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Court

Minute of Meeting held on Wednesday 13 April 2016 in Room L0-006 Teaching & Learning Centre, Queen Elizabeth University Hospital

Present:

Mr Dave Anderson Employee Representative, Mr Graeme Bissett Co-opted Member, Mr Ken Brown Co-opted Member, Ms Heather Cousins Co-opted Member, Ms Morag Deans SRC Assessor, Dr Carl Goodyear Senate Assessor, Professor Nick Hill Senate Assessor, Professor Karen Lury Senate Assessor, Mr Liam King SRC President, Dr Morag Macdonald Simpson General Council Assessor, Ms Margaret Anne McParland Employee Representative, Mr Ronnie Mercer Co-opted Member, Ms June Milligan Co-opted Member, Mr David Milloy 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), Ms Christine Barr (Director of Human Resources), Professor John Briggs (Clerk of Senate), Professor Jon Cooper (Vice-Principal Innovation & Knowledge Exchange), 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)

Observing:

Elizabeth Passey, Catriona Reynolds

Apologies:

Members: Professor Lindsay Farmer Senate Assessor, Mr Brian McBride General Council Assessor, Mr Murdoch MacLennan Chancellor's Assessor, Cllr Pauline McKeever Glasgow City Council Representative

Attendees: Professor Anne Anderson (Head of College of Social Sciences and Vice-Principal), 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 Miles Padgett (Vice-Principal Research)

CRT/2015/33. Announcements

Elizabeth Passey, Convener of Court from 1 August 2016, and Ms Catriona Reynolds, Head of Governance & Engagement, Arts & Business Scotland, were welcomed as observers.

Professor Anna Dominiczak and her colleagues in MVLS were thanked for their hospitality at, and for the tour of, the Teaching & Learning Centre.

CRT/2015/34. Minutes of the meetings held on Wednesday 10 February 2016

The minutes were approved.

CRT/2015/35. Matters Arising

Information on the spread of ratings applied to senior management in the 2015 pay award had been circulated to Court members following the last meeting, having already been provided to the HR Committee. The spread of these ratings as compared to other staff would be discussed at the next meeting of the Remuneration Committee. The Convener advised that the Senior Senate Assessor would be invited to attend that discussion.

CRT/2015/36. Report from the Principal

CRT 2015/36.1 University Funding - 2016-17

In February, the University had received an indicative 2016-17 funding letter from the SFC. The key headline for the University was that the overall grant for Teaching, Research and Innovation would drop by 3.6%, approximately £5m. This was broadly in line with the Scottish budget announcement in December. This reflected a drop of 4.8% in total teaching funding (though controlled subjects were not included), slight rises in the Research Excellence Grant (up 0.1%) and the Research Postgraduate Grant (up 0.4%) which were protected by SFC, with the former Knowledge Exchange (General)/Knowledge Transfer Grant (now called the University Innovation Fund) dropping by 41% (from £2.4m to £1.4m) due to the major reduction in the UIF. Taken together, these represented an overall drop in research funding of 1.6%. Capital Maintenance had been reduced by around £700k to £2m.

Grants for new Widening Access students from MD40 postcodes (an additional 150 places, bringing the University to its target of 783) had been removed, although the funding for existing students had been maintained. The SFC and the Government did, however, expect universities to recruit to the agreed target without the additional funding. In a follow-up letter of guidance to the SFC from the Cabinet Secretary for Education and Lifelong Learning, the Scottish Government had reaffirmed the priority it wished to give to Widening Access and had noted its desire that the SFC support the fourth and final tranche of the additional places scheme for access and articulation in academic year 2016-17. If SFC implemented this, it would mean that the University would receive funding for the additional 150 students, which equated to around an extra £1m.

Court noted that it remained the intention of the government to reach a multi-year settlement with the sector. Discussions on this would await the outcome of the Scottish Parliamentary election.

CRT 2015/36.2 Major highlights across University and Colleges

Court noted a number of significant achievements across a breadth of University activity, including: the involvement of colleagues from the College of Science & Engineering in research leading to the recently-announced observation of Gravitational Waves; the £40m first phase redevelopment of Kelvin Hall being on target for completion in the summer; the launch of the National Centre for Resilience, a new facility based at the Dumfries Campus that would enhance Scotland's resilience capability to combat natural hazards; and that the University would be a key player in a Scottish "global centre of excellence" in precision medicine (the 'Precision Medicine Ecosystem'), tackling diseases such as cancer and multiple sclerosis, with funding from an additional £4 million government investment.

CRT/2015/36.3 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/2015/37. Report from the Secretary of Court

CRT/2015/37.1 Higher Education Governance (Scotland) Bill

At the last meeting, Court had heard that a number of revisions had been made to the first draft of the Bill. These had taken into account some of the concerns that Universities Scotland and the Committee of Scottish Chairs had discussed with the Cabinet Secretary in late 2015. These revisions had included: removal of clauses in the Bill which had involved new ministerial powers and so had raised concerns regarding possible reclassification of universities as public bodies; removal of the proposal to cap the membership of a University Senate at 120; and removal of proposed legislative amendments that would have deleted references to the Rector's role as 'president' of Court in the ancient universities.

The next draft of the Bill had also included amendments that, among other matters, clarified the process for selecting a senior lay governor, including the absolute requirement for an election to take place before the person was appointed.

The Bill had been passed by the Scottish Parliament on 23 March. The transitional arrangements would not be known until after a new Scottish Government had been formed, and it was expected that universities would have a transitional period of approximately four years in which to implement changes to their constitutions and the membership of their governing bodies and academic boards.

CRT/2015/37.2 Court Governance Working Group

Court's Governance Working Group had met in March to consider the implications of the Higher Education Governance Act for the University; to review the outcome of Court's recent self-assessment of effectiveness; and to review a draft statement of compliance with the terms of the Scottish Code of Good HE Governance.

Court approved associated recommendations from the group, with the effect that:

1. In relation to the Higher Education Governance Act:
 - i) the documents describing the position of Rector, and Court's Standing Orders, would be reviewed to ensure that there was clarity about the respective roles of Rector and senior lay governor; and with regard to the Standing Orders it was also agreed that these would be reviewed more comprehensively, including in relation to equality and diversity matters;
 - ii) there would be as little disruption as possible to Court's existing membership categories, retaining the membership at 25 (and no more), and retaining a clear lay majority;
 - iii) liaison would take place with Senate about possibilities and options to effect the required changes to the composition of Court, and the Principal would consider establishing a Court-Senate Working Group to take forward this discussion. Court noted a comment from the Clerk of Senate, John Briggs, endorsing this approach as a way forward. With regard to the Act's

requirement for the membership of Court to include 2 Trade Union-nominated members, it was agreed that the Group would look for appropriate input from the trade unions as well as from Court and Senate.

2. In relation to Court's self-assessment:

- i) consideration would be given to the possibility of refresher training for Court members, although existing Court members were already invited to the annual Court induction day;
- ii) where possible, Court members would be contacted in a targeted way with details of University-related events of particular interest to them and/or which would benefit from their skills, including events held elsewhere in the UK;
- iii) brief biographies of new members would be circulated to Court, at the time of their appointment; and
- iv) Court would discuss the appropriateness of Committee remits, as part of the annual (October) review of documents relating to governance.

Court noted that the Working Group had also suggested the possible participation of Court members in the annual risk workshop, but that Court should decide on this matter following consideration of the options contained in the Audit Committee's paper on Risk Management arrangements. This would be discussed later in the meeting.

CRT/2015/37.3 HE Governance Code

The Governance Working Group had undertaken its annual review of compliance with the Scottish Code of Good HE Governance. The Group had been satisfied that the University was in compliance with the terms of the Code. Following good practice set out in the Code, Murdoch MacLennan had also recently undertaken an appraisal of the Convener's performance and Court members had been advised of the outcome.

CRT/2015/37.4 School of Medicine, Dentistry and Nursing

Court approved the renaming of the 'School of Medicine' as the 'School of Medicine, Dentistry and Nursing'.

CRT/2015/37.5 Nominations Committee Business

At the last meeting, it had agreed that the Finance Committee's membership and skills profile would be augmented by the appointment of an additional co-opted member. Since then, Brian McBride had indicated that he would not be standing again following completion of his term on Court. His General Council position was being replaced by a Co-opted position under the relevant Ordinance. Recruitment would take place for these two positions over the coming months, with recommendations for appointment following via the Nominations Committee.

Court approved the appointment of Mr Rob Goward to the Remuneration Committee.

The Convener withdrew while Court considered his appointment in a continuing role. Court approved the reappointment of David Ross as Chair of the Investment Advisory Committee for a four-year period, commencing 1 August 2016.

CRT/2015/37.6 Court Procedural Review Group – MVLS

In March, the Court Procedural Review Group had agreed that management should be given authority to implement organisational change in Medical, Veterinary & Life Sciences. The

area involved was the provision of administrative support for Postgraduate Taught Programmes, and the intention was to create a centralised service that would be more effective and efficient than the current dispersed model of support. As in all organisational changes, the University would seek to mitigate the impact on those staff affected.

CRT/2015/37.7 Glasgow Student Villages (GSV)

At a meeting on 21 March, the SRC had approved a motion that expressed concern at the rising cost of accommodation in Glasgow Student Villages residences. The motion had included a commitment by the SRC to oppose future rent increases for these properties and to petition Court to terminate the current arrangement with GSV and retake control of the Student Residence accommodation.

Information on the GSV arrangements was included with the papers from Finance Committee for discussion later in the meeting.

CRT/2015/37.8 Heads of Research Institute/School appointments

College of Arts

Professor Lynn Abrams had been appointed as the new Head of the School of Humanities/Sgoil nan Daonnachdan with immediate effect and until 31 July 2018.

College of Science & Engineering

Professor David Cumming had been appointed as Head of the School of Engineering for 4 years from 1 August 2016, to succeed Professor John Marsh.

College of MVLS

Professor Jeff Evans had been reappointed as Head of the Institute of Cancer Sciences, for a further one year, until 31 July 2017.

CRT/2015/37.9 SRC Elections

Ameer Ibrahim had been elected as the next SRC President from 1 July 2016.

CRT/2015/38. Report on Research and Knowledge Exchange and Innovation

Professor Jon Cooper, Vice Principal Innovation & Knowledge Exchange, briefed Court on Research and Knowledge Exchange & Innovation (R&KEI) activities over the past year.

Priority activities to enhance future research success included: improving publication quality through promoting research excellence and providing knowledge resources to achieve high-quality publications and thus improve REF performance; nurturing and attracting talent; and increasing and diversifying income, through providing increased opportunities for funder engagement and practical measures that supported competitive funding applications.

Priority activities to enhance KE&I success included: enhancing engagement with industry, government, NHS, third sector and the public, to create strong impact case studies for the next REF exercise, and an ambition (and a new KPI) to develop strategic partnerships; inspiring people to fulfil their aspirations at each career stage (from students to staff), and attracting and

nurturing the next generation of entrepreneurs; and supporting the generation of impact from research-led innovation through industrial collaboration, licensing and spin-out.

Court was reminded that following the REF, units of assessment (UoA) had undergone review. A framework and actions had been developed for improving the University's standing across the R&KEI KPIs. These were being communicated through presentations which included practical advice, and raising awareness of 4* output quality. Court noted the report and progress against Research KPIs, the latter relating to Research income, Research grant holding, improvement in output quality, PGR student:staff ratio, and PGR satisfaction.

With regard to funding, Court noted that the University Innovation Fund (UIF) would replace the Knowledge Transfer Grant (KTG) from 2016. The KTG had funded HEIs' knowledge transfer resources and activities, with awards based on the extent of KE activity measured by commercial income. The majority of UIF would be distributed on the basis of satisfactory contribution of each HEI towards the delivery of 12 national priorities aligned with the Scottish economic priorities. The 12 priorities included: strengthening and increasing student entrepreneurship, increasing collaboration with SMEs, and helping with a fundamental re-think of the Scottish Innovation eco-system. The change would mean existing KE and Innovation activities at the University would need to be reshaped.

Court noted a range of future activity including an institutional mini REF to be undertaken ahead of the next national exercise.

In discussion, details of the Research and Innovation Strategy were requested to be provided ahead of Court's detailed consideration of the Research Hub case. It was noted that development of the strategy would include consideration of the relationship with IP Group, the Intellectual property business investing in technology companies. With regard to the ongoing discussions by SMG about the future use of citations as a KPI output measure, it was noted that there was recognition that these were more applicable to some Colleges and Schools than to others, but that it was nevertheless vital to have data against which to benchmark institutional performance. There was no intention to use a citation KPI at the individual level.

Court thanked Professor Cooper for the briefing.

CRT/2015/39. Reports of Court Committees

CRT/2015/39.1 Finance Committee

CRT/2015/39.1.1 Campus Development Financing Strategy

Robert Fraser, Director of Finance, summarised the option for the campus development financing, that was being recommended to Court. Court was reminded that it was anticipated that borrowing facilities of £100m would be required to complete the finance needed to deliver the building programme proposed on the Western Infirmary site. Several types of finance had been considered as options by the Finance Committee, and Court was now being presented with a possible portfolio of funding instruments to provide the borrowing package. Given the longevity of the campus development project and the many variables that required to be accommodated, the overriding aim of the strategy was to create a high level of flexibility, such that the University could meet all of the debt service requirements, adjust borrowing levels to match cash flows and minimise costs.

The proposal comprised two private placements of funds of £40m each with US and UK institutions, repayable at maturity dates of 30 and 40 years respectively, as well as a £25m,

25 year loan from the European Investment Bank (EIB). This mix of funding was proposed to allow flexibility on fixed commitments (being the amount that had to be repaid every year) and in relation to early repayment (EIB) and refinancing options which had staggered term dates. Details of the financing structures and of related cash flows were noted by Court.

Court also received details of a proposal to refinance existing obligations to Glasgow Student Villages Ltd (GSV), presented in tandem with proposals relating to securing finance to support the Western development. The refinancing of GSV as proposed would have a zero Net Present Value (NPV) over the course of the current GSV agreement, while providing greater University control over the accommodation arrangements and reducing fixed cash commitments in the short term. Details of related cash flows and NPVs were noted by Court.

Court also noted details of non-financial considerations relating to the GSV arrangements. John Briggs declared an interest in his capacity as a board member of GSV, referring to the good standard of the maintenance schedule and of call-out response from the current provider, and requesting that this should continue under any new arrangements, to ensure the best possible student experience.

With regard to a question about the lack of certainty about the final costs of the campus development and whether in this context the proposals were premature, Court noted that the position over 20 years would be the same, but that the proposals being put to Court allowed for a package of long term funding with low risk and avoiding high interest rates. Court also noted that with regard to competitive selection of providers, the University's offer would be presented to the market in order to obtain bids.

Court noted a comment from the SRC President Liam King that the proposal relating to GSV was welcomed, in the context of the present arrangements not being optimal for students, particularly in terms of rising costs of rents. The SRC had recently approved a motion that had expressed concern about this, committing the SRC to oppose future rent increases for the properties and to petition Court to terminate the current arrangement with GSV and retake control of the Student Residence accommodation.

Court noted a further comment that, more widely, the proposals should be considered in the context of what was best for the University as a whole, as well as financially.

Following the discussion, Court approved the recommendation from the Finance Committee, agreeing to a financial strategy for the campus development, involving a mix of private placements with UK and US institutions, a term loan from the European Investment Bank and, subject to satisfactory terms being negotiated, the refinancing of the Glasgow Student Villages debt.

Having approved this recommendation, Court also agreed to establish a special purpose working group to oversee implementation of the strategy. The group would comprise David Ross, Ken Brown, Robert Fraser and Graeme Bissett. Court would be kept informed on progress.

CRT/2015/39.1.2 Endowment Investment Report

Court noted an endowment investment report as at 31 January 2016.

CRT/2015/39.1.3 Financial reports

Court noted an overview of performance as at 29 February 2016.

The report was noted.

CRT/2015/39.2 Estates Committee

Court had received a briefing on the Campus Masterplan, ahead of the Court meeting. Court thanked and congratulated Ann Allen and her team for the significant work in this area to date.

Court approved the executive summary of the Masterplan and noted that a formal Planning application would be submitted to the City Council in May 2016.

The Court Estates Working Group would meet before the June Court meeting in order to brief members on the best governance arrangements on the project as the campus development progressed, given Court's overall governance role.

Court noted that in terms of communications and consultation on the Estate Strategy including the Masterplan, there had been meetings with community groups, and a display of plans, ahead of the application for planning permission, but that as part of due process there would now be a break, ahead of renewed communication activity in the early autumn. However, there would still be press communications, and the overall communications plan was undergoing a review, with the recent appointment of a dedicated member of staff. Communications with the University community would continue, to cover details of individual projects as well as updates on the Strategy as a whole.

Court noted the progress made in respect of the Estate Strategy, and noted the Estates Committee's approval of CapEx applications in respect of: James Watt South Space Developments in the sum of £1.407m, subject to an update being provided to the Committee on Transnational Education; and Estate Strategy and Masterplan Design Fees in the additional sum of £1,838,819.

The report was noted.

CRT/2015/39.3 Audit Committee

Court was ultimately responsible for risk management within the University. This function was largely delegated, and at its last meeting the Audit Committee had discussed the matter, agreeing to ask Court to consider if the current arrangements, including the level of its involvement (and that of the Audit Committee) in institutional risk management, remained satisfactory or whether any refinements should be introduced. In addition, at its recent meeting, the Court Governance Working Group had recommend to Court that it should make a decision on possible participation of Court members in the annual risk workshop, following Court's consideration of the options contained in the present Audit Committee report on risk management. Heather Cousins, one of two Court members on the Audit Committee, added that it was important that the Committee obtained Court's own views on the appropriateness of arrangements, as opposed to the auditors' opinion, given Court's different perspective.

In discussion, comments were noted from a number of members, including: a view that there should be greater risk management consideration at Court committees' level; that the Audit Committee might increase its oversight of College risk management; that Court should see at least annually a summary of key, graded and prioritised, risks in order to consider if these were

correct and complete; that Court could add value from a strategic angle, for example in the context of the campus development and in terms of capability needs as the University changed and developed in the future; that Court should seek assurances from the Audit Committee that work being undertaken to manage risks was adequate; that as well as satisfying itself that key risks were being addressed, Court should consider High Impact Low Probability (HILP) risks.

It was agreed that members would contact the Secretary of Court following the meeting, summarising the points they wished to be considered, and that the item would be carried forward for further discussion at the June meeting.

The Anti-Bribery and Corruption Policy, which had been reviewed by the Finance Committee and approved by Court, has been noted by the Audit Committee at its recent meeting. It had been suggested that the policy's application should be extended to members of Court and relevant Committees. Court noted that the policy was currently being piloted and that this suggestion would be carried forward to a future meeting of Court, in the light of the experience of the pilot.

The report was noted.

CRT/2015/39.4 Human Resources Committee

The Committee had received an update on the P&DR process, in the context of a new cycle of such reviews beginning. The process had been amended to reflect concerns expressed following the previous cycle, about aspects including fixed distribution of performance assessment ratings, and the operation of the moderation process.

The Committee had received an update advising that the University had conducted an equal pay audit and had published its overall gender pay gap figure. There were no significant variances in the rates of pay between genders within each of the grades, but the overall gender pay gap was significant, as a result of the distribution of the genders across the grades, with the senior grades having a higher proportion of men. The Pay, Performance and Reward team were developing a 4 year action plan, including a target to reduce the overall gender pay gap. Court had been invited by the Committee to approve a recommendation to this effect. In discussion, Court noted that structural issues were an important factor in preventing the gap being closed. Court also agreed that it was important that the data underpinning the figures was fully understood, including staff turnover details which affected the statistics in some staff categories in particular, and comparative information against other HEIs. Court therefore agreed to support the desire to reduce the University's gender pay gap, but requested that the HR Committee, working with HR colleagues, provide more detail in advance of the next Court meeting, at which it was hoped there could be an informed discussion on a realistic institutional target.

A draft minute of the last meeting of the JCCN was provided in the report and was noted by Court.

The report was noted.

CRT/2015/39.5 Health, Safety and Wellbeing Committee

Court noted an executive summary of the annual report of the Health, Safety & Wellbeing Service, provided to Court in the context of its overall responsibilities in this area, as governing body. Court also noted a commentary on a gap analysis undertaken against University Safety & Health Association (USHA) leadership guidance, provided to Court to advise it of steps being

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taken to address all aspects of the guidance. In this context, it was noted that health and safety audits were being expanded to cover some areas not run directly by the University, including the student unions. It was commented that references to actions being done on a 'regular basis' should be further defined.

The HSW Committee had noted that the University's sickness absence policy was being redefined, to change how support staff on sickness absence were supported. The current scoring system would be replaced with a series of formal review points that would be triggered depending on the level of absence.

The report was noted.

CRT/2015/40. Any Other Business

There was no other business.

CRT/2015/41. Date of Next Meeting

The next meeting of the Court will be held on Wednesday 22 June 2016 at 2pm in the Senate Room.