College of Social Sciences and the College of Medical, Veterinary and Life Sciences, in both cases from 1 August 2015.

CRT/2014/15.2 Universities Superannuation Scheme USS

At the last meeting, Court had been updated on the dialogue between UUK and the Joint Negotiating Committee, which had taken place over the summer of 2014, as well as on discussions between UUK and UCU. A possible solution to funding the deficit had been a hybrid scheme, involving a defined benefit component for all staff up to a salary threshold which would aim to protect lower earning staff, and a defined contribution component for more highly paid staff. Employers had advised the discussions that affordability was key to the viability of the scheme, and that there needed to be flexibility in the event that yields on investments improved or worsened.

Since the last meeting of Court, the USS trustees had been consulting on the technical assumptions behind the scheme valuation. There had also been continuing discussions, through the Joint Negotiating Committee of USS, between the employers and UCU, with good progress made towards what all parties hoped would be a negotiated settlement.

CRT 2014/15.3 Research Excellence Framework (REF)

The REF results would be announced in the period 16/17/18 December. Professor Miles Padgett, Vice Principal Research, provided a brief summary on very early details that were available.

Court recorded its thanks to all those involved across the Colleges and in the Research Offices, including former Vice-Principal for Research, Steve Beaumont, for their work in relation to the REF. More details on the outcome would be available to the University community during December, and Court would be briefed more fully at its February 2015 meeting.

CRT/2014/15.4 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/2014/6. Report from the Secretary of Court

CRT/2014/6.1 Consultation Paper on Higher Education Governance Bill

The Consultation paper on a possible Higher Education Governance Bill had been issued in early November. With Court members' agreement, the Court Governance Working Group - Dave Anderson, David Anderson, Ken Brown, Margaret Morton, Breffni O'Connor, David Ross and Duncan Ross - had met to prepare an early draft response for discussion at Court.

Court welcomed the governance group's paper and supported its recommendations on the key points to be included in a response to the Scottish Government's consultation. This covered the following areas: the Role of the Privy Council; Academic Freedom; the Role and job title of the Principal; the Method of selection of the Chair of the governing body; Membership of the governing body; and the Composition of Academic Boards. The governance group had identified two matters which it felt required discussion by Court. Firstly, the question of whether the position of Chair should be remunerated, on which point Court was not in favour. Secondly, the question of how to promote equality in the membership of governing bodies, and in particular on whether to support gender quotas. While views of individual members were mixed on the merits of gender quotas, Court agreed that its response to the consultation should recognise the challenges involved and record its support of a commitment to achieving parity, while noting that with respect to many constituencies, it could not compel them to achieve gender equality. Court also agreed that it would revisit the matter during the current session, the discussion to include methods of attracting a wider pool of applicants for Court posts and how forthcoming guidance from the Committee of Scottish Chairs might assist the process.

The working group would agree the full text of the response, which would be shared with Court members ahead of being submitted.

Court noted that the Council of Senate would also submit a response to the consultation.

CRT/2014/6.2 Ordinance on Composition of Court

At the October meeting, Court had agreed that Ordinance 206 be withdrawn, and that a new Ordinance should be taken forward, which would address the concerns raised by the Lord Advocate's Office. It had also asked that a draft new Ordinance should be sent to the Privy Council for advice before Court consulted on the new Ordinance; and that, subject to having received feedback from the Privy Council, Court should then decide at its December meeting to initiate the statutory consultation process.

Court agreed to initiate the consultation on the draft Ordinance relating to the composition of Court. Feedback from the consultation would be provided to Court at the February 2015 meeting. The statutory consultation period was extended given the Christmas/New Year break.

Lesley Sutherland recorded concerns about the proposed reduction in the number of General Council Assessors, which she considered would reduce the contribution of the General Council as a recognised stakeholder. The Convener indicated that the General Council Business Committee might be invited to suggest alternative ways of meeting the Court's agreed objective in the draft Ordinance i.e. to modernise the configuration of the University Court membership in line with good governance practice.

CRT/2014/6.3 HE Governance Code

Since the Scottish Code of Good HE Governance had been published in July 2013, Court had

taken several steps to amend its practice in order to follow the guidance contained within the Code. Two matters remained to be addressed:

1. Court was expected to appoint an 'Intermediary' from among its lay members, whom other members might approach should they wish to raise concerns about the conduct of the governing body or the chair. The intermediary would also be responsible for appraising the chair's performance, having consulted with members of Court. Nominations Committee had considered this matter, and had recommended to Court that Murdoch MacLennan should be asked to take on the role of Intermediary. Court approved the recommendation.

2. The Code required an annual self-assessment by each governing body of its effectiveness, in addition to the externally-facilitated effectiveness review that should take place every 5 years. It was proposed that a questionnaire be circulated to members in the New Year 2015, to enable Court to provide feedback on its performance. It was suggested also that the governance working group might meet in March each year to consider the outcomes of the annual effectiveness review and also, with reference to the Code, to ensure that the University was addressing all its responsibilities in terms of good governance. The working group would report on this to April Court. Court agreed to proceed in this way

CRT/2014/6.4 Court Procedural Review Group

In April 2013, Court had approved a revised Management of Organisational Change/Redundancy Policy and Procedure. Under the policy, proposals within "Tier 2" were considered by the Court Procedural Review Group, which could make recommendations about whether the proposal should be discussed further by Court (on strategic and/or key reputational grounds, or for other exceptional reasons) prior to initial sign-off, or whether the issue should remain in the management sphere.

The Court Procedural Review Group (CPRG), comprising Ken Brown, Don Spaeth and Morag Macdonald Simpson, had met to consider a proposal for staff restructuring relating to Transforming Research Management (TRM). The group had concluded that:

1. the changes outlined in relation to the TRM project fitted within Tier 2 of the Management of Organisational Change Policy.
2. there was no cause for Court to further discuss this matter and the group recommended to Court that the project should remain in the management sphere.
3. The group had further recommended that management be asked to formally update the CPRG prior to any decision being taken to implement any compulsory redundancies if it was felt by management that these could not be avoided.

Court approved the CPRG's recommendations.

CRT/2014/6.5 GU Holdings Ltd

GU Holdings Ltd was the University's investment company for subsidiary and spin-out company activity. New arrangements were being proposed for the operation of GUHL, covering the visibility of decision-making and the appointment of Directors. Court asked that the proposals should be considered afresh in the light of concerns regarding the expertise required of Board members. For the time being, it was agreed that the current Directors should remain in place, but that Professor Neal Juster should be asked, in an interim capacity, to assume chairmanship of the Board

CRT/2014/6.6 Socially Responsible Investment Policy

The issue of fossil fuel disinvestment would come back to Court in February 2015, with advice on the possible financial impact that a policy of disinvestment would have on the University's investment returns and on its academic and philanthropic income. In the meantime, legal advice had been received on the matter of trustees' ability to disinvest in the way proposed in relation to fossil fuels, in the context of fiduciary duties to beneficiaries.

CRT/2014/6.7 Conflict Minerals

The SRC had supported a motion relating to the Conflict Free Campus Initiative, by calling on the University to make the reduction of the use of conflict minerals a priority in its procurement policy. The issue did not come within the scope of Court's Socially Responsible Investment Policy. Court had however agreed to ask a working group to consider the matter. The group would have professional advice on procurement and would comprise: two lay members, one Senate Assessor, one SRC representative, the Secretary of Court and the Head of Procurement.

A proposed remit for the Conflict Minerals Group, which sought to address concerns expressed in relation to fossil fuel disinvestment, and relating to the need to consult University staff who might be affected, was approved by Court subject to some minor amendments, and with a recognition that the issue raised in relation to Conflict Minerals was not one of Socially Responsible Investment, but that it had some similarities. If the working group for the Conflict Minerals issue were to recommend a change in the University's current approach, Court would ensure that, before it made its decision, input was then sought from any areas of the University that might be affected by the change.

Court agreed that the remit might also be used in future as a template for any future working group on Socially Responsible Investment.

CRT/2014/6.8 Nominations Committee Business

The Nominations Committee had met and agreed that recruitment to 'external' lay vacancies on the Audit, HR and Remuneration Committees would be taken forward. Court approved a recommendation that Ms Susan Campbell be appointed to the HR Committee for 4 years from 1 January 2015.

Court approved a recommendation from the Nominations Committee that the following lay member of Court be appointed to Court Committee vacancies:

Audit Committee - Lesley Sutherland

HR Committee - Morag Macdonald Simpson

Nominations Committee - Heather Cousins, Brian McBride, Murdoch MacLennan.

CRT/2014/6.9 SRC Constitution

At a recent Council meeting, the SRC had approved some amendments to its constitution. The Secretary of Court had reviewed the proposed amendments, which were minor in nature, and had approved them on Court's behalf.

CRT/2014/6.10 Senate Assessors on Court

Professor Miles Padgett had demitted office following the May Court meeting, given his

appointment as Vice Principal. Over the summer, Professor Nicholas Jonsson had stepped down as Senate Assessor wef 1 September and Dr Marie Freel had stepped down in early November following her appointment to a post outside the University.

Senate had appointed three Assessors to replace the above; these were (respectively):
Professor Paul Younger, School of Engineering
Professor George Baillie, Institute of Cardiovascular and Medical Sciences
Dr Carl Goodyear, Institute of Infection, Immunity and Inflammation
All were appointed to July 2018.

The Assessors would also serve on the Estates Committee, HR Committee and Finance Committee, respectively.

CRT/2014/6.11 SRC Assessor on Court

Marvin Karrasch had been appointed as SRC Assessor on Court until 31 October 2015, replacing Donald Mackay.

CRT/2014/6.12 James Wards Cusator Committee

The committee administered a fund established in 1981 with a donation of £200,000 by the parents of the late James Cusator Wards, a BAcc graduate. The fund was used for promoting research in accounting and finance at the University. Heather Cousins had been appointed to chair the committee in succession to Michael Scott Morton.

CRT/2014/17. Reports of Court Committees

CRT/2014/17.1 Finance Committee

CRT/2014/17.1.1 University Financial Statements as at 31 July 2014

The Director of Finance, Robert Fraser, gave a presentation on the University's financial statements for the year to 31 July 2014.

There was a final operating surplus for 2013/14 of £20.8m (£20.6m after exceptional items), £16.8m ahead of the original budgeted surplus. The movement in surplus reflected: staff savings of £5.9m, increased income of £13.9m, a £9.1m increase in consumables costs, and movements in endowments, pensions accounting and subsidiaries totalling £3.9m. The historical cost surplus had increased by £10.4m in the year to £23.8m. At year end, cash and deposits totalled £163.4m, an increase of £10.9m in the year. The increase was mainly due to operating cashflows.

Capital expenditure for 2013/14 was £48.8m, an increase of £21.6m compared to 2012/13. The increase was largely due to investment in the South Glasgow University Hospital and the Centre for Virus Research.

The net pension liability for the University of Glasgow Pension Scheme and Strathclyde Pension Fund had decreased by £21.9m. The University had made an initial deficit reduction contribution of £30.0m. The pension liability stood at £37.7m. Court heard that the actuarial valuation affected this outturn to a large degree.

Court received details of assumptions associated with the sustainability model being developed in relation to budgets for forthcoming years, which included costs and borrowing associated with the development of the Western Infirmary site and wider campus. There

were particular sensitivities connected to overseas fees and salary costs, with further analysis and review of the model being undertaken, including the cash flow required to service debt associated with the campus development, ahead of a more detailed financial plan being presented to Court in February 2015.

Court approved the University Financial Statements for the year to 31 July 2014. Court thanked Robert Fraser and his team for their work.

CRT/2014/17.1.2 Universities Subsidiaries and Trust Financial Statements as at 31 July 2014

Court noted the financial statements of the subsidiary companies and Trust, which had been approved by the respective boards and trustees.

CRT/2014/17.1.3 US GAAP

Court noted that the Finance Committee had received consolidated financial statements prepared in accordance with the United States Generally Accepted Accounting Principles (US GAAP) as required by the US Department for Higher Education. Court was not required to receive the US GAAP accounts for approval and there was no requirement for representatives of the University to sign the US GAAP accounts.

CRT/2014/7.1.4 Capex applications

The Finance Committee had approved capital expenditure relating to additional funding of no more than £1.625m to accommodate an overspend on the Centre for Virus Research (CVR) construction works; to the Learning & Teaching Hub where £2,225,688 of funding had been approved to allow for detailed surveys and design to be undertaken on the project, and a further application would be made for the construction costs of the full project on completion of the necessary survey and feasibility work; and to the Quantum Technology Hub where £4.1m of funding had been approved

CRT/2014/7.1.5 Clydesdale Bank Facilities Letter

Finance Committee had noted the Clydesdale Bank Facilities Letter, setting out provision of the services which would be in place until such time as the transfer of the University's banking to HSBC was complete.

CRT/2014/17.1.6 Endowments Investment Reports

Court noted endowments investment reports

CRT/2014/17.1.7 Update on HSBC operational banking/new accounts

Finance Committee had noted that the changeover from Clydesdale Bank to HSBC was in train, with a review of the University's accounts underway in order to inform decisions on the new accounts which would require to be opened. Finance Committee would be asked to note the new accounts in due course.

CRT/2014/17.1.3 Financial reports

Court noted an Overview of Performance and a debtors report as at 30 September 2014.

The report was noted.

CRT/2014/17.2 Audit Committee

At its last meeting, the Committee had received the 2013/14 financial statements for the University and subsidiaries, together with the external auditors' report and the draft management representations. The Committee had also received the annual report from the internal auditors. The Committee had been updated about USS and about the Estate Strategy development. It had received a paper on the structure of the University's operation in Singapore. The Committee had received reports on audit reviews of the University's Consultancy Policy and of Capital Investment Projects.

The report was noted.

Court noted the annual report of the Committee, which had concluded 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. In the coming year, the Committee would maintain a strong interest in the Estate strategy particularly in relation to risk, governance and affordability.

CRT/2014/17.3 Human Resources Committee

The HR Director had provided an update to the Committee highlighting a number of substantive areas including the outcome of the recent UCU ballot with regard to the proposed changes to USS and the industrial action short of a strike in the form of a marking and assessment boycott effective from 6 November 2014 (but which was currently suspended); the year's Performance & Development Review process; an overview of a recent Employment Appeal Tribunal ruling relating to Holiday Pay and Overtime; and the soon to be launched University Services Leadership Development Programme. The Committee received presentations, on the HR Excellence in Research Award and on the Academic Workload Modelling project. The Committee had also received an update on Policy matters, specifically the Extended Workforce Policy which updated the existing Atypical and zero hours arrangements. The Management of Organisational Change Policy had also been discussed by the Committee, concurring with the view of the Policy Review Group and JCCN that a full review was not appropriate at the current time and should be considered at a point when the arrangements had been further tested. Court noted that the review would be delayed for this reason.

The report was noted also noted a Human Resources Data Analytics & Benchmark Measures Trend Analysis, including headline messages from the 2014 staff survey, further details of which would be provided at the February 2015 meeting. It was noted that management of sickness absence was being taken forward at local level, and better data was being developed in this area. Court noted a comment from Don Spaeth with regard to some disjunction between P&DR outcomes and the staff survey.

Court noted that refinement of KPIs in the HR area was work in progress, on which Court would receive details at a future meeting.

CRT/2014/17.4 Estates Committee

CRT/2014/17.4.1 Estates Strategy

Court noted progress made on the Estates Strategy.

CRT/2014/17.4.2 CapEx Applications

Court noted and endorsed Estates Committee's approval of CapEx applications in respect of: The Centre for Virus Research (Overspend) in the sum of £1.626m (inc VAT); the Teaching and Learning Hub (Design Fees) in the sum of £2.226m (inc VAT); James Watt Nanofabrication Centre Expansion and Quantum Hub in the sum of £457k.

The report was noted.

CRT/2014/7.5 Remuneration Committee

The matter had been taken at the beginning of the meeting, in the absence of the Court attenders with the exception of the clerk and the Director of HR, Christine Barr.

The report was noted, including details of the Committee's annual review of the salaries of the Professoriate and of members of the Senior Management Group. The latter had been informed by salary information relating to Russell Group competitors, but was also based on P&DR outcomes. Court noted comments from some members about: the consolidation of SMG salary uplifts, contrasting this with the existing requirement for Professorial salary uplifts to be awarded for 3 consecutive years before they were consolidated; and about the need for parity in the moderation process between members of the Professoriate and SMG, although it was also noted that moderation did occur within the Remuneration Committee process. Court noted that HR was drawing up further guidance for the Committee in relation to the annual review of salaries that it undertook, and that these details would come to Court in due course by way of a proposed revised remit for the Committee.

CRT/2014/18. Communications from Meeting of Council of Senate held on 11 December 2014

The report was noted. Council of Senate had received updates on: the constitution of and appointments to the Business Committee of the Council; the staff survey; the Estate Strategy; and acceptances of invitations to receive honorary degrees. Council of Senate had considered a draft response, from the Business Committee, on the Consultation on the HE Governance Bill.

CRT/2014/19. Annual Report on the University's Complaints Procedure 2013/14

Court noted the report, which reflected complaints activity during academic session 2013-14 up to 31 July 2014 and a review of the University's new Complaints Procedure, which had been introduced in 2013.

CRT/2014/20. Any Other Business

There was no other business.

CRT/2014/21. Date of Next Meeting

The next meeting of the Court will be held on Tuesday 24 February 2015 at 2pm in the Senate Room.