

**WEB COPY**

## **Court**

### **Minute of Meeting held on Wednesday 16 December 2015 in the Senate Room**

**Present:**

Mr Dave Anderson Employee Representative, Professor George Baillie Senate Assessor, Mr Graeme Bissett Co-opted Member, Mr Ken Brown Co-opted Member, Ms Heather Cousins Co-opted Member, Ms Morag Deans SRC Assessor, Professor Lindsay Farmer Senate Assessor, Dr Carl Goodyear Senate Assessor, Professor Karen Lury Senate Assessor, Mr Liam King SRC President, Mr Brian McBride General Council Assessor, Dr Morag Macdonald Simpson General Council Assessor, Mr Murdoch MacLennan Chancellor's Assessor, Ms Margaret Anne McParland Employee Representative, Mr Ronnie Mercer Co-opted Member, Ms June Milligan Co-opted Member, Ms Margaret Morton Co-opted Member, Professor Anton Muscatelli Principal, Mr David Ross General Council Assessor (Convener of Court), Dr Duncan Ross Senate Assessor, Ms Lesley Sutherland General Council Assessor, Professor Paul Younger Senate Assessor

**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 John Briggs (Clerk of Senate), Professor Muffy Calder (Head of College of Science & Engineering and Vice-Principal), Professor James Conroy (Vice-Principal Internationalisation), Professor Frank Coton (Vice Principal Academic and Educational Innovation), 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 Roibeard O Maolalaigh (Head of College of Arts and Vice-Principal)

**Apologies:**

**Members:** Mr David Milloy Co-opted Member, Cllr Pauline McKeever Glasgow City Council Representative

**Attendees:** Professor Jon Cooper (Vice-Principal Innovation & Knowledge Exchange), Professor Miles Padgett (Vice-Principal Research)

#### **CRT/2015/12. Announcements**

Morag Deans SRC Assessor, Lindsay Farmer Senate Assessor, and Ronnie Mercer and June Milligan Co-opted members, were welcomed to their first meeting. Elizabeth Passey, Convener of Court from 1 August 2016, was welcomed as an observer. George Baillie, Senate Assessor, was attending his final meeting. Court thanked him for his contributions to Court and wished him well in the future.

**CRT/2015/13. Minutes of the meetings held on Monday 30 September and Wednesday 7 October 2015**

The minutes were approved.

#### **CRT/2015/14. Matters Arising**

There were no matters arising.

#### **CRT/2015/15. Report from the Principal**

##### *CRT 2015/15.1 Comprehensive Spending Review/University Funding.*

The government had published a joint Spending Review and Autumn Statement on 25 November 2015. Universities UK had made a submission to the government ahead of the CSR, setting out: i) how universities contributed to the UK's economy by meeting skills needs, undertaking world-leading research, driving innovation and supporting growth; ii) how the sector would ensure that public funding was spent as effectively and efficiently as possible - including an efficiency agenda, responsive and strategic financial management, and a framework to support excellence and innovation in teaching; and iii) specific proposals for the CSR, around each element of public funding for university teaching, research and innovation.

Court's attention was drawn to the recently-published *Inspiring Economic Impact* brochure, which had been developed by the University in relation to activity at Glasgow.

The Chancellor had asked all but a few departments to find very substantial cost savings. The Department for Business, Innovation and Skills (BIS) would see its overall budget drop by 17%. However, within this, the Chancellor had reiterated his support for science and had announced that, in this Parliament, the budget for science would be protected in real terms and rise to £4.7bn – to include a £1.5bn new Global Challenges Fund. The science budget supplied the public funding for the seven Research Councils, which operated across the UK, providing research grants on a competitive basis.

The Chancellor had also advised that the government would implement the Royal Society president Paul Nurse's recommendations following his independent review of the Research Councils and, subject to legislation, would introduce a new body (Research UK), which would work across the Councils. Court noted that it had also recently been announced that there would also be a review of the operation of the REF, chaired by Lord Stern. The Principal had been appointed as a member of the review group.

The 2016/17 Scottish Budget announcement, which would include details of Scottish HE funding, was expected imminently. The Principal would provide a summary to Court as soon as possible after the meeting. The Scottish HE sector had been active in promoting to the Government the sector's strong contributions to the Scottish economy; the sector has also re-articulated concerns about aspects of the Higher Education Governance (Scotland) Bill, including the possibility of reclassification of institutions as public bodies by the Office for National Statistics.

##### *CRT 2015/15.2 Major Science-based initiatives.*

Court noted updates on: the Precision Medicine Catapult, the new University of Glasgow-led

Clinical Imaging Centre of Excellence (ICE), based at the Queen Elizabeth University Hospital, and the Quantum Technology Hub.

*CRT/2015/15.3 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/2015/16. Report from the Secretary of Court**

*CRT/2015/16.1 Higher Education Governance (Scotland) Bill*

As previously advised to Court, publication of the HE Governance (Scotland) Bill had been in June. The Bill was continuing its passage through the Scottish Parliament, and meanwhile Universities Scotland and the Committee of Scottish Chairs, led by David Ross, had had discussions on the Bill with the Cabinet Secretary and her advisers. The focus of these discussions had been on areas where the sector had previously expressed concerns, including Ministerial involvement in governing institutions, the potential for reclassification of institutions as public bodies by the Office for National Statistics, the composition of governing bodies and of Senates/academic boards, the mechanism for election of Convener/Chair, and the respective roles of Convener and Rector.

The Scottish Parliament would issue a report on the Stage 1 parliamentary review of the Bill, and if amendments were to be made to the Bill, the nature of these would probably become known in early February 2016.

Court would continue to be kept informed.

*CRT/2015/16.2 Estate Strategy: Court Working Group*

Court noted a report of the most recent meeting of its Estates Strategy Working Group, where the focus had been on progress on the Learning and Teaching Building. Court also noted a timeline of key decision dates relating to 4 business cases for campus developments, for which it was intended to seek final Court approval in September 2016.

Professor Frank Coton briefed Court on the background to, and development of, the Learning and Teaching Building. The development would protect and enhance the student experience, secure capacity for future growth and bolster the University's competitive position. The building would act as a gateway to the extended campus, and was ideally positioned at the centre of the expanded Gilmorehill site. The key benefits would be: an improved student learning experience; facilitation of innovative approaches to delivery of teaching, with a physical environment that facilitated the evolution of the pedagogic model in terms of effectiveness and efficiency; and enhancing the student experience and satisfaction levels by provision of an innovative University Services model that managed the building effectively and was visible and accessible. This "service model" aspect of the project was critical, with good

practice having been analysed at various institutions, including some overseas. The Development Board, chaired by Professor Coton, was reporting to the Governance Board, which was supported by a number of external experts and was providing constructive challenge on aspects of the proposals. A significant amount of up-front testing of assumptions had taken place with regard to aspects such as the configuration of the spaces and facilities offered within the building.

Court noted that discussions were ongoing with the City Council in relation to Planning permissions connected to the Estate Strategy as a whole, including the Transport plan associated with the Campus Masterplan.

The next significant update to Court would be in April 2016, when approval would be sought for the Campus Masterplan and for the full business case for the Learning and Teaching Building. Ahead of that, the Working Group would meet again to consider further progress on the building, including financial details, set in the context of the overall Estate Strategy budget.

#### *CRT/2015/16.3 Nominations Committee business*

Since the last meeting, recruitment had taken place to a number of Court and Court Committee vacancies. A series of interviews had been held in October, for the following positions:

- Convener of Court, with Court having already approved the appointment of Ms Elizabeth Passey for 4 years from 1 August 2016, with an option of reappointment, at Court's discretion, for a second term of office. There would be the opportunity for shadowing David Ross ahead of that date, to include observing at a Court meeting or meetings and observing the main Committees.
- 2 Co-opted positions on Court. Court had since approved the appointment of Mr Ronnie Mercer and Ms June Milligan to these positions for 4 years from 17 October 2015.
- A Remuneration Committee external (non-Court) member. Court had since approved the appointment of Mr Dominic Cole-Morgan to this position, for four years from 1 December.
- An Audit Committee external (non-Court) member, to replace a member who had now demitted office. Court had since approved two appointments, of Mr Simon Bishop and Ms Lindsay Campbell, for 4 years from 1 November 2015

Court had also approved the appointment of Mr Rob Goward to a co-opted (non-Court) position on the HR Committee, for 4 years from 1 November 2015.

Court approved a recommendation from the Nominations Committee that Douglas Smith be appointed as an external (non-Court) member of the Estates Committee.

Interviews would be held shortly for 2 GU Holdings Ltd external members, further to Court's approval of revised Terms of Reference for this company; recommendations for appointment would follow.

#### *CRT/2015/16.4 Honorary Fellowships of the University*

Court approved nominations for the award of Honorary Fellowships to Professor Paul Bishop

and Dr Melvyn Pond.

*CRT/2015/16.5 Ordinance relating to Membership of the General Council*

At the last meeting, Court had agreed that an approach to the Privy Council could be made, to ask for an early view on the feasibility of making the Ordinance relating to General Council membership more flexible. This would be so as to generalise categories of membership associated with joint and validated degrees, so that they could cover any such joint awarding/validation arrangements in operation from time to time, rather than listing specific courses. This would mean that future requirements for amendments should be kept to a minimum. The Privy Council had indicated that this approach was possible. Further discussion would therefore take place with relevant parties, with a draft being brought to Court at a future meeting.

*CRT/2015/16.6 Senate Assessors on Court*

Professor Lindsay Farmer, School of Law, had been appointed as Senate Assessor until 31 July 2019, replacing Professor Christine Forde.

Professor George Baillie was demitting office as Senate Assessor on 31 December 2015. Senate had recently appointed Professor Nick Hill, School of Mathematics and Statistics, to replace him, for the period 1 January 2016 until 31 July 2019.

*CRT/2015/16.7 SRC Assessor on Court*

Morag Deans had been appointed as SRC Assessor on Court until 31 October 2016, replacing Marvin Karrasch.

*CRT/2015/16.8 Head of School Appointment*

College of Science & Engineering - School of Physics and Astronomy

Professor Martin Hendry had been reappointed as Head of the School of Physics and Astronomy, for 2 years from 1 August 2016.

*CRT/2015/16.9 Voluntary Severance*

Following recent publicity surrounding voluntary severance payments in the Scottish FE sector, practice at the University was clarified to Court. The voluntary severance policy had been approved by Court at its last meeting, on the recommendation of Remuneration Committee. It allowed that a Panel of senior executives (the Principal, the Senior Vice-Principal and the Secretary of Court) might authorise severance payments where they complied with the standard terms of the policy. A report was made to each meeting of Remuneration Committee on the number and cost of severances approved by the Panel between meetings of the Committee, and the Committee's minute recorded the number and cost of the cases approved.

Wherever any proposal for severance: a) would involve a payback period of more than one year; and/or b) would cost £100,000 or more; and/or c) was intended for a member of the Senior Management Group, the offer of severance might only be made following a decision by the Remuneration Committee itself. In these exceptional cases, the Remuneration Committee

minute would record the severance payment approved and the reasons why it had agreed to make an offer that departed from the standard terms.

Court would receive details via the Remuneration Committee when it reported to Court.

#### *CRT/2015/16.10 Cyber Security*

Court noted that along with many other institutions in the sector, the University had recently suffered a distributed denial of service (DDoS) attack, that had resulted in reduced connectivity and disruption for customers on the HE 'Janet' network. Various blocks and filtering had been put in place by JISC (the consortium operating Janet) to limit the impact of the disruption. Court noted that the University undertook regular IT penetration testing and would continue to do so.

### **CRT/2015/17. Reports of Court Committees**

#### *CRT/2015/17.1 Finance Committee*

##### *CRT/2015/17.1.1 University Financial Statements as at 31 July 2015*

The Director of Finance, Robert Fraser, gave a presentation on the University's financial statements for the year to 31 July 2015.

There was an operating surplus for 2014/15 of £45.5m, £39.8m ahead of the original budgeted surplus. The movement in surplus reflected: staff savings of £9.9m - an outcome that was unlikely to be repeated in 2015/16 as the salary budget now included an estimate of savings arising from voids; increased income of £3.6m; £15.9m net income relating to one-off Research & Development tax relief; a reduction of £6.4m in the FRS 17 pensions liability; and movements in endowments and subsidiaries totalling £2.3m. At year end, cash and deposits totalled £153.7m, a decrease of £9.6m in the year.

The Finance Director briefed the Committee on exceptional items, including the background to the Research & Development tax claim, explaining that this was a one-off benefit that could not be claimed again in future due to a change in the rules. The benefit had been fully accounted for across financial years. There was also a reference to loss on sale of assets, within the exceptional items, which had a zero net effect, and had arisen in the context of a transfer of funds via the University to the NHS in relation to the Queen Elizabeth University Hospital.

Capital expenditure for 2014/15 was £64.6m, an increase of £15.8m compared to 2013/14. The increase was largely due to investment in the Queen Elizabeth University Hospital, the Centre for Virus Research, and investment in the new Combined Heat and Power system.

The net pension liability for the University of Glasgow Pension Scheme and Strathclyde Pension Fund had increased by £12.1m. The University had made a deficit reduction contribution of £2.5m in line with the agreed deficit reduction plan. Further volatility was expected with respect to pensions figures in the coming year; this was due largely to likely movements in gilt rates and inflation. Court noted that the triennial revaluation of the University's Pension Scheme was due in 2016, at which point assumptions would be reviewed, with the Trustees' involvement. Court also noted that the ultimate arbiter in the

matter was the UK Pensions Regulator, therefore the University's control over the matter was limited.

Court approved the University Financial Statements for the year to 31 July 2015. Court thanked Robert Fraser and his team for their work.

*CRT/2015/17.1.2 Universities Subsidiaries and Trust Financial Statements as at 31 July 2015*

Court approved the financial statements of the subsidiaries and the Trust, which had also been approved where applicable by the respective boards and trustees.

Court noted that the position of Kelvin Nanotechnology Ltd would be kept under review, the company having posted a loss in the past financial year. The company had received additional funds to assist expansion, with the aim of improving long-term performance.

*CRT/2015/17.1.3 CapEx applications and programme of capital works*

Court noted a report outlining steps taken by University management to eliminate tender underestimates and later cost overruns on capital projects.

*CRT/2015/17.1.4 Endowment Investment Report*

Court noted an endowment investment report as at 30 September 2015.

*CRT/2015/17.1.5 Financial reports*

Court noted an overview of performance as at 30 September 2015.

The report was noted.

*CRT/2015/17.2 Audit Committee*

Court noted the annual report of the Audit Committee, which was provided as a matter of good governance, and included its assessment of the adequacy of the University's systems of internal control. The Committee was of the view that for the year past, generally there were adequate levels of internal control. The report also contained a request for Court's views on the proposed areas for internal audit and scrutiny in 2015/16, and for Court's suggestions about other areas of University activity that might be audited. Members were asked to contact Heather Cousins if they had views or suggestions.

With regard to references in the Committee papers to improvements being required in Project Management, it was noted that these had related to specific projects, rather than to a systematic problem. With regard to audit of MyCampus, David Newall would discuss the matter with the chair of the Committee, Paul Brady, to ensure that the previously agreed remit to include staff and student experience of the system was covered. With regard to references to health

and safety recommendations, Court heard that the audit's findings had been focused on overseas travel, not on University health and safety matters in general, with specific recommendations about those travelling overseas having a point of contact with the University and about robust risk assessment being undertaken before travel was approved.

Court noted that the University's methods and processes for articulating and managing strategic risk would be refined in the current session, with the role of both the Audit Committee and Court in this area to be reviewed. This would ensure that the balance between oversight of, and more active involvement in, Risk Management was appropriate. The Audit Committee would examine the matter in the first instance and report to the April 2016 meeting of Court, where members would have the opportunity to agree the level of input with which they were content. Court members would contact Mr Newall in the meantime if they had comments.

At its most recent meeting, the Committee had received the 2014/15 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 of the internal auditors, which had concluded that risk management, internal control and governance arrangements in relation to business critical areas were generally satisfactory, but that there were some areas of weakness in this framework, that required improvement. The Committee had further received reports on audit reviews of Treasury Management, Intellectual Property (licensing), the Procurement Process, and Project Management (Combined Heat & Power CHP). The minutes were noted.

#### *CRT/2015/17.3 Human Resources Committee*

The Committee had received an update on the National Pay negotiations, the year's Performance & Development Review process, the University's application for accreditation as a Living Wage employer, and initiatives underway to review the effectiveness of the recruitment processes. The Committee had received briefings on the HR function and the strategic challenges within their people agenda, and on the introduction of the Workload modelling tool within a number of pilot Schools and Research Institutes.

Court was advised that UCU had requested a Court member to join the Joint Committee of Consultation and Negotiation (JCCN), which was currently comprised of 4 union and 4 management representatives, plus an external chair. Mr Newall would revert to Court with further details at the next meeting.

The Committee had also received an update of key HR data, which paper was included for Court's information. There had been discussion under this item on the work being done to support career progression for women at the University and the efforts being made to effectively manage the equal pay agenda. With regard to figures on sickness absence, Court heard that the levels of absence in the Operational job family were being monitored, and that absences through stress were similarly being kept under review, with the health and welfare strand of the Empowering People programme, arising from the new Strategic Plan, taking steps to address this matter. With regard to a concern expressed about the length of time that the P&DR process took annually, Court noted that SMG would consider whether steps might be taken to make the process less onerous, and to place more emphasis on development. Court was made aware of some concerns about the 'norm-referenced distribution' approach to P&DR assessments, in particular the budget-driven nature of this.

The report was noted.

*CRT/2015/17.4 Estates Committee*

*CRT/2015/17.4.1 Estate Strategy and Capital Programme*

Court noted the progress made in respect of the Estate Strategy, and of the Learning and Teaching Building and Research Hub.

*CRT/2015/17.4.2 CapEx applications*

Court noted and endorsed Estates Committee's approval of a CapEx application in respect of: Library Levels 1 and 2 in the additional sum of £710k.

The report was noted.

*CRT/2015/17.5 Remuneration Committee*

The Principal and all members of senior management, with the exception of Christine Barr, left the meeting for this item.

The approach to the annual review of senior management pay, linked to the relevant individuals' performance and development review, had been agreed by Court at its September EGM. Court heard that there was a budget for the pay review, and that it has been applied proportionately in the same way as the senior professoriate review. Court noted that the national pay award was not given to these categories of staff. It was agreed that Court would be provided with anonymised information on the spread of ratings applied to senior management in 2015, and that for the 2016 report to Court, an explanation would be provided were the spread of ratings to deviate from the norm applied to University staff as a whole.

The report was noted.

**CRT/2015/18. Communications from Meeting of Council of Senate held on 10 December 2015**

Council of Senate had received updates on the Estates Masterplan and Capital Projects; on the development of the Learning and Teaching Building; on the 'Empowering People' workstream of the University Strategy; and, further to the Organisational Change proposal for the Centre for Open Studies received by Council of Senate at its meeting in June 2015, on developments relating to the delivery of the Centre's Access Programme, supporting the research activities of existing research and teaching staff, marketing the Centre's courses, and reshaping its community education provision.

The Clerk of Senate had reported on acceptances for receipt of Honorary Degrees in 2016.

The Communications from the Council of Senate were noted.

**CRT/2015/19. Annual report on the University's Complaints Procedure 2014/15**

Court noted the annual report on complaints activity during academic session 2014-15 up to 31

July 2015.

**CRT/2015/20. Enhancement-led Institutional Review (Year-on Response)**

Court was reminded that the University had undergone its Enhancement-led Institutional Review by the Quality Assurance Agency (QAA) in 2014. The Scottish Funding Council (SFC) required that, one year after the date the ELIR reports were published, universities submit to QAA a year-on response to the report. The SFC also required that the institutional response be approved by the Governing Body.

Court noted that, as with the 2010 ELIR, the handling of the ELIR reports had been taken forward with the intention of maximising the benefit to the student learning experience and to the University more generally. To that end, the areas for possible action contained within the ELIR report had been combined with the University's ongoing Learning & Teaching Strategy Action Plan. The report described how actions had been taken forward, including the effectiveness thereof.

Court approved the Year-on response, noting that it would now be forwarded to the QAA and the SFC. Ongoing progress with ELIR-related actions would be discussed with and monitored by the QAA via annual engagement meetings with the University.

**CRT/2015/21. Any Other Business**

There was no other business.

**CRT/2015/22. Date of Next Meeting**

The next meeting of the Court will be held on Wednesday 10 February 2016 at 2pm in the Senate Room.