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Court

Minute of Meeting held on Wednesday 13 December 2017 in the Senate Room

Present:

Cllr Susan Aitken Glasgow City Council Assessor, Mr Aamer Anwar Rector, 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, Professor Kirsteen McCue Senate 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, Dr June Milligan Co-opted Member, Mr David Milloy Co-opted Member, Professor Anton Muscatelli Principal, Mr Elliot Napier SRC Assessor (from item 5), Ms Elspeth Orcharton Co-opted Member, Ms Elizabeth Passey Co-opted Member (Convener of Court), Ms Kate Powell SRC President, Mr Gavin Stewart Co-opted Member, Ms Lesley Sutherland General Council Assessor, Dr Bethan Wood Senate Assessor

In attendance:

Ms Christine Barr (Director of HR), Dr David Duncan (Chief Operating Officer [COO] & University Secretary), Mr Robert Fraser (Director of Finance), Professor Neal Juster (Senior Vice-Principal), Ms Deborah Maddern (Administrative Officer)

Apologies: Members: Dr Simon Kennedy Senate Assessor

CRT/2017/15. Announcements

Mr David Finlayson was welcomed to his first meeting. Mr Elliot Napier was welcomed to his first meeting on his arrival at 2.45pm following an exam.

Mr Murdoch MacLennan was attending his final meeting as Chancellor's Assessor on Court. Court thanked him for all his contributions to Court business, and to the work of Court committees and working groups he had been on, and wished him well. He would continue to be involved with the University through the Campaign Leadership Board.

There were the following declarations of interest in relation to business to be conducted at the meeting: Mr David Finlayson in relation to the University Secretary's report item on disinvestment in fossil fuels, given his background and ongoing consultancy role in the sector; and Ronnie Mercer, Heather Cousins, Dave Anderson, Margaret Anne McParland and Kate Powell in relation to recommendations by the Nominations Committee about Court and Committee appointments.

CRT/2017/16. Minutes of the meetings held on Wednesday 11 October 2017

The minutes were approved with the exception of the Rector's Report item, the Rector commenting that he had raised issues that he considered had not been done justice in the minute. The Convener noted that all Court members had been given the opportunity to comment on the minute ahead of its publication in the Court papers for the present meeting. The Rector was asked to identify where he wished more detail to be added. He advised that he wished reference to be made to: no female staff being in place at the Garscube sports facilities, if current organisational change proposals were implemented; what he believed would be a significant risk to life around the proposed staff reductions

at Garscube, for example if there was a serious incident with medical issues involved; and the University should remember that if someone were to lose their life, then there would be a Fatal Accident Inquiry with reputational consequences.

Nick Hill recorded his objections to the debate about the minutes being conducted in this way. David Milloy commented that it would be helpful for Court to have the Rector's report written in advance of meetings, for consideration.

Members were thanked for their observations. It was noted that the Rector's report section of the October minutes would be progressed after the present meeting and if necessary would be approved at the next meeting.

CRT/2017/17. Matters Arising

There were no matters arising.

CRT/2017/18. Report from the Principal

This item was taken after the Secretary's Report, the Principal having been unavoidably delayed at the start of the meeting.

CRT 2017/18.1 Higher Education Developments

The Court meeting was taking place the day before the draft Scottish budget 2018-19 was due to be published. Following the meeting, Court members were contacted with a summary as follows:

Budget for SFC HE resource and capital

	2017-18 Budget £m	2018-19 Draft Budget £m
HE resource (SFC)	1013.9	1024.9
HE Capital (SFC) Funding	45.5	41.3
HE Capital (SFC) Financial Transactions	10.0	40.0

The SFC revenue budget for 2018-19 represented a 1.1% cash increase. The capital budget had been reduced, but a budget of £41m was likely to be sufficient to meet all current SFC commitments in 2018-19, including keeping the Capital Maintenance Grant at £15m.

No details had yet emerged about an anticipated review of HE funding in England. The outcome of any review could impact on the University, through any changes in the fee regime for Rest-of-UK Undergraduate students. Universities in England had also received additional information on the development of a 'Knowledge Exchange Framework' which might impact on KE funding in England. There was no indication to date that this would have an impact on Scottish HE.

CRT 2017/18.2 SRC/SMG Correspondence

In mid November, Court members had received a copy of an exchange of letters between the SRC and the SMG, covering a number of concerns expressed by the SRC about the student experience in the context of high recruitment in the current year. The SMG and SRC had since been working closely on how best to invest in the student experience, including meetings having taken place, and continuing, between the SRC and Principal and COO & University Secretary. In response to specific points in the SRC's letter, the SMG had outlined actions being taken, including investment in Counselling and Psychological Services, funding for additional teaching and study space, increased lecture recording and increased staffing levels in areas of growth. Court was reassured that if other

pressure points emerged, then the dialogue would continue. The proposed Student Experience Committee would also contribute to taking matters forward.

In response to a question from the Rector about additional funding for Counselling and Psychological Service, it was noted that £200k had already been earmarked for C&PS ahead of the recent discussions, but that there was a commitment to fund areas beyond this service, if a need emerged. The CAPS budget had increased from £283k in 2011/12, to £513k in 2016/17, to £765k in 2017/18.

CRT 2017/18.3 USS Triennial Valuation 2017

The Principal declared an interest as a member of the USS Board, although the item was simply an update on USS, and it was noted that the Board had no control over future benefits of the scheme, its duties being to current pensioners.

At the last meeting, Court had been reminded that USS was required to carry out its latest valuation as at 31 March 2017 and the outcome of this had to be submitted to the Pensions Regulator by 30 June 2018. At the time of the October meeting, the Trustee had recently concluded a formal consultation with Universities UK (UUK) on the technical provisions assumptions. Since then, the Trustee had published its final considerations on the technical provisions, and shared these with stakeholders.

As Court had been advised, there had been differences between views on the matter of risk, on the part of employers and unions. The Trustee body did not have a position on benefit changes, which were a matter of negotiation between employers and UCU as part of the Joint Negotiating Committee (JNC). However, the Trustee body's valuation process had indicated that, should the benefit structure remain unchanged, there would need to be substantial additional contributions to the scheme. Not all employers were in agreement about making such additional contributions in order to retain a Defined Benefit scheme but UUK would need to make a sector-wide decision in due course.

The JNC had had meetings to consider the employers' (UUK) proposal for a revised benefit structure. UCU had indicated that these changes were not acceptable to them. Court would be updated at its February 2018 meeting.

CRT 2017/18.4 Queen's Anniversary Prize

The University had been awarded a Queen's Anniversary Prize for Higher Education for the University of Glasgow's Historical Thesaurus of English.

CRT 2017/18.5 Russell Group

As the Principal had outlined in the national press, a recent study by the economic research consultancy, London Economics, had reported that the UK's leading research-focused universities were contributing nearly £87 billion per year into the national economy. The study had calculated the impact of the Russell Group's teaching and learning activities, world-renowned research, spending on goods, services and people, and the value as a major exporter through the income generated from overseas students. The total economic impact calculations had been based on a snapshot of a single academic year (2015/16). As Chair of the Group, the Principal had stressed how the study provided strong evidence that research-intensive universities were critical to the future prosperity of the UK.

CRT 2017/18.6 Guild of European Research-Intensive Universities

The University was a founder member of the Guild and had been a signatory on a recent statement relating to Brexit, whereby the members had restated the importance of joint investment in knowledge, human capital and innovation, enabled across borders by European universities. The statement had highlighted the need for continued investment in student mobility; called for investment

in EU framework programmes to sustain and enhance the quality of research in Europe; stressed that free circulation of ideas was best guaranteed by the free and uninterrupted movement of researchers, students and their families; and urged continued long-term support for innovation across borders. The Russell Group had supported the statement.

CRT 2017/18.7 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 2017/18.8 Campus Development

A year on from Court's approval of the Capital Plan and the Learning & Teaching Hub final business case, members were encouraged to visit the campus, and to contact the Court Office if they would like more information or assistance.

CRT/2017/19. Report from the University Secretary

This item was taken ahead of the Principal's report.

CRT/2017/19.1 Student Experience Committee

As the Principal had referred to in his report, Court members had been copied in on a recent exchange of correspondence between the SRC and SMG. The SMG letter had noted a number of actions being taken with regard to the student experience and services at Glasgow.

Earlier in the session, following the Court Strategy Day, reference had been made to a Student Experience Committee being set up, as part of the engagement with the student body. It was proposed to establish this as a joint committee of Court and Senate. From 2018, the Committee would report regularly to Court, with the SRC President involved in the related paper/discussions at Court meetings. The committee would take an holistic approach to non-academic aspects of the student experience and would be co-chaired by the Chief Operating Officer and the SRC President. This would enable Court members to have more visibility on current student matters.

Court noted that there was currently a Student Support and Development Committee, that reported (only) to Senate and served as a forum for the University and the Students' Representative Council to work in partnership. Responding to a question about how the SSDC would sit with the new Committee, the COO & University Secretary advised that the new Committee was a supportive initiative that would improve the level of visibility for, and be a better conduit to, the University Court, for student experience matters; and would augment existing accountability. He would discuss the matter further with the Clerk of Senate ahead of the composition of the new Committee being finalised and envisaged that the Clerk of Senate would take a paper about it to the next meeting of Council of Senate. It was agreed that the remit should be revised to refer to using best efforts to ensure the best experience rather than ensuring it; to refer to oversight, not leadership, of actions; to refer to 'equality' rather than to 'equal opportunities'; and to refer to the committee meeting five times a year so as to report to every Court meeting. The membership of the new Committee should include Senate Assessors.

Court approved the establishment of the Student Experience Committee.

CRT/2017/19.2 Socially Responsible Investment Policy SRIP

Court had agreed in 2015 to implement a first stage of divestment, involving a 25% reduction in fossil fuel holdings over the following 4 years. At the time, Court had also been advised that it would receive a progress report on divestment after 2 years; and, in 2019, would undertake a further financial evaluation of the impact of the divestment policy, before deciding on whether to proceed with a further stage of divestment. At the last meeting, the Investment Advisory Committee had provided a report, prepared by investment managers Schroders. Court had asked for further detail, to include broader perspective, in an updated report.

Gavin Stewart summarised the position to Court, advising that the IAC was on course to meet the levels prescribed by Court for 2019; and that there had been a negative impact on investment returns, within a best-estimate range. The investment managers had noted that there were alternatives to the choice of divestment area and that if Court required further targets, then the managers' current investment strategy would need to change. David Finlayson referred to his earlier declaration of interest, then noted that the sector was in a transitional phase, with energy companies funding significant research to refine methods of extraction. He suggested that the investors might look at these initiatives as part of their ongoing work.

The COO & University Secretary referred to the University's commitment in the area, with the recent establishment of a Sustainability Working Group, which was mentioned later in his report.

Court noted the updated report relating to fossil fuel divestment.

CRT/2017/19.3 Scottish Code of Good HE Governance – action plan

The new Code had been published in October. The Code's main principles and (more detailed) supporting provisions/sections had been examined to check compliance. The main areas for action were noted; these would be taken forward in the coming months. Court members had received a briefing on equality and diversity, which addressed some aspects of the Code's provisions in this area, at the lunchtime session. A reviewer for the external effectiveness review required by the Code had been identified. The review would be taken forward in mid 2018.

Longer term, there were also areas where processes would need to be developed, including those relating to the appointment of the senior lay member and the Principal.

Court would be kept informed of progress.

CRT/2017/19.4 Organisational Change

The University was currently undertaking an organisational restructuring of UoG Sport. Following a period of consultation, three of the campus trade unions (Unison, Unite and the GMB) had invoked the 'failure to agree' procedure over the proposed changes. The Joint Committee of Consultation & Negotiation had duly met on Monday 20 November and Thursday 30 November and had reached an agreement on the way forward. The COO & University Secretary noted that not every individual employed in UoG Sport had been content, but that a way forward had been identified.

The Rector noted that while there had been an agreement at the meeting, the 'failure to agree' still existed; the staff affected remained to be contacted and still had to agree the proposals. The Rector added that there was also an impact on students at Garscube; having spoken to a number of these students, he did not believe that the case had been made to them. He believed the students were unhappy with the impact of the opening time changes, having paid fees in advance; this was aside from not agreeing with the commercial case which referred to low footfall: students wished to use the Garscube facilities. The Rector questioned why financial issues at the Stevenson Building should

affect Garscube. He believed the staff were still against the proposals and there remained health and safety concerns; a health and safety review had not been done for some time and if staffing levels were reduced and an incident occurred, there would be a risk to life, which was unacceptable.

The Convener invited observations from management. The COO & University Secretary advised that discussion was still ongoing with staff; it was correct that not everyone was happy, although there had been a positive reaction from users to the extended opening hours at the Stevenson Building. The health and safety aspects had been reviewed and it was not considered that there was a risk to life. The COO & University Secretary and head of service would be happy to meet further with the Rector.

The SRC President noted that the SRC had discussed the matter and was content with the revised opening hours. Margaret Anne McParland noted that she considered that the case should not have been a Tier 2 matter under the Organisational Change process; she had seen the management case, which she advised the staff affected would challenge, were the opportunity given. Morag Macdonald Simpson commented that the role of the Organisational Change Group could be strengthened to avoid similar situations occurring in the future. It was agreed that an annual report from the Group would be provided for the next meeting.

CRT/2017/19.5 Nominations Committee and Committee memberships business

Ronnie Mercer, Heather Cousins, Dave Anderson, Margaret Anne McParland and Kate Powell left the room at the relevant point in the discussion.

i) Chancellor's Assessor

Court approved a recommendation from the Nominations Committee that Ronnie Mercer become Chancellor's Assessor from 1 January 2018 until the end of his current term on Court (31 October 2019).

ii) Nominations Committee membership

Court approved a recommendation from the Nominations Committee that Ronnie Mercer become a member of the Nominations Committee from 1 January 2018.

iii) New Court Co-opted member

Court approved a recommendation from the Nominations Committee that Dr Ken Sutherland be appointed as a Co-opted member on Court for 4 years from 1 January 2018.

iv) Court Co-opted member – term of office

Heather Cousins would end her first term on Court on 31 March 2018. Court approved a recommendation from the Nominations Committee that she be reappointed to Court for 4 years from 1 April 2018. Ms Cousins would continue to chair the Audit & Risk Committee.

v) Estates Committee membership

Court approved a recommendation from the Nominations Committee that Alan Seabourne be reappointed to the Estates Committee for 4 years from 1 February 2018.

vi) Staff and Student memberships of Court Committees

At the October Court meeting, there had been discussion on the new Scottish Code of Good HE Governance's reference to staff representatives being on Court Committees; and to the Code's

reference to the Remuneration Committee being expected to seek the views of representatives of students, as well as staff. The Nominations Committee had considered this matter. Court now approved recommendations from the Committee that a staff representative be added to: the Remuneration Committee (with Dave Anderson to fill the position); the HR Committee (with Margaret Anne McParland to fill the position); and the Nominations Committee (with Margaret Anne McParland to fill the position); and that the SRC President be added to the membership of the Remuneration Committee.

CRT/2017/19.6 Employee Representative on Court

A Court/Senate working group was currently considering the future composition of Court in light of the Higher Education Governance (Scotland) 2016 Act. The group was looking in particular at the various staff memberships of Court, including members from Senate, the trade unions and the wider staff body. Given these ongoing discussions, Court approved a recommendation by the Nominations Committee that a temporary extension of Dave Anderson's term on Court be made, to provide some flexibility in 2018, ahead of actions to meet the terms of the 2016 Act.

CRT/2017/19.7 SFC Strategic Dialogue meeting 2018

The SFC undertook a cycle of dialogue meetings with all HEIs. The University's next such meeting would be on 13 February 2018. The dialogue aimed to help the SFC's understanding of the University's mission and progress in meeting Scottish Government priorities, and to assist the University's understanding of the SFC's strategic aims. It also provided an opportunity for institutions to demonstrate their impact and highlight their ambitions.

The schedule for the dialogue meeting on 13 February would include sessions on governance and financial sustainability; the transformative impact of the campus redevelopment; and creating growth in the City through City/University interaction. There would also be a staff engagement session and a student session. Court would be updated at its April meeting.

CRT/2017/19.8 Conflicts of Interest Policy

The existing University Conflicts of Interest Policy had last been reviewed in 2010. Since that date, legislation in the United States had introduced specific requirements relating to financial conflicts of interest relevant to US department of health funding, and the University had also adopted a new Strategic Plan.

The Research Support Office had revised the current Policy in this context. The new draft had been reviewed by the R&E Steering Group and Research Policy & Strategy Committee and comments from other interested groups had been incorporated.

Court members would continue to be contacted annually for their Register of Interests returns.

Court approved the revised policy.

CRT/2017/19.9 Sustainability Working Group

With the approval of the Senior Management Group, a new Sustainability Working Group had been established to oversee and drive forward the University's activities in relation to environmental sustainability. The group was co-chaired by Professor Dan Haydon, Director of the Institute of Biodiversity, Animal Health & Comparative Medicine, and the COO & University Secretary. As an expression of commitment to this area, the University had signed up to the United Nations Sustainable Development Goals. Court noted the remit of the new working group.

CRT/2017/19.10 Sexual Harassment and gender-based violence

Since 2015, the Vice Principal and Head of College of Social Sciences, Professor Anne Anderson, had led the University's Gender-Based Violence Strategy Group, which oversaw the implementation of an action plan to address this issue. In the light of the recent public discourse, existing plans had been reviewed and a number of additional actions identified. These included building on the existing Dignity at Work and Study Policy and expediting the development of a specific policy governing relationships between students and members of staff. The Equality and Diversity Strategy Committee, chaired by the Principal, would continue to receive regular reports on progress.

In discussion about the visibility to Court of work in this area, it was agreed that the Committee would provide a report on its work. The Rector noted that at one of his surgeries he had received complaints from some students that the University was failing to take action about harassment. He had been told that some students had been advised that their academic careers would suffer were they to complain, and that the students were afraid to complain. The Principal advised that he was very disturbed to hear this and urged the Rector to contact the COO & University Secretary to find a way of enabling people who wished to come forward to do so, accompanied by the Rector and/or SRC if they so wished. The Principal added that the University's HR codes of conduct were very clear about harassment matters.

Court noted comments from members that it was important that Court be reassured that the E&D Unit was properly resourced; that many institutions would be dealing with similar issues relating to emerging cases, some historic, and that although the climate had changed for the better in recent years it was very important that communications with staff and students provided reassurance that they would not be discouraged from coming forward and that they would be supported; and that there was also a duty of care to anyone accused. With regard to cases referred to by the Rector, Court heard that the students in question had concerns that reporting to supervisors was problematic because of the power relationship involved. Court noted that HR and the E&D Unit were engaged in awareness-raising on gender-based violence and harassment. Court agreed that it supported the position that anyone who felt they had been harassed should be encouraged to come forward.

CRT/2017/19.11 SRC Assessor on Court

Elliot Napier had been elected as SRC Assessor on Court from 1 November until 31 October 2018.

CRT/2017/19.12 Vice Chairships of Court Committees

Elsbeth Orcharton had been appointed as Vice Chair of the Finance Committee.

Lesley Sutherland had been appointed as Vice Chair of the Nominations Committee.

CRT/2017/19.13 Heads of School appointments

College of Arts - Head of School of Humanities

Professor Lynn Abrams had been reappointed as Head of the School of Humanities for 1 year from 1 August 2018.

College of Social Sciences - Head of School of Interdisciplinary Studies

Professor Carol Hill had been reappointed as Head of the School of Interdisciplinary Studies for 2 years from 1 August 2018.

CRT/2017/20. Report from the Rector

There having been no written report circulated in advance of the meeting by the Rector, the Convener

asked the Rector to summarise the main themes of his oral report at the beginning of his presentation. The Rector advised that he wished to cover 1. the outcomes of his round-table discussions with students; 2. honorary degrees; and 3. Sport & Recreation.

With regard to the round-table discussions, the Rector had held a series of discussions on campus, including at the QMU and GUU, to ask about any concerns. The main issues that had emerged were: mental health; sexual harassment; (for international students) a lack of integration; and insecurity about accommodation, including rent control matters. With regard to harassment, the Rector noted that he encouraged students to go to University authorities if they had concerns, but PGs he had spoken to felt they did not have protection, with power relationships involved that discouraged reporting. The Rector undertook to discuss individual cases with the Principal and COO & University Secretary.

The Rector had been pleased and proud to attend the recent ceremony at which Rose Gentle had received an honorary degree from the University. The Rector was very supportive of the University recognising distinguished people through the honorary degrees process. The Rector advised, however, that he had issues about the award to Aung San Suu Kyi, given the recent events in Myanmar, and he considered it was hard to think of such initial high hopes being so cruelly betrayed. The Rector would be proposing that the honorary doctorate awarded to Aung San Suu Kyi be revoked and that the University should take responsibility in respect of its awards, since the Rector considered that the doctorate in this case was connected to a person involved in crimes against humanity. The Rector noted that other institutions had revoked awards in the past.

With regard to the Sport & Recreation Service, the Rector was scheduled to meet shortly with the COO & University Secretary. The Rector did not consider that the matter was closed. Staff and students were contacting him direct and he considered there was a student experience issue.

The Rector was advised that there was a process relating to honorary degrees, an area overseen by the Honorary Degrees Committee, which would consider any cases made to it requesting withdrawal of a degree. The SRC offered to take this forward if the Rector contacted the President, since she sat on the Committee. It was observed that the Rector had not yet met with the Students Representative Council, and the Convener suggested that the Rector and SRC President meet to co-ordinate this.

The Rector referred to the death of Michael McGovern, who had worked at the QMU, and suggested the University recognise all his years of service permanently in some way.

The Rector was asked about a survey that he had conducted, connected to his meetings with students. The Rector advised that he would be collating feedback from this survey and would co-ordinate this with the SRC. A comment was noted that it was important to get consensus on the content; the Rector advised that the survey was a tool to assist and guide him in his role. Asked about numbers attending his meetings, the Rector advised that some people had emailed in, some had phoned, and some had met with him individually or in groups; the three group meeting numbers had been around 60, 40 and 20 respectively.

[There was a short break before the Court Committee items on the agenda.]

CRT/2017/21. Reports of Court Committees

CRT/2017/21.1 Audit & Risk Committee

CRT/2017/21.1.1 Audit & Risk Committee Annual Report to Court 2016/17

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 composition of the Committee, which had both lay and more recently Senate Assessor representation; the usefulness of the briefings the Committee had received on areas of University activity, in the past session; the positive interaction with the internal auditors and the Committee's requirement for robust management responses to recommendations in audit reports; the annual report from the internal auditors; that some high risk areas for action had been identified in internal audits and had been followed up by management; that the Committee regularly reviewed actions against recommendations, and related statistics, in internal audit reports; and that the Committee had reviewed the 2016/17 financial statements, which were being considered by Court later in the present meeting.

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/2017/21.1.2 Other Audit Committee business

At its recent meeting, the Committee had received the University's financial statements for the year ended 31 July 2017. The Committee had noted the increase in tuition fee income and strong investments gains during the year. The Committee had noted the operating surplus after exceptional items and tax, there being a twelfth consecutive 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: Budgetary control: Campus Redevelopment Spend; SCENE Bank Accounts – follow up; and Data Governance Review: Follow up report. The internal auditors had provided the Committee with an annual report, which had concluded that for 2016/17, 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 which potentially put the achievement of objectives at risk.

The Committee had agreed that the risk register would be revised, in both form and content. The register would be provided to Court in June 2018 under the previously agreed arrangement for Court to consider the register annually.

The 2017/18 internal audit plan would be finalised following the recent re-appointment of PwC as internal auditors, and would be circulated to Court.

It was noted that the Committee had recently noted an underspend on the capital plan, details of which had been referred to in an internal report. The matter was to be monitored through a regular report to the Estates Committee, which would be adding a table relating to cashflow and the consequences of any changes in spend profile. The Finance Committee would also receive the details.

The report was noted.

CRT/2017/21.2 Finance Committee

CRT/2017/21.2.1 Financial Statements 2016/17

The Director of Finance, Robert Fraser, gave a presentation on the University's financial statements for the year to 31 July 2017, Court having received the statements for that year. Court noted that the past year had seen the first annual turnover in excess of £600M.

There was an Operating surplus for 2016/17 of £38.3m (2016 - £30.8m), gains on disposal of fixed assets (£4.5m), gains on investments (£13.8m) and an actuarial loss (£23.9m) resulting in Total Comprehensive Income for the year of £32.6m (2016 - £31.2m). It was noted that the surplus was not cash that was available to spend. The actuarial loss referred to was mainly due to increased inflation assumptions on the UGPS pension scheme and was arrived at despite an accelerated deficit reduction contribution of £17m.

At the year end, cash and deposits totalled £231.8m, an increase of £37.8m in the year. A further £175.4m had been invested following the bond issue and pending expenditure on campus development. There was capital expenditure of £38m, a decrease of £37.8m compared to 2015/16 and £32.4m below budget. The capital spend was split £29.7m on Land and Buildings, and £8.3m on equipment. The main areas of underspend versus budget related to the campus development including Learning & Teaching Hub (£11.9m), infrastructure (£9.1m), and the Research Hub (£3.9m).

Compared to the previous year, there was some volatility as a result of the impact of FRS102.

Court noted summaries of movements versus original budget set in June 2016; movement of Management Accounts to Statutory Accounts; and year-on-year movements relating to: total comprehensive income with FRS102 impact split out, net assets, reserves, pension liability, endowments and cash/deposits.

The chair of the Committee, Graeme Bissett, advised Court that at its most recent meeting, the Finance Committee had received the summary presented to Court and had been content with the approach and monitoring adopted by the management; there had been no areas of concern. The Committee had recommended that Court approve the Financial Statements. Mr Bissett noted that the Committee's role in looking forward would be increasingly important in the coming year, given the high level of projected capital spend; the cash flow would be monitored carefully, as would the alignment of this with the published capital plan.

In response to a question about the fluctuations in-year and possible lessons for future forecasting, it was noted that there had been a move from an I&E approach to a cash approach in order better to manage the position and eliminate non-cash fluctuations and to mitigate the mismatch between income and cost which FRS102 caused. Court would receive summary details in 2018.

Court approved the University Financial Statements for the year to 31 July 2017. Robert Fraser and his team, and the Finance Committee, were thanked for their work.

CRT/2017/21.2.2 Universities Subsidiaries and Trust Financial Statements as at 31 July 2017

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/2017/21.2.3 Capital Projects

Court noted an update on capital projects.

CRT/2017/21.2.4 Capex Applications

The Committee had approved CapEx applications relating to: Garscube/Henry Welcome Building/CryoEM £0.2m; Forensic Toxicology relocation to Glasgow Royal Infirmary £1.1m; and Forensic Pathology relocation to QEUH/ICE £0.12m.

CRT/2017/21.2.5 Endowment Investment Report

Court noted an endowment investment report as at 30 September 2017.

CRT/2017/21.2.6 Financial reports

Court noted an overview of performance as at 31 October 2017.

The report was noted.

CRT/2017/21.3 Estates Committee

Court noted Estates Committee's approval of CapEx applications relating to: Garscube/Henry Welcome Building/CryoEM £0.2m; Forensic Toxicology relocation to Glasgow Royal Infirmary £1.1m; and Forensic Pathology relocation to QEUH/ICE £0.12m.

Court noted from the Committee chair, Ronnie Mercer, that the capital programme was progressing and that the next major project that would come to Court was scheduled to be the Institute of Health & Wellbeing, in 2018. Court would also be receiving details about the management's consideration of potential disposals as part of the capital plan.

In response to a question about the inclusion of IT infrastructure within elements of the capital plan, and the adequacy of provision for this, it was noted that each building had an IT element included in its business case and that forecasts contained provision; this area would be kept under review.

It was noted that the relatively high number of Amber ratings for estates projects was not normal but was not a cause for concern, since many were moving to Green and were also for relatively small projects.

The report was noted.

CRT/2017/21.4 Human Resources Committee

CRT/2017/21.4.1 HR Committee business

Court heard from the Director of HR that the University acknowledged that there had recently been problems with the timely payment of Graduate Teaching Assistants (GTAs). There had been a reduction in casualisation of these positions, with much work done earlier in the session to move GTAs to fixed term contracts. However, with the increase in student numbers, there had been additional GTA appointments needed and some difficulty in paying all those recruited on time, payment processes not having been able to keep up with the volume of appointments. Emergency payments had been made, and the University had apologised to those affected. Longer term arrangements were being put in place and relevant policies reviewed, in discussion with the UCU. Responding to a point about potential additional liabilities for NI and tax having been incurred as a result of staff receiving lump sum back-payments, the Director of HR requested that any such cases should be referred to HR. The Director of HR provided reassurance that the waiting time for payments would not reoccur and that a system of minimum payment levels per transaction might also be put in place.

At its recent meeting, the Committee had received: a presentation from the Vice Principal (Academic & Educational Innovation regarding the IT Strategy for the University; an update on the review of the University recruitment process and strategic recruitment activity; details on the University's arrangements for employee relations and the various formal and informal partnership working with the recognised trade unions; and strategic updates covering areas including the Transformation Programme, the initial outcomes of the Performance & Development Review process, strategic recruitment, the ongoing developments regarding Brexit, developments regarding USS and organisational change matters. The Committee had reviewed the latest set of data analytics and the annual report of JCCN activity, both of which reports had been provided to Court for information.

The report was noted.

CRT/2017/21.4.2 JCCN annual report

The JCCN annual report was noted.

CRT/2017/21.4.3 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.

CRT/2017/21.4 Remuneration Committee

June Milligan, the chair of the Committee, summarised the report.

The Committee had met in October, its business having covered SMG remuneration and Professorial reward; the Principal's performance (the Principal having been absent from the meeting for this item); recommendations from the Principal relating to SMG performance; 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, after the Committee meeting for reasons of timing, and Court's agreed approach applied to awards that had been made.

Court noted that given the ongoing public concern about the matter of senior management pay in the sector, the Committee's business in the coming year would include broader discussion about total reward and the wider context surrounding management pay. The annual review of senior management pay in 2018 would be informed by a wider range of metrics following this additional work by the Committee. Court would be provided with these details for consideration and for agreement if it was supportive of the approach. Court members were invited to contact the chair with any observations in the meantime.

Amendments to the Committee's remit had been agreed by Court in October, with a staff representative and the SRC President being welcomed to the Committee as part of these changes. Court noted that some further revisions would be made to the remit in light of the recent CUC draft Remuneration Code. A draft remit would be provided to Court for consideration in 2018.

Court noted the report.

CRT/2017/22. Communications from Meeting of Council of Senate 7 December 2017

The Council of Senate had received updates regarding honorary degrees, the Campus Development the REF2021 and USS. The Council of Senate had also approved the job description for the Clerk

of Senate, ahead of recruitment given that the current postholder Professor John Briggs was retiring from the post in the summer of 2018.

The communications were noted.

CRT/2017/23. Any Other Business

Court members were reminded about the confidentiality of Court business and about the code of conduct for Court members.

Court members were thanked for all their work in 2017.

CRT/2017/24. Date of Next Meeting

The next meeting of the Court will be held on Wednesday 14 February 2018 at 1.45pm