

## **WEB COPY**

### **Court**

#### **Minute of Meeting held on Wednesday 12 December 2018 in the Senate Room, Main Building**

##### **Present:**

Cllr Susan Aitken Glasgow City Council Assessor, Mr Dave Anderson Employee Representative, Mr Graeme Bissett Co-opted Member, Ms Heather Cousins Co-opted Member, Professor Lindsay Farmer Senate Assessor, Mr David Finlayson Co-opted Member, Professor Carl Goodyear Senate Assessor, Professor Nick Hill Senate Assessor, Dr Simon Kennedy Senate Assessor, Dr Morag Macdonald Simpson General Council Assessor, Ms Margaret Anne McParland Employee Representative, Mr Ronnie Mercer Co-opted Member, Dr June Milligan Co-opted Member, Professor Sir Anton Muscatelli Principal, Mr Elliot Napier SRC Assessor, Ms Elspeth Orcharton Co-opted Member, Ms Elizabeth Passey Co-opted Member (Convener of Court), Ms Lauren McDougall SRC President, Mr Gavin Stewart Co-opted Member, Ms Lesley Sutherland General Council Assessor, Dr Bethan Wood Senate Assessor

##### **In attendance:**

Dr David Duncan (Chief Operating Officer [COO] & University Secretary), Mr Robert Fraser (Director of Finance), Professor Neal Juster (Senior Vice-Principal and Deputy Vice-Chancellor), Ms Deborah Maddern (Administrative Officer), Professor Jill Morrison (Vice-Principal & Clerk of Senate), Ms Christine Barr (Director of HR) (from item 18)

##### **Apologies:**

**Members:** Mr Aamer Anwar Rector, Professor Kirsteen McCue Senate Assessor, Mr David Milloy Co-opted Member, Dr Ken Sutherland Co-opted Member

##### **CRT/2018/13 Announcements**

There was the following declaration of interest in relation to business to be conducted at the meeting: Professor Sir Anton Muscatelli as a Trustee of USS, as an ongoing declaration, given the updates on the triennial valuation of the scheme; and the Convener of Court in relation to the Remuneration Committee item (Convener Remuneration section).

It was recorded that Ms Fran Shepherd and Ms Emily Howie had briefed Court at the pre-lunch briefing session, covering alumni relations.

Court was reminded that papers and business were confidential.

##### **CRT/2018/14. Minutes of the meetings held on Wednesday 10 October 2018**

The minutes were approved.

##### **CRT/2018/15. Matters Arising**

There were no matters arising.

**CRT/2018/16. Finance Committee**

*CRT/2018/16.1 Financial Statements 2017/18*

Graeme Bissett introduced the item, advising that the Finance Committee had made some minor suggestions for changes to the narrative in the statements, and overall had been content to recommend the financial statements to Court. He also advised Court that the capital plan and how this interacted with the cash flow had been the subject of discussion at the Committee's meeting, at which an update paper had been requested; this paper appeared in the Estates Committee report and would be presented and discussed later in the meeting.

The Director of Finance, Robert Fraser, gave a presentation on the University's financial statements for the year to 31 July 2018, Court having received the statements for that year.

Revenue had increased to £631m (from £608m), primarily due to international student growth and an increase in underlying research income (£11m) offset by a corresponding reduction in capital grants. The surplus after tax had reduced to £31.8m from £56.6m due to FRS102 movements (£14.5m, largely reduced capital grants and donation income); demolition costs (£10.9m); and reduced gains on sale (£3.4m).

Total comprehensive income for the year had increased to £66.1m from £31.8m due to actuarial gains in 2018 in the UGPS scheme. Capital expenditure in the year was £41.9m, which was an increase of £3.9m compared to 2017, but £73m below budget. Cash and deposit balance as at 31 July 2018 was £207.4m, which was a decrease of £24.4m in the year.

In discussion, it was noted that staff costs for University Services included the World Changing Glasgow (WCG)/Transformation Project Office costs, which accounted for an increase of £2.7M. In terms of identifiable cost savings arising from the various projects being undertaken by WCG, it was noted that there would be many fractional savings on posts but an exact cost:benefit analysis was more difficult.

Court approved the University Financial Statements for the year to 31 July 2018. Robert Fraser and his team, and the Finance Committee, were thanked for their work.

*CRT/2018/16.2 Universities Subsidiaries and Trust Financial Statements as at 31 July 2018*

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

*CRT/2018/16.3 Capital Projects*

Court noted an update on capital projects. Court noted that the Finance Committee had approved 2 capex applications at its last meeting: Gilmorehill/Kelvin Building / Essential Works £3.279m; and Gilmorehill/Davidson/West Medical Refurbishment Supplementary Fees £283k.

*CRT/2018/16.4 Financial reports*

Court noted an overview of performance as at 30 September 2018.

*CRT/2018/16.4 Long term cash flow*

Court noted details of long term cash flow.

The report was noted.

## **CRT/2018/17. Report from the Principal**

### *CRT/2018/17.1 Higher Education Developments*

#### *Brexit*

In October, Court had heard that EU staff affected by Brexit were being assisted as much as possible by services in the University, for example with regard to residency.

The UK government had very recently agreed a draft Political Declaration (PD) on the future relationship with the EU, alongside the negotiated Withdrawal Agreement (WA) which set out the terms of the UK departure from the EU. In the PD, the parties had confirmed that they would discuss participation by Britain in the EU programmes including a potential science and innovation pact, education, and space, subject to “a fair and appropriate financial contribution” from the UK. There would also be discussion on the UK’s participation in the EU-funded research facilities (European Research Infrastructure Consortia, or ERICs). The document recorded the UK’s intention to stop free movement of EU citizens into the country, but said that the parties would “consider conditions for entry and stay for purposes such as research, study, training and youth exchanges”. It was not yet clear what this meant, in terms of researchers and students potentially having special migration rules when moving between the EU and the UK.

On 22 November, the University had hosted a Scottish Government Brexit Summit for Further and Higher Education. This had coincided with the announcement of a joint statement signed by colleges, universities, trade unions and the Scottish Government, agreeing a united approach to protect Scottish tertiary education from the worst effects of Brexit. The statement had set out how all the parties would press the UK Government to reintroduce a Post-Study Work Visa in Scotland, continue research collaboration and safeguard education relationships within Europe.

In discussion, it was noted that student and staff travel in the EU would be kept under review during the early part of 2019. Plans were already required to be put in place within Schools, to cover travel related matters in the event of a no-deal Brexit. In terms of Court being kept informed about this and other areas connected to Brexit, and to allow Court to discuss any related matters, it was agreed that a paper would be provided to the February 2019 meeting, covering the University’s activities that might be affected by Brexit. The February meeting was at an appropriate time in terms of the Brexit timetable.

#### *Post-18 Funding Review in England*

At the October meeting, in the context of the funding review in England, Court had heard that the Department for Education had confirmed it would not report back until a ruling from the Office for National Statistics (ONS) has been issued on how student loans should be treated in the national figures on deficit and debt. ONS was expected to publish in December. Treatment of unpaid loans as public spending could result in a reduction in the headline tuition fee, following the review.

*Post meeting note:* On 17 December it was announced that a change in how student loans were recorded in the public finances would occur, following an Office for National Statistics ruling: the amount expected not to be repaid, which could be 45% of lending, would be reclassified as public spending and could amount to £12bn. The government indicated that the change would be taken into account by the tuition fees review, due to report early in 2019.

### *CRT/2018/17.2 Universities Superannuation Scheme USS/Pensions update*

The Joint Expert Panel (JEP) report issued in September had led to a series of consultations with both UUK members and within UCU. Court members had been provided with a copy of the University’s response to the UUK-initiated consultation with USS’s participating employers on the JEP recommendations. UUK had subsequently announced that employers were willing to support these,

subject to USS providing more information on the additional financial risks involved – and if and how they could be managed and mitigated.

There had also been a statutory employer consultation by USS on proposed changes to employee and employer contributions on the conclusion of the 2017 valuation by the Trustee under rule 76.4, inviting input from members on the proposed cost sharing provisions, the proposed schedule of phasing in of higher contributions and the removal of the employer match from 1 April 2019. USS had recently issued the outcome of its consideration of members' responses to the statutory employer consultation. It had advised that USS did not propose to make any changes to the cost-sharing arrangements and would now consult with UUK (on behalf of the employers) before the arrangements were finalised. A summary of the consultation responses would be shared by USS with the scheme's formal stakeholders, through the Joint Negotiating Committee. This would conclude the 2017 valuation.

USS was now carrying out a new valuation of the scheme's funding position, as at 31 March 2018, in order to respond to the JEP's report and the UUK announcement of its support of the JEP conclusions. Areas such as market data, forecasted investment returns and life expectancy would be updated, and use would be made of actual investment experience since the date of the last valuation (31 March 2017). There would be formal consultation with UUK (on behalf of employers) on the updated funding assumptions during December and January. After this, USS would assess the proposals put forward by the stakeholders' panel and consider the scale of the additional financial risks involved, and the ways and means by which employers were willing and able to fund the risks that the Trustee could contemplate taking.

USS planned to finalise the updated contribution rates based on this new valuation in early February 2019 and the Joint Negotiating Committee would then consider how to address the outcome.

As member and employer representatives on the Joint Negotiating Committee could not agree on an alternative outcome to the 2017 valuation, default cost-sharing rules were triggered and member and employer contributions into the scheme would be increasing from 1 April 2019, with further increases planned in October 2019 and April 2020. Given the timescales, the April 2019 contribution increase could not be avoided, but USS had indicated that it hoped an alternative way forward would be agreed before the significantly higher cost-sharing increases were planned to come into effect from October 2019.

#### *CRT/2018/17.3 Research Hub / Themes*

In October 2017, Court had approved the Full Business Case for the Research Hub. In mid-October of 2018, planning consent had been received from Glasgow City Council to begin construction on the Hub. Work had now started on the £113 million project, with completion expected in 2021.

It had also been announced by the University that research in the Hub would be initially focused around five thematic areas: Creative Economies and Cultural Transformation; Digital Chemistry; International Development; Quantum and Nanotechnology; and Technology Touching Life. The decision about the thematic areas had followed a review of research across the four Colleges to identify large-scale research themes to form the initial occupancy for the Hub. The aim had been to identify broad, large-scale themes that would enable showcasing of Glasgow's research strengths at scale, with a critical mass of researchers around themes which would open up new opportunities to compete for funding. In response to a question about the methodology of the review, it was noted that this had involved discussion with the Heads of Colleges, Research Deans/RPSC and those identified by them as being in areas of critical mass that would be a good fit for the Hub. There was strong correlation with the Research Beacons. Comments were noted that processes in connection with the decision making had not been fully communicated across some Colleges. It was noted that, organisationally, the Hub would not be a new budgetary unit that would affect School budgets. It was also noted that there would be flexibility for movement in and out of the Hub.

*CRT/2018/17.4 Institute of Health and Wellbeing*

The University had been delighted to receive a donation of £5 million from the Pears Foundation for the construction of a new building to house the Institute of Health and Wellbeing. It would be named after Clarice Pears.

*CRT/2018/17.5 Grant Capture*

Court heard that in a recent THE survey reviewing UK HEI's performance in 2017-18 in terms of total cash awarded for open-call grants, the University had performed extremely well, moving from 14th to 9th in the UK and the top University in Scotland with over £41m secured from 57 successful applications.

*CRT/2018/17.6 Transnational Education TNE*

In October, the University of Glasgow Singapore (UGS) had celebrated its largest ever graduation ceremony, with 368 graduates receiving degrees in a range of programmes delivered in partnership with the Singapore Institute of Technology (SIT).

A new collaboration agreement had also been signed with SIT, merging all previous collaboration agreements with SIT to deliver five joint undergraduate degree programmes, leading to a jointly awarded degree from the academic year 2019/20 onwards.

*CRT 2018/17.7 Key Activities*

Court noted a summary 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/2018/18. Report from the University Secretary**

*CRT/2018/18.1 HE Governance (Scotland) Act 2016*

A Court-Senate working group had been set up in late 2016 to look at options for the various staff memberships of Court, including members from Senate, the Trade Unions and the wider staff body. The intention as expressed by Court had been to keep as close to current arrangements as possible, retaining 11 'internal' members and a total of 25 members, while at the same time ensuring compliance with the HE Governance (Scotland) Act 2016.

A paper was now provided, containing recommendations which Court was invited to approve.

Dr Duncan summarised the proposed changes, which were that the current six Senate Assessors would reduce to five elected academic members, with one academic staff member to be nominated by the Trade Unions in future; and that instead of two Employee Representatives there would be one elected support staff member and one support staff member (on grades 1 to 6) nominated by the Trade Unions.

The paper noted that an alternative proposal, increasing the number of elected professional services staff (specifically on grades 1 to 6) had been suggested by Margaret-Anne McParland on behalf of the trades unions. The proposal had been to replace one lay member by a member of support staff from these grades. The Working Group had considered this proposal as well as a further alternative, which was to add a 3rd member of professional services staff without reducing the number of lay members. The Working Group's view had been that neither of these proposals was appropriate, as the first would have meant counting the Rector as a lay member in order to achieve a lay majority, and the second would have involved increasing the size of Court to keep a clear lay majority.

Ms McParland was invited to speak, explaining that she had an issue with the proposals since at present her position on Court was that she was an elected member taken from grades 1 to 6, as opposed to a union nominated member, and that the Working Group had chosen to take her role out. She questioned why academic staff on Court should outnumber her so significantly and considered that too many semantics had been introduced into the discussions to ensure that 'academic staff' were defined as 'academic teaching staff' rather than the traditional definition of 'academic and academic related staff' being used. Ms McParland advised Court that many other staff felt the same way as her, adding that the proposals in this regard had not been agreed by the unions. She referred to the report mentioning that diversity would be increased; however, she considered that as she currently represented about 3,500 people, it would be preferable for Court to include more people from lower paid jobs in any revised membership, since such staff should have more say. Ms McParland referred to the unions needing to be consulted further and to the SFC being likely to have a problem with the proposals, since she considered that the Code would not be adhered to, given its reference to non-academic staff. Responding to a question about what consultation had occurred with the unions, Ms McParland advised that in 2017 the unions had suggested increasing the membership to 26, which the Group had not accepted; and a paper from the unions relating to accommodating grades 1 to 6 had been sent, but the Group had not changed its position. Ms McParland advised that in 2016 she had requested that there should be union membership on the Group, but this requested had only been noted and not actioned.

As he was unable to attend the meeting, the Rector had provided a written submission. Dr Duncan advised Court of the Rector's views. The Rector's submission supported both the position outlined by Ms McParland and the unions' alternative proposal that had been provided as part of the papers for Court. He was requesting that the matter be deferred.

In discussion, the following points were made by individuals:

- that at present Court was covering 26 roles with 25 people, and that if Court was to maintain its position that it should be a body of 25, then it would effectively need to cut one position and consider the implications;
- that one of the current Employee Representative positions was an academic or academic-related position, and while the current incumbent was an academic-related member of staff, the post could equally have been filled by an academic member of staff;
- that it was important that staff at grades 1 to 6 had a voice;
- that previous discussions on the definition of a clear lay majority had concluded that 14-11 and not 13-12 was such a majority; a further comment was added that current requirement was only for a 'majority';
- that the spirit of the 2016 legislation was to expand employee representation and that adoption of a solution that did not do this would be outwith the spirit;
- that clear principles on diversity were required; on this point it was agreed that a broader engagement on diversity matters in general for Court was needed;
- that consideration should be given to increasing the number on Court to 26 if this was permitted;
- that wider methods of Court engagement with staff were needed, including with the unions, that went beyond discussions about membership of Court;
- that the proposal made sure that there would be two non-academic staff members on Court in future, which was not the position currently;
- that if the matter were referred back to the Group then Senate would also need to be involved in any amended proposals;
- that the Working Group had considered the options carefully and at length, with the final recommendations being an agreed best compromise; and that while the recommendations would not meet everyone's wishes, they fitted with the good governance requirements of the Act.

Dr Duncan observed that given the Rector's role and the electorate for this position being the student body, any reduction in lay member numbers within a 25-strong Court could effectively mean no lay majority. Increasing the number on Court to 26 would be contrary to Court's previously expressed view and would also result in a larger membership than other HEIs. With regard to the lack of clarity between relevant provisions in the Code and the Act, the Act took precedence and the definition of 'academic staff' as teaching and research staff only – and not academic-related – was a reasonable one. Dr Duncan noted that the Group's proposals were an improvement on the current position with regard to non-academic staff, given that there would be two support staff in future, if the recommendations were accepted, albeit that one would be a union nominee and not elected. The current membership provisions could in practice result in only one member of support staff being on Court at certain points.

Following the discussions, a vote was taken, with 12/21 Court members present voting to approve the recommendations in the paper, with the following effect in respect of future Court membership:

- i) election of five academic staff, rather than the current six Senate Assessors;
- ii) two nominations from the Trade Unions to be introduced, one nominee to be a member of academic staff and one nominee to be a member of support staff;
- iii) maintaining two professional services members of staff on Court, of whom at least one to be on grade 6 or below. One of these two professional service members ('support staff' in the parlance of the 2016 Act) to be the Trade Union-nominated member of support staff referred to in ii) above.

Specific recommendations in the report were approved as follows:

- a) *Identifying the professional services member of staff who is not a Trade Union nominee*

This member of staff to come from one of the Management, Professional and Administrative (MPA); Technical and Specialist; or Operational job families, with no constraints on grade.

- b) *Election of academic staff members*

For election of the five academic staff members, representation of all four Colleges to be maintained; at least one academic staff member to be professorial and one non-professorial; and the electorate to be confined to academic staff.

- c) *Election of professional services or support staff*

The electorate for the professional services member to be the body of professional services staff on the monthly payroll (MPA, Technical and Specialist, and Operational job families).

- d) *Union Nominees*

The academic member to be from the Research and Teaching job family, with no grading constraints; the 'support staff' member to be from one of the remaining three job families (MPA, Technical and Specialist, or Operational) and restricted to grades 1 to 6; and the nomination process to continue the practice of asking the Glasgow University Joint Union Liaison Committee (JULC) to provide the names of the nominees.

- e) *Terms of office*

The terms of office for all elected staff members and the Trade Union nominees to be 4 years, and no more than two contiguous terms of 4 years to be served by the same individual.

Court approved a related draft Ordinance amending the composition of Court, to align with the recommendations. Court further approved a draft Ordinance setting out the composition of the University's academic body (Senate) to comply with the 2016 legislation. Discussions with the Scottish Government would now occur ahead of the formal consultation period on the drafts.

*CRT/2018/18.2 Brexit – EU Staff and Students*

The University and the sector had been informing the UK and Scottish governments of the University's views on the importance of HE in the Brexit negotiations and in particular on the rights of non-UK EU colleagues. This had included seeking clarity on the Settlement Scheme process proposed for EU citizens in the UK, including how this would operate in the event of a no-deal.

HR and Student Services colleagues had been providing guidance and support to staff and students since the time of the EU referendum. In November, affected staff had been advised that the Home Office had confirmed they could now register to take part in the EU Settlement Scheme pilot, to make an early application for new UK immigration status so they could continue to live and work in the UK after the end of the planned implementation period on 31 December 2020. The University would reimburse the cost of making such an application.

There were also dedicated sources of information for current students and prospective students/applicants from the EU, and students who were planning an Erasmus+ exchange to or from Glasgow.

*CRT/2018/18.3 Safeguarding Policy*

The University had long-standing arrangements relating to the protection of vulnerable groups to ensure that, where relevant, applicants, employees and students were members of the Protection of Vulnerable Groups Scheme, which had been introduced by the Protection of Vulnerable Groups (Scotland) Act 2007.

In the light of Court discussion about wider safeguarding matters, including the possibility of guidance and/or regulations for members of the University who might be engaged in activities with vulnerable individuals overseas, a more wide-ranging policy had been developed to provide guidance on the University's responsibilities in relation to safeguarding children, young people and vulnerable adults.

The draft policy had been approved by the Equality & Diversity Strategy Committee in the late spring, a fact reported to Court in June 2018, with the document annexed at that time. Since then, there had been extensive consultation, with feedback received from areas including: Student Experience Committee, Education, Policy & Strategy Committee, Chief Advisers of Studies Committee, the Gender Based Violence Workstream 3 and the University's Crisis Team. There had also been an internal audit of Safeguarding which had found the draft policy fit for purpose. Some minor changes had been made in response to requirements set by external funding bodies.

Court now approved the final version of the policy. It was agreed that the annual review of the policy, including any amendments, could be dealt with at executive and/or EDSC level and did not require to come to Court.

*CRT/2018/18.4 IPSC visibility for Court*

At the last meeting, Dr Duncan had been asked to review how Court was sighted on the work of the Information Policy & Strategy Committee (IPSC), given the increasing importance of IT/information to all aspects of University life

The matter had been discussed with the chair of the IPSC, Vice-Principal Professor Frank Coton, and subsequently with the Convener of Court. It had been agreed that the work of the Committee should be given greater prominence. Prof Coton and senior colleagues would give an annual presentation to Court members. The minutes of IPSC meetings would also be shared with SMG and key items highlighted as appropriate.

*CRT/2018/18.5 Court Strategy Day 28 September – Summary report*

Headline outputs from the Strategy Day were provided to Court.

*CRT/2018/18.6 Student Experience Committee – awayday*

The SEC had held an awayday in November, with sessions around an overarching theme of exploring initiatives that could have a transformative impact on the student experience. A set of questions about student wellbeing, communicating with students, the physical environment and residences had been used to capture views from members. A summary of the main points discussed was noted.

*CRT/2018/18.7 Correspondence addressed to Court members*

Court agreed a protocol for dealing with correspondence where a member of the University community or the public asked the Court Office to forward their correspondence to the entire governing body; or where an individual member of, or members of, Court received correspondence directly.

On receipt of any such correspondence, an initial discussion would take place between the University Secretary, Convener of Court and the Vice-Convener of Court, to agree the most appropriate course of action. Where the subject matter of the correspondence related to matters for which University procedures already existed, the correspondence would be forwarded to be dealt with under the appropriate University procedure e.g. complaints or relevant HR procedure(s); or forwarded to the Audit & Risk Committee where the subject matter came within areas covered by its remit. A report would be provided to Court on a regular basis, advising on any action taken under the protocol.

*CRT/2018/18.8 Media Report*

Court noted a digest of recent media coverage and summary details of social media interaction with the University.

*CRT/2018/18.9 Summary of Convener's Business*

Court noted a summary of activities undertaken by the Convener since the last meeting.

*CRT/2018/18.10 Nominations Committee business*

*Investment Advisory Committee IAC*

Court approved a recommendation from the Nominations Committee that Ms Susan Anderson be appointed to the Investment Advisory Committee, to serve for 4 years with immediate effect.

*Human Resources Committee HRC*

Following recommendations from the Nominations Committee to Court, approved between meetings, Mr Martin Glover and Mr Shan Saba had been appointed to the HRC for 4 years from 15 November 2018.

*CRT/2018/18.11 Student Experience Committee – remit*

At the last meeting, it had been clarified that the remit of the Committee already covered access matters for students who lived at home, under the reference to the 'at risk' category, but it had been agreed that this would be made more explicit.

Court now approved an amendment to point 3 in the remit as follows:

Ensure that the University's provision for the student experience reflects the diversity of needs within the student population (e.g. overseas, part-time, mature, visiting and disabled students, BAME students, care leavers, students with children or caring responsibilities *and students who live at home*).

Dr Duncan and Ms McDougall agreed to discuss the representation arrangements for the Dumfries campus student cohort on the Committee.

*CRT/2018/18.12 Energy Strategy*

At the end of October, the University's new Energy Strategy had been launched. Its aim was to reduce energy consumption and carbon emissions across the estate. The intention was to deliver at least 6,000 tonnes of the target CO2 savings across the term of the five-year strategy, which formed a key part of the University's sustainability strategy. Additional carbon emissions savings were expected to come from effective implementation of both the Strategic Travel and Transport Plan and the Waste Management Action Plan

The target was seen as ambitious but achievable, while also ensuring that the University continued to provide a reliable and resilient energy supply to the estate.

Dr Duncan advised that a group called Extinction Rebellion Scotland (ERS) had asked Court to make a declaration relating to climate emergency, including noting a number of statistics provided by the group, relating to climate change and global warming. The group had also requested that Court call on the Principal to take a number of actions including: a pledge to make the University carbon-neutral by 2030 (amended to 2025 at a meeting of the Sustainability Working Group attended by representatives of the ERS group); calling on the City Council, Holyrood and Westminster to provide the powers and resources to make the target possible; working with other governments and institutions to determine and implement best practice to limit global warming; and to report to University bodies within six months with details of the actions being taken. Court had noted in the context of the Strategy update that although progress was being made and efficiencies being introduced, the group's target in relation to carbon-neutrality was not possible.

Dr Duncan was asked for a report on the environmental strategy, to be provided at a future meeting.

**CRT/2018/19. Report from the Rector**

The Rector had given apologies therefore there was no report. Dr Duncan had advised Court of comments from the Rector, relating to item 18.1.

**CRT/2018/20. Reports of Court Committees**

*CRT/2018/20.1 Audit & Risk Committee*

*CRT/2018/20.1.1 Audit & Risk Committee Annual Report to Court 2017/18*

Heather Cousins, chair of the Committee, presented the annual report, which included the Committee's assessment of the adequacy of the University's systems of internal control. Particular points of note were: the Committee's requirement for robust management responses to recommendations in audit reports; the annual report from the internal auditors; that the Committee regularly reviewed actions against recommendations, and related statistics, in internal audit reports; that the Committee had received summary details of whistleblowing cases under the terms of the University's policy and had been satisfied with the action taken; and that the Committee had reviewed the 2017/18 financial statements. 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 & Risk Committee believed that the University generally had an adequate framework of internal control.

Court noted the Committee's annual report.

*CRT/2018/20.1.2 Other Audit Committee business*

At its recent meeting, the Committee had received the University's financial statements for the year ended 31 July 2018, noting the operating surplus. The Committee had also noted a summary of the position relating to cash and cash equivalents, and to capital expenditure during the year. The Committee had heard that on the basis of the work performed, the external auditors anticipated issuing unqualified audit opinions on the Group and University's financial statements, and on the University's subsidiary financial statements. The Committee had noted the accounts for subsidiary companies and the University Trust. The Committee had received the USGAAP restated financial statements.

The Committee had received internal audit reports on reviews of: School of Interdisciplinary Studies/Crichton Campus; and Safeguarding. The internal auditors had provided the Committee with an annual report, which had concluded that for 2017/18, governance, risk management and control and value for money arrangements in relation to business-critical areas were generally satisfactory. However, there were some areas of weakness or non-compliance with processes in the framework of governance, risk management and control and value for money arrangements, that potentially put the achievement of objectives at risk.

The report was noted.

*CRT/2018/20.2 Human Resources Committee*

*CRT/2018/20.2.1 HR Committee business*

At its recent meeting, the Committee had discussed strategic academic alignment, recruitment and talent attraction; and the high-level results from the 2018 staff survey. The Strategic Report from the Executive Director of HR had included the latest developments on the USS pension scheme, pay negotiations and Brexit as well as information regarding the positive outcome of the recent UKVI audit. The Committee had discussed proposed revised wording to the remit/policy of the Organisational Change Governance Group (OCGG) following earlier discussions at both Court and the Committee. Members of the OCGG and the trade unions had also been consulted. The Committee had supported the rewording and had recommended that it be presented to Court for approval prior to wider communication.

With regard to the reference to the staff survey, it was noted that Court would receive a briefing in 2019.

*CRT/2018/20.2.2 Organisational Change Governance Group*

The chair of HRC, Dr June Milligan, introduced the proposed changes, explaining that the OCGG was represented at HRC, the implications of the changes had been discussed and that the changes included an expectation that the group would normally meet in person rather than virtually.

Subject to a minor addition to the proforma to include a reference to equality implications being considered, Court approved changes to the remit/policy of the OCGG.

*CRT/2018/20.2.3 HR Data Analytics*

Data analytics were noted by Court; these included information on staff turnover, recruitment activity, absence rates, EU and international staff numbers, staff age profiles and gender balance and the gender pay gap review.

*CRT/2018/20.2.4 JCCN annual report*

The JCCN annual report was noted.

*CRT/2018/20.3 Remuneration Committee*

Court noted from the Convener of Court that the chairs of Remuneration Committees would be holding a meeting in the new year, with the University hosting.

Dr June Milligan, the chair of the Committee, summarised the report. The Committee had met in November, its delegated business having covered the Principal's report on SMG P&DR and remuneration; Professorial and senior administrative (grade 10) reward; the Principal's performance; Convener of Court remuneration; and Voluntary Severance and salary augmentation approvals since the last meeting. The approach to the annual review of senior management pay had been agreed by Court at its October meeting and Court's agreed approach applied to awards that had been made. Dr Milligan advised Court that as discussed in 2017, the Principal was now an attender not a member of the Committee and that he had been absent from the Committee's meeting other than for his own report on SMG P&DR and remuneration. Dr Milligan also advised Court that the Convener had left the Committee meeting for the discussion about Convener remuneration. Dr Milligan reminded Court that the Committee's membership now included a staff representative and a student representative; and advised Court that a new lay member had recently joined the Committee.

The Convener left the Court meeting for the next part of the discussion, relating to Convener remuneration. The Committee had agreed that it would recommend to Court that the rate previously agreed by Court should apply for the current term of appointment. Parameters for remuneration of the Convener of Court from August 2020 would be agreed at a future date. Court approved this recommendation.

The Convener of Court returned to the meeting.

Court noted the report. A correction would be made to a list of terms of office, to clarify that the term of office for one of the functional VPs was 4 years, and was not commensurate with the underlying open-ended staff appointment that the individual held at the University.

*CRT/2018/20.4 Estates Committee*

The Committee had approved Capex applications relating to: Gilmorehill/Kelvin Building/Essential Works in the sum of £3.369m to support Disability Discrimination Act and fire compliance improvements; and Gilmorehill/Davidson Building/West Medical Refurbishment in the additional sum of £283,573.

The Estates Committee report also included an update from the Executive Director of Estates and Commercial Services on the delivery of the campus development programme, including some current issues and opportunities connected to it. SVP Professor Neal Juster summarised the paper, highlighting: the requirement for enhanced fire protection measures in the Learning & Teaching Hub, which would delay the opening of the building; that enhanced fire protection measures would also be included in the Research Hub; that there were some inflationary increases to building costs that would impact on future elements of the capital plan, which would be reviewed accordingly; that larger buildings would be considered to accommodate potential future growth in student and staff numbers; and that plans for an innovation district and innovation zone were gaining momentum.

The report advised that all of the matters would be developed in further detail and brought to Court for discussion. In particular, it was proposed that when Court considered the full business case for the Institute of Health and Wellbeing, a statement on affordability and impact on the full capital plan would be included; as part of the annual capital plan review, the impact of inflation and additional demands would be modelled and proposals brought forward as part of the budgetary process; and opportunities to accelerate the programme to minimise the impact of inflation would be considered and brought back to Court.

Court noted from the chair of the Finance Committee, Graeme Bissett, that the Finance Committee had considered how the capital costs associated with the changes outlined linked to the University's cash flow. The Committee had noted concerns about all indicators pointing to increased costs and to the long term cashflow showing low points during 2022/23, leaving relatively little in reserve at that time. The long-term cashflow also depended on operating cashflow, which might be affected by major factors such as Brexit at the USS position. An update on capital costs as soon as possible would be welcomed, albeit that there were some variables that were not, and could not, be known.

Court heard and noted that in terms of governance of the capital programme, regular reports to the Estates and Finance Committees indicated where any there were any overruns or potential additional costs and that if figures became out of date, they were updated as soon as possible. Each time a project under the campus development plan was brought to Court, the cash position was covered. Court was reminded that with regard to commitments made against the capital plan, Court had only committed to two projects to date, and that any future requested commitments would come via the normal route of scrutiny by the Estates and Finance Committees.

Court noted a comment that any sensitivities analysis being undertaken should also look at the long term position, at possible re-use and at levers/opportunities to recover costs. If new variables were introduced, then the knock-on effect of these should also be analysed. A comment was noted that communication to staff about progress on the campus development was important and that staff and students should be kept up to date about any delays and contingencies arising from these; Court noted in this regard that contingency planning in relation to the Learning and Teaching Hub's delayed opening had been undertaken.

It was agreed that by way of further update and given the discussions at the present meeting, the February meeting of Court would receive an overview of the revised costs and potential issues affecting the capital programme, the costs to represent the best estimate available, given that there were some factors that were difficult to quantify.

#### **CRT/2018/21. Communications from Meeting of Council of Senate 6 December**

Council of Senate had received: updates on progress in bringing Senate into line with the Higher Education Governance (Scotland) Act 2016 and on the campus development; confirmation that the ELIR Reflective Analysis had been submitted; a report on the Student Experience Committee awayday; and an overview of the general principles underpinning the revisions to academic promotions criteria. With regard to the proposed future composition of Senate, it was commented that it provided for only one non-academic member; the Senate Office would be advised of the comment.

The communications from the Council of Senate were noted.

#### **CRT/2018/22. Annual report on the University's Complaints Procedure 2017/18**

Court noted the annual report on complaints activity during academic session 2017-18. Thanks were recorded to those who were involved in investigating and resolving complaints and to those who had authored the report. With regard to the variance in numbers of complaints from different Colleges, Dr Duncan agreed that examples of any best practice, or lessons learned, would be looked at.

#### **CRT/2018/23. Any Other Business**

There was no other formal business. Court members were thanked for all their work in 2018 and wished a happy Christmas and New Year. The Rector's good wishes for the festive season were passed on to Court.

Court Wednesday 12 December 2018

**CRT/2018/24. Date of Next Meeting**

The next meeting of Court will be held on Wednesday 13 February 2019 at 1.45pm in the Senate Room.