

UNIVERSITY OF DUNDEE**UNIVERSITY COURT**

A meeting of the University Court was held on 11 December 2017.

Present:

Ronnie Bowie (in the Chair)
Janice Aitken
Anne Anderson
Lord Provost Ian Borthwick
Dr William Boyd
Shirley Campbell
Principal Professor Sir Pete Downes
Jo Elliot
Professor Tim Kelly
Bernadette Malone
Allan Murray
Sean O'Connor
Dr Alison Reeves
Andrew Richmond
Dr Jean Robson
Professor Mairi Scott
Sharon Sweeney
Denis Taylor

In Attendance:

Wendy Alexander (Vice-Principal (International))
Mark Beaumont
Andrew Hewett (Director of Finance)
Dr Neale Laker (Director of Academic & Corporate Governance)
Professor Karl Leydecker (Vice-Principal (Learning & Teaching))
Dr Jim McGeorge (University Secretary)
Dr Christine Milburn (Policy Officer (Corporate Governance))
Pam Milne (Director of Human Resources and Organisational Development)
Professor Tim Newman (Vice-Principal (Research, Knowledge Exchange & Wider Impact))
Wesley Rennison (Director of Strategic Planning)
Professor John Rowan (Vice-Principal designate (Research, Knowledge Exchange & Wider Impact))
Thomas Veit (Director of External Relations)

Apologies:

Richard Bint
Ezichi Ekpe
Jane Marshall
Karen Reid
Professor Nic Beech (Vice-Principal (Provost))
Phil Welsh

28. STRATEGIC PRESENTATION ON THE RESEARCH AGENDA

The out-going Vice-Principal (Research, Knowledge Exchange & Wider Impact) and his successor jointly presented an update to the Court on progress, developments and future challenges within the research agenda both at the University and across the sector. Noting the complexity of the agenda, the Vice-Principal focussed his presentation on matters relating to interdisciplinarity, impact, quality and sustainability.

The Court was advised of the School-level outcomes for the 2017 annual research review and the Vice-Principal highlighted the improvements made to the review process in the current cycle. Members noted that the process was now an important and embedded element of the research culture at the University, and that the information from the review would be particularly useful in ensuring appropriate oversight of performance and impact ahead of preparations for the 2021 Research Excellence Framework (REF). The Vice-Principal went on to outline the 'REF 2021 initial decisions' published by HEFCE and the manner in which changes to the process could affect the University. In particular, members noted the likely importance of impact and volume, and changes to the portability of outputs. Through discussion members noted that the University had generally performed well in terms of impact assessment in the last REF, and that value for money was likely to be an important factor in the Scottish Funding Council (SFC) REG calculations following the REF 2021.

The Vice-Principal also provided an overview of efficiency based on TRAC data for each of the Schools. In response to questions regarding the overall potential for efficiency gains, the Vice-Principal highlighted the need for efficiency targets to be determined on a School by School basis due to the differing restrictions and challenges faced. The Court was however advised that while the research deficit caused by chronic underfunding of research by the UK and Scottish Governments and through SFC REG could in part be balanced through efficiencies and teaching surpluses, the remaining funding gap would need to be addressed through a sectoral solution.

The Vice-Principal went on to outline the University's internal approach to optimising responses to emerging funding opportunities focussed on impact and innovation including the Global Challenges Research Fund and Industrial Strategy Challenge Fund. In doing so he provided examples of both current activities and recent successes. He also provided a brief overview of the Scottish Funding Council (SFC) University Innovation Fund and the Knowledge Exchange (Excellence) Framework.

The incoming Vice-Principal (Research, Knowledge Exchange & Wider Impact) then outlined his initial considerations and focus, which were broadly grouped into the subject areas of leadership, culture, performance and connecting research. In setting out his early vision, the incoming Vice-Principal outlined the important role of the strategic themes within the University Strategy to 2022 in terms of providing direction and alignment within the agenda.

Discussions largely focussed on the University's research identity, and preparations and considerations for REF 2021. Members noted the importance of making any strategic investments in a timely manner to ensure that there was an appropriately resourced enabling environment and that, as a result, the University's REF return was optimised. Through discussion it was noted that matters relating to the size, shape, and scale of research would be reviewed to ensure that the University remained competitive, but that there was confidence that strategic investment, interdisciplinary working and existing quality improvement mechanisms would enhance the University's competitiveness across the piece.

In concluding discussions, the Chair of Court thanked Professor Newman for his service in his role as Vice-Principal (Research, Knowledge Exchange & Wider Impact), and in particular for his open approach to enhancing the Court's understanding of the research dynamic and complexities of research funding within the University, and members wished him well for the future.

The Court decided: to thank the Vice-Principal (Research, Knowledge Exchange & Wider Impact) and his successor for their presentation and wish them both well for the future.

29. MINUTES

The Court decided: to approve the minutes of the meeting on 23 October 2017.

30. MATTERS ARISING

(1) Action Log

The Court considered the action log and noted the updated provided.

The Court decided: to approve the Court Action Log.

(2) Appointment of a New Chancellor (Minute 17(2))

The Chair informed the Court that the Appointing Committee had met for a second time that morning, and he updated them on discussions. Members noted that it was hoped that discussions with a potential candidate would be concluded in the near future. The Chair of Court reiterated the importance that the Committee placed on the chosen individual having values that aligned with those of the University, and undertook to update the Court at its meeting in February 2018.

The Court decided: to note the update.

31. CHAIR'S REPORT

The Court received its regular report from the Chair detailing activities he had undertaken on its behalf at a University and sector level since the last meeting. In his report he highlighted discussions by the Committee of University Chairs (CUC) in relation to the development of a Remuneration Code to help improve the rigour and transparency in senior officers' remuneration decisions, and members noted that the Remuneration Committee had discussed this at its meeting. The Chair also provided an overview of sectoral pension matters, and it was noted that this was likely to be a recurrent topic until the Universities Superannuation Scheme (USS) valuation was concluded in July 2018.

The Chair went on to inform members that since his report had been issued he had met with the Dundee University Students' Association (DUSA) Vice-President (Student Welfare) to discuss how Court and the University could support DUSA's zero tolerance approach to sexual harassment. The Court noted actions taken to date and that the University Secretary, Director

of Academic & Corporate Governance, and DUSA Vice-President (Student Welfare) had formed a working group to review what further steps could be taken to ensure that the University was the best and safest place to work and study. A number of members of the Court offered to contribute to the working group based on their knowledge and experience of implementing practice in this field and it was noted that the Court would be kept informed of future developments.

The Court decided: to note the update, and in particular the importance placed on the zero tolerance agenda.

32. PRINCIPAL'S UPDATE

The Court received an update from the Principal which highlighted recent news and matters of sectoral interest (**Appendix 1**). The report focussed on the lasting impact of activities undertaken in the University's 50th anniversary year, and the renewed approach to public engagement, and the Principal also provided updates in relation to the Universities Superannuation Scheme (USS) valuation, the Tay Cities Deal (see also minute 38(1)(a)), and BREXIT.

Further to the report, the Principal informed members that the University had now been approved as an official associate of CERN (European Organisation for Nuclear Research), which members noted was an important step in terms of future collaborations. The Court was also advised of the outcome of the Medical Research Council Protein Phosphorylation Unit (MRC PPU) review, with members being pleased to note that the unit had been rated at the highest level, with a corresponding full renewal of the MRC award of £25.9m under the terms agreed in the strategic alliance agreement over the coming 5 year period.

The Chair of Court also highlighted the Principal's and DUSA President's participation in the Social Bite Sleep in the Park 2017 event and members congratulated them on their associated fundraising.

The Court also noted the appointment of Wendy Alexander (Vice-Principal (International)) to the Scottish Government's new Enterprise and Skills Strategic Board.

The Court decided: to note the report.

33. FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 JULY 2017

(1) Annual Report from the Audit Committee

The Court received the annual report from the Audit Committee for 2016/17 (**Appendix 2**). The Convener of the Audit Committee highlighted the Committee's discussion and decision in relation to unadjusted differences in the accounts which, while not material, were noted in the report.

The Convener also advised the Court that on the basis of the report provided by management, the views of the Audit Committee, and the review undertaken by the external auditors, the Committee was comfortable to endorse the annual accounts to the Court for approval.

The Court noted that the report provided a summary of the activities of the Committee, including internal audits during the 2016/17 academic year, and the Convener highlighted in particular the actions of the Committee in relation to a critical risk identified within the ICT and Data Security audit. Members were pleased to note that management had responded positively to the recommendation, and that the Committee would continue to monitor the implementation of the response as well as wider issues of information and IT security.

The Court decided: to approve the report for onward submission to the Scottish Funding Council.

(2) Letter of Representation

The Court considered the proposed draft letter of representation which was to be provided to the auditors.

The Court decided: to approve the letter of representation for signature by the Chairman and Principal.

(3) Annual Report and Financial Statements

The Court received the reports and financial statements for 2016/77 http://www.dundee.ac.uk/finance/procedures/financial_statements.htm. Under the FRS102 reporting standards, the overall financial result for the year was a total comprehensive income of £9.3m.

In terms of the operational results, the reported operating deficit before other gains was £7.5m, representing an increased deficit from 2015/16 of £1.9m. The University's cash position remained favourable, with cash balances for the year increasing by £11.7m to stand at £46.9m.

Total income increased by 2.2% compared to the previous year to £244.3m, with income from the Scottish Funding Council remaining flat, income from research increasing by £3.3m, and income from tuition fees increasing by £3.9m. Total expenditure increased by £7.1 m to stand at £251.9, with staffing representing the largest category of costs at £142.5m (increase of £3.9m from the previous year). Other operating expenses decreased by £128k to stand at £87.4m.

With total net assets of £202.6m and borrowing of less than £1m, the University's financial position was considered to be strong with the outlook remaining difficult.

Members noted that the accounts would be the final set managed by the current Director, who would take up an appointment at Manchester Metropolitan University in April 2018 and wished him well for the future.

The Court decided: as recommended by the Finance & Policy and Audit Committees, to approve the Reports & Financial Statements for the year ended 31 July 2017.

34. SUMMARY OF LEAGUE TABLE PERFORMANCE

The Court received the annual report from the Director of Strategic Planning on the University's performance in UK and World University League Tables. Members welcomed the report, and in particular the alignment between its presentation and the University Strategy to 2022. Members noted that the performance in UK league tables had been strong. In response to questions the Director provided an overview of actions taken to analyse and address the fall in the THE (7 places) and QS (23 places) World Rankings.

The Court also welcomed the School performance data, and noted that mechanisms existed to ensure the sharing of best practice and the focussed review of areas where performance may be improved. In relation to the School of Nursing & Health Sciences, members noted that its overall performance was affected by a low entry tariff and that while this was being addressed in a number of ways, it was important to balance any increases to the tariff against the School's significant contribution to the widening access agenda and to recognise its strong financial contribution to the University. Through discussion members also noted a number of factors which had contributed to turbulence in some areas.

The Court decided: to note the report.

35. UNIVERSITY STRATEGY TO 2017: FINAL KEY PERFORMANCE INDICATOR REPORT

The Director of Strategic Planning introduced the final annual Key Performance Indicator (KPI) report for the University Strategy to 2017 which provided an overview of performance across the strategic period.

Through discussion of KPI 3 (% Firsts and 2:1 Degrees Awarded), the Vice-Principal (Learning & Teaching) outlined the systematic approach being taken to address grade inflation. Members also discussed KPI 15 (Income per Academic) and noted that the distortion caused by the inclusion of Post-doctoral Researchers in this measure would be addressed in the indicators associated with the new strategy.

The Court also discussed KPI 2 (Retention Rates), and while noting the overall increase in retention, members were nevertheless pleased to note that the specific issues highlighted in the commentary would be further explored by the University's Retention & Progression Committee. The Vice-Principal (Learning & Teaching) provided an overview of some of the aspects which the Committee would consider, and members expressed an interest in being kept informed of these discussions. In exploring this KPI, Court noted that a range of factors in student lives beyond the University could contribute to retention issues, such as financial challenges and caring responsibilities. For example, members noted that the Scottish Government financial support for childcare had been fully allocated relatively early in the year, and that while the University continued to provide this support where possible, it remained a significant and growing issue for many students.

The Court decided: to note the report.

36. UNIVERSITY STRATEGY TO 2022: WEIGHTINGS OF PERFORMANCE MEASURES

The Director of Strategic Planning introduced a paper outlining proposed weightings for the composite Key Performance Indicators (KPIs) within the new University Strategy to 2022. Noting that the initial set of performance measures had been approved by the Court at its meeting on 23 October 2017, members were invited to consider the weightings which would determine the influence of individual measures on the overall Red/Amber/Green (RAG) rating for each KPI.

Discussions focussed on the potential for improvement in one measure to have a positive or detrimental effect on another measure within another KPI, or on other performance areas not currently included in the KPIs. Members encouraged officers to consider how such issues might be highlighted through actions and balancing measures beyond the system of performance measures described. Members however noted that the individual KPI commentaries would provide some clarity in this respect and agreed that the performance measures and weightings could be refined once operational should any emerging issues of this kind be identified.

The Court also reviewed the structure of the KPIs, and in particular discussed how individual ratings around the outer wheel of the Strategy Wheel may affect multiple KPIs within the inner wheel, and therefore the risk that some measures may be undervalued in their weightings in terms of the overall University Strategy. In concluding discussions, members noted that worked examples would be provided once data were available, and that the weightings and measures would be able to be refined following implementation and review.

Turning to next steps, members noted that the dashboard and RAG calculations would be developed for the April/June meetings of the Court, and the dashboard would provide the Court with visibility of the action plans and measures.

The Court decided: to approve the proposed weightings as set out in the paper.

37. SFC OUTCOME AGREEMENT: SELF EVALUATION OF 2016/17

The Court received a copy of the University's Outcome Agreement self-evaluation Report 2016/17 which had been submitted to the Scottish Funding Council (SFC). Members noted the robust reporting of progress relative to the outcome agreement, and in particular areas where the report made clear the impact of funding allocation deficits on the University's ability to deliver further growth.

The Court decided: to note the report.

38. REPORT OF THE REVIEW OF THE EFFECTIVENESS OF THE SENATUS

The Court received a report from the Senate detailing its review of effectiveness in accordance with the Scottish Code of Good HE Governance 2017 (Section 49). Members noted that the report detailed the process, findings, and recommendations resulting from the review.

Through discussion of the report, the Court highlighted the critical role of the Senate in terms of the stewardship of the University's academic activities, and the importance of a productive

interface between the Senate and the Court. Noting the enhancements made to the working of the Senate over the last few years, members praised the robustness of the review process and indicated that the recommendations within the report were seen as a progressive step to build upon the progress already made to date.

Members discussed aspects of the action plan relating to the student membership of Senate Committees, and noted the importance of continuity within this membership. Focussing on the interface between the Court and the Senate, members suggested that it may be beneficial to trial the inclusion of an agenda item for meetings of both the Court and Senate where each body could collectively agree on aspects which should be highlighted when their respective regular reports to each other were issued.

The Court also paid particular attention to the Senate's review of its interactions with its Committees, and members noted that this was an area where Senate intended to introduce changes to ensure that there was effective debate and, where appropriate, challenge. The Court asked that it be noted that an effective Senate was fundamental to the University's success, that the Court relied upon the Senate and its Committees with regard to matters relating to academic oversight, and that as such the Senate's oversight and scrutiny of the work of its Committees was of great importance. In response to questions members noted that, subject to the approval of the report and recommendations, the Senate would now develop an action plan and a timetable for reporting on implementation.

In summarising the discussions, the Court indicated that it welcomed the effectiveness review and approved the process and outcomes. The Court also asked that its appreciation be conveyed to those leading and supporting the review, and members encouraged the Senate to set itself ambitious goals when developing its action plans.

- The Court decided:**
- (i) to approve the Senate Effectiveness Review process and outcomes; and
 - (ii) otherwise to await a progress report in 12-18 months.

39. COMMITTEES

(1) Finance & Policy Committee

(a) Report of the Committee's Meeting on 13 November 2017

The Court received a report from the meeting of the Finance & Policy Committee on 13 November 2017 (**Appendix 3**). The Convener outlined the business of that meeting, and in doing so reminded members of the risks associated with the current strategy for improvement of the profit and loss (P&L) statement position.

The Convener also provided a short overview of updates received by the Committee relating to Dundee Student Village (DSV) Ltd, and the Court was pleased to note that the Committee remained focussed on the long-term financial health of the University in this respect. The Convener went on to encourage members with questions relating to this area to contact him or the Director of Finance.

The Convener outlined the details of the Tay Cities Deal update reviewed by the Committee. The Principal went on to provide the Court with a further update including an estimated timeline for the agreement of heads of terms, details of the project bids including the size and scalability, and collaborations with partners across Tayside. The Court was pleased to note the pivotal role being taken by the University, and in particular noted that the focus on innovation within the University's bids had been well received. Members noted that a further update was expected in February 2018, but that the Committee had discussed the challenges presented by the governance arrangements for, and timing associated with, city deals relative to the University's cycle of Committees, and had been content to accept the approach being taken in light of the risk mitigation which the University had undertaken.

The Court also paid particular attention to the management accounts, and areas where budget shortfalls identified early in the financial year were being addressed through management action. Members were keen to ensure that any savings made as a result were considered by the UEG to ensure that they did not impact negatively on the University's longer-term growth plans.

The Court decided: (i) to note the Committee's endorsement of the annual financial statements; and

(ii) otherwise to approve the report.

(b) RESERVED BUSINESS: Minute 4(4) of the Committee's Meeting on 13 November 2017

The Court received minute 4(4) from the Committee's meeting on 13 November 2017. Noting that the University claimed the exemptions in Sections 30 and 33(1)(b) of the Freedom of Information (Scotland) Act 2002, the item was considered as reserved business and members were required to treat the discussion and associated papers as strictly confidential and exempt from public disclosure.

The Court decided: to approve Minute 4(4) of the report.

[Secretary's note: At the point at which the exemptions are deemed to no longer apply the Court will be advised and will be asked to note the release of Minute 4(4) of the Finance & Policy Committee of 13 November 2017 which will then be included as an appendix to the minute of the meeting at which its release is approved.]

(c) Business Transformation Update

The University Secretary presented an update to the Court detailing progress in relation to the Business Transformation programme. The Secretary reminded members of the aims, objectives and expected benefits as well as the selection process for the chosen IT partner before providing an overview of factors which had contributed to delays to the 'go-live' release of a number of elements of the solution. The Court was supportive of the approach being taken with the provider and, noting that the University remained influential in the further development of the product, welcomed the University's monitoring and open reporting of delays,

in particular through the work of the Finance & Policy and Audit Committees. Turning to the post-implementation evaluation, one member suggested that consideration should be given to whether the degree of risk relating to system implementation delays could have been better reflected in the programme. In response to questions the Secretary confirmed that a compensation agreement was being finalised which would address additional staff costs resulting from the delays to Phase 1 of the programme, and the Director of Finance confirmed the pattern for the recognition of costs and benefits within the budget.

The Court confirmed its continued strong support for the programme and the team leading the implementation, and discussions focussed on the topics of staff training requirements and support available for the maintenance of legacy systems throughout the period of delay. Members also highlighted the importance of communication with staff regarding timescales, and in particular the Court noted the potential impact of periods of uncertainty on staff whose roles were likely to be affected by the implementation.

Finally, members noted the revised timeline presented and encouraged management to continue to push the provider hard to meet the amended milestone deadlines and deliver on its contractual commitments.

The Court decided: to note the update.

(2) Audit Committee

(a) Report of the Committee's Meeting on 27 November 2017

The Court received a report from the meeting of the Audit Committee on 27 November 2017 (**Appendix 4**). In introducing the report the Convener highlighted the Committee's endorsement of the Institutional Risk Register and Risk Appetite Statement as presented in minute 38(2)(c) and 38(2)(d) below. He also drew members' attention to the new Business Continuity Plan and updates on the implementation of internal audit recommendations raised at the last meeting.

The Court decided:

- (i) to approve the Business Continuity Plan;
- (ii) to note the Committee's endorsement of the Institutional Risk Register and Risk Appetite Statement; and
- (iii) otherwise to approve the report.

(b) RESERVED BUSINESS: Minute 15 of the Committee's Meeting on 27 November 2017

[Secretary's note: The item was considered as reserved business. Further to the decision of the Court noted below the information was considered to no longer be exempt from disclosure and was released on the authority of the Chair of the Court].

Noting that under the terms of Statute 8 and the Schedule of Delegation and Decision Making Powers, the appointment of internal and external audit services

was a matter for the Court on the recommendation of the Audit Committee, the Court approved the proposed reappointment/renewal of Scott-Moncrieff and Ernst & Young.

- The Court decided:**
- (i) to approve the reappointment of Scott-Moncrieff, under the terms of the APUC framework, for the provision of internal audit services for a further period of 2 years from 31 July 2018 (ending 31 July 2020);
 - (ii) to approve the renewal of the appointment of Ernst & Young for the provision of external audit services for a further period of 2 years from the financial year ending 31 July 2018 and therefore providing audit services for financial years 2018/19 and 2019/20.

(c) Institutional Risk Register

The Court received the revised [Institutional Risk Register](#). Members noted that the Register was in the process of being redesigned to fully integrate with the Risk Appetite Statement in its next iteration, but that the interim version presented took account of changes to the risk environment since the last register was approved by the Court while also introducing elements which highlighted the relationship between the reported risks and the new University Strategy.

Members discussed the details of two risks and agreed that the presentation was a step forward from the previous versions.

- The Court decided:** to approve the revised Institutional Risk Register and await a further iteration of the Risk Register at the April meeting of the Court.

(d) Risk Appetite Statement

The Court considered the first draft of the University's Risk Appetite Statement which had been developed on the basis of the extended discussions at the Court Retreat in September and subsequent input from the Audit Committee. Members noted that the Statement would be used to describe the institution's tolerance level and to qualify risks detailed in the Institutional Risk Register and inform the discussion of additional controls which may be required.

The Court was pleased to note the close alignment of the Statement to the University Strategy to 2022, and asked the Audit Committee to use the Statement and Register to review whether identified risks were suitably addressed and to advise the Court of areas where further action was required.

- The Court decided:** to approve the Risk Appetite Statement.

(3) Governance & Nominations Committee

The Court received a report from the meeting of the Governance & Nominations Committee on 13 November 2017 (**Appendix 5**). Members' attention was drawn to the items where approval was sought from the Court, including the job and person specifications for the Deputy Chair of Court (annex a), and the Convener reminded members that eligible members were invited to notify him of their interest in the role by 31 December 2017.

The Court also approved the revised Statement on the Diversity of the Court, the Statement on Modern Slavery, and updates to the Graduates' Association Regulations.

Members were asked to note the Committee's review of governance and process arrangements at the University relative to the requirements of the revised Scottish Code of Good HE Governance, including areas for further action or consideration by the Committee.

- The Court decided:**
- (i) to approve the Deputy Chair of Court job and person specification and note that eligible members should indicate their interest in the role to the Chair of Court by 31 December 2017 (annex);
 - (ii) to approve the revised Statement on Diversity on the University Court (annex);
 - (iii) to approve the 2017 Statement on Modern Slavery (annex);
 - (iv) for its part, to approve amendments to the Graduates' Association Regulations (annex); and
 - (v) otherwise to approve the report.

(4) People & Organisational Development Committee

The Court received a report from the meeting of the People & Organisational Development Committee on 20 November 2017 (**Appendix 6**). The Convener highlighted the Committee's discussions in relation to the promotions process for academic and research staff, and in particular the need to manage staff expectations around timescales throughout the duration of the process. Members also noted that management would perform an equality impact assessment to evaluate the outcomes once all were finalised.

Through discussion the Court also indicated its support for the proposed review of options for contribution related awards at Grades 1 and 2, noting however the potential living-wage and benefits implications for staff at these grades.

The Court noted that the Committee had been made aware of the high likelihood of industrial action by the UCU in relation to USS pension matters, and that management was giving consideration to the mitigation of the possible impact of strike action.

Finally, the Convener drew members' attention to the annual work force report which had been reviewed by the Committee. In doing so she highlighted the proposal that the

report evolve into a more comprehensive and holistic report in future years. One member of the Committee drew members' attention to changes to the University's staffing profile in terms of the balance of staff within Directorates and Schools - the ratio of which had increased. Members however noted that this was in part due to changes associated with restructuring, which had led to Professional Services staff based in Schools in areas such as Finance, IT and Marketing being aligned to Directorates and that the ratio remained low relative to benchmarked institutions. The University Executive nevertheless accepted the importance of maintaining a close overview of trends and making decisions on the future profile of the University's staffing at a strategic level.

The Convener also highlighted the success of the long service awards events, and through discussion members agreed that it would be valuable for the University to revisit the culture and communications review in light of the new University Strategy to enable the 'values into action' work to be updated to reflect the new strategy.

- The Court decided:**
- (i) to approve the revised remit and terms of reference;
 - (ii) to note that the University Executive Group would give consideration to how to approach the strategic consideration of the staffing profile;
 - (iii) to ask the University Executive Group to consider how the values into action work may be best refreshed; and
 - (iv) otherwise to approve the report.

(5) Remuneration Committee

(a) Report of the Committee's Meeting on 27 November 2017

The Court received a report from the meeting of the Remuneration Committee on 27 November 2017 (**Appendix 7**). The Convener outlined the business of that meeting, and in doing so focussed the Court's attention on the Committee's vision and proposed strategy for the future, building on the enhancements taken forward over recent years. Members endorsed the Committee's commitment to being an exemplar of good practice, and in particular a number of actions which it proposed to take to further enhance existing processes including changes to the Committee's Terms of Reference, the University's Severance Policy and the production of a holistic annual remuneration report from the Committee to the Court. Members also noted that the Committee planned to hold an additional meeting each year focused on strategic discussions, learning from best practice at other institutions and the continued professional development of its members.

The Convener drew to members' attention the Committee's review of aspects of the Scottish Code of Good HE Governance (2017) which were focussed on the Committee's business, and informed members that the Committee wished to engage with staff and student members of the Court and the Governance & Nominations Committee to consider how best to meaningfully address the requirement for staff and student input to the Committee's decisions. Noting a number of options had been explored by the Committee, members were invited

to provide any further suggestions to the Convener or the Director of Human Resources & Organisational Development outwith the meeting.

The Court noted the Committee's discussions in relation to the potential introduction of a banding structure within Grade 10, as discussed at the last meeting of the Court, and members noted that the Committee would consider this further at its next meeting, which would hopefully include a presentation from an institution which had already introduced such a structure.

The report detailed the total expenditure approved within the 2017/18 remuneration round (£102,500 for the 10 months payable in 2017/18) relative to the notional budget approved by the Court (£116,667 for the 10 months payable in 2017/18). As was standard for remuneration reports, the report included an equality assessment which was also noted by the Court.

The Chair of Court drew members' attention to the Principal's request not to be considered for a remuneration award beyond the nationally-agreed 1.7% cost of living award received by all staff, and members noted the Committee's consideration of this matter.

The Court decided: to note the report and the decisions contained within it.

(b) Senior Officers Remuneration Report

[Secretary's note: All officers with the exception of the University Secretary, Director of Human Resources, and Clerk to Court left the room before circulation and discussion of the Senior Officers Remuneration report.]

The Court received a copy of the Senior Officers Remuneration Report for the previous remuneration round (2016/17). Members noted that senior officer salaries were now published in £10k bands within the annual financial statements and that this, combined with the Remuneration Committee's proposal to produce a holistic remuneration report for the Court on an annual basis, mean that this report would no longer be required in future.

The Court decided: to note the report.

(6) Communications from the Senatus Academicus

The Court received a report from the meeting of the Senate on 29 November 2017 (**Appendix 8**). Members noted in particular the Senate's discussions in relation to its review of effectiveness (minute 37 above relates), General Data Protection Regulations, quality and academic standards, and the Research Excellence Framework.

The Court decided:

- (i) to approve the recommendations concerning the conferment of the title of Professor Emeritus upon Professors Douglas Brownlie, Trevor Harley, Murdo McDonald, and Tim Newman; and
- (ii) otherwise to note the report.

40. STAFF

(1) Senior Appointments

The Court noted the appointment of the following staff to professor, it being further noted that a number of applications remained under consideration, including from female candidates:

Sami Khan	Professor of Education	1 July 2017
Simon Arthur	Chair of Immune Signalling	1 October 2017
Ian Barron	Professor of Psychotrauma Studies	1 October 2017
Jacob George	Title to be confirmed	1 October 2017
Kevin Read	Chair of Quantitative Pharmacology	1 October 2017
Cameron Ross	Chair of Politics and International Relations	1 October 2017
Qi Zhao	Chair of Materials Science & Engineering	1 October 2017

The Court decided: to note the appointments.

(2) Grievances, Appeals and Hearings

The University Secretary reminded members of changes to processes for staff grievances, appeals and hearings following the revision of Statute 16 (Staff of the University) earlier in the year. He suggested that, as a result, a report might be produced on an annual basis to provide Court with a summary of cases and outcomes over the previous year and identify trends, patterns and opportunities for institutional learning and the development of enhanced practice. Court welcomed the idea and asked that the Secretary and the Director of Human Resources & Organisational Development develop such a report in conjunction with the People & Organisational Development Committee. It was also proposed that in parallel, the Court may be interested to receive the annual report to the Senate from the Monitoring & Advisory Group on Appeals, Complaints and Discipline Procedures which dealt with student discipline, complaints and appeals.

The Court decided: to note that the University Secretary and Director of Human Resources & Organisational Development would work with the People & Organisational Development Committee to develop a report for consideration for the first time at the end of 2017/18.

41. STAFF COUNCIL

The Court received the minutes of the meeting of the Staff Council on 14 November 2017.

The Court decided: to note the report.

42. NINEWELLS CANCER CAMPAIGN

In accordance with the approved remit and governance arrangements for the campaign the Court received an annual report from the Ninewells Cancer Campaign Committee. The report detailed a new application and approval process for funding awards, the establishment of a

Scientific Advisory Committee, and the nature of future funding calls. Members noted that at 1 December 2017 uncommitted funds amounted to £1.1m.

The Court decided: to note the report.

Mr Ronald Bowie
Chair of Court
University of Dundee

APPENDIX 1

PRINCIPAL'S UPDATE (Minute 32)

Introduction

1. The December meeting of the Court typically has a long agenda, and this year is no different. While, as always, there is a significant amount of business to transact in relation to the consideration and approval of the Annual Report and Financial Statements, this agenda also reflects a broad cross-section of business, with a presentation on the research agenda from our Vice-Principal (Research, Knowledge Exchange & Wider Impact) and his successor, a wide range of papers relating to the University Strategy, and the return of risk management as a focus for the Court following its input to the development of the Institutional Risk Register and Risk Appetite Statement at the annual Court Retreat. The agenda also includes the discussion of the report from the Senate on its review of effectiveness – the recommendations from which will hopefully be a significant step in developing the relationship between the Court and the Senate. I look forward to a healthy debate on many of these items.

USS Pension Scheme

2. Members will no doubt have noticed the recent media focus on the sector in terms of the USS Pension Scheme. When we previously discussed our response to the UUK consultation on this scheme, the Court expressed the opinion that any solution must be sustainable, affordable, meaningful and understandable. The scheme is an important element of the staff remuneration package, and as a result there is a real risk of industrial relations disruption to the sector as negotiations proceed. We expect to receive updates in the lead up to the Court meeting as discussions between the USS Board of Trustees and the Joint Negotiating Committee progress, however we have received notification from UCU of their intention to hold a national ballot for industrial action on the basis of a trade dispute in relation to pension benefits. In the meantime, I can confirm that the University's response to the consultation has been made available to all staff, and I also hope that the pensions training session offered to all members of the Court immediately before this meeting will provide members with the necessary understanding and background to support them in any future discussions.

University Strategy

3. Members will note from the papers for this meeting that the Governance & Nominations Committee has now considered proposals for oversight of action plans by Committees, and was content that all was in good order. The Committee did, however, request further information on how the Court will be engaged in terms of the reporting of performance relative to these action plans. The paper later on the agenda which discusses the weighting of performance measures within the Key Performance Indicators (KPI) is a key step toward completing the full reporting picture, and we expect to consult the Court on targets for the measures in February. Furthermore, later in the academic year the dashboard which, as outlined in the October Court presentation by Naomi Jeffery, is being developed to provide the Court with dynamic access to reporting, will be made available along with proposals for a cycle of more formal scrutiny of KPIs by the Court.

The End of our 50th Year

4. The timing of this report provides an opportunity for reflection on how we celebrated our 50th year. Our engagement with students, staff, alumni and the local Dundee community saw a series of events held in Dundee and across the globe, with close to 1000 alumni celebrating the University's 50th Anniversary. In addition, we have now established alumni chapters in Lagos, New York, Boston, Singapore, Kuala Lumpur and Hong Kong - with plans for Beijing, Shanghai, Dundee, London, Edinburgh, and Belfast to follow early in 2018. The value of these anniversary events however extends beyond simply the metrics, with the lasting impact being the level of recognition that has been achieved for the University as a whole.
5. I am also pleased to report that the Principal's Challenge and the "Nifty for Fifty" campaigns have raised £17,000 so far, with fundraising continuing. £5,000 of this has already been allocated to student financial aid, and £5,000 for early intervention activity to avoid isolation and improve student mental health. A further £5,000 will be used to support DUAL Access Summer School students in 2018. I would like to place on record my thanks to staff from all across the University who enthusiastically participated in these activities.
6. In many ways we have seen this year as a starting point for reinvigorating our engagement with our stakeholders, be it our links and interactions with our alumni, or laying the groundwork for further concerted fundraising and philanthropic activities. In both of these respects I would like to take this opportunity to acknowledge the huge amount of work done by External Relations and the Alumni & Development team, which while smaller than most, is exceptionally effective in raising funds. The appointment of a new Director of Estates, Rose Jenkins, will no doubt bring renewed focus to the consideration of our capital plan, and looking to the future we will need to ensure that the Development Team is resourced suitably to meet the exciting challenges to come in this respect. We have,

however, made significant process, and can take confidence in our past performance as we continue to raise our ambitions in this area.

Public Engagement

7. Members will have received within their papers copies of the programme for the Annual Discovery Days on 11 and 12 January 2018. In the past these events have been well attended by members of the Court, and they are well renowned within the University, the local community, and with our stakeholders, and I hope that many of you will be able to attend again in 2018. Without wishing to replicate the content of the programme, members may be particularly interested in the presentations from our new Vice-Principal (Research, Knowledge Exchange & Wider Impact), Professor John Rowan, and Professor Lynn Kilbride the appointment of whom as Dean of Nursing & Health Sciences was reported to the Court in September.
8. The Discovery Days will also see the announcement of the winners of the University's Stephen Fry Awards for Public Engagement (PE). Our public engagement activities are an increasingly important element of our stakeholder engagement portfolio, with significant implications for research funding through the assessment mechanisms of the REF and grant applications, as well as for our outcome agreements and student recruitment. While I am sure that Professor John Rowan, in his capacity as the new Vice-Principal (Research, Knowledge Exchange & Wider Impact) will wish to influence the direction of travel for this area, over the last few months our External Relations Team has been reviewing the centrally organised core PE activity to align it to the University Strategy to 2022, strengthen our community engagement portfolio, and ensure we maintain our strong reputation in this field. As part of these plans we are launching a Festival of Ideas which will take place in October - replacing the existing Women in Science Festival and the Literary Festival, while retaining the best elements of both such as author events, networking events, panel discussions, interactive exhibitions and tours. The new approach will provide wider opportunities for staff and students to engage and develop their skillsets, champion equality and diversity, showcase areas of excellence, and allow us to discuss challenges and celebrate our successes.
9. On a related topic, I am pleased to be able to highlight to the Court (in confidence until 6 December 2017) that the National Co-ordinating Centre for Public Engagement is to award the University's School of Life Sciences a Gold Engage Watermark. This award requires the institution to be considered as a beacon of excellence in the support it offers to public engagement, while placing a high level of importance on the action plan in place and our commitment to sharing expertise with others. These are values which drive all our activities, and it is therefore rewarding to see them recognised by those external to the University. I would like to congratulate all of the staff who have contributed to this success.

Tay Cities Deal

10. In past meetings of Court I have referred to the ongoing Tay Cities Deal process, and I am pleased to now report that, following a series of workshops with the Scottish and UK Governments, two of our bids, 'Growing the Biomedical Cluster' and 'JustTech' seem likely to proceed to the next stage. Meanwhile we will work with those behind the third bid 'Better Lives: By Design' to seek alternative opportunities for progressing the aspirations within the proposal. From the beginning we aimed to put the universities, colleges, and regional research institutions from across the region at the heart of the Tay Cities Deal proposals, and position them as drivers for ambition - I believe our bids, and our links to other innovative projects like the James Hutton Institute's Barley Hub and Abertay University's Cyber Security Hub are evidence of success in this respect.
11. The governance arrangements associated with the Tay Cities Deal process have presented a number of challenges relative to our own internal requirements, and these were outlined to the Finance & Policy Committee at its meeting at the start of November. I would like to reiterate that the projects put forward have been designed to be scalable and focus on areas where, as a result of costs being accommodated within existing budgets or met by funding generated through alternative routes, we are confident that there will be a minimal impact on the University's budget and bottom line.
12. With Heads of Terms provisionally set to be agreed in early spring next year, we will be working to strengthen the two remaining bids by identifying efficiencies and synergies. Ultimately we aim to ensure the forging of stronger links between education and research across our life sciences, medicine, health and forensic science disciplines, tied to solid economic growth opportunities resulting from the provision of incubator space and infrastructure capable of supporting new spin-out company formation.

BREXIT

13. There is not much to add to my previous reports in terms of this topic, with fees for EU students starting courses at Scottish universities from 2019-20 and their entitlement to financial support yet to be determined, and an Immigration White Paper expected to be published in early 2018 setting out the UK Government's intentions for a post-Brexit migration regime. I can however assure members of the Court that the University continues to support our staff and students throughout this period of uncertainty through a variety of mechanisms ranging from the

sharing of information to the provision of practical support in the form of legal perspective sessions facilitated by an external solicitor.

Internationalisation

14. Within the Finance & Policy Committee papers members will note the 18% rise in international student recruitment in 2016/17 (ahead of the January enrolments), which although short of the budget target is well ahead of sector trends. We continue to focus on boosting conversion and driving international applications through the continued development of our curriculum offer for international markets. We are also focussing on opportunities to deepen the links internally between international teaching and international research activity. I am also pleased to be able to confirm that our joint degree with National University of Singapore was approved by the Singaporean Government in November and will be officially launched in the spring.
15. The Court may be interested to note that the University has also agreed to support a new national campaign to increase outward student mobility (Go International: Stand Out), which aims to double the percentage of students spending time working, studying or volunteering overseas during their studies. This is an exciting new venture and I look forward to providing the Court with further updates in the coming months.

People and Development

16. The Court has previously expressed an interest in the operation of the matrix management approach, and as such I thought members may like to note our newly launched Associate Deans' Development Programme. The programme, run by Organisational & Professional Development, focuses on coaching skills and inter-departmental projects which help share learning between schools. This initiative will link to University Management Group (UMG) and Deans' Group work on coaching across the University, in support of our High Performance Community philosophy, which incorporates leadership being distributed throughout the organisation in order to foster innovation and knowledge development.

Staffing Matters

17. Members will have noted the communication circulated to the Court regarding the retirement of our Dean of the School of Medicine, Professor Gary Mires. Gary has held a number of roles in the University since graduating from the University in 1983, including his role as a member of the Court for a period of 8 years. Gary will continue to lead the School until his retirement, and I am sure that the Court will want to join me in thanking Gary, in particular for his leadership of the Medical School through the recent period of substantial change in terms of health sciences and medical research.
18. Last, but by no means least, this will be the last meeting of the Court attended by the current Vice-Principal (Research, Knowledge Exchange & Wider Impact). I am sure that the Court will wish to join me in acknowledging Tim's contributions to the University in his roles as Professor of Biophysics, Dean of the School of Science & Engineering, and, for the last two years, as Vice-Principal (Research, Knowledge Exchange & Wider Impact). Tim would be the first to stress that his achievements have been a result of a team effort and collaborations, however it is right that he is acknowledged for his role introducing new processes and analysis which led to a better understanding across the University of the critical need to focus on quality research that is sustainable, and the need for quality to be viewed holistically. He has also been a champion of interdisciplinary research, and has worked tirelessly to ensure that research remained a key pillar within the University's mission and strategy.

Professor Sir Pete Downes
Principal and Vice-Chancellor

Since the last report to the Court, the University Executive Group have met formally on 18 October, 1 November, 15 November and 29 November 2017 when the following matters were considered:

Corporate Issues

- Academic Health Science Partnership (AHSP) Draft Strategy 2018-2021
- Scottish Government's Social Impact Pledge for 2017/2018
- Higher Education sector Charter on outward mobility (UUKi Go International: Stand Out)
- Publication of the University's Universities Superannuation Scheme Consultation Response
- SFC Outcome agreement Guidance and self-evaluation report
- QS products for improving the understanding of world rankings
- Business Transformation updates
- Joint Educational Institute (China)
- League Table Performance

Financial Issues

- Setting the scene for the budget
- Draft financial statements
- Financial review 2016/17

Academic Management Issues

- University of Dundee School of Business: Growth project update
- University Strategy to 2022: Committee Oversight, weightings
- University Strategy to 2017: Final Key Performance Indicator Report

Human Resources Issues

- Interim Dean of the School of Social Sciences
- Correspondence from Committee of University Chairs (CUC) on Principal's Pay
- Organisational Change Proposals within the School of Medicine
- Sickness absence report
- Notification by UCU of a trade dispute in relation to pension benefits and intention to hold a nation ballot for industrial action

Long Service Awards. Hundreds of staff at the University had their long service celebrated as part of the institution's 50th anniversary celebrations. The University's first Long Service Awards recognised the contribution made by staff from across the campus community. Around 200 staff who have worked at the University for 25 years or more received a gift. Even more venerable are a select band of 20 staff who have been with the University for 40 years or more. Tallied up, the combined service of all those who attended the celebration is more than 7000 years.

Inaugural celebration of all international recruitment: The University hosted a highly successful inaugural celebration of all international recruitment and student support activity by our staff and also our first major scholarship award ceremony for international scholars. Both will now become annual events.

Courier Business Awards. Three University of Dundee spin-out companies struck gold at this year's Courier Business Awards. Exscientia was named Science and Technology Business of the Year while MyWay Digital Health won the Enterprise in Education prize and STAR-Dundee took the Design and Innovation Business of the Year accolade. All three companies grew out of University research and have demonstrated excellence in their respective fields being commercialised.

Dr Jonathan Knappett, Discipline Lead for Civil Engineering at the University has been chosen to deliver one of the most prestigious lectures in the field of Civil Engineering (the 13th Biennial Géotechnique Lecture at the Institution of Civil Engineers in London) in recognition of his work exploring how vegetation can protect transport infrastructure against the damaging effects of natural hazards.

The University of Dundee has formed a new link with China, with **Professor Daan van Aalten** from the School of Life Sciences Division of Gene Regulation and Expression being appointed a guest professor at Xiangya Hospital at Central South University in Changsha, China. Professor van Aalten is one of the world's leading authorities on the role of the enzyme O-GlcNAc transferase in neurodevelopmental and neurodegenerative diseases.

The University of Dundee is the world's most influential pharmaceuticals research institution, according to a major global survey that places it ahead of the likes of Massachusetts Institute of Technology and the University of California Berkeley. This year's 'The State of Innovation' report by Clarivate Analytics ranks Dundee as the most influential scientific research institution in pharmaceuticals for the period 2006-16.

Dr Sarah Coulthurst has been awarded the Fleming prize by the Microbiology Society for her work studying how bacteria are able to cause disease.

The following represents a selection of the grants and awards that have been awarded by funders in open competition since my last report. The awards have been selected to illustrate the range of strategic themes, interdisciplinary collaborations, funding sources, and alignment to the University's vision. *Any joint awards with other institutions state the University of Dundee value only. Where an award is overhead bearing the level of overhead is indicated.

Professor JR Swedlow (School of Life Sciences)

The Interplay Between Oxygen Sensors PHDs and the Cell Cycle (joint with University of Liverpool)
£842,782 from the Wellcome Trust

Based on previous research by the University's School of Medicine and the School of Life Sciences (alongside colleagues from the University of Liverpool), who discovered that well-known molecular signalling pathways that control metabolic oxygen sensing and the response to hypoxia have critical roles in the regulating of cell division in human cells, the researchers have been awarded funding to expand on their work with a thorough survey of all the mechanisms and connections between the hypoxia response and cell division.

Dr JD Chalmers (School of Medicine)

Scottish Senior Clinical Fellowship
£533,333 from the Chief Scientist Office

This five-year fellowship, awarded by the Scottish Government's Chief Scientist's Office, will see Dr Chalmers develop a close collaboration between the School of Medicine and the School of Life Sciences to develop a new treatment for patients with chronic lung disease. His project is entitled 'Therapeutic targeting of AMP-activated protein kinase to enhance airway bacterial clearance in bronchiectasis'.

Dr J Morris (School of Nursing)

We Walk: Development of a Family-centred Behavioural Intervention to Support Regular Outdoor Walking after Stroke (joint with University of Stirling, Queen Margaret University, Glasgow Caledonian University)
£243,171.60 (including £129,605.60 overhead) from the Chief Scientist Office

This study uses data from previous work on types of physical activity preferred by stroke survivors to develop a prototype behavior change intervention, which will be tested with survivors and their families, friends and peers using Action Research. Detailed testing will tailor the final intervention to each survivor's contexts and preferences.

Professor Sir Alfred Cuschieri (School of Medicine)

Holographic Super-Resolution Micro-Endoscopy for In-Vivo Applications (LIFEGATE) (joint with Leibniz Institute of Photonic Technology)

£132,510 (including £65,019 overhead) from the EC Horizon 2020 European Research Council (ERC)

This proposal sets out to challenge our understanding of light propagating within multimode optical waveguides to enable major advances in its control, and a step-change in the technological possibilities for biological and medical applications, making possible high-resolution imaging deep inside living organisms.

Dr EC Hall (School of Social Sciences)

Reclaiming Social Care: Adults with Learning Disabilities Seizing Opportunities in the Shift from Day Services to Community Lives (Joint with University of Southampton)

£106,397 (including £62,894 from the Economic and Social Research Council)

This project will examine the emergence of innovative peer-led 'self-build' networks and sites which are providing new opportunities for social inclusion for people with learning disabilities, their families and supporters – and so how people with learning disabilities in the UK are remaking care and support, in the context of reduced day service provision.

Professor MR Jones (School of Science & Engineering)

Structural Materials and Manufacturing Processes (Joint with Quoceant)

£62,787 (including £35,577 overhead) from Wave Energy Scotland

The project aims to determine the potential of a complete paradigm shift in construction technology to manufacture large wave energy convertors (WEC) using 3D printed concrete. The project also aims to test whether Ultra High Molecular Weight Polyethylene reinforcing 'ropes' could be used in place of traditional steel rebar to prestress 3D truss WEC shapes, rather than traditional shell-like structures, and to investigate the use of special cements that can produce an expansive concrete which can self-pre-stress elements.

APPENDIX 2

ANNUAL REPORT FROM THE AUDIT COMMITTEE (Minute 33(1))

Membership and Meetings

1. The Committee meets four times per annum and the meetings for the year 2016/17 took place on 20 September 2016, 28 November 2016, 28 February 2017 and 17 May 2017.

Attendance by members was as follows:

		Sept.	Nov.	Feb.	May
Jo Elliot (Convener)	Court member	Y	Y	Y	Y
Richard Bint	Court member	Y	Y	Y	Y
Dr William Boyd	Court member	Y	Y	Y	Y
Allan Murray	Court member	Y	Y	N	Y
Neil Menzies	Co-opted	Y	Y	Y	Y
Sandra Morrison-Low	Co-opted	N	Y	Y	N

2. Additionally, the Convener of the Finance & Policy Committee, Andrew Richmond, the Internal Auditors (Scott-Moncrieff) and External Auditors (Ernst & Young) attended all meetings of the Audit Committee in 2016/17.
3. The University Secretary and the Directors of Academic & Corporate Governance and Finance attended meetings on a regular basis.

Financial Statements

Year ended 31 July 2017

4. The Committee received draft financial statements for the University for the year ended 31 July 2017 at its meeting on 27 November 2017, following their consideration by the Finance & Policy Committee at its meeting on 13 November 2017.
5. The Committee also received a report from the external auditors, Ernst & Young. The report stated that the external auditors anticipated issuing unqualified audit opinions in respect of the University financial statements and subsidiary entity financial statements. Through the conduct of the audit, the external auditors confirmed they had obtained appropriate and sufficient evidence to enable them to conclude satisfactorily on each of the significant accounting and audit matters identified.
6. The external auditors reported four unadjusted differences in the University's financial statements:
 - Reversal of unadjusted difference for DSV in prior year;
 - Release of provision in respect of RDEC income;
 - Recognition of full licence fee in respect of sale of medical curriculum; and
 - Unrecoverable intercompany balance from DUPM Ltd.

Overall the external auditors were satisfied that with respect to the materiality they had set out for the financial statements that these differences in aggregate were not material to the overall truth and fairness of the financial statements as presented.

7. In relation to the corporate governance statement the external auditors concluded that in all material respects the University had met the requirements placed upon it.
8. The external auditors did not identify any significant or material circumstances of non-compliance and, based on the work undertaken, did not identify any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in the financial statements.
9. Having carefully considered the report of the external auditors, the Audit Committee resolved to recommend to Court that the financial statements should be approved.

Terms of Reference and Procedures

10. The Committee reviewed its remit and terms of reference at its meeting on 20 September 2016. The Committee considers that it has fulfilled the terms of its remit during 2016/17, as described in the rest of this report.
11. When considering internal audit reports the Committee primarily focuses on critical or high risk recommendations where a control weakness that is fundamental to the area under review has been identified and where the University should take immediate or prompt action. When critical level recommendations are made, the internal auditors inform the Convener of the Audit Committee at the earliest possible time. For all internal audit reports, the audit sponsor or relevant Director is invited to attend the meeting of the Committee to provide appropriate contextual information to the Committee and to allow joint exploration of any issues reported.
12. A formal process of following-up and reporting on outstanding recommendations is in place. The Committee is presented with a report outlining the status of outstanding recommendations twice a year; once from the internal auditors and also from management. Where there is evidence of repeated non-implementation of recommendations, the individual responsible may be asked to attend a meeting of Audit Committee for further discussion.
13. While recognising the essential role of internal audit in providing a framework and formal procedures for risk management, internal control and governance, the Committee maintains an independent interest in particular areas, assisted by discussions at Committee meetings with members of the University's senior management.

Internal Audit

14. Internal audit work for the year was provided by Scott-Moncrieff. Their appointment runs up to 31 July 2018. During 2016/17 the Committee received reports on the internal audit assignments with recommendations graded as shown in the table below:

	Critical	High	Moderate	Low
Business Transformation (operational readiness)*	-	-	-	-
Business Transformation (project & programme assurance)	-	-	5	1
DUSA	-	1	3	-
ICT and Data Security	1	3	2	-
Performance Management	-	1	2	-
Student Experience	-	1	3	-
Workforce Planning	-	-	2	-
Corporation Tax and VAT**	-	-	-	-
Total	1	6	17	1

*This review was survey based and recommendations were not presented as part of the final report.

**This review did not contain recommendations in the standard way; it provided information on areas where the University might want to take action in relation to VAT and corporation tax liabilities.

Business Transformation (Operational Readiness)

15. The University conducted a survey of key stakeholders to obtain their views on the programme and the implementation of the Integrated Business Solution. The results of this were analysed by the University and a plan was developed to address any issues/risks raised by respondents. The internal auditors carried out an independent review of the survey responses and assessed the actions proposed by management.
16. The audit found that the Business Transformation team had engaged with staff across the University throughout the development and implementation of the Programme. However, the internal auditors found that the results from the survey indicated that further work was required to improve the communication of the change and thus to overcome any potential resistance to it. The internal auditors presented management with an action plan, which focused on clarifying objectives and ensuring that all objectives were aligned.

Business Transformation (Project & Programme Assurance)

17. The review investigated the project and programme management arrangements in place for the implementation of OneUniversity. The review found examples of good practice in that the Business Transformation team was using workshops to capture the views of a wide range of stakeholders, regular meetings between the Project and Programme teams and the appointment of an experienced consultant as a 'critical friend' to the programme. The review also found that improvements could be made to the monitoring of progress and the Risks Assumptions

Issues Dependencies (RAID) log and that financial tracking and sign-offs for key deliverables could be better recorded.

DUSA

18. The review of DUSA focused on the financial sustainability of DUSA, including medium to long-term business and financial planning. The review found good practice in that DUSA had a financial plan 2016-2021 and that the DUSA risk register took the risk of possible reduction in income into account. The internal auditors noted that commercialisation meetings between DUSA and the University were also beneficial, but noted that agreeing the terms of reference for these meetings would enhance these meetings by providing clarity on the purpose. The internal auditors recommended that DUSA developed a business plan and developed guidance for the financial planning processes.

ICT and Data Security

19. This review focuses on the adequacy of management processes over the security of the University network. The internal auditors found three key areas for improvement in the review of ICT and data security:
 - The need to enhance the ability of management to apply security controls and policies consistently across the network and associated devices. A work plan should be established to review and mitigate exceptions to security policies;
 - A formal process through which firewall rules was regularly reviewed should be developed alongside a process to identify unauthorised changes to firewall rules; and
 - A penetration test plan should be in place for the University's core network with vulnerability scanning a regular feature.

The auditors noted that UoD IT was aware of its security and control weaknesses and that action had already been taken to address the above points. The Audit Committee was pleased to note that the University was taking a holistic approach to this area of risk and that UoD IT was seeking to change the culture at the institution in relation to cybersecurity.

Performance Management

20. The review of performance management assessed the overall performance management at a strategic level, including the development, measurement and reporting of KPIs. This review was set in the context of how the University was developing its new strategy 2017-2022. The review found that the University had a performance management framework in place and that the University had recognised areas where it could improve its performance management. The review also found good practice in that the Strategy to 2022 had been put out to consultation to allow feedback on the proposed strategic objectives and performance measures.
21. The internal auditors recommended that the University formally document its approach to performance management and noted that the quantity of performance management information provided to the University Court appeared excessive.

Student Experience

22. The review of student experience focused on how the University provided support for distance learning students. Medical Education and the School of Nursing & Health Sciences were the primary focus of this review but the Schools of Education & Social Work, Humanities and Social Sciences were also included in the fieldwork. The review found good practice in that the University had robust quality assurance processes in place and the SITS student management system was found to be effective. The review noted that some Schools used a formal feedback loop to inform students how their comments had been used to make improvements and suggested that this was rolled out across the University. The report also recommended that one model for gathering feedback should be used across Schools to identify any emerging trends and that two Virtual Learning Environments and inconsistencies in how distance learning students were admitted could be reconsidered.

Workforce Planning

23. The review looked into the University's workforce planning arrangements, including succession planning, staff retention and how the Business Transformation Programme would improve management information. The review found several areas of good practice, including the formal and detailed succession planning in place for Grade 10 staff and professors, and the staff appraisal process. The review suggested that the University could improve by asking staff to provide feedback on training provided by external facilitators.

Corporation Tax and VAT

24. The internal auditors carried out a review on corporation tax and VAT as a result of management concerns in relation to the treatment of VAT in the School of Life Sciences. The review considered VAT in relation to income and expenditure and also identified which income sources would not be exempt from corporation tax. The internal auditors provided a list of actions that University management might wish to take in order to manage its liabilities more appropriately.

Overall

25. Each report was considered in detail with the auditors and officers addressing comments and questions from Committee members. The Committee was generally satisfied with the management responses to the issues raised and with the proposed timescales for the implementation of recommendations. The progress on this is routinely monitored through follow-up reports from the auditors and by University officers, as outlined above.

Internal Audit Opinion

26. The internal auditors provided the Committee with their overall assessment of the University's internal control systems. Based on the areas they examined in 2016-17, the auditors were of the opinion that 'the University has a framework of controls in place that provides adequate assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements were in place to promote value for money and deliver best value'.

Wellcome Trust Audit Report

27. An audit was carried out by the Wellcome Trust on funded research activities in the School of Life Sciences. The report was 'critical', containing four level two findings (control weaknesses that put objectives of the area/process under review at risk) and four level three findings (non-critical control weaknesses). All recommendations were accepted by management and several had already been implemented at the time the report was reviewed.

Audit of the Centre for Translational and Interdisciplinary Research

28. The Committee viewed a report from KPMG summarising the findings from an audit carried out on behalf of HEFCE on the Centre for Translational and Interdisciplinary Research. The audit report did not identify any issues and stated that the University had robust arrangements in place for the governance and management of the centre, with project finances and capital managed effectively.

Risk Management

29. The Committee approved a new Risk Management Policy and an extensively updated Institutional Risk Register. The Committee carried out 'deep dives' on key risks. In addition, the Committee received updates on risk management processes in Schools and Directorates in the format of the risk management forward plan.
30. The Committee also received regular reports from the Director of Legal highlighting key legal risks and quantifying the potential costs arising from litigation, and the annual fraud report from the Director of Finance.

Value for Money (VfM)

31. The quinquennial review of audit committee effectiveness found that members wished to receive more information from management on VfM. The Committee agreed that for the year 2017/18 it would be beneficial to receive a proposal on future VfM reporting from the Director of Finance.

Other Activities

32. In May 2017 the Audit Committee considered a draft internal audit plan for 2017/18. Reviews were scheduled in the following areas: schools review, student experience, internal & external communications, financial systems (general ledger, procurement & tendering and TRAC), business transformation, research and business continuity.
33. The Committee maintains an interest in the planning and implementation of the Integrated Business Solution Business Transformation Programme and in this respect receives copies of updates submitted to the Finance & Policy Committee, including minutes from the Business Transformation Steering Committee.

34. The Committee carried out its quinquennial Review of Effectiveness in March 2017. The review found the following:
- Seminars arranged by the internal and external auditors could be better advertised to the Committee;
 - Further consideration could be given to enhance the Committee's oversight of VfM;
 - Private meetings with the officers and internal & external auditors were only required at every other meeting.

The recommendations will be put into place for the year 2017/18.

35. The Convener continued his practice of meeting both the internal and external auditors separately before each meeting of the Committee, and ensuring that the issues raised in these private meetings were communicated to University management and the Committee as appropriate.

Communication to the Court

36. Minutes of the meetings of the University Court are available from:
<http://www.dundee.ac.uk/governance/governance/court/court-agendas-minutes/>
37. Key matters communicated to the Court by the Audit Committee related to:
- Summaries of Internal Audit reports;
 - The three-year internal audit plan;
 - Annual Financial Statements;
 - Risk Management matters including updates to the Institutional Risk Register and the new Risk Management Policy;
 - Information compliance.

Opinion

Auditors

38. The Committee has been satisfied with the performance and diligence of the internal and external auditors.

Effectiveness of Internal Controls

39. On the basis of the internal audit work undertaken during the course of the year, comments from the external auditors on the University's financial statements and statements from management, the Audit Committee believes that the University has an adequate framework of risk management control and governance arrangements, and adequate arrangements for promoting efficiency and effectiveness (VfM). The Committee will continue to monitor the progress of the University on the implementation of the recommendations contained in the report from the external auditors and from the various reports by the internal auditors.

Mr Jo Elliot
December 2017

APPENDIX 3

FINANCE & POLICY COMMITTEE (Minute 39(1)(a))

A meeting of the Committee was held on 13 November 2017.

Present: Andrew Richmond (Convener);
Richard Bint;
Ronald Bowie;
Principal, Professor Sir Pete Downes;
Jane Marshall;
Sean O'Connor;
Professor Mairi Scott;
Allan Murray; and
Sharon Sweeney

In Attendance: Willie Anderson (DUSA Finance Manager, Item 11);
Jo Elliot (Chair, Audit Committee);
Professor Nic Beech (Vice-Principal (Provost))
Dr Neale Laker (Director of Academic & Corporate Governance).
Kevin Mallett (Deputy Director of Finance)
Dr Jim McGeorge (University Secretary);
Aidan McColgan (Interim Director of Campus Services);
Dr Christine Milburn (Policy Officer (Corporate Governance));
Wesley Rennison (Director of Strategic Planning);
Professor John Rowan Dean of the School of Social Sciences (in his capacity as Vice-Principal designate Research, Knowledge Exchange & Wider Impact)

Apologies: Professor Tim Newman (Vice-Principal Research, Knowledge Exchange & Wider Impact) and Andrew Hewett (Director of Finance).

1. MINUTES

Resolved: to approve the minutes of the meeting of 2 October 2017, including minute 7 which was considered as an item of reserved business.

2. MATTERS ARISING

Action Log

The Committee received the action log for its business. The Convener highlighted items later on the agenda where updates would be provided and, noting that the Director of Finance had given apologies for the meeting, it was agreed that one item should be re-classified as 'on-going' within the log.

Resolved: to note the log and amend the status of one item.

3. PERIOD 3 MANAGEMENT ACCOUNTS

Management accounts for the period to October 2017 (Period 3) were tabled at the meeting (available to members on BOX). The Deputy Director of Finance drew members' attention to the outturn on operational activity, which currently showed a deficit of £5.8m, a negative variance of £1.2m relative to the budget.

In introducing the accounts, the Deputy Director of Finance focused on the reports on 'Tuition Fees & Contracts' which had been updated to reflect the September student intake. In doing so he highlighted the 12% growth in fees achieved (18% for overseas fees) relative to the previous year, which members noted was ahead of the sector average and represented a significant achievement. Members were however advised that this level of growth was below that projected in the budget, hence the shortfall reported in the accounts of £2.2m.

Turning to the School by School analysis, the Committee noted a number of factors which had contributed to the variance, and the mechanisms in place to address issues arising and identify learning for the future. Members also noted that the continued focus on conversion for Semester 2 intake, including in relation to students adversely

affected by UKVI Visa issuing delays, may improve the overall position, and asked that an update be provided to the Committee once the Semester 2 intake was confirmed.

Returning to the accounts, the Committee noted that School Management Teams had already begun to address shortfall, primarily through managing expenditure, and that as a result the adverse variance from Schools had been reduced to £1.1m.

The Committee went on to discuss the issue of realistic but ambitious target setting feasibility, and members were reassured to note that while progress had been slower than projected, a gap in the University's market share in comparison to other providers was still evident, and that it was anticipated that new initiatives such as International College Dundee would further build on the positive momentum and substantial growth already achieved.

The Deputy Director also advised the Committee of savings relative to budget within Directorates, noting that this was likely to be mainly due to underspends on staffing budgets arising from staff turnover. While members noted that savings in Professional Services which could be delivered without adverse impact were helpful, they agreed that it was vital to protect and fully utilize budgets and investments that had been made to support the University's growth agenda.

Resolved: to note the accounts.

4. **UPDATES**

(1) Update reports for Research and Teaching Efficiency Projects

The Committee received the regular updates from the Vice-Principals (Learning & Teaching and Research, Knowledge Exchange & Wider Impact) on Research and Teaching Efficiency respectively.

Focussing on the Research Efficiency Update, members were interested to note the analysis provided based on TRAC data, and in particular a new measure of 'Relative Financial Contribution of Research'. The paper also provided a commentary on research efficiency, research performance, and future investment considerations. Through discussion the Committee expressed a particular interest in the University's strategy for investment in research ahead of the Research Excellence Framework 2021, and noted that the Vice-Principal (Research, Knowledge Exchange & Wider Impact) and his designated successor would present an update to the Court at its meeting on 11 December 2017 outlining progress over the last 2 years, and the University's approach to the UK Industrial Strategy/community partnerships, along with an overview of research in each of the University's schools. Members were particularly pleased to note plans for a research dashboard, enabled by the systems within the Business Transformation Programme, which would facilitate future improvements to the monitoring and oversight of research efficiency. The Committee also noted some of the proposed changes to the Research Excellence Framework (REF) processes for the REF 2021, with discussions focussing on the likelihood of impact being a more significant element of the assessment, the acknowledgement of 'team-based' publications and interdisciplinary research, and changes to the 'portability' of research outputs. The Committee noted that there was scope for improved outcomes across all areas of the University, and that the research investment strategy in the lead up to the REF would be an early focus for the in-coming Vice-Principal (Research, Knowledge Exchange & Wider Impact).

Turning to the Teaching Efficiency Update, members noted that the report highlighted curriculum reviews, improvements to student dashboards, changes to assessment patterns, efficiencies in administration of teaching, and workload allocation. Discussions focussed on the workload allocation model, and members noted that the steering group was now considering the first analysis of data from the model. In response to questions the Vice-Principal (Provost) confirmed that the steering group also planned to review feedback from those involved in the process with a view to refining it from the perspective of staff well-being. The University Secretary also confirmed that while the specialist software to support the workload allocation process in future years was not a component of the software procured for the Business Transformation Programme, the requirement for such a system had been noted during the design of the programme and the tendering process referred to in the report had been anticipated when the programme was designed.

The Committee was also pleased to note the commitment to the continued development of promotion criteria and awards and Objective Setting and Review (OSAR) processes to support staff and manage expectations.

Members commented on aspects of efficiency in teaching administration referred to in the report, and in particular highlighted the need to ensure that the implementation of new systems for attendance

monitoring built upon existing knowledge and retention tracking and that measures were taken to ensure that students requiring support continued to be identified during the transition phase.

Resolved: to note the updates.

(2) Business Transformation

The Committee received the minutes of the Business Transformation (BT) Steering Group meeting on 26 October 2017. The minutes of the meeting on 22 September were also made available to the Committee on BOX. In introducing the report the University Secretary updated members on the implementation of the Finance element of the system, which was due to 'go-live' on 4 December 2017, and members noted that this element was now entering the final stages, with an increased focus on training and communications and daily reviews of progress towards go live.

Turning to the relationship with the vendor, members noted that the Business Transformation Team had maintained a positive, but challenging relationship with the vendor while seeking delivery against milestones. Members were pleased to note that discussions were advanced with the vendor around a package which compensated the University for costs arising as a result of delays to the implementation of systems.

The Committee noted the progress being made in relation to other elements of the system and their status and projected delivery dates.

Resolved: to note the update.

(3) Growth & Savings Projects: University of Dundee School of Business

The Committee received an update from the Dean of the School of Social Sciences detailing progress within the University of Dundee School of Business (UDSB) growth project relative to the proposals approved by the Court. The report highlighted staff appointments, estates matters, student recruitment, accreditations, the relationship with the International College Dundee (ICD) and the overall financial performance of the project.

In introducing the report, the Dean outlined the importance placed on the relationship between UDSB and the 9 schools across the University, emphasising that UDSB was well supported in this respect.

Members were pleased to note that all of the reported elements remained on track, and that despite the mixed picture in terms of student recruitment numbers, the Dean expected UDSB to outperform the financial targets within the approved model. The Committee encouraged the Dean to consider if the recruitment targets were overly ambitious, but noted that the School of Social Sciences welcomed the challenge.

The Committee noted that a number of estates options for UDSB were currently being considered arising from a feasibility study, and that options would be considered by the University Executive Group in the near future. In this respect a member highlighted the important role the proposed Estates Group could play in reviewing proposals of this kind in advance of their consideration by the Committee, it being noted that this Group would be constituted once the new Director of Estates & Campus Services was in post.

Resolved: to thank the Dean for his report and note the update.

(4) Reserved Business: Dundee Student Villages Ltd

The University asserts that this information is exempt from public disclosure and claims exemptions in S.30 and S.33(1)(b) of the Freedom of Information (Scotland) Act 2002. Members were therefore required to treat the discussion and associated papers as strictly confidential.

At the point at which the exemptions are deemed to no longer apply the Court will be asked to note the release of this minute which will then be included as an appendix to the minute of that Court meeting.

5. **FINANCIAL REVIEW OF YEAR ENDING 31 JULY 2017**

The Deputy Director of Finance presented the financial review of the year ended 31 July 2017 and in doing so drew members' attention to data relating to the overall financial results. In particular the Deputy Director outlined the

long-term trend in financial surplus, income by source, staff costs, cash balances, pension costs and tuition fee income relative to other Higher Education Institutions (HEIs). Overall members noted that the data highlighted the importance of the University increasing its unregulated income to deliver surpluses and fund investment.

Focussing on the benchmarking of staff costs as a percentage of total income, and noting the trend for Scottish HEIs to be at the higher end of the benchmarking data, the Committee asked the Deputy Director to further examine why the University's cost was higher than the average.

The Committee also noted highlighted risks relating to cash balances and funding received in advance as a result of potential changes to the external funding environment and uncertainties regarding future access to EU Horizon 20:20 funding.

Resolved: to note the report and ask the Deputy Director to further examine benchmarking of staff costs as a percentage of total income.

6. **FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 JULY 2017**

The Committee received the draft Financial Statements for the year ending 31 July 2017. Noting a number of edits which would be made to the final version members were encouraged to send any further comments to the Director of Finance as soon as possible.

Resolved: for its part, to recommend that the Court approve the accounts for the year ended 31 July 2017.

7. **OUTLINE OF BUDGET SETTING AND PLANNING**

The Committee received a paper setting out the proposed planning and budgeting process for 2017/18. Improvements to communication and feedback within the cycle were highlighted along with the risks, assumptions and initial targets. Through discussion members reiterated the importance of continuing to work on the basis of 5 year projections, in particular in tracking financial returns on investment within the planning cycle, while nevertheless noting the difficulties posed in that respect by the lack of certainty over the University's core SFC budget due to the provision of one year budgets by the Scottish Government.

Resolved: to note the proposals.

8. **TAY CITIES DEAL**

The Committee received a short paper outlining the positioning of University of Dundee projects within the wider Tay Cities Deal process. The Committee noted the challenges presented by the design of the scheme itself, and in particular the lack of clarity over timelines for the process. Members' attention was drawn to the commitments which would result from success in the bidding process, and members were pleased to note that the projects had been designed in a manner which would enable the University to scale the approach according to the level of any funding award. Members also noted that where the University was required to underwrite costs or provide matching contributions, these were accommodated in existing budgets, or there was confidence that the funding could be generated through alternative routes which would have minimal impact on the University's budget and bottom line.

Resolved: to note the report and accept the parameters of the scheme in light of the risk mitigation which had been undertaken.

9. **CAMPUS SERVICES**

The interim Director of Estates & Campus Services attended the meeting to present the regular update on capital projects. In doing so he highlighted progress in relation to the completion of existing projects including the Discovery Centre Level 3 and Library Level 1 which had been completed on budget despite minor delays. Members also noted work to evaluate options for accommodation for the University of Dundee School of Business (UDSB), upgrades to the Matthew Building Lecture Theatres, and the anticipated completion of cladding and window replacement on the Tower Building. Members were also advised of progress in relation to the appointment of a new Director of Estates & Campus Services and noted that it was hoped an appointment would be made following interviews on 8 November 2017.

Discussions focussed on the Tower Cladding project update, and the Interim Director updated members on the outcome of the BR 135 testing on the cladding solution by the Building Research Establishment (BRE). In response to questions the Interim Director confirmed that the contractor would seek sign-off of works by the City Council

shortly and highlighted estimated costs should the project be extended to include the replacement of cladding on the Tower Extension. Discussions focussed on the potential for changes to building regulations in light of the Grenfell disaster to affect the sign-off of works, and in response to questions the Interim Director estimated the cost of replacing the new cladding in this scenario at £750k. In concluding discussions the Committee asked Allan Murray to liaise with the University Secretary and Interim Director to provide further guidance with regard to building compliance certification.

Resolved: to note the update and await further reports in due course.

10. ANNUAL PROCUREMENT REPORT

The Committee was advised that the report had been deferred to the next meeting due to delays in the publication of information required from Advanced Procurement for Universities and Colleges (APUC) Ltd.

Resolved: to defer the report to the meeting on 30 January 2018.

11. DUNDEE UNIVERSITY STUDENTS' ASSOCIATION – ACCOUNTS 2016/17

The DUSA Financial Manager introduced a summary report of the Dundee University Students' Association (DUSA) accounts for 2016/17. In doing so he highlighted the positive night-time trading performance which had contributed to an underlying surplus of £298k, which represented a positive variance of £258k relative to the budget. In response to questions he highlighted the volatility, risks, and cyclical nature of night-time trading, but members noted that so far trading in 2017/18 had continued to be positive. In response to questions the Financial Manager confirmed that the DUSA Finance Committee was to review and revise the budget and forecasts in light of emerging trading patterns.

Noting the appointment of a new Chair of the DUSA Board of Trustees, the Committee explored the governance arrangements in place in relation to the use of the subvention provided to DUSA by the University. Through discussion the Committee noted that in addition to the annual accounts being provided to the Finance & Policy Committee, the University's internal auditors reviewed DUSA internal controls on an annual basis, and the DUSA President provided an annual report to the Court. Members however noted the reliance on the DUSA Board of Trustees to ensure good governance and asked that the Governance & Nominations Committee consider these arrangements from the perspective of the University's interest.

Resolved: to note the report and to ask the Governance & Nominations Committee to consider governance arrangements in place in relation to the use of the subvention provided to DUSA by the University.

12. SUBSIDIARIES ANNUAL ACCOUNTS

The Committee received a report summarising the financial results of the University's subsidiary companies for the year 2016/17. In response to questions the University Secretary confirmed that the significant changes to the Nursery's accounts from the previous year reflected the opening of expanded facilities. Members also noted that the company was to develop a revised business plan in the near future to take into account the learning arising from the first year of operation of the expanded facility.

Resolved: to note the report.

13. ANNUAL FUNDRAISING REPORT

The Committee received the Annual Fundraising Report from the Head of Development & Alumni Relations outlining progress relative to the strategy presented to the Committee in March. The Committee was sympathetic to the challenges presented by staff turn-over in this area, and noted that this was normal for HE fundraising functions. The Committee was also pleased to note a number of significant fundraising awards and legacy donations which had been secured since the last meeting, reflecting real progress in this area.

Resolved: to note the update and await further reports in due course.

14. PENSION SUB-GROUP

The Committee received the minutes from the meeting of the Pensions Sub-Group on 2 October.

Resolved: to note the report

15. AUTHORISATION WITHIN DEVOLVED RESPONSIBILITY

In response to a request from the Court at its meeting on 23 October 2017, the Deputy Director of Finance provided the Committee with a paper outlining four authorisation levels contained within the lowest tier of the Schedule of Delegation authorisation limits approved by the Court at that meeting.

Resolved: to thank the Deputy Director of Finance for the clarifications.

16. USE OF DELEGATED AUTHORITY

The Committee noted there had been no instances of the use of delegated authority by the University Secretary and Director of Finance since the last meeting.

Resolved: to note the update.

17. DATE OF NEXT MEETING

The Committee noted the next meeting of the Finance & Policy Committee was scheduled for 30 January 2017.

Resolved: to note the date.

APPENDIX 4

AUDIT COMMITTEE (Minute 39(2)(a))

A meeting of the Committee was held on 27 November 2017.

Present: Jo Elliot (Convener);
Karen Bassett;
Dr William Boyd;
Neil Menzies.

In Attendance:	Andrew Richmond Professor Sir Pete Downes Wendy Alexander Andrew Hewett Dr Neale Laker Kevin Mallet Dr Jim McGeorge Dr Jonathan Monk Keith MacPherson Stephen Reid Matthew Swann Dr Liz Rogers Chris Sutherland	Convener, Finance and Policy Committee; Principal; Vice-Principal (International); Director of Finance; Director of Academic & Corporate Governance; Deputy Director of Finance; University Secretary; Director of UoD IT (items 1-3); (Ernst & Young); (Ernst & Young); (Scott-Moncrieff); (Assistant Policy Officer (Risk & Audit); Chief Information Security Officer, Universities and Colleges Shared Services (items 1-3).
-----------------------	---	---

Apologies: Karen Reid.

1. MINUTES

The Committee reviewed the minutes from the meeting on 19 September 2017. Members emphasised the importance of the Health, Safety & Welfare Sub-Committee receiving timely reports on School/Directorate inspections and it was agreed that the new Head of Safety Services would be invited to a future meeting of Audit Committee to explain the current system and opportunities to enhance it.

Resolved: (i) to invite the new Head of Safety Services to a future meeting; and
(ii) to approve the minutes from the meeting of 19 September 2017.

2. MATTERS ARISING

Action Log

The Committee considered a log of ongoing actions. Members were content that the log offered a comprehensive record of outstanding actions and noted progress updates where provided.

Resolved: to approve the Audit Committee action log as presented.

3. UoD IT

(1) General Data Protection Regulations

The Committee reviewed an update provided by the Director of the Library & Learning Centre and Culture & Information and the Head of Information Governance on the process of ensuring GDPR compliance. Members requested that a timeline for compliance and note setting out the associated risks and how they were being managed should be brought to a future meeting.

Resolved: (i) to ask the Director of the Library & Learning Centre & Culture & Information and the Head of Information Governance to provide a timeline for compliance and associated risks; and

- (ii) to note the update.

(2) ICT and Data Security

The Director of UoDIT and Chief Information Security Officer (Universities and Colleges Shared Services) attended to provide an update on progress in implementing the recommendations from the internal audit review of ICT and data security, which the Committee had received at a previous meeting. The Director provided members with an action matrix which combined recommendations from the audit with the cyber essentials set out in 'A Cyber Resilience Strategy for Scotland: Public Sector Action Plan 2017-18'¹ (available to members on BOX) from the Scottish Government. The Director explained each action and the rationale behind it to the Committee, informing them of measures such as 'application white-listing' that were being deployed to enhance cybersecurity.

The Director commented that there were cultural issues across the institution where system downtime to apply security measures and patching was viewed by some users as an 'inconvenience' to core activity rather than a necessary and reassuring demonstration that the University was taking IT security seriously. However, the Director said that there had been good progress in many areas, with for example the VLE now being taken offline for patching and management quarterly. Members supported the view that cyber resilience was a business issue and not purely an IT issue.

The Director then provided an update on training, informing members that most staff in UoD IT had now completed an awareness course on security and that feedback had been positive. The next step would be to roll this out across the University. Members stressed the importance of such training and reiterated their view that cybersecurity training should be mandatory.

The Chief Information Security Officer informed members that the issues experienced at Dundee were common across the Higher Education sector and advised that the biggest risks in this area were around the use of personal devices and the risk of human error from successful phishing attacks.

Members noted that the new Digital Strategies Committee would have oversight of any new policies developed by UoD IT and would report directly to the University Executive Group. It was agreed that UoD IT and the University Executive Group should reflect on the issue of mandating cybersecurity training, and the balance between taking the system offline for maintenance, as against continuity of service, and make a recommendation to the next meeting.

- Resolved:**
- (i) to await a response from the University Executive Group; and
 - (ii) to note the update.

4. **CONVENER'S REPORT**

The Convener reported that he had met with the internal and external auditors since the last meeting and attended the usual pre-meeting with officers. The Committee noted that discussions had focussed on matters raised on the agenda and that the Convener would highlight any issues arising at relevant points in the agenda.

Resolved: to note the update.

5. **FINALNCIAL STATEMENTS FOR YEAR ENDED 31 JULY 2017**

(1) Review of Financial Year and of Going Concern

The Director of Finance presented the financial review of the year ended 31 July 2017, highlighting a small surplus on operating activities. Members noted that the Finance & Policy Committee had reviewed the accounts at its meeting on 13 November, and therefore focused its consideration on the basis for the University being considered a 'going concern'.

The Committee noted that a large proportion of research postgraduate students (RPGs) appeared to receive fee waivers. Members recognised that this was not a sustainable position and noted that officers were addressing this through a broader programme of work to increase research postgraduate student numbers and associated fee income. The Principal informed members that the Vice-Principal (International) and Vice-

¹ Available online at: <http://www.gov.scot/Publications/2017/11/6231> (Accessed 28 November 2017)

Principal (Research, Knowledge Exchange & Wider Impact) were taking this forward on a School by School basis.

Having noted a range of factors, including levels of cash balances, the Committee agreed to support the conclusion that the University should be considered a going concern.

Resolved: for its part, to advise the Court that the University should be considered a going concern.

(2) External Auditors Report & Letter of Representation

The external auditors (Ernst & Young) introduced their report to the Committee, confirming that their work was almost complete and had encountered no delays. It was noted that there had been no amendments to the scope of the external audit as set out in the original audit plan reviewed by the Committee at a previous meeting.

The external auditors pointed to a series of unadjusted audit differences, which in their view were not material, but which could lead to an overall improvement in the University's position for the year of £1.4m. These related primarily to a provision for potential repayment of RDEC funding from HMRC and the approach used to recognise income from a licensing arrangement. Following careful consideration in the context of the University's position as set out by the Director of Finance, the Committee was content that the differences should remain unadjusted.

The Committee also noted the draft letter of representation.

Resolved: (i) to accept the University's position in relation to the unadjusted audit differences set out in the report; and

(ii) to approve the letter of representation for signature by the Chair of Court.

(3) Financial Statements

The Committee viewed the draft financial statements for the period to 31 July 2017 and made some minor suggestions for amendment. The Committee also reviewed a note from the Director of Finance defining Court's responsibilities in terms of the financial statements and noted the Director of Finance's view that it had been a positive year financially.

Resolved: having received the report of the external auditors and having considered the points made therein, to recommend that Court approve the Annual Report and Financial Statements.

6. **FINANCIAL STATEMENTS OF SUBSIDIARY AND ASSOCIATED COMPANIES**

The Director of Finance provided the Committee with the accounts of the following subsidiary companies for the year ended July 2017, including income and expenditure balance sheets:

- (1) Dundee University Incubator Ltd.
- (2) Dundee University Project Management Ltd.
- (3) Dundee University Utility Supply Company Ltd.
- (4) University of Dundee Nursery Ltd.

The Committee noted that the full accounts had been provided as opposed to the usual summary. Members learned that it was expected that Board meetings for the companies would take place prior to Court to ensure the accounts could be formally signed off. The Committee noted that the parameters and governance of the subsidiaries was primarily covered by the remit of the Finance & Policy Committee.

Resolved: to note the subsidiary and associated accounts.

7. **INTERNAL AUDIT**

(1) VAT and Corporation Tax

The internal auditors tabled the finalised report on VAT and Corporation Tax. The Director of Finance advised that the report had been reassuring and helpful in identifying and managing the University's tax liabilities.

Resolved: to note the update.

(2) Internal Audit Progress Report 2017/18

The internal auditors tabled the internal audit progress report summarising the audit activity during the year to date. Members noted that the 2017/18 schedule remained on track.

Resolved: to note the update.

(3) Management Update on the internal auditors' follow-up report

The Committee viewed a report from the Assistant Policy Officer (Risk & Audit) providing a summary of progress against recommendations from internal audit work and the Wellcome Trust audit report. Members were pleased to note that significant progress had been made in relation to recommendations from the Wellcome Trust audit and that a further follow-up report would be provided at their March meeting.

Members noted that the Convener had raised the Wellcome Trust audit report at Court, and that the Court had noted that the Audit Committee would keep track of progress.

Resolved: to note the update.

8. **RISK MANAGEMENT AND BUSINESS CONTINUITY**

(1) Risk Appetite

The Committee viewed a draft statement on risk appetite from the Director of Academic & Corporate Governance. The Director explained that the draft statement aimed to capture and reflect discussions on risk across the areas of the University Strategy to 2022 which had taken place at the Court Retreat. The Director noted that reputation and compliance, whilst not strategic risks, needed to be included as significant operational risks. Members noted that the next step in this work would be to relate it to the institutional risk register and to consider how the University should define its risk tolerance.

Resolved: to endorse to Court the Risk Appetite Statement.

(2) Institutional Risk Register

Members reviewed the interim institutional risk register, noting that the risks had all now been aligned to segments of the inner wheel of the new University Strategy. Members stated that this had been a positive step and looked forward to seeing how the risk register would be aligned to the risk appetite statement. Members questioned the risk scores for certain areas and asked that the Director of Academic & Corporate Governance reflect on this.

Resolved: to note the update.

(3) Business Continuity Policy

The Committee viewed the draft Business Continuity policy (annex), noting that this was a step in ongoing work to refresh the University's business continuity framework. Members learned that a review of business continuity had recently been carried out by Zurich and that, in addition, the internal auditors would be carrying out a review of business continuity in June 2018. Members noted that they would receive an update on the Business Continuity Forward Plan 2017/18 at their March meeting.

Resolved: to endorse to the Court the Business Continuity Policy.

(4) Risk Management Oversight Group

Members viewed the minutes of the Risk Management Oversight Group from its first meeting on 13 September 2017. The University Secretary informed the Committee that the first meeting had largely focused on analysing risk registers from Schools and Directorates and informed members that several key themes had emerged, all of which were linked to some of the major risks within the institutional risk register (such as financial sustainability). The Assistant Policy Officer (Risk & Audit) provided members with an

update on the status of the risk registers which had been outstanding at the time of the first meeting of the Risk Management Oversight Group.

Resolved: to note the minutes.

9. **UK VISAS AND IMMIGRATION COMPLIANCE**

The Committee viewed a report from the Director of Academic & Corporate Governance providing an overview of the context, requirements, institutional procedures and risks associated with UK Visas and Immigration (UKVI) compliance. The Director informed the Committee that the University's approach was to intervene early where any issues with, for example, attendance were identified to prevent the need to report students to the UKVI. Members were pleased to note that the University was comfortably over the 85% course completion rate required by the Home Office and thanked the Director for his report.

Resolved: to note the update.

10. **VALUE FOR MONEY (VfM)**

The Committee considered a paper from the Director of Finance providing the status of value for money reporting by the University. Members noted that there were no VfM reporting requirements under the SFC and that as there was now no clear framework for this in the Higher Education sector, the University needed to develop its own approach consistent with its needs. The Director of Finance explained that the University currently reported on VfM via the annual procurement report and efficiency reports, but that a framework would be beneficial in the future and that he would be developing one.

Resolved: to note the update.

11. **BUSINESS TRANSFORMATION**

The Committee noted that the go-live date for the finance module had been deferred until the beginning of March 2018 as some issues remained to be resolved, particularly in relation to the provision of additional training for staff and key user testing. The additional time now available in the New Year would primarily be used for these activities as the system build was now complete. Those staff who had undertaken training to date had commented very positively on the system, its interface and ease of use.

Discussions focused on the University's relationship with TechnologyOne and the ongoing work on the Human Resources and Student Modules. Members noted that the University's relationship with TechnologyOne remained characterised by the need for officers to push and challenge the company hard on a weekly basis to ensure it delivered the levels of dedicated staffing resource, development time and expertise to the Dundee programme, but that TechnologyOne understood the issues to be resolved and the partnership remained strong. The Committee stated that if the University thought that a further internal audit review would be beneficial at some point in the process, the Committee would support this.

Resolved: to note the update.

12. **LEGAL RISK REPORT**

The Committee viewed a report from the Director of Legal providing a thematic view of legal risks. The report focused on compliance issues and updates on potential cases.

Members stated that it would be useful to receive information on mitigation measures and a timescale for their implementation against each risk; and requested a regular table indicating against each case the amount claimed, a 'best guess' outcome and any financial provision made.

Resolved: (i) to ask officers to ensure that future legal reports included context on claims and settlements; and

(ii) to note the update.

13. DRAFT ANNUAL AUDIT COMMITTEE REPORT

The Committee considered a draft of its annual report to Court. It was noted that this report would also be submitted to the Scottish Funding Council and would be amended to include the VAT & Corporation Tax review and external audit report.

Resolved: to approve the report for submission to the Court and the Scottish Funding Council.

14. PRIVATE MEETING WITH AUDITORS

Officers withdrew from the meeting so that the Committee could speak in private with the internal and external auditors. The internal and external auditors both indicated that their relationship with the University continued to be positive and no issues were raised.

15. RESERVED BUSINESS: PRIVATE MEETING WITH OFFICERS

[Secretary's note: The item was considered as reserved business. Further to the decision of the Court noted in Minute 39(2(b)) the information was considered to no longer be exempt from disclosure and was released on the authority of the Chair of the Court].

The internal and external auditors withdrew from the meeting so that the Committee could speak in private with officers. The Committee discussed options regarding the contracts of the internal and external auditors, both of which were due to expire in July 2018. There was a preference for the contracts of the incumbents to continue so as to maintain consistency during the implementation of the new Business Transformation systems. Members stated that the relationship with both the internal and external auditors remained positive, and as such, recommended that both contracts be renewed for two years.

Resolved:

- (i) to endorse to the Court that the contract for Scott-Moncrieff be extended for two years ending on 31 July 2020; and
- (ii) to endorse to the Court that the contract for Ernst & Young be extended for two years to end with the audit of the 2019/20 financial year.

16. DATE OF NEXT MEETING

Resolved: the next meeting would be held on Tuesday 6 March 2018.

Business Continuity Policy

1. Overview

- 1.1 Business Continuity is the capability of an organisation to continue delivery of services at acceptable predefined levels following a disruptive incident.
- 1.2 Business Continuity Planning allows an organisation to proactively mitigate the operational risks arising from an incident that may have a negative impact on business as usual. This increases the likelihood of the organisation being able to continue its critical activities following a major disruption.
- 1.3 The purpose of this policy is to support the University in identifying clearly its critical activities and capability to resume business as usual within agreed timeframes following the deployment of an emergency response.
- 1.4 Effective business continuity planning will increase resilience and minimise disruption. This provides the University with the capability to ensure continuity of teaching and research and to supports its staff and students following any major incident.

2. Who this policy applies to

- 2.1 This Policy extends to all of the University's activities and operations.

3. Policy Statement

- 3.1 The University of Dundee is committed to implementing best practice in business continuity planning throughout the institution to minimise the effect of disruptions on our staff, our students, our key stakeholders and the general public, and to maintain the reputation of the University.
- 3.2 The University of Dundee will take all reasonable steps to ensure that in the event of a major incident, critical activities will be maintained and normal services resumed as soon as possible.
- 3.3 The University of Dundee's top priority is to ensure the safety of its people and the security of its work environment.
- 3.4 The University of Dundee aims to:
 - Identify time critical activities across the institution and ensure that appropriate business continuity arrangements are in place for these;
 - Establish a clear and comprehensive plan in order to respond to incidents;
 - Develop and review the plan in accordance with the University's strategic aims and best practice across the sector;
 - Embed business continuity into the culture of the University so that this, alongside risk management, becomes an integral part of decision making.
- 3.5 Business Continuity planning processes will be delivered in conjunction with the risk management framework. Risk management aims to identify and manage risks; business continuity planning then handles the risk if it materialises.

4. Responsibilities

- 4.1 The University is responsible for issuing relevant procedures and guidance for the development of effective business continuity plans.
- 4.2 The University will engender and sustain a culture of business continuity planning throughout the University.
- 4.3 University management has prime responsibility for establishing a robust business continuity plan and accompanying procedures, and the Court has overall responsibility for overseeing it. In accordance with accepted best practice, the Court has delegated responsibility for the oversight of business continuity planning to the Audit Committee.
- 4.4 Employees of the University must be aware of the University's business continuity processes and their own specific responsibilities.

4.1. Risk Management Oversight Group

4.1.1 The Risk Management Oversight Group will oversee the development and review of the University's business continuity plan.

4.1.2 The Risk Management Oversight Group will oversee business continuity planning at a Directorate/School level.

4.2 Academic & Corporate Governance

The Directorate of Academic & Corporate Governance will coordinate business continuity planning, and specifically will:

- i. Champion the aims of the Business Continuity Policy;
- ii. Develop standardised procedures for carrying out Business Impact Analyses, developing business continuity plans and exercising these plans;
- iii. Maintain and update an institutional business continuity plan.

4.3 Deans, School Managers and Directors

The University's Schools and Directorates must have business continuity plans in place and these must be reviewed regularly. Deans, School Managers and Directors of Professional Services will take devolved responsibility for:

- i. Carrying out BIAs;
- ii. Reviewing and updating their Business Continuity plans;
- iii. Reporting on the above.

5. Further Information

[University of Dundee - Guidance on Managing a Crisis](#)

[University of Dundee - Business Continuity Webpage](#)

[University of Dundee - Risk Management Webpage](#)

6. Document Information

Document Name	Business Continuity Policy
Status	Approved
Responsible officer/department/school	ACG
Policy owner	Audit Committee
Date last approved	11.12.2017
Due for renewal	2019
Information classification: public/internal	Public
Location in repository	Court
Approval route and history	Court 11.12.2017 Audit Committee 27.11.2017. Risk Management Oversight Group 13.09.2017.
Code	CRT171211_BC_Policy

APPENDIX 5

GOVERNANCE & NOMINATIONS COMMITTEE (Minute 39(3))

A meeting of the Committee was held on 13 November 2017.

Present: Ronald Bowie (Convener);
Richard Bint;
Principal, Professor Sir Pete Downes;
Jane Marshall;
Bernadette Malone;
Toni McKinney;
Professor Mairi Scott;

In Attendance: Dr Neale Laker (Director of Academic & Corporate Governance).
Professor Karl Leydecker (Vice-Principal (Learning & Teaching))
Kevin Mallett (Deputy Director of Finance) (Item 2(3))
Dr Jim McGeorge (University Secretary);
Dr Christine Milburn (Policy Officer (Corporate Governance))

Apologies: Phil Welsh.

1. MINUTES

Resolved: to approve the minutes of the meeting of 2 October 2017.

2. MATTERS ARISING

(1) Action Log

The Committee received an action log summarising progress in relation to outstanding actions from previous meetings.

Resolved: to note the log.

(2) Proposed Process for the Appointment of a New Chancellor (Minute 2(2))

The Convener updated members on progress in relation to the process for identifying a new Chancellor. The Committee noted that the Chancellor's Appointing Committee had met for the first time on 23 October 2017 to review nominations submitted by staff, students and graduates of the University, and was to meet again on 11 December 2017.

Resolved: to note the update.

(3) Schedule of Delegation: Internal Control Environment (Minute 12)

Noting that the Committee had previously endorsed to the Court changes to the authorisation limits within the Schedule of Delegation, the Deputy Director of Finance presented a paper outlining the internal control environment surrounding the use of these defined authorities. In particular, the Committee noted the complexity of the overall system of control, including the role of the Schedule of Delegation, the organisational structure, IT systems, internal culture, and objective setting, and the Committee was pleased to note the range of checks, referrals and authorisations in operation beyond the Schedule.

Discussions focussed on the importance of a strong and consistent tone from the top of the organisation which clearly defined the values and core expectations upon which the control environment was reliant. Members also noted that the internal audit plan was an important means by which the controls in place were tested to give confidence in the systems in place. Members indicated that it would be helpful if officers could provide some examples to illustrate the effectiveness of the overall control environment, and went on to ask the Principal and University Secretary to consider how the effectiveness of the 'tone from the top' could be evidenced.

Resolved: to thank the Deputy Director of Finance for his paper and to ask the Principal and University Secretary to consider how the effectiveness of the 'tone from the top' could be evidenced

3. **CONVENER'S UPDATE**

Jane Marshall provided the Committee with an overview of discussions at a meeting of the Committee of University Chairs (CUC) which she had attended on behalf of the Chair of Court at the end of October. Members noted that discussions had largely focussed on matters relating to Vice-Chancellors' pay and the USS Pension Scheme.

With regard to Vice-Chancellors' pay, members noted that discussions had focussed on the public mood and the importance of ensuring a high standard in terms of transparency in the process by which remuneration matters were considered and decisions were communicated. In this regard, members noted the processes in place at the University, which they considered were strong. Noting that the CUC intended to develop a Code for Vice-Chancellor's pay for publication by April 2018, the Convener of the Remuneration Committee confirmed that the Remuneration Committee would review processes at the University at its meeting on 27 November 2017 to ensure a high standard of governance was maintained in this area.

The Committee also noted that the CUC meeting had been attended by the Chief Executive of the Office for Students, Nicola Dandridge, who had outlined the focus of the newly created Office. In particular members noted references to the Office's potential impact on devolved nations, and asked that officers monitor the situation.

Resolved: to thank Jane Marshall for the update.

4. **SECTOR UPDATE**

The Director of Academic & Corporate Governance drew members' attention to the paper elsewhere on the agenda relating to the publication of the revised Scottish Code of Good HE Governance (2017) in October 2017.

Resolved: to note the update.

5. **SCOTTISH CODE OF GOOD HE GOVERNANCE**

The Director of Academic & Corporate Governance introduced a paper which compared the governance and process arrangements at the University with the requirements detailed in each of the 83 principles of the revised Code, which had been very recently published. In doing so, he highlighted a number of areas where changes were required for the University to be fully compliant with the Code. Members approved the assessment, noting that the compliance rating indicated in the paper was based upon the University's aspiration of achieving the highest standards of good governance. Discussions focussed on 16 areas where the University's current practice only partially met the changes introduced by the revised Code, and a further 4 where the new practice introduced by the new Code meant that the University was currently non-compliant. The Committee agreed that the University should aim for full compliance with the Code by the end of the current academic year, that being 31 July 2018.

The Convener of the Remuneration Committee confirmed that the aspects of the Code relating to the work of that Committee would be reviewed when it next met on 27 November and asked that any comments on those areas be sent to her directly as soon as possible to inform discussions. In this respect, members highlighted the importance of remaining cognisant of best practice across the sector when developing internal approaches.

Through discussion the Committee considered ways in which the process for the approval of annual action plans in pursuit of the University Strategy to 2022 could be enhanced to meet the requirements of Principle 1:3. Members were also supportive of proposals in the paper relating to the publication of information relating to gifts and hospitality, and the development of a personal development planning framework for members of the Court. Turning to the requirement for the Court to hold an annual stakeholder meeting in public, with representatives of Court and the Principal providing an account of the University's performance, members made a number of suggestions with regard to format and timing. In particular members suggested that it may be desirable for the public meeting to be held around the same time as the University's annual Discovery Days in January and to incorporate aspects required of the annual meeting of the Graduates' Association. Noting the shortness of time before the next Discovery Days members asked officers to liaise with the External Relations Directorate regarding holding a public meeting alongside the Discovery Days in 2019 and beyond, and in the meantime to also consider the possibility of holding a meeting at some point prior to the end of the current academic year.

- Resolved:**
- (i) to endorse the assessment and recommendations and ask the Director of Academic & Corporate Governance to develop an action plan and schedule for the development and consideration of required changes;
 - (ii) to note that the Remuneration Committee would consider principles 78-81 at its meeting on 27 November 2017; and
 - (iii) to ask officers to liaise with the External Relations Directorate in relation to the development of a public annual stakeholder meeting.

6. EMPLOYER NOMINATED PENSION TRUSTEE FOR UoDSS

The Committee received a paper which outlined the context for the appointment of a remunerated Employer-Nominated Trustee for the University of Dundee Superannuation Scheme (UoDSS). In particular the paper clarified the relative responsibilities of the University and the UoDSS Board of Trustees in terms of the appointment and remuneration of the Employer Nominated Trustee and the Chair of the Board of Trustees, and members noted that the former was the responsibility of the University, while the latter was a responsibility of the UoDSS Board of Trustees.

Turning to the appointment, members noted that 4 candidates had been shortlisted for interview on 24 November 2017. Members also noted the advised level of remuneration, and highlighted the levels set for public appointments elsewhere.

Resolved: to note the clarifications.

7. MEMBERSHIP OF THE COURT

(1) Lay Vacancies

The Committee received a paper outlining proposals for the advertising, shortlisting and appointment processes relating to the two lay vacancies arising on the Court on 31 July 2018. Members reviewed the Court Skills Matrix which had been updated following discussions at the last meeting, and the annual summary of equality and diversity data for the Court. The Committee was pleased to note that the University's Equality & Diversity Officer had been consulted during the development of the advert and further particulars, and had proposed a number of additional routes for the its dissemination. Members provided a number of further suggestions for sharing the advert, and were encouraged to send any additional comments to the Policy Officer (Corporate Governance) as soon as possible.

The Committee approved the timeline, and noted the expectation that the advert would be published during the weekend of 5 January, with a closing date of 2 February and agreed that an additional meeting/conference call should be scheduled for the purpose of shortlisting during the weeks commencing 19 or 26 February. Noting the proposed composition of the interview panel approved at the last meeting, the Committee agreed that Richard Bint, Bernadette Malone, Mairi Scott and Toni McKinney should be asked to serve on the panel, with interviews between 5 and 19 March 2018 using the format previously established.

- Resolved:**
- (i) to approve the advertisement and further particulars for publication and sharing across a wide range of sites and groups on 5 January 2018;
 - (ii) to approve the timelines as set out above;
 - (iii) to ask officers to schedule a shortlisting call or meeting during the weeks commencing 19 or 26 February, and to make arrangements for an unconscious bias training session prior to the shortlisting process;
 - (iv) to ask officers to schedule interviews between 5 and 19 March 2018, with an interview panel consisting of Richard Bint, Bernadette Malone, Mairi Scott and Toni McKinney; and
 - (v) to note that the interview panel would be asked to make recommendation(s) for appointment to the meeting of the Governance & Nominations Committee on 27 March 2018.

(2) Deputy Chair of Court

The Committee received a paper setting out the proposed job and person specification for the role of Deputy Chair of Court (annex a). Members made a number of suggestions for the job specification, and otherwise agreed that these should be circulated to the Court along with a call for notes of interest from eligible members.

The Committee discussed the selection process. Noting that in the event of a vacancy arising in the position of Chair of Court, the Deputy Chair may be required to act as the Chair of Court for an extended period, members highlighted the importance of transparency and good governance in the appointment process. Further, members noted the standards set by the processes for the appointment of the Chair and the Conveners of Committees of the Court.

Thereafter, following discussion around the desire to minimise inconvenience for those interested in standing for the position, members agreed that following the circulation of the job and person specifications and call for nominations, the Chair of Court should explore with potential candidates their capacity and vision in relation to the role, and consult with the Court on the merits of applications received before seeking advice from the Governance & Nominations Committee on next steps including a potential interview and selection process.

- Resolved:**
- (i) to approve the proposed job and person specifications subject to minor amendment (annex a); and
 - (ii) otherwise to recommend to the Court that eligible members of the Court be invited to indicate their interest to the Chair of Court by 31 December 2017, with a view to him exploring with them their vision and capacity to serve in the role and making a recommendation to the Governance & Nominations Committee on the selection process.

(3) Chair of Court

Noting that there was nothing further to report at this time the Committee agreed that it should consider matters relating to the end of the current term of office of the Chair of Court at its next meeting.

Resolved: to defer discussions until the next meeting.

8. **REVIEW OF EFFECTIVENESS OF THE SENATE**

Janice Aitken, Convener of the Senate Review Group, and the Policy Officer (Academic Governance) attended the meeting to present a draft of the 'Report on the Review of the Effectiveness of the Senate'. Noting that the Senate would consider a final version at its meeting on 29 November 2017 prior to its presentation to the Court on 11 December 2017 for approval, members provided feedback on the draft.

Members commended the robust and thorough review process undertaken, and the clarity of the report. Discussions focussed on areas in the report relating to size and membership, functions and powers, and committees and delegation. For its part, the Committee made a number of practical suggestions in relation to the further development of recommendations relating to improving the Senate's oversight of the business of its committees, and the process for setting the Senate agenda. Members also provided comment on proposals for the improvement of communication between the Senate and the Court. In summarising the feedback, the Convener highlighted the Court's expectations of the Senate in terms of being an effective forum for decision-making, ensuring oversight and exploration of academic matters, and the timely and effective communication with the Court.

Resolved: to note the report and await the final report being submitted to the Court in due course.

9. **ARRANGEMENTS FOR THE REMUNERATION COMMITTEE SENIOR OFFICERS REPORT**

The Committee received a paper outlining the format of the Annual Remuneration Committee Senior Officers report for 2016/17. Members were invited to provide feedback on the report, and in particular highlight any opportunities to improve the transparency of reporting of the remuneration of senior staff prior to its population with data and its presentation to the Remuneration Committee and the Court.

Resolved: for its part to endorse the format of the report.

10. ANNUAL REVIEW OF THE STATEMENT ON DIVERSITY

The Committee undertook the annual review of the Statement on Diversity (annex b). Members noted the changes proposed by the People & Organisational Development Committee and proposed one additional minor amendment

Resolved: to endorse the Statement to the Court for approval, and reiterate the Committee's commitment to further enhancing diversity on the Court.

11. ANNUAL REVIEW OF STATEMENT ON MODERN SLAVERY

The Committee received the 2017 Modern Slavery Act 2015: Slavery and Human Trafficking Statement. Members noted the risk-based approach taken, and in particular welcomed the examples of work done in the last 12 months which was included in the report.

Resolved: to endorse the Statement to the Court for approval and publication on the University website (annex c).

12. UNIVERSITY COURT BUSINESS

(1) Early Stage Court Business

The Committee received a copy of the provisional agenda for the Court meeting on 11 December 2017. Through discussion, members set out their expectations for the proposed presentations on the Research Agenda by the Vice-Principal (Research, Knowledge Exchange & Wider Impact) and his successor. Members were pleased to note the proposal that a branding update to be provided by the Director of Marketing & Communications. [*Secretary's note: the Branding Update was subsequently deferred until 20 February.*]

The Committee encouraged officers to consider how the Court would engage with the reporting and delivery of the University Strategy to 2022 action plans, and suggested that the Principal may make reference to this in his regular report to the Court.

Through discussion, members also suggested that, should time allow, the items on 'Business Transformation Update', 'Risk Appetite', and 'Senate Review of Effectiveness' be elevated to be substantive items on the agenda.

Resolved: to note the provisional agenda.

(2) Approval of Minutes

Members noted that at the last meeting of the Court one member had asked that the process for the sharing and approval of minutes of the Court and its committees be reviewed. Following discussion members asked that it be noted that they were satisfied that the existing process was in line with sector standards, and was a practical solution to ensuring that the business of the committees was brought to the attention of the Court promptly.

Resolved: to advise the Court that it was the view of the Governance & Nominations Committee that the existing process was appropriate and fit for purpose.

(3) Ownership of Action Plans & KPIs

Noting that the Court had asked the Committee to consider how the Court may be assured of management accountability/responsibility for the measures within the Action Plans and Key Performance Indicators (KPIs) associated with the new University Strategy, the Committee considered a paper from the Director of Strategic Planning outlining the proposed ownership and oversight of these matters by committees. Members confirmed that they were content with the proposals, noting that the schedule was subject to final refinement by the University Executive Group, and would be made available to the Court via BOX in due course.

Resolved: to note the proposals and await reports in due course.

13. GRADUATES' ASSOCIATION REGULATIONS

[Secretary's note: Jane Marshall, as a current Graduates' Association Member of the Court, declared an interest in the item].

The Committee considered a paper which outlined proposed changes to Graduates' Association Business Committee Regulations relating to the renewal process for Graduates' Association Members of the Court. Members noted that, as a result of changes to the format of the annual meeting of the Graduates' Association and to the format of communications with members of the Association, the process could be updated to bring the timing of the review/renewal process in line with that used for other lay member categories. In particular, members noted that the changes would mean that the process was carried out in the final year of membership rather than two years into the four year term. Through discussion, members noted that the Graduates' Association Business Committee would formally consider the proposal at its meeting at the end of November, but that the Convener had been consulted and was supportive.

Members noted that the focus of the Graduates' Association and its Business Committee was changing, and that the Business Committee may in due course wish to consult the Governance & Nominations Committee further in relation to the governance arrangements in place in light of these changes.

Resolved: to endorse to the Court the proposed changes to the Graduates' Association Regulations as outlined (annex d), subject to the concurrence of the Graduates' Association Business Committee at its meeting on 25 November 2017. *[Secretary's note: the Business Committee has now, for its part, approved the proposals.]*

14. UK QUALITY CODE CONSULTATION

Noting the closing date for the submission of responses, members were encouraged to provide any feedback on the UK Quality Code consultation (www.qaa.ac.uk/newsroom/consultations) to the Policy Officer (Corporate Governance) as soon as possible to enable the Director of Quality & Academic Standards to refine the University's response.

Resolved: to note that comments should be sent to the Policy Officer (Corporate Governance) as soon as possible.

15. DATE OF NEXT MEETING

The Committee noted the next meeting of the Governance & Nominations Committee was scheduled for 27 March 2017 and suggested in addition that a shortlisting meeting be arranged as proposed under minute 7(1), and that an additional meeting or conference call be scheduled for 10am on 30 January 2017 if necessary to discuss any urgent business arising in the interim period.

Resolved: to note that an additional meeting would be scheduled for 30 January 2017, and a shortlisting meeting would be scheduled to take place during the weeks commencing 19 or 26 February.

Deputy Chairperson of Court

Eligibility, Role Description and Person Specification

A. Role Description

The role of Deputy Chairperson has three specific functions set out in Ordinance 63. These are:

1. To chair meetings of the Court in the absence of the Chairperson or where the business under discussion makes it inappropriate for the Chairperson to preside;
2. To act as intermediary for members of Court who might wish to raise concerns about the conduct of the Court or its Chairperson. [This corresponds to UK Corporate Governance Code² provision A.4.1 'a senior independent director [...] to provide a sounding board for the chairman and to serve as intermediary for the other directors where necessary']; and
3. To chair annually at Court a discussion of the performance of the Chairperson in his/her absence.
4. To assume the role of Interim Chairperson in the event of a vacancy arising in the role of the Chairperson of Court, until such time as a new Chairperson is identified.

In addition, and with the agreement of Court, the Deputy Chairperson of Court may from time to time be asked by the Chairperson to deputise at internal or external meetings and events as may be appropriate or desirable. The Deputy Chair also often plays a key role in the appointment process for the Chair of Court.

B. Person Specification

To be effective in the role of Deputy Chairperson of Court, a candidate should ideally possess the following qualities and skills:

1. Experience of chairing board level committees;
2. Active listening approach and good communication skills;
3. Good understanding of issues of equality, diversity and inclusion;
4. Visibly engaged with the business of the Court;
5. Experience or an understanding of the principles of performance management;
6. Approachability and natural empathy with others;
7. Commitment to good governance principles;
8. Diplomacy and tact.

C. Eligibility

To be appointed as Deputy Chairperson, a candidate must be a member of Court, but may not be a member of staff or student of the University.

D. Appointment

The appointment is for four years in the first instance with the possibility of re-appointment for a further term. An appointment as Deputy Chairperson does not extend the maximum period of office on Court of eight years. Where a member has less than four years remaining as a member of Court, an appointment would be for the remainder of their term on Court only.

² UK Corporate Governance Code, April 2016, published by the Financial Reporting Council. <https://frc.org.uk/getattachment/ca7e94c4-b9a9-49e2-a824-ad76a322873c/UK-Corporate-Governance-Code-April-2016.pdf> (Accessed 2/11/2017).

Statement on Diversity on the University Court

As the Governing Body of the University of Dundee, the Court is publicly committed to ensuring that established principles of good practice in equality and diversity pervade all activities in which the University is engaged. The Court is committed to promoting inclusivity in terms of all nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation). The Court recognises that a diverse staff and student community underpins the very nature of academic endeavour whose foundation is the dialogue and interplay between differing opinions from different backgrounds and standpoints. The success of the University rests on fostering such diversity.

The Court recognises that it must espouse these same principles of good practice in respect of its own membership and that it should be subject to the same scrutiny in respect of equality and diversity as the rest of the University community. The Court is particularly concerned to address the issue of gender imbalance in its own membership, as well as in the membership of its own committees and those across the institution. In respect of its own membership it has declared a commitment to achieving a 40% minimum representation of either gender among its lay appointments by July 2018. In support of this, the Court has affirmed its commitment to the use of advertising in a way which reaches out to as diverse a range of candidates as possible, and this may include the use of external search agencies. The Court will also promote greater diversity from those groups who elect members to serve on the Court.

The Court, through its Governance & Nominations Committee, has established a robust process for appointing new lay members to the Court, which it believes to be transparent, fair and objective. To support this process the Court ensures that appointment panels for new Court members, and for senior appointments within the University, do themselves demonstrate principles of good practice in equality and diversity. Moreover, Court already considers an evaluation of the range of skills in all lay appointments, and equality and diversity information relating to current Court members to be able to promote inclusivity and equality in terms of all nine protected Characteristics in the selection process.

Modern Slavery Act 2015: Slavery and Human Trafficking Statement

Modern Slavery Act 2015 (the “2015 Act”) requires organisations who meet certain criteria to publish an annual statement outlining the steps taken by the organisation to ensure slavery and human trafficking is not taking place within the organisation or in any of its supply chains.

The University of Dundee is an institution of higher education. Our core purpose is the transformation of lives by working locally and globally through the creation, sharing and application of knowledge.

We are committed to the principles of the 2015 Act and to ensuring that there is no modern slavery or human trafficking in our organisation or in our supply chains.

When entering into business contracts, we do so in accordance with our policies to ensure that our business relationships are conducted in an environmentally, socially and economically sustainable manner.

To identify and mitigate risks, we carry out due diligence on new suppliers. As a part of our procurement process we ask the bidders to accept the [APUC Supply Chain Code of Conduct](#) and, if the contract value exceeds £50,000, also require bidders to complete a European Single Procurement Document which contains specific disclosure requirements in relation to slavery and human trafficking. Using these documents allows us to ensure that our suppliers acknowledge and comply with our values.

We intend to take the following steps to mitigate any risks in our existing supply chains:

- identifying supply chains which we consider most “at risk” in terms of slavery and human trafficking; and
- working with our suppliers to investigate these supply chains to ensure that no issues are present and that preventative measures are in place.

We are as an institution seeking to identify better and practicable processes in our procurement and business operations which will make a real difference in helping combat slavery and human trafficking.

This statement is made pursuant to section 54(1) of the 2015 Act and constitutes University of Dundee’s slavery and human trafficking statement.

For and on behalf of the University of Dundee

December 2017

University of Dundee

Modern Slavery Act 2015: Slavery and Human Trafficking Statement – 2017 Update

Modern Slavery Act 2015 (the “2015 Act”) requires organisations who meet certain criteria to publish an annual statement outlining the steps taken by the organisation to ensure slavery and human trafficking is not taking place within the organisation or in any of its supply chains. S54(4) of the 2015 Act, states that an annual statement is:

*(a) a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place—
 (i) in any of its supply chains, and
 (ii) in any part of its own business”.*

In order to meet the requirements of point (i) above, an ‘at risk’ supply chain was identified through research undertaken by members of staff within the University’s Procurement team.

Following a Modern Slavery Training Course delivered by a representative from the Business, Human Rights and the Environment (BHRE) Research Group (based at the University of Greenwich School of Law), several ‘potentially at risk’ supply chains were identified (based on previous investigations conducted by a range of Non-Governmental Organisations). One such example was the seafood industry and whilst the University’s spend on seafood is minimal, it was deemed to be a good area to investigate as the majority of the University’s requirements for students and staff are provided through Campus Catering thereby adding an additional level to the supply chain.

‘At Risk’ Supply Chain Research Findings

The Facilities Management (FM) Category Manager within the Procurement team undertook research in conjunction with Campus Catering and established that the majority of seafood consumed by individuals in the University is ordered from Brakes Scotland through a framework agreement let by TUCO Ltd (The Universities Catering Organisation). The Grocery Provisions and Chilled Food Framework Agreement (Ref CAT11027 TU) was let on 5th Sep 2016 and is due to expire on 4th Sep 2018.

Supply Chain Level 1 – Campus Catering use of TUCO Ltd Framework Agreement

Whilst technically not part of the supply chain themselves, TUCO Ltd have requested copies of Modern Slavery Statements from all relevant suppliers and requested acknowledgement of the MSA 2015 Legislation from SME’s. TUCO Ltd also provide suppliers with access to a free, online tool that helps them create a Sustainability Action Plan for their business. The NETPositive supplier development tool (<https://supplierengagementthe.net-positive.org/>) is designed to support and develop the supply chain as part of an ongoing commitment to embedding sustainability in the procurement process. A key feature of the tool is the inclusion of content specifically addressing the requirements of the Modern Slavery Act 2015.

Supply Chain Level 2 – Brakes Scotland

As a supplier to TUCO Ltd, Brakes Scotland have policies designed to eliminate Modern Slavery within both their organisation and their own supply chain. These include adherence of organisations which are part of their supply chain to an ethical trading policy based on the standards within the Ethical Trading Initiative (ETI) which reflects key elements of the International Labour Organisation (ILO) conventions. Further research established that Brakes in turn use M&J Seafood Ltd for their seafood requirements.

Supply Chain Level 3 - M&J Seafood Ltd

As a supplier to Brakes Scotland, M&J Seafood Ltd operate an ethical trading policy which includes a commitment to ethical and humane working practices. The policy states that if M&J Seafood Ltd become aware of any labour rights concerns with one of their suppliers, then they will investigate the issue and, if required, agree an action plan to address the issue with the supplier or delist the supplier from their supply chain (depending on the severity of concerns).

Conclusion

Having initially identified the purchase of seafood as an at risk commodity regarding modern slavery practices, the research carried out by Procurement has found that compliant policies exist throughout three levels of the supply chain. Assuming these policies transfer through to practices, then the University has some comfort regarding its purchase of seafood not being at risk of modern slavery practices further up the supply chain. Should the University become aware of evidence contradicting the practices throughout the supply chain, then action will be taken through the first tier supplier.

Future Activity

We are cognisant of the fact that there remain several 'potentially at risk' supply chains of products and services used by the University as well as the possibility that other supply chains previously thought to be compliant may be identified at a future date as being 'at risk'. A risk-based approach will be employed by Procurement to identify one or more of these supply chains per annum on which to conduct further investigations. Over time, this approach will provide the University with greater assurance that organisations in any 'potentially at risk' supply chains we are part of have the relevant policies and procedures in place to reduce the risk of modern slavery-related activities being in place.

Graduates' Association Regulations

(Note: Regulations made under Ordinance 20.)

- 1 The Secretary of the University shall maintain a register of members of the Graduates' Association recording their full names, addresses, degrees and year of conferment of their first degree. This duty is disapplied to the extent that (1) such information may be unavailable; (2) any consent required by law or by any code of practice, etc. of individuals is not forthcoming for any reason; (3) where compliance with this duty would breach data protection or other legislation, regulations or case-law.
- 2 The register may be consulted only by officers of the University and those delegated by them and to the extent, if any, permitted under data protection or other relevant legislation, regulations or case-law.
- 3 Notices of all meetings of the Association shall be advertised by the Secretary not less than ~~ten~~ six weeks before the dates of the meetings. Any vacancies shall be advertised electronically. The notices shall include information relating to any vacancies requiring to be filled either by election or appointment as set out in these regulations. They shall also call for any other competent business to be considered at the meeting to reach the Secretary not less than four weeks before the dates of the meetings.
- ~~4 The papers for each meeting shall be available to all members of the Graduates' Association not less than two weeks before the date of the meeting.~~
- 54 Twenty members of the Graduates' Association shall form a quorum.
- 65 The Chairperson shall have a deliberative vote and in the case of an equality of votes the Chairperson shall also have a casting vote, provided that this Regulation shall not apply to votes for elections.
- 76 Every matter of business except where otherwise specially provided shall be determined by the majority of members present and voting on the matter.
- 87 The Chairperson shall determine all matters of competence and relevancy. When a point of order is raised the Chairperson shall rule at once. When the Chairperson's ruling is challenged, the Chairperson shall ascertain the mind of the Association by a vote taken without debate.
- 98 The Chairperson shall have power to adjourn a meeting, provided that only unfinished business shall be transacted at an adjourned meeting.
- 109 The Graduates' Association shall appoint a Business Committee with the following membership:
 - a) The Graduates' Association Members of Court, that being those appointed by the Graduates' Association (ex officio);
 - b) The Convener of the Business Committee (ex officio);
 - c) Eight members of the Association to be elected by the Graduates' Association at the annual meeting of the Association;
 - d) Such other persons not exceeding two in number, as may be co-opted from time to time by the Business Committee. Such persons shall usually, but not necessarily, be Graduates of the University as defined by Ordinance;
 - e) The President of DUSA or his/her nominee;
 - ~~f) A member nominated by the Academic Council~~
- 10 (1) Provided that where such an appointment begins at a time of year other than 1 May, for the purposes of regulating the length of the term of office it shall be deemed to have begun on 1 May preceding the length of the term of office preceding the actual appointment where this is before 1 November and on 1 May following the actual appointment where this is on or after 1 November.
- (2) The period of office of the elected members of the Business Committee shall be four years at the end of which they shall be eligible for re-election, but shall not hold office continuously for a period longer than eight years.
- (3) The period of office of members co-opted in terms of Regulation 10 shall be two years. Such co-opted members retiring shall be eligible for further co-option provided that no co-opted members shall serve

continuously for more than four years in that capacity.

- (4) The maximum total continuous period of office of a person serving as an elected, nominated or co-opted member, or in a combination thereof shall be eight years. On expiry of their maximum period of office, such persons shall not be permitted to seek re-election, be co-opted or nominated until a period of at least four years has elapsed from the date on which their membership ceases.
- 11 (1) The Business Committee shall at the meeting next before the annual meeting of the Association elect a Convener from those elected or co-opted to membership of the Business Committee in terms of sub-paragraphs c) and d) of Regulation 10, provided always that the Convener so elected shall be a Graduate of the University, as defined by Ordinance. The Convener shall begin a new term of office on the Committee and shall hold office for one year whereafter the Convener shall cease to be a member of the committee. The Convener shall be eligible for re-election but shall not serve continuously for more than four years in that office.
- (2) If the member elected Convener would otherwise not be due to retire from the Business Committee at the next annual meeting of the Council, his or her election shall be deemed to create a vacancy, which may be filled by co-option.
- (3) The Convener so elected shall also be the Chairperson of the Graduates' Association.
- (4) The Business Committee may at any time appoint a Vice-Convener from among its members. The period of office of the Vice-Convener shall be fixed by the Business Committee but shall not exceed the period for which the person appointed would otherwise have served as a member of the Committee.
- (5) In the absence of the Convener and the Vice-Convener, if any, from any meeting a chairperson for the time being shall be elected by the meeting.
- 12 Two members of the Committee shall be elected each year. A casual vacancy may be filled by co-option at any meeting of the Business Committee and the person co-opted shall be a member for the unexpired period of office of his or her predecessor.
- 13 Elections for the Business Committee shall be held in advance of the annual meeting of the Association. The Secretary or his or her nominee shall act the returning officer. The election shall be conducted in a format approved by the returning officer. The Secretary shall invite nominations in the notice issued for the annual meeting. In the event of a tie the elections shall be decided by the drawing of lots.
- 14 Five members of the Business Committee shall form a quorum.
- 15 The Secretary of the University shall be responsible for providing secretarial services to the Business Committee.
- 16 The Business Committee shall deal with any matters on behalf of the Association and may act on behalf of the Association and report thereon to the Association. The Committee shall frame the programme of business to be submitted to the annual meeting of the Association subject to the addition of items received in terms of Regulation 3. The Business Committee shall have the power to establish a Convener's Sub-Committee or other Sub-Committees to act on its behalf.
- 17 The Business Committee shall define the limits of the powers of the Sub-Committee which shall report on the exercise of the powers to the Committee.
- 18 (1) When a vacancy is due to occur in the office of the Graduates' Association Members on Court the Secretary of the University shall ~~intimate this in the business paper for the annual meeting immediately preceding the annual meeting following which such an appointment will take effect. The vacancy shall also be~~ advertise the vacancy on the University's website and via email to graduates no less than six months before the vacancy would arise. on the University's web site, and by such other means as the Secretary may consider appropriate.
- (2) Applications by graduates of the University to be considered for appointment to the Court shall be submitted to the Secretary of the University ~~by 30 September preceding the annual meeting following which the appointment shall take effect.~~ Applications must be accompanied by a curriculum vitae and a supporting statement, along with details of the degrees or diplomas held and the year obtained. Potential candidates for appointment on Court are strongly encouraged to speak on a private informal basis with the Convener or Vice-Convener of the Business Committee or with one of the sitting graduates on Court in

order to ensure they are fully briefed about the requirements and expectations of the role and to assist in approaching their candidacy submission on an informed basis.

- (3) Following receipt of applications for the appointment to Court, the Secretary shall make arrangements for a selection panel to consider them. The panel shall consist of the Convener ~~and/or~~ the Vice-Convener, a current Graduates' Association Member of ~~Court and a~~ Court, at least one member of the University's Governance & Nominations Committee, and any such other persons as recommended by the Governance & Nominations Committee. Where the Convener or Vice-Convener are unable to act in this capacity, the Business Committee may identify individuals from within its membership to serve on the panel that the panel may itself co-opt, upon the advice of the Secretary of the University. Where any of the Convener, Vice-Convener or current Graduates' Association Members on Court are prevented from acting in this capacity, or where any of the positions are vacant, the Graduates' Association Business Committee may identify individuals from within its membership to serve on the panel. The panel, on the advice of the Secretary of the University, shall determine for itself the process for selection, but such process shall normally include an interview with the panel and informal meetings with the Principal and Chairperson of Court.
 - (4) In making its selection, the panel shall, in consultation with the Governance & Nominations Committee and the Graduates' Association Business Committee, determine the criteria for the appointment to the role of Graduates' Association Member of Court. have regard to the criteria for appointment to the role of Graduates' Association Member of Court that the Business Committee shall from time to time devise. It shall also have regard to the balance of skills already exhibited by the entire membership of the University Court.
- 19 In any year in which no valid application comes forward the position shall be re-advertised. application for appointment to Court by a graduate comes forward by the deadline of 30 September as set out in regulation 19, following consultation with the Secretary of the University, the Business Committee shall nominate a candidate who shall be appointed, subject to ratification by the University Court.
 - 20 If a casual vacancy arises in this membership, an appointment process to fill the vacancy shall take place as soon as possible after the date on which the vacancy occurs. Appointments to the casual vacancy shall be in accordance with the same regulations as for a normal vacancy. In the event of a casual vacancy occurring, following consultation with the Secretary of the University, the Business Committee shall nominate a candidate who shall be appointed as a Graduates' Association Member of Court, subject to ratification by the University Court, for the remainder of the term falling vacant.
 - 21 The process for considering the re-appointment of a Graduates' Association Member, appointed in terms of regulation 19, shall include an appraisal of the performance and attendance of the Member concerned at meetings of the Court and its Committees and such other criteria as the Business Committee shall from time to time determine. Following such appraisal, the Business Committee shall recommend to the Annual General Meeting that it either re-appoint that member or that it decline to do so and that a recruitment process be commenced in terms of regulation 19. In the event that a serving Graduates' Association Member on Court reaches the end of their term of office and is eligible for re-appointment, a panel shall be convened with membership as outlined in Regulation 18. In line with arrangements for the reappointment of other categories of lay members of the Court, this panel shall consider an appraisal of the performance and attendance of the Member at meetings of Court and Committees and other criteria as determined from time to time by the Business Committee and the Governance & Nominations Committee. This panel shall act on behalf of the Graduates' Association in terms of the renewal or otherwise of membership.
 - 22 These Regulations may be suspended (except insofar as doing so would result in a breach of data protection or other legislation, regulations or case-law) by a resolution passed by a two-thirds majority of members present and voting.

APPENDIX 6

PEOPLE & ORGANISATIONAL DEVELOPMENT COMMITTEE (Minute 39(4))

A meeting of the Committee was held on 20 November 2017.

Present: Shirley Campbell (Convener);
Janice Aitken;
Anne Anderson;
Dr William Boyd;
Professor Tim Kelly;
Bernadette Malone;
Dr Alison Reeves;
Dr Jean Robson;
Denis Taylor

<u>In Attendance:</u>	Professor Nic Beech Gillian Jones Dr Jim McGeorge Pamela Milne Dr Liz Rogers Linda Ronaldson Julie Strachan	Vice-Principal (Provost); Human Resources Manager (Operations); University Secretary; Director of Human Resources and Organisational Development; Assistant Policy Officer (Risk and Audit); Human Resources Manager (Strategic Projects); Deputy Director of Human Resources & Organisational Development.
------------------------------	---	---

1. MINUTES

The Committee discussed the sequence of approval for minutes. Members noted that the Governance & Nominations Committee had discussed this matter at its meeting on 13 November 2017 and that a recommendation would be made to the December meeting of Court.

Resolved: to approve the minutes of the meeting on 15 May 2017.

2. MATTERS ARISING

(1) Action Log

The Committee considered a log of Committee actions ongoing from 2016. Members were content that the log offered a comprehensive record of outstanding actions and noted progress updates. Members highlighted the importance of ensuring that the Equality & Diversity action plan and overarching outcomes were aligned to the associated performance measures. It was agreed that this should be included on the action log and that the Head of Equality & Diversity should attend a future meeting to speak to this.

It was noted that work on the 'Procedural Agreement' with the campus unions remained ongoing. It was suggested that a timeline for the proposed completion of this action be circulated to all members and to the Local Joint Committee.

Resolved:

- (i) to ensure that the Equality & Diversity action plan was included in the action log;
- (ii) to circulate a timeline for the Procedural Agreement to the Local Joint Committee and the People & Organisational Development Committee; and
- (iii) subject to (i), to approve the People & Organisational Development Committee action log as presented.

(2) Committee Operations

Members reviewed the Remit and Terms of Reference for the Committee (annex a), noting that this was in a format consistent with other committees of Court. Members recommended minor amendments, relating to fairness and health & safety, to the wording, but were otherwise content.

Members noted that all committee remits and terms of references would go to Court for final approval, and that these would therefore be available to all Members on BOX.

Resolved: subject to minor amendments, to endorse to the Court the revised Remit and Terms of Reference for the Committee.

(3) Recruitment & Retention

The Committee viewed a summary of feedback from the Exit Survey split into themes. Members noted that 'culture' was the reason staff noted most often when asked what could have been improved about their job. Members noted that the Exit Survey only provided information on a small sample of staff and was therefore not representative of the University. Nevertheless, the Committee felt that 'culture' was an issue for the University Executive Group to consider in the context of the University Strategy to 2022.

Members recalled that a major piece of work on culture had previously been carried out, and would be revisited. The Committee was pleased to note that work was underway towards developing a coaching and facilitating style of leadership and stressed the importance of operationalising change. The Committee noted that the Staff Survey would provide more detailed feedback that could further inform the action plan for taking this work forwards and indicated that it would be useful for the University Executive Group to revisit the 'Values in Action' work with a view to refreshing it in line with the new University Strategy.

Resolved: to note the update.

3. **ABSENCE MANAGEMENT**

The Committee reviewed a paper providing a summary and analysis of sickness absence for the year 1 August 2016 to 31 July 2017, including a comparison of the preceding 12 month period. Members learned that a reporting tool for absence, including templates and links to relevant policies, was being developed and that this would be considered by the Local Joint Committee and Professional Services Group. Members were pleased to learn that Human Resources & Organisational Development had been working with the Institute of Sport & Exercise to promote wellbeing and that actions were also planned specifically on mental health. The Director also informed Members that the sickness absence policy was due for review and that this would come to a future meeting of the Committee.

The Committee welcomed the report and requested actions to be included in future reporting to ensure that the Committee had full oversight, including a breakdown of absence by School/Directorate and by age. Through discussion, members suggested that it may be useful for information on the cost of absence to be included in the report where possible.

Members noted that an additional meeting of the Local Joint Committee had been arranged specifically to discuss health and wellbeing and that they would receive the minutes of this at the next meeting. Members noted that

Turning to the format for future reports, Members indicated that an executive summary detailing any ongoing actions and any available information on Higher Education sector comparators would be useful.

Resolved:

- (i) to circulate a breakdown of data by School/Directorate;
- (ii) to report to the Committee if any trends, such as age, were identified;
- (iii) to develop a list of key actions, including initiatives to enhance mental wellness and wellbeing, and update the Committee on the progress of these;
- (iv) to await the revised sickness absence policy at a future meeting; and
- (v) to note the update.

4. **ANNUAL REVIEW OF PROMOTIONS FOR ACADEMIC & RESEARCH STAFF**

[Secretary's note: Janice Aitken left the room for the duration of discussions.]

Members reviewed a summary and analysis of interim promotion outcomes agreed during the University's Annual Review process for Academic and Research staff. Members noted that 9 applications remained outstanding as further references had been sought and this would influence the data provided in the final report. Members

learned about the process and timeline for the promotions of academic and research staff and noted that the report, when finalised, would inform part of an Equality Impact Assessment (EIA). It was agreed that any identified trends from the finalised report would be provided to the next meeting, with particular attention being paid to underrepresented groups and associated resulting actions. Members suggested that the timeframe and process for these promotions could be publicised to staff so that they were aware that it was necessarily quite a long process. The Committee noted that the process would be further considered as part of the overall review of the academic and research staff promotion round, currently being undertaken by the Human Resources directorate.

- Resolved:**
- (i) to await a report on trends from the annual review; and
 - (ii) to note the update.

5. **MERIT AWARDS**

The Committee reviewed a report providing a summary of the outcomes of the University's annual Merit Award Process. The report covered Contribution Related Points (CRPs) and Accelerated Advancement (AA) and provided further breakdown by grade, job category, School/Directorate, gender and ethnicity. Members noted that it had been the first year of re-introducing AA and that CRPs were only available to staff in grades 3-9. The Director of Human Resources & Organisational Development informed members that Grades 1 and 2 currently had no access to CRPs (due to the University's commitment to meeting the living wage) and explained that the Human Resources team would be looking into a recognition process for staff in these grades to ensure they had access to equivalent opportunities. The Committee supported this initiative.

- Resolved:** to note the update.

6. **PEOPLE RISK REVIEW**

The Committee reviewed the draft risk register for Human Resources & Organisational Development. Members noted that this had recently been updated as part of a University-wide project on developing a new risk management framework and that the newly drafted risk register had been aligned to the University Strategy to 2022. Members agreed that actions from the University Strategy could inform the steps to enhance controls in relation to key risks and questioned the extent to which the operational plan mitigated these risks. It was noted that where the operational plan mitigated a risk, this could be referenced within the risk register.

Members noted that the likelihood of industrial action in relation to possible changes in the USS pension scheme was increasing and that this should be escalated on to the institutional risk register. Members questioned if the risk associated with compliance with the General Data Protection Regulations should be included on the risk register but decided that this fell into the Remit of the Audit Committee.

- Resolved:** to note the update.

7. **ORGANISATIONAL CHANGE AND STRATEGIC PROJECTS**

The Committee reviewed an update on organisational change and strategic projects for the period September to November 2017. Members noted progress on the review of Estates & Campus Services, the review of technical staff in the School of Art and Design, the review of alignment of staffing in the Library & Learning Centre, the review in Alumni Relations and also the MRC PPU Cloning Group Restructure in the School of Life Sciences.

- Resolved:** to note the update.

8. **BUSINESS TRANSFORMATION**

Members noted that minutes from the Business Transformation Steering Committee were available on BOX. The University Secretary informed members that the finance implementation would potentially be delayed to early in the New Year, and that further information would follow in due course. The Director of Human Resources & Organisational Development informed members that progress had been made on the Human Resources system (due to go live in August 2018), and that at the time of the meeting two critical areas remained outstanding: statutory payments and the HESA return. Members noted that software developments in relation to the HESA return looked positive but that there would still be work to do in refining the statutory payment element of the system.

- Resolved:** to note the update.

9. **ANNUAL WORKFORCE REVIEW**

Members viewed the workforce profile including a comparison of staff numbers at 1 August 2015, 1 August 2016 and 1 August 2017. The paper provided information on the workforce FTE and Headcount (core staff), tutors and temporary staff, workforce breakdown and trends and staff turnover. Members recalled that the organisational restructure in 2015 and subsequent 'One Dundee' projects had resulted in some staff moving out of Schools and into Professional Services (such as Finance, IT and External Relations), and that investment in UoD IT and External Relations had also resulted in an increase in staff in Professional Services.

In welcoming the data members requested that they continue to be refined for future reports to provide further information on trends and enhanced narrative analysis as this informed discussions better than simply reports on the data themselves. The Committee also discussed the benefits of the annual workforce report and opportunities for further communication of both the report and the Committee's discussions relating to it. It was agreed in the first instance that the report could be shared with the Deans Group and Professional Services Group and that it should be drawn to the attention of Court to ensure it had oversight of the staffing profile.

Resolved: (i) to include the report as an appendix to the minute; and
(ii) to note the update.

10. PENSIONS (USS)

The Director of Human Resources & Organisational Development informed members that industrial action, led nationally by UCU, would be highly likely because of ongoing discussions regarding changes to the USS pension scheme. Members learned that a ballot would be held from 27 November 2017 to 19 January 2018 and that UCU action had been proposed for February 2018. Members noted that Human Resources & Organisational Development had been planning for this eventuality.

Resolved: to note the update.

11. LONG SERVICE AWARDS

The Director of Human Resources & Organisational Development provided members with an update on the long service awards. Members were pleased to note that a highly-successful event had been held at the Apex Hotel for staff with over 25 and over 40 years' service and that the afternoon had received very positive feedback.

Resolved: to note the update.

12. NARRATIVE FOR COURT

Members discussed what items should be brought to the attention of Court at its next meeting, and agreed that the Convener would report on: promotions and the way in which staff could be educated on the nature of the process and resulting timeframe; Contribution Related Points and the fact that the Committee had agreed that a process be developed to include staff in Grades 1-2 notwithstanding the University's payment of the living wage; and the successful launch of the long service awards. The Committee also felt that the Court should be made aware of the high probability of UCU strike action arising from proposed changes to the USS pension scheme.

It was agreed that the workforce review would be included as an appendix to the minute so that this could be discussed at Court.

Resolved: to note the update.

13. DATE OF NEXT MEETING

Resolved: the next meeting would be held on Thursday 1 February 2018.

**People & Organisational Development Committee
Remit, Terms of Reference and Delegated Powers**

Membership

1. The membership for any given year is set out in the attached schedule. It shall comprise a mix of lay members and staff members.
2. The quorum for any meeting is 50% of the total membership rounded up. The quorum for any given year is likewise set out in the attached schedule. To be quorate at least two lay members and one elected/nominated member must be present. Elected/nominated members include both staff and students.
3. Each meeting of the Committee shall normally be attended by the University Secretary; a Vice-Principal; the Director and Deputy Director of Human Resources & Organisational Development and other officers at the discretion of the Director of Human Resources & Organisational Development in consultation with the Convener.

Proceedings

1. The Committee shall usually meet four times per session and shall report, through the submission of minutes of each meeting, to the next meeting of the Court.
2. The Committee's secretary shall normally be the Assistant Policy Officer (Risk & Audit).

Remit

1. To support the institution's implementation of the University Strategy to 2022 in relation to its people-related (staff) objectives, actions and KPIs and to promote staff welfare;
2. To review the effectiveness of all Human Resources & Organisational Development policies, procedures and guiding principles to ensure compliance with best practice, employment legislation and in order to meet agreed strategic objectives;
3. To monitor and review all health and safety arrangements within the University affecting staff, students and visitors to do everything we can to ensure zero harm to our community and to advise Court on statutory and other requirements relating to its responsibilities for health and safety;
4. To advise the Court on statutory and other requirements relating to its responsibilities for equality and diversity;
5. To monitor and evaluate the University's relevant developmental opportunities for staff;
6. To sustain and evaluate an equal opportunities policy for the University and to sponsor programmes of action in support of the policy;
7. To oversee the staff consultative process with the recognised trades unions and to advise the Court accordingly.

Terms of Reference

1. Through agreed performance indicators, the Committee shall monitor the implementation and effectiveness of all staff-related components of the University Strategy to 2022.
2. The Committee shall evaluate planned strategic interventions to support organisational development and strategic change.
3. The Committee shall monitor and review the effectiveness of approaches to manage absenteeism and staff wellbeing to ensure staff in the community flourish.
4. The Committee shall monitor progress and review the effectiveness of all equality, diversity, inclusion and fairness (fair work) objectives.
5. The Committee shall receive the staffing profile of the University on a regular basis and shall monitor this against key Human Resources metrics/analytics (both internal and external).
6. The Committee shall consider risks relating to staff, such as staff retention and succession planning, and will ensure that controls are in place against these risks.
7. The Committee shall monitor the effectiveness of key communication and engagement processes.

Delegated Powers

1. To endorse to the Court for approval policies and procedures affecting staff and their terms and conditions including, for example, health & safety, equality & diversity and arrangements to consider grievances and disciplinary issues, etc.

Membership 2017/18**1) Members**

Name	Category for the Purpose of Determining Quorum
Shirley Campbell (Convener)	(Lay Member)
Janice Aitken	(Elected Member)
Anne Anderson	(Nominated Member)
Dr William Boyd	(Lay Member)
Professor Tim Kelly	(Elected Member)
Dr Alison Reeves	(Elected Member)
Denis Taylor	(Lay Member)
Bernadette Malone	(Lay Member)
Dr Jean Robson	(Lay Member)

2) Officers and others in regular attendance:

Name	Role
Professor Nic Beech	(Vice-Principal (Provost))
Dr Jim McGeorge	(University Secretary)
Pamela Milne	(Director of Human Resources & Organisational Development)
Dr Liz Rogers	(Assistant Policy Officer (Risk & Audit))
Julie Strachan	((Deputy Director of Human Resources & Organisational Development))

Other officers may be invited at the discretion of the Director of Human Resources & Organisational Development.

Quorum 2017/18

At least four members (taken from 1 above), of whom there should be at least two members considered as lay members and at least one elected/nominated members.

APPENDIX 7

REMUNERATION COMMITTEE (Minute 39(5)(a))

A meeting of the Committee was held on 27 November 2017.

Present: Bernadette Malone (Convener);
Richard Bint;
Ronald Bowie (by telephone);
Shirley Campbell.

In Attendance: Principal Professor Sir Pete Downes
Dr Jim McGeorge (University Secretary);
Pam Milne (Director of HR and Organisational Development); and
Dr Christine Milburn (Policy Officer (Corporate Governance)).

1. MINUTES

The Committee discussed how the reporting of its discussions and decisions could be further enhanced to improve transparency and accountability. Members proposed that, in addition to the minutes, a comprehensive report from the Remuneration Committee should be prepared which provided context for the decisions taken and evidenced the processes it had followed relative to Court's expectations as set out in the Remuneration Committee Remit and the Rewards Policy.

- Resolved:**
- (i) to approve the minutes of the meeting of 21 November 2016, subject to the inclusion of information stating those items for which each officer was and was not in attendance; and
 - (ii) to ask the Director of Human Resources & Organisational Development to prepare a Remuneration Committee Report for consideration by the Court in conjunction with the minutes.

[Secretaries note: following the meeting, and noting relevant deadlines, it was agreed that the proposed Remuneration Report would be provided to the Court at its meeting on 20 February 2018].

2. MATTERS ARISING

(1) Action Log

Members received the action log for the last meeting of the Committee and noted the updates provided. With regard to the requested overview of the remuneration package available at the University, the Director of Human Resources & Organisational Development informed members that a working group had been established to consider a range of issues relating to the overall recognition and reward package for all employees, and that the outputs of the review were expected to be provided to the People & Organisational Development Committee in early 2018.

The Committee also queried the relative awareness of staff with regard to the tapering of annual tax allowances relating to pensions. The University Secretary drew attention to the information already available within the University and provided by the USS, and the Director of Human Resources & Organisational Development agreed to clarify the University's responsibilities in this regard (given that personal taxation was a matter for the individual), and to identify whether there were ways to increase awareness of these issues amongst the University's staff community.

- Resolved:**
- (i) to note the updates; and
 - (ii) to await feedback from the Director of Human Resources & Organisational Development with regard to staff awareness of pensions issues relating to the tapering of annual tax allowances.

(2) Annual Review of Effectiveness of the Committee

The Committee reviewed a summary of its responses to the annual survey of its effectiveness, and members noted that the information had been shared with the Court in a summarised form at its own review of effectiveness in June 2017.

Overall members noted the progress made over the last 3 years in terms of enhancements to papers and embedding the policy and processes within Schools, Directorates and the University Executive Group (UEG). Following discussion of what would make the Committee more effective, the Committee proposed the introduction of a second meeting within the Academic Calendar, with one focusing on the consideration of remuneration awards, and the second on issues relating to the remuneration policy, strategy and succession planning. Members agreed that this second meeting would enhance the Committee's ability to play a role in strategic oversight.

The Committee highlighted the need to clarify processes relating to the approval and reporting of 'in-year' remuneration decisions, including both increases for retention purposes and severance agreements covered by the Severance Policy (Minute 7 below). In both respects the Committee agreed that such decisions in relation to UEG members were a matter for the Committee, while those in relation to other grade 10 members of staff should be considered by the UEG, discussed with the Convener, and reported to the next meeting of the Committee.

Members also discussed the benefits of reviewing members' skills and abilities on a regular basis - for example noting any participation in national training. Furthermore, members agreed that it would be valuable for the additional meeting of the Committee to include formal Continuing Professional Development (CPD) training opportunities for members.

- Resolved:**
- (i) to note the discussions;
 - (ii) to request that the academic calendar be revised to include at least two scheduled meetings per year; and
 - (iii) to note the Committee's recommendations for the clarification of the processes relating to the approval and reporting of 'in-year' remuneration decisions as outlined above.

3. **REMIT AND TERMS OF REFERENCE**

Noting that the Remit and Terms of Reference for the Committee was last approved by the Court on 11 September 2015, members suggested a number of amendments which reflected suggestions emerging from the Committee's review of its own effectiveness (minute 2(2)), and in particular detailed the Committee's emphasis on the University's vision and strategy and its aspiration to be an exemplar of good governance in relation to remuneration. The Committee also highlighted a number of changes which were required following the publication of the Scottish Code of Good HE Governance, and suggested a number of more minor textual clarifications.

Turning to the Rewards Policy, members proposed that it be amended to include a statement on the core principles that underpin reward decisions. Members also suggested that it would be valuable for all of the rewards policies relating to staff on grades below Grade 10 to be pulled together into a single broader statement on the employment package available at the University, and members noted that this would be addressed by the working group recently established by the University Executive Group (UEG) to consider a range of issues relating to recognition and reward (Minute 2(1)). The Committee was keen to contribute to strategic thinking in this area, and proposed that an additional meeting be scheduled for the end of February 2017 to enable them to consider the findings of the working group, and to contribute to the development of a University policy in this area.

- Resolved:**
- (i) to endorse to the Court for approval a revised Remit and Terms of Reference for the Committee (annex a); and
 - (ii) to request that an additional meeting of the Remuneration Committee be scheduled for the end of February 2018, with a view to contributing to the development of a University policy on recognition and reward.

4. CUC CORRESPONDENCE ON VICE-CHANCELLORS' PAY

The Committee received a copy of a paper prepared in response to a stakeholder survey from the Committee of University Chairs (CUC) relating to remuneration policy, which had been submitted to the survey by the Convener. Members note that the CUC intended to develop a Code for Vice-Chancellor's pay, with the expectation that a draft would be circulated before Christmas and a final Code published in April 2018. The Chair of Court highlighted some of the key aspects discussed by the CUC, and members noted in particular the expectation that Remuneration Committees would address issues relating to dealing with under-performance, consultation with staff and students, and transparency of process and decision-making. One member highlighted the expectation that the new Corporate Governance Code would introduce a requirement to consider pay ratios, and the Committee agreed that this should be reviewed by the Committee once the new Corporate Governance Code was published.

Turning to benchmarking, members noted that the annual UCEA salary benchmarking survey was the main source of data relied upon by Remuneration Committees. Members suggested other sources of valuable information and the Director of Human Resources & Organisational Development agreed to investigate this further.

Through discussion, members indicted their support for the development of a Code, but highlighted the importance of ensuring that any Code did not limit the ability of Remuneration Committees to address the progression of high-performing early career professorial staff as this could impact on the University's ability to attract and retain high quality academic staff.

Resolved: to circulate the draft Code as soon as available and discuss the University's formal response at the additional meeting to be scheduled at the end of February 2018.

5. SCOTTISH CODE OF GOOD HIGHER EDUCATION GOVERNANCE

The Committee received a paper outlining sections of the new Scottish Code of Good HE Governance (published October 2017) which related to the role of the Remuneration Committee (principles 78-81). Noting that the Governance & Nominations Committee had considered governance processes and arrangements at the University relative to the requirements of the revised Code, and had referred principles 78-81 to the Remuneration Committee for consideration, members reviewed arrangements in relation to each of these principles.

Members agreed that the University was currently compliant with recommendation 78, which set out requirements for membership of the Committee, but noted that principles 26 (principles relating to membership categories) and 80 (consultation with students and staff) should be kept in mind when reviewing membership in future.

Turning to principle 79, the Committee highlighted the importance of ensuring that policies and processes used by the Remuneration Committee were regularly reviewed by the Court, and that in turn reports from the Committee provided sufficient detail of the broad criteria and policies against which decisions had been made. The Committee however agreed that the University was broadly compliant with the recommendation, and was satisfied that the enhanced reporting outlined in Minute 1 (above) would see full compliance achieved.

Discussions largely focused on recommendation 80, which the Remuneration Committee and Governance & Nominations Committee had both identified as an area where the University was not currently compliant. The Committee discussed a number of ways in which the Committee could seek the views of students and staff of the institution in relation to the remuneration package of the Principal and University Executive Group members, including the possible amendment of the membership of the committee to include a requirement for staff and students members. Members however also noted that the requirement could potentially be addressed through further engaging the Court in the regular review of Remuneration Committee policies and practices and ensuring that the whole Court was provided with sufficient information on decision-making and ongoing enhancement actions to enable the Court to hold the Committee to account relative to the mandate it had set. At the conclusion of discussions, the Committee asked that it be noted that the Committee accepted the recommendation, that it wished to be an exemplar for good governance and transparency, and that it was fully committed to ensuring substantive engagement with staff and students as part of the University's remuneration discussions. Furthermore the Committee decided to seek guidance from the Governance & Nominations Committee, and to consult with staff and student members of the Court in terms of how best to ensure that compliance with the principle was achieved in a meaningful manner, and to review feedback from these groups and sector practice at the proposed additional meeting in February 2018 with a view to implementing any changes thereafter in advance of the next remuneration round.

In relation to recommendation 81 the Committee indicated that consideration needed to be given to the enhancement of existing processes to ensure full compliance in terms of the Committee having oversight of

contracts of employment for senior staff. Following discussion the Committee proposed that it review a generic Grade 10 contract at its next meeting.

- Resolved:**
- (i) to provide feedback to the Governance & Nominations Committee on the areas of the Code that it had been asked to review; and
 - (ii) to recommend that the Committee review a generic Grade 10 contract at its next meeting.

6. ANALYSIS OF GRADE 10 GENDER PAY GAP REPORT

On the advice of the People & Organisational Development Committee, the Remuneration Committee received a copy of the Grade 10 Gender Pay Gap Analysis report. Through discussion members noted that grade 10 was a very broad grade, but when it was sub-divided into 'like-roles' there was no significant gap. Focussing on those employed within the professional services, it was noted that a similar pattern existed and members recognised that this category also included all members of UEG. Members also noted that in several 'like categories' (for example, Vice-Principals and Deans) the gender gap was in favour of women, but that the absolute number of women was low (for example, only one of five individuals at Vice-Principal level was female). The Committee also noted that there were a significant number of women coming through the Grade 9 banding in Professional Services, who were being proactively developed, and a woman had recently been appointed as Director of Estates & Campus Services.

Discussions focussed on the request from the People & Organisational Development Committee that the Remuneration Committee consider the merits of introducing a structure within the broad Grade 10 to provide greater clarity for individuals and their managers in terms of an individual's progression and a more sophisticated mechanism for decision-making. It was noted that several universities had introduced such arrangements. Although supportive of reviewing the option for introducing a banding structure within Grade 10, the Remuneration Committee highlighted the likely complexity and sensitivity of the process and asked the Director of Human Resources & Organisational Development to consider the levels of resource that would be required to undertake such an exercise. Following discussion the Committee asked that the Director explore further the challenges and benefits of such a structure, seek information from institutions where this had been introduced, and outline the scope for the review process. The Committee also agreed that this may form the first topic for the Committee's Continuing Professional Development (CPD) if a suitable speaker from an institution that had introduced it could be identified.

- Resolved:**
- (i) to note the report;
 - (ii) to ask the Director of Human Resources & Organisational Development to prepare a paper for the next meeting of the Committee outlining the challenges and benefits of introducing a banding structure within Grade 10, along with a scope for any review process; and
 - (iii) to ask the Director of Human Resources & Organisational Development to invite a suitable speaker to the next meeting of the Remuneration Committee to further inform the Committee's thinking on this topic.

7. SEVERANCE POLICY

The Committee reviewed the Severance Policy which had been approved by the Court in April 2016. The Director of Human Resources & Organisational Development advised members of a small number of areas where clarification was required. Following discussion, members agreed that the Policy should be updated to ensure it was aligned to the Schedule of Delegation and Decision Making Powers, and to clarify that any individual severance agreements should be approved in advance by the University Executive Group (UEG) and the Chair of the Remuneration Committee, and then be reported to the following meeting of the Remuneration Committee. In response to questions the Director confirmed that any agreement over £100k would continue to require the approval of the Committee as a whole.

The Committee was also advised that there was a consultation in progress in relation to the introduction of a public sector cap for severance, and members agreed that it would be advisable for the Committee to review the current threshold of £100k set by the Court if necessary once the outcomes of the consultation were known.

- Resolved:**
- (i) to endorse to the Court revisions to the Severance Policy (annex b)
 - (ii) to recommend that the Schedule of Delegation & Decision Making Powers be updated to explicitly include reference to the Committee's responsibility to approve payments greater than £100k as detailed in the Policy.

8. REMUNERATION COMMITTEE ANNUAL REPORTS

(1) Schedule of Delegation

In accordance with the remit for the Remuneration Committee and the corresponding policies, the Committee received a report from the Director of Human Resources & Organisational Development detailing decisions taken by the Remuneration Committee or Convener of the Remuneration Committee under the Schedule of Delegation. In introducing the update the Director drew members' attention to the remunerated appointment of Professor Mike Ferguson as Deputy Chair of the Wellcome Trust from January 2018.

Resolved: to note the report

(2) Severance Report

In accordance with the Remuneration Committee remit and the University's Severance Policy, the Director of Human Resources and Organisational Development provided the Committee with a severance report for the 12 month period since the last meeting of the Committee, and members noted that settlements had been made to 5 individuals during this period, totaling £197,824. In three of these instances (totaling £159,068.98) the posts were not replaced and the costs contributed to savings. Members noted that the Chair of Court had approved the settlements for the 3 grade 10 Staff cases on behalf of the Committee, but that in future approval would be sought from the Convener of the Remuneration Committee. Members also reviewed the Equality Impact Assessment of Severance cases.

Resolved: (i) to homologate the decisions of the Chair of Court in relation to the severance agreements outlined;

(ii) to note the Equality Impact Assessment of Severance cases; and

(iii) otherwise to note the report.

(3) Senior Officer's Remuneration Report

The Committee received a draft copy of the Senior Officer's Remuneration report for the financial year 2016/17, which related to the decisions they had taken in November 2016 and members confirmed that they were content that the report met the requirements and expectations of the sector in this regard.

Resolved: to endorse the report to the Court.

9. REPORTS TO THE REMUNERATION COMMITTEE

The Committee received a report highlighting contextual information relevant to the remuneration award process, including a narrative report and dashboard of additional data. The Committee also received reports highlighting the performance of Schools and Professional Services Directorates during the period for consideration. The Committee indicated that it found the reports detailed and comprehensive in informing their decisions and made a number of suggestions for the further enhancement of the reports in future rounds. In particular, members highlighted a degree of overlap in the information given it was generated from several sources and suggested that in future the various documents such as reports to the Committee, data, and information on awards provided in the minutes (Minute 10) could be merged into a single comprehensive report which provided a narrative overview, background data, details of individuals, recommendations and benchmarking information in a single document. Members highlighted the importance of reports stating what information the Professional Services, Deans' Group and University Executive Group Remuneration Committees had received and considered in reaching their decisions as this would enable the Remuneration Committee to evaluate the process fully. The Committee also asked for data to be provided in future which compared the awards made with the overall increase associated with incremental progression for staff on grades 1 to 9 in terms of % salary.

Resolved: to note the reports and suggestions for the further development of reporting.

10. REMUNERATION PROCEDURE 2017 ROUND

The Committee received the minutes of the meeting of the Professional Services Remuneration Committee on 11 October 2017, Deans' Group on 19 October 2017, and University Executive Group (UEG) on 6 November 2017 at which nominations and applications for remuneration awards had been considered. Following clarification of the

information received and considered by the individual Committees, members indicated that they were satisfied that the applicable governance processes and policies had been appropriately followed.

Turning to the individual reports, members suggested that in future the minutes be available to members on BOX, and that the enhanced report detailed in Minute 9 provide data on the awards, including benchmarking information. Through discussion of the Professional Services Group minute members were pleased to note that the working group established by the University Executive Group (UEG) to consider a range of issues relating to the recognition and reward package (Minute 2(1)) would consider, for example, the University's policy on non-consolidated bonus payments to recognise excellent 'one-off' performance, and that this would be brought forward for consideration by the Committee in due course. In response to questions, the University Secretary and Director of Human Resources & Organisational Development confirmed the process undertaken in relation to two applications which had been received after the Professional Services Committee had met. These had been considered by circulation and formally considered, approved and minuted at the meeting of the UEG. Members were satisfied that these applications had been subjected to the same scrutiny prior to their formal consideration by UEG, and asked that future reports make this clear.

Turning to the report from the Deans' Group, members requested the inclusion of further information in future years which indicated the balance of awards made on the basis of research or teaching performance. Members also discussed a case where the UEG had reviewed the decision of the Deans' Group and as a result granted an award, and following due consideration the Committee agreed that due process had been followed in reaching the amended decision. The Committee also expressed an interest in schools where no applications had been brought forward, and were reassured to note that this was likely due to the cyclical nature of applications and that there were no issues to report.

Discussions subsequently focused on two payments to Deans which had exceeded the recommended bandings of £2k (good performance), £3k (very good performance), and £5k (outstanding performance), and members noted that both had been in-year decisions linked to retention matters and had been agreed by the Principal and approved by the Chair of Court. The Committee noted that such in-year decisions to offer salary enhancements to grade 10 staff were occasionally required for retention purposes, and members agreed that the policy in this area needed to be updated to ensure consistency with the rest of the remuneration process. Following discussion the Committee agreed that such decisions in relation to UEG members were a matter for the Committee, while those in relation to other grade 10 members of staff should be considered by the UEG, discussed with the Convener and reported to the next meeting of the Committee.

After careful consideration members suggested that in future consideration should be given to including provision for in-year retention awards to be included in the overall budget for remuneration agreed by the Court. Furthermore, members asked that the Director of Human Resources & Organisational Development develop guidelines for consideration by the Committee at its next meeting which would clarify the process for in-year award decisions and thereby improve transparency and governance in relation to the decision making process.

Salary increases in Schools and Professional Services had been approved by UEG as follows:

	No. of awards	Total
Professional Services	7	£27,000
Professors	18	£63,000
Deans	4	£26,000
Total		£116,000

- Resolved:**
- (i) to note that the Committee was satisfied that due process had taken place and that from a governance perspective, UEG had discharged its delegated authority appropriately and that the Remuneration Committee could report to the Court that this was the case; and
 - (ii) otherwise to note the value of the awards made, but to highlight to the Court that the remaining funds within the £140k budget allocated may still be required to address in-year retention matters.

11. BENCHMARK REVIEW OF UNIVERSITY'S EXECUTIVE GROUP SALARIES

The Committee considered a benchmarking report on the salaries of members of the University Executive Group. Members' attention was drawn to comparisons between the applications under consideration and the mean for equivalent roles in institutions of a similar size, shape and turnover.

Resolved: to note the benchmarking report.

12. SUBMISSIONS: REMUNERATION OF UNIVERSITY EXECUTIVE GROUP MEMBERS

[Secretary's note: the Director of Human Resources & Organisational Development left the room for the duration of the item.]

Noting the benchmarking report (Minute 11 above) members considered the two applications provided, including information relating to the performance of individuals relative to a their objectives, and the Principal highlighted to the Committee specific examples of the good/exceptional performance contributions made by the applicants.

Members noted that a third individual had been encouraged to submit an application, but had indicated that they did not wish to be considered for an award at this time. The Committee agreed that the individual had performed to an exceptional level, which would in its view have led to an award of £5k, but also agreed to respect the individual's wishes and suggested that the Convener of the Committee provide direct feedback to them regarding their performance.

Resolved: to approve the award of £8k to 2 members of the UEG and to ask the Convener to provide feedback to the third individual.

13. REVIEW OF PRINCIPAL'S REMUNERATION

[Secretary's note: the Principal left the room for the duration of the item.]

The Committee received a paper from the Chair of Court outlining considerations in relation to the annual review of the remuneration of the Principal and the Principal's performance (as detailed in his Objective Setting and Review paperwork). Following discussion the Committee agreed to respect the Principal's wish to not be considered for an award, but indicated that on the basis of his excellent performance it would have been appropriate for an award to have been made.

The Committee noted benchmarking data available from UCEA, but asked that further data be obtained with a view to enabling the Committee to evaluate the Principal's salary relative to additional appropriate benchmarking information in future.

Resolved:

- (i) to note that the Principal did not wish to be considered for an award and would receive no increase beyond the nationally agreed 1.7% cost of living award received by all staff; and
- (ii) to ask the Director of Human Resources & Organisational Development to source additional information to the next meeting of the Committee to enable a detailed review of what an appropriate level of remuneration would be for a Principal at the University of Dundee.

14. REMUNERATION COMMITTEE BUDGET

The Committee highlighted the importance of reviewing the process by which the nominal budget for the Remuneration Committee was set by the Finance & Policy Committee (prior to its approval by the Court), and asked that this be added to the agenda for the additional meeting in February 2018.

15. ADDITIONAL MEETINGS

Noting the number of items proposed for the additional meeting to be scheduled in February, members suggested that a further meeting be provisionally scheduled for June 2018.

Remuneration Committee Remit and Terms of Reference

Contents

1. Purpose of the Remuneration Committee
2. Context
3. Composition of the Remuneration Committee
4. Key Responsibilities
5. Core Values
6. Support for the Remuneration Committee
7. Meetings of the Remuneration Committee
8. Delegated Authority
9. Governance

Appendix – Framework of Information for the Remuneration Committee

1. Purpose of the Remuneration Committee

The role of the Remuneration Committee is to recommend to the University Court the remuneration strategy and policy framework for the staff at grade 10, including the Principal and the University Executive Group (UEG). In so doing, the Committee's aim is to be an exemplar of good governance and best practice in relation to remuneration and reward matters for senior staff.

The Committee will consider and make recommendations to Court on the salary, emoluments and terms and conditions of service for the members of the UEG, including the Principal.

The Committee will delegate authority to the UEG the application of the Remuneration Policy and procedure for all other staff at grade 10, but will receive and consider appropriate reports and monitoring data from the UEG in relation to its decisions in discharging this delegated authority.

In so doing, the Committee must:

- take account of SFC's guidance on the governance of senior salaries.
- give due regard to the academic, institutional and financial wellbeing of the University.
- ensure the University's principles of fairness, equity and diversity are applied and monitored.
- ensure that the Principal, the members of the UEG and staff at grade 10 are fairly rewarded for their individual contribution to the University's overall performance.
- ensure compliance with the financial parameters within which the Committee and the UEG must operate when making salary/monetary awards.
- satisfy itself that the grade 10 staff who have been made salary/monetary awards have actively engaged in the University's Objective-setting and Review process and demonstrate performance which supports the University's Vision and Strategy
- fulfil its duties as outlined in the Schedule of Delegation.

2. Context

The Scottish Funding Council (SFC) requires that the University follows the principles of the Financial Reporting Council's *UK Corporate Governance Code* (FRC Code), insofar as they apply to the University sector and the recently-published Scottish Code of Good Higher Education Governance 2017. The University is also required to follow the guidance to institutions set out by the Committee of University Chairs in its Guide for *Members of Higher Education Bodies in the UK* (CUC Guide).

The guidance requires the University to establish a Remuneration Committee to determine and review the salaries, terms and conditions (and, where appropriate, severance payments) of the head of the institution and such other members of staff as the governing body deems appropriate. They also emphasise that the composition of the Committee should be of independent/lay members, with best practice suggesting that the chair of the governing body should not chair the Committee.

The University is required to adhere to the principles of the Scottish Code of Good HE Governance, specifically under Main Principle 15 on Remuneration Committees.

The CUC Guide states that the reports of the Remuneration Committee to the governing body should provide sufficient detail of the broad criteria and policies against which decisions have been made. However, the FRC Code requires the production of a tabulated report setting out Directors' remuneration (i.e. members of UEG in the University context), covering salary, severance payments, benefits in kind, pension contributions and individual pension fund valuations. This report on the remuneration of UEG members is presented each year to the Remuneration Committee and to the University Court. In addition, a simplified version setting out the salaries of members of the UEG by salary band is published each year in the University's Annual Report and Accounts. The SFC imposes specific requirements on Remuneration Committees in respect of setting policy statements on severance and overseeing severance arrangements. The SFC annual accounts direction also gives guidance on the information that should be disclosed in an institution's annual financial statements about the Principal's remuneration and any severance payments to staff earning over £70,000 per annum or where the costs of all elements of a proposed arrangement amount to more than £100,000.

3. **Composition of the Remuneration Committee**

The Remuneration Committee must have the expertise to review and determine the salaries, emoluments and terms and conditions of service for the most senior members of the University (i.e. the Principal and the UEG) and to monitor the application of the Remuneration Policy to ensure it is being applied fairly, effectively and consistently, in the University's interests.

The membership of the Committee will comprise:

- The Chair of Court.
- Three lay members of Court, one appointed as Convener. The Convener of the Audit Committee will not normally be a member.

The quorum of the Remuneration Committee will be three.

University Officers in attendance:

- The Principal.
- The Vice-Principal (Provost).
- The University Secretary.
- The Director of Human Resources & Organisational Development, (Secretary to the Committee)
- The Policy Officer (Corporate Governance), (Minute Secretary)

The University Officers in attendance will withdraw from the meeting when their personal salary, emoluments and/or terms and conditions of service are being discussed by the Remuneration Committee.

4. **Key Responsibilities**

The key responsibilities of the Remuneration Committee are:

- To maintain an overview of good practice in remuneration in the HE sector, other public and private sectors to inform the University's Remuneration Policy.
- To approve the University's remuneration strategy and policy framework that ensures the most talented leaders, both academic and professional, are recruited, retained and motivated to deliver results in line with the University's vision and strategy.
- To review the Remuneration Policy for Grade 10 staff at least every 3 years to ensure its effectiveness in terms of impact and compatibility with the salary arrangements applicable to the rest of the University.
- To approve the design of any incentives and bonuses applicable to grade 10 staff.
- To review and determine the total reward package of the Principal taking account of performance and report accordingly to Court.
- To review and determine the total reward package of members of the UEG taking account of performance and report accordingly to Court.
- To oversee and report to Court on the outcomes of the delegation of responsibility to the UEG for reviewing and determining any annual salary increases and awards to those grade 10 staff of the University who are not members of the UEG.
- To review any gender pay gap for grade 10 staff and be informed of any necessary actions.
- To oversee severance or early retirement arrangements for grade 10 staff taking account of the *SFC Guidance on Severance Arrangements in respect of Senior Staff*.
- To approve exceptional removal and other expenses where the amount is greater than £12,000.

- To consider requests by UEG members only, to undertake consultancy; other paid work or serve as a non-executive director or similar having due regard to issues which could adversely impact the University.
- To review the Deans' Honoraria periodically as necessary.
- To deal with any such other relevant matters as may be referred to the Remuneration Committee by Court.

5. **Core Values**

The core values of the University:

- Valuing people
- Working Together
- Integrity
- Making a Difference
- Excellence

must be central to all the processes and decisions made leading up to and at the Remuneration Committee.

- Merit (defined as clear contribution to the Vision and Strategy of the University), including the retention of key employees and the need to address any pay gap issues arising from an analysis of protected characteristics, will be the only basis on which remuneration awards will be distributed.
- Fairness, equality and diversity. No discrimination will be permitted arising from a protected characteristic as defined by the Equality Act 2010.
- Any conflicts of interest throughout the process, leading up to and at the Remuneration Committee must be declared and action taken to rectify the situation.

6. **Support for the Remuneration Committee**

In undertaking these responsibilities the Committee will receive support from the Principal, University Secretary, Director of Finance and the Director of Human Resources & Organisational Development.

It will be provided in the form of a report, co-ordinated by the Director of Human Resources and Organisational Development, including information on:

- Background information in respect of the HE sector and the University's position contextualised within the overview, together with the University's strategy.
- Contextualisation of the School or Directorate's performance within the University by the UEG.
- The current and projected financial position of the University; the recommended budget to be allocated for grade 10 awards and the recommended financial value to be assigned according to performance rating (see Reward Policy).
- Relevant benchmarking salary data for the sector provided by UCEA covering both academic and senior professional staff.
- Any relevant retention issues.
- The recommended spread of financial awards across performance ratings.
- Proposed awards for individuals taking account of the above.
- An Equality Impact Assessment analysis of the statistical data relating to the full group of senior staff; those nominated and not; those successful and unsuccessful together with an explanatory narrative, with particular attention being paid to any indication of a gender or other pay gap.

This information will take the form of a report as shown in the appendix.

In addition, the Director of Human Resources & Organisational Development will produce an Annual Remuneration Report for Court detailing the outcomes of the decisions taken by both the Remuneration Committee and the UEG, including an anonymised statistical report.

Where considered necessary, the Remuneration Committee may commission research and information externally and/or independent scrutiny and challenge, in order to ensure the University is an exemplar of 'best practice' in terms of governance, policy and process.

The University will support training and development for the members of the Remuneration Committee to ensure members are well-informed and up-to-date with remuneration matters.

7. **Meetings of the Remuneration Committee**

The arrangements for meetings of the Remuneration Committee are as follows.

- Typically, the Committee will meet in November and February of each year. An additional meeting can be arranged if considered necessary by the Committee.
- Minutes, agendas and papers will normally be circulated to the Committee and attendees at least five working days in advance of the meeting.
- A formal minute of the meeting will be produced for approval by the Convener and remitted to Court as a report of each meeting.
- The Committee will be serviced by the Policy Officer (Corporate Governance).
- Papers will include any action required and the status of the paper in respect of Freedom of Information legislation.

8. **Delegated Authority**

Court has delegated authority to the Remuneration Committee for the remuneration of the Principal and members of the UEG and to the UEG for the remuneration of other grade 10 staff across the University, subject to appropriate reporting.

9. **Governance**

Details of the salaries and other appropriate remuneration information will be published annually relating to the following officers who are members of the UEG:

- The Principal
- The Vice-Principals
- The Director of Finance
- The University Secretary
- The Director of Human Resources & Organisational Development
- The Director of External Relations.

University of Dundee

Reward Policy for Grade 10 Staff

Contents

1. Introduction
2. Aim of Policy
3. Scope
4. The Principles of Fairness, Equity, Consistency and Transparency
5. University Values in Practice
6. The Purpose of the Reward Policy
7. The University's Reward Policy for Grade 10 Staff
8. Core Employee Benefits for grade 10 Staff
9. Other Benefits

1. Introduction

Strategic reward is based on the design and implementation of reward policies and practices which will support and advance the University's academic, organisational, cultural and financial objectives as well as its employees' aspirations. It aims to attract, develop and engage exceptional staff and reward and recognise exceptional performance and/or special contribution.

'Total reward' includes everything the employee perceives to be of value resulting from the employment relationship. These can include financial and non-financial rewards for example, learning and development opportunities and flexible benefits as well as access to a range of University resources and facilities within its working environment.

It is recognised that grade 10 roles, including those of the Principal and members of the University Executive Group (UEG) are complex and diverse and the University must be able to attract and retain high calibre leaders capable of delivering a demanding agenda. Nevertheless, as a charity in receipt of significant public funds and during times of financial challenge, there is a tension between paying salaries which are sufficient to secure, motivate and retain high quality staff in leadership positions and being excessively generous, which is likely to be unsustainable and may be inappropriate. However, to meet future challenges it is vital to support and engage with the development of talent and high performance within the senior group of staff of the University.

In the simplest terms, pay is part of the contractual obligations between employer and employee for work done and paid for. This does not take account of individuals' intrinsic needs above and beyond monetary reward (in its various forms) alone. Whilst remuneration plays a key role in motivation, a reward system that combines this extrinsic aspect and the intrinsic needs of the individual for recognition, being treated well, status, flexibility, opportunities for promotion, personal development and fulfilment provides the ideal combination, allowing staff to realise their potential.

In creating a performance culture at the University, grade 10 individuals whose outputs are excellent will be offered a commensurate reward in order to retain their services to the benefit of the University; those whose performance is satisfactory will be rewarded appropriately and support will be provided to those staff who are performing at a level that is not satisfactory for their grade and the extent of experience. In the last resort if performance does not reach satisfactory levels, alternatives, including dismissal on the grounds of capability will require to be considered.

Careful monitoring will be necessary to ensure that no discrimination of individuals or groups occur due to protected characteristics as defined in the Equality Act 2010 and that positive action can be taken in respect of under-represented groups.

In accordance with the Remit of the Remuneration Committee, the Remuneration Committee will be responsible for approving base salary increases and related matters for the Principal and UEG members and UEG will be responsible approving the base salary increases and related matters for all other grade 10 staff in line with the budgetary guidance given by the Finance & Policy Committee.

2. **Aim of Policy**

This policy aims to set out the approach to rewarding grade 10 senior staff, both academic and professional, which is appropriate, transparent, provides fair reward and recognition for the work they perform, provides value for the University and is fully understood.

3. **Scope**

This policy applies to all grade 10 employees of the University, including the Principal.

4. **The Principles of Fairness, Equity, Consistency and Transparency**

Fairness of treatment amongst staff is central to the University's core values of Integrity and Valuing People and is an essential requirement when considering reward for individuals.

The principle of equity will be applied to ensure that no member of grade 10 staff will be disadvantaged due to any protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex or sexual orientation. Factoring in considerations that may put particular groups at a disadvantage in the process will ensure there is equality of outcomes. There may be occasion when it is necessary to redress inequities which have occurred in the past.

The Director of Human Resources and Organisational Development will produce an Equality Impact Assessment analysis of the statistical data relating to the full group of senior staff and those staff on grades immediately below for comparative purposes; those nominated and not; those successful and unsuccessful together with an explanatory narrative, with particular attention being paid to any indication of a gender or other pay gap. In addition the Director of Human Resources & Organisational Development will produce an Annual Remuneration Report for Court detailing the outcomes of the decisions taken by both the Remuneration Committee and the UEG, including an anonymised statistical report.

The approach to be taken (see Annual Reward Procedure for Grade 10 staff) will apply consistently throughout the cohort, irrespective of levels of seniority within the group.

The procedure is designed to encourage transparency in discussions, feedback and the process itself.

5. **University Values in Practice**

As well as focussing on performance in relation to reward and recognition the Reward Policy will be aligned to the University's core values of:

- Valuing People
- Working Together
- Integrity
- Making a Difference
- Excellence.

For staff at grade 10 personal effectiveness in leading and managing people must be fundamental to the manner in which the University and School strategies are achieved.

A prime expectation of senior staff at grade 10 is to be alert to individuals' abilities, skills, qualities and potential as well as recognising their performance, and to provide them with appropriate opportunities to develop in their areas of strength as well as publicly recognising their contribution, where appropriate. A key objective on which grade 10 staff's performance will be measured is the extent to which they have developed and recognised their direct reports and promulgated this culture amongst their School or Professional Services staff with a view to succession planning. Grade 10 staff will be expected to demonstrate their actions in this respect.

Valuing People, however, does not mean that difficult decisions and actions in relation to staff are avoided. Rather, it means that when difficult decisions and actions are necessary they are put into effect with humanity and respect. Consideration should be given to good management methods and practice. The leadership of the University in this senior group will have a particular responsibility for role modelling this behaviour both in respect of taking difficult decisions, where necessary, and for the manner in which these decisions are executed.

No member of grade 10 staff will be considered for a salary increase unless they have engaged fully in the OSaR process: be it personally, conducting OSaR meetings for their direct reports and, where necessary, nominating

Reviewers. Deans, the University Secretary and Directors must have a full understanding of the contributions their grade 10 staff are making in order that they may recognise achievements or intervene where there are performance difficulties.

6. **The Purpose of the Reward Policy**

The purpose of the Reward Policy for Grade 10 staff is to:

- Deliver the University's, School's or Directorate's strategic objectives and plans.
- Reinforce the University's values.
- Attract and retain high calibre academic and professional leaders.
- Motivate, engage and develop academic and professional leaders.
- Recognise and reward excellent performance in the group.
- Ensure academic and professional leaders foster a workforce which encourages creativity, originality, flexibility and builds future capacity which is capable of adapting to changing circumstances and environment.
- Promote flexibility amongst the group in terms of development and the future leadership needs of the University.
- Ensure affordability, financial sustainability and value for money in the short and long-term, taking account of the unpredictability of government and research/charitable funding and where necessary, market rate factors.
- Provide transparency in the way reward operates for Grade 10 staff.

7. **The University's Reward Policy for Grade 10 Staff**

Starting Salary on Appointment to G10

The Remuneration Committee will determine the starting salaries of the University Executive Group members, including the Principal.

The starting salary in the case of appointment to a Personal Chair or an Established Chair will be determined by the Chair of the Appointing Committee (either the Principal or the Vice-Principal Academic, Planning & Performance) together with the Dean of School and the Director of HR & Organisational Development.

The starting salary in the case of appointment to a Director or other grade 10 post in Professional Services will be determined by the Chair of the Appointing Committee (either the Principal or the University Secretary) together with the relevant Director in the case of grade 10 posts below Director level and the Director of HR & Organisational Development.

Typically, consideration will be given to the appointee's current salary level; the contribution which has led to promotion in the case of internal appointments, or the knowledge, skills and competencies in the case of external appointments, together with relativities relating to peers. The UCEA benchmarking salary data will be made available by the Director of HR & Organisational Development to those making the starting salary decisions.

As the cultural expectation will be to recruit only exceptional people at Grade 10, the UCEA salary data should not preclude the option of departing from typical salaries when necessary to attract and recruit exceptional talent and leadership to the University at market rates, provided the reason is justifiable and recorded for audit/governance purposes.

When setting starting salaries the University's equal pay profile must be used in addition to market pay data to avoid a gender pay difference or a difference in salary as a result of any protected characteristics, which could lead to unlawful discrimination.

When making internal appointments, starting salary must be compared with salaries offered to recent external appointees to ensure internal appointees are not disadvantaged.

Increases to Base Salary and Related Decisions

Grade 10 salaries sit outside the nationally negotiated salary framework in operation for staff at grades 1-9 in the University, only the starting salary for Grade 10 being noted on the salary scale which is the equivalent of the first contribution point at Grade 9.

However, the University provides the opportunity for grade 10 base salaries to be considered annually and awards are made, where appropriate, dependent on performance.

At the beginning of the annual cycle, on the recommendation of the Finance & Policy Committee, Court considers its overall approach to senior staff remuneration, including the budget available and gives guidance on its expectations to the Remuneration Committee. It should be noted that the University's financial position in any year will influence the distribution of base salary increase awards.

The responsibility for increases to performance-related base salary and related decisions will be as follows:

- The Remuneration Committee will make decisions relating to the Principal and members of UEG. (Authority delegated by Court).
- UEG will make decisions relating to individual Deans and Directors. (Authority delegated by Court).
- The Deans will collectively make recommendations on the professorial staff and submit their recommendations for approval to UEG. (UEG has authority delegated by Court for the remuneration of Grade 10 staff).
- The University Secretary, in conjunction with the Professional Services members of UEG, will collectively make recommendations on the Professional Services grade 10 staff and submit their recommendations for approval to the full UEG. (UEG has authority delegated by Court for the remuneration of Grade 10 staff).

Performance Ratings

The following performance ratings apply to all grade 10 staff for the previous assessment period and should be used in conjunction with the Indicators of Excellence and the relevant criteria for Academic Promotion for professorial staff in assessing merit for an annual base salary increase.

E - Exceptional

Performance far exceeded expectations due to the exceptionally high quality of work performed in all areas of responsibility, resulting in overall work being superior. Made an exceptional or unique contribution to the School or University objectives or has received a marker of esteem. This assessment is given infrequently.

EE - Exceeds Expectations

Performance consistently exceeded expectations in all areas of responsibility and the quality of work overall was excellent. OSaR objectives were met.

ME - Meets Expectations

Performance consistently met expectations in all areas of responsibility, at times performance may have exceeded expectations and the quality of work overall was very good. The most critical OSaR objectives were met.

IR - Improvement Required

Performance did not consistently meet expectations. Performance did not meet expectations in one or more areas of responsibility and/or one or more of the most critical OSaR objectives were not met.

A development plan under the University's Capability Procedure must commence or the procedure continue, detailing timescales and be reviewed frequently to measure progress.

Base Salary Increase Awards

Various factors are taken into account in deciding the base salary increase awards. The awards are not necessarily in direct relationship to the Performance Rating, for example, factors such as salary award history, salary in relation to benchmarking data and the financial situation of the University are considered.

Objectives, Achievements and Markers of Esteem

It is appreciated that, on occasion, an opportunity may arise which is agreed takes priority over the previously set objectives or a marker of esteem is awarded (e.g. FRS, recognition in the Honours list) and the process allows for these aspects to be taken into account in the performance and reward decisions.

Process

The process for the consideration for awarding base salary increases and related decisions is outlined in the procedural document which accompanies this policy.

Honoraria

As part of the University restructure a new level of honorarium of £10K has been determined for Deans only. No other honoraria will apply. The Remuneration Committee will review honoraria periodically.

8. **Core Employee Benefits for Grade 10 Staff**

These employee benefits represent the core of employee benefits without which the University would find it difficult to compete for and retain the highest quality grade 10 staff.

Pension

From 1 October 2016, the Universities' Superannuation Scheme (USS) provides for a defined contribution scheme whereby contributions paid by the employer and employee are invested to provide benefits in retirement.

The University is committed to continuing making the appropriate employer's contribution.

Death-in-Service Benefit

The USS Death-in Service benefit is 3 x salary, which provides valuable life cover and pension for eligible dependants.

Withdrawal from the USS Pension Scheme

Some of the University's highest earners may choose to withdraw from the USS Pension Scheme for personal taxation reasons, which means they do not obtain the benefit of the employer's contribution. In such circumstances no compensatory payment will be made in respect of the employers' contribution.

Occupational Sick Pay

All University staff have a progressive Occupational Sick Pay Scheme, which culminates in entitlement to 6 months' full salary and 6 months' half salary after 5 years' service.

9. **Other Benefits**

Grade 10 members of staff also have access to the following benefits, where applicable:

- Subsidised membership of the Institute of Sport & Exercise: employee wellbeing is a high priority issue at present for employers.
- Nursery facilities on the city campus.
- Services which would ordinarily incur professional fees should they be used:
 - Occupational Health
 - University Health Service
 - Counselling Services
 - Mediation Services.
- A salary sacrifice scheme offering benefits in relation to pension payments, childcare vouchers and cycle-to-work scheme.
- Relocation Allowance: one month's gross pay.
- Benefits-in-kind: mobile phones; ipads; laptops etc.
- Generous annual leave entitlement: 39 days per annum compared with the statutory 28 days.
- Encouragement to take advantage of free Training & Development opportunities on the OPD programme.
- Flexibility of work hours for academic and senior professional staff.
- Work/Life Balance Policies.

The Reward Policy for Grade 10 staff is effective from September 2015.

University of Dundee
Information for the Remuneration Committee

1. Background information in respect of the HE sector and the University's position contextualised within the overview, together with the University's strategy.
2. Contextualisation of the School or Directorate's performance within the University by the UEG.
3. The current and projected financial position of the University; the recommended budget to be allocated for grade 10 awards and the recommended financial value to be assigned according to performance rating (see Reward Policy).
4. Relevant benchmarking salary data for the sector provided by UCEA covering both academic and senior professional staff.
5. Any relevant retention issues.
6. The recommended spread of financial awards across performance ratings (see Reward Policy).
7. Proposed awards for individuals taking account of the above.
8. An Equality Impact Assessment analysis of the statistical data relating to the full group of senior staff; those nominated and not; those successful and unsuccessful together with an explanatory narrative, with particular attention being paid to any indication of a gender or other pay gap.

**University of Dundee
Severance Policy**

Contents

1. Background
2. Introduction
3. Severance Policy
4. Aims of the Severance Policy
5. Scope
6. The Principles of Fairness, Equity, Consistency and Transparency
7. Voluntary Severance
8. Mutually agreed severance
9. Replacement of Posts
10. Pension
11. Re-employment or Re-engagement with the University
12. Approval Process
13. Governance
14. Reporting
15. Confidentiality
16. Poor Performance
17. Personal Considerations
18. Delegated Authority

Appendix – Application for Approval of Settlement Agreements Form

1. Background

The University is required to comply with the Scottish Funding Council's Financial Memorandum with Higher Education (2014) which states that the University must have a Severance Policy. This policy is produced in response to that requirement.

2. Introduction

Severance can describe a variety of termination arrangements related to the contract and relationship between an employer and an employee.

For the purposes of this policy the focus will be on:

- **Voluntary Severance (VS)**
- **Mutually agreed severance**
 - **In the case of dispute**
 - **Instigated by Protected Conversation where there is no dispute.**

3. Severance Policy

The University of Dundee is committed to maintaining, as far as possible, security of employment for its employees. However, there may be occasions when external or internal factors impact on the type or number of employees required and the University may have recourse to VS.

There may also be cases where both the University and the individual employee are in mutual agreement that it would be beneficial for the employment relationship to be ended.

4. Aims of the Severance Policy

The Severance Policy aims to ensure that all employees will be treated fairly and the process applied is transparent, objective, rational and fully understood.

The policy provides an operating framework which will ensure that the University does not use its funds (which includes public funds) wastefully by making over-generous severance arrangements.

It aims to set out the University's approach to the use of severance which is appropriate, good practice, transparent, fair, defensible and represents value for money when balanced against alternative courses of action.

5. **Scope**

This policy applies to all employees of the University. It should be noted, however, that there may be financial, resource and/or other imperatives at any particular time which means that VS and/or mutually agreed severance may require to be varied. Nevertheless, the University's aims and principles set out in this policy will apply as far as is practical and appropriate.

6. **The Principles of Fairness, Equity, Consistency and Transparency**

Fairness of treatment amongst employees is central to the University's core values of Integrity and Valuing People and is an essential requirement when considering severance for individuals.

The principle of equity will be applied to ensure that no employee will be disadvantaged due to any protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex or sexual orientation.

Particular attention should be paid to ensuring that no additional benefits or enhancements (financially or otherwise) are extended to employees who have either meritorious records or employees where the University is eager to terminate the employment relationship.

Such circumstances can result in unintended bias and could result in, for example, direct or indirect age discrimination. Any departure from this framework for severance payments/benefits must be shown to be *objectively justified* by demonstrating that the action taken is a *proportionate means of achieving a legitimate aim* for the University.

This policy recognises the entitlement of the employee to exercise their statutory rights.

7. **Voluntary Severance (VS)**

From time to time the University may seek expressions of interest in VS in order to reduce employee numbers and/or to reshape the workforce either across the University or in specific areas of the University for the purpose of corporate development, efficiencies and financial sustainability.

The University will utilise VS when it considers it appropriate, for a specified period. It does not operate an open-ended VS scheme for which employees may ask to be considered. On each occasion where there is a need for employee reductions and/or to reshape resources the University will consult with the campus unions and consider VS as an option. The financial position of the University will determine whether or not VS is viable.

No eligibility restrictions will apply on the basis of length of service.

The right will be reserved to decline applications for VS where they are not in the University's interest or where a severance date cannot be mutually agreed.

The cost saving that must accrue to the University and the recovery period of the cost of VS payments for the Scheme will be determined in advance of VS being launched. A maximum period of 2 years is allowed to recoup the cost of VS but the duration may be shorter.

Whilst the VS payment offered may be considerably lower, the total VS payment should not exceed one year's salary/with a maximum ceiling of £100,000 (see section 13 – Governance). Salary will be calculated only on contractual salary components, awarded by the University. Due to the circumstances of the severance, the employee will benefit from the first £30,000 being tax-free. This is subject to change in employment legislation and HMRC guidelines.

VS will be executed by means of a legally binding Settlement Agreement.

The University will offer a contribution to the individual's solicitor's fees to ensure the employee obtains independent legal advice. The contribution will be reviewed periodically and announced when launching a VS scheme.

There is no general right of appeal against any refusal to grant a VS application. Where an employee considers that their request has not followed policy or has been dealt with unfairly, they will be entitled to follow the Grievance Procedure.

8. **Mutually agreed severance**

Situations can arise where both parties (employer and employee) agree that to continue the employment relationship would be unproductive. In such circumstances a formal Settlement Agreement may be negotiated.

The University's offer should be reasonable but not generous, bearing in mind the responsibility the University negotiator has for the University's (including public) funds.

The Settlement Agreement will specify the negotiated sum of money paid to the employee by the University, normally based on the notice period payment, but will take account of circumstances and risk.

Salary will be calculated only on contractual salary components, awarded by the University and generally the practice is to agree a global figure. Due to the circumstances of the severance, under current legislation, the employee will benefit from the first £30,000 being tax-free. This is subject to change in employment legislation and HMRC guidelines.

Mutually agreed severance will be executed by means of a legally binding Settlement Agreement.

The University will offer a contribution to the individual's solicitor's fees to ensure the employee obtains independent legal advice. The contribution will be reviewed periodically and the amount detailed in the Settlement Agreement.

9. **Replacement of Posts**

Typically, no replacement will be made and the post will be deleted from the School's or Directorate's establishment and budget. If a replacement or reconfigured role is required this must be requested at the time of the application for approval of the settlement agreement.

10. **Pension**

Any pension to which the employee is entitled will not be augmented by the University. It will only be enhanced if the individual elects to direct part of their Settlement Agreement payment to supplementing their pension. This is matter between the individual and their pension scheme.

11. **Re-employment or Re-engagement with the University**

The Settlement Agreement states that individuals in receipt of a settlement payment will not be considered for re-employment or re-engagement, including on a consultancy basis, for a period of 12 months from the Termination Date otherwise they must immediately reimburse 75% of the settlement payment.

It is acknowledged, however, that there may be circumstances where it is in the University's interest, having made a settlement payment in order to reduce high recurring salary costs, to re-engage the individual on a very part-time basis, and at a considerably lower rate in order to take advantage of an aspect of their specialist knowledge.

Should such exceptional circumstances arise approval will be required from UEG.

12. **Approval Process**

In considering cases of VS and mutually agreed settlements for approval, the University Executive Group (UEG) must have regard to legal and regulatory compliance, propriety and value for money as well as employee relations. All cases must be approved in advance by UEG and for grade 10 roles, UEG and the Chair of the Remuneration Committee. All decisions must be recorded (Appendix - Application for Approval of Settlement Agreements Form).

Justification, including financial justification, will be provided to UEG and when required the Chair of the Remuneration Committee by the following:

Application for Approval of Settlement Agreements Form

The form will contain:

1. An explanation of the circumstances of the case.
2. An assessment of the risk of litigation and likely outcome.
3. Confirmation that the relevant compliance, management and Human Resources procedures have been followed to date.
4. Proposed settlement including a breakdown of the constituent parts of the proposal, if relevant and proposed termination date.
5. An assessment of value for money offered by the proposal.
6. Any non-financial considerations.
7. Clarification in relation to the need or otherwise to replace the post-holder.

Divergence from the Policy

Any divergence from the framework this policy represents must be approved, in advance, by the Remuneration Committee.

13. **Governance**

The Role of the Remuneration Committee and Court

The Remuneration Committee's role is to ensure the existence of a University Severance Policy, which must be approved by Court.

From time-to-time the Remuneration Committee will review the Severance Policy to ensure fitness for purpose.

The Remuneration Committee must approve, in advance, any severance payment which:

- Exceeds a threshold sum, as defined by Court (£100,000).
- Deviates from the standard severance terms approved by Court
- Applies to a member of UEG.
- Where the severance package exceeds the maximum threshold agreed by Court, consultation with the SFC's Accountable Officer and external auditor requires to have taken place prior to the approval of the proposed severance package.

In considering these matters the Remuneration Committee must represent the public interest to avoid any inappropriate use of public funds. Care should be taken not to approve a severance package which employees, students and the public might reasonably deem excessive.

14. **Reporting**

Equality Impact Assessment (EIA)

For the severance arrangements covered by this policy the Director of Human Resources & Organisational Development (HR & OD) will produce an EIA analysis of the following statistical data:

Throughout the lifecycle of a VS scheme:

- the number of potential employees eligible to apply for VS.
- the number of VS applicants.
- those VS applications which have been accepted and declined.

Annually, the Director of HR & OD will also produce:

- the number and categories of employees who have received mutually agreed severance.

Particular attention will be paid to inconsistencies relating to protected characteristics in either groups.

In addition the Director of Human Resources & Organisational Development will produce a final analysis and report detailing the outcomes of VS and mutually agreed severance together with any learning points that can be used to review and revise this policy as necessary.

Remuneration Committee Reporting

The Director of HR & OD will produce a report, annually in October/November, for the Remuneration Committee.

For the previous 12 months, the report will provide a synopsis of (if applicable):

- The number of VS cases granted and declined; cost savings
- Details regarding those cases approved by UEG and those approved by UEG and the Chair of Court
- Anonymised circumstances and rationale for extending mutually agreed severance agreements including:
 - The total amount of the severance (including all emoluments and benefits) in each case.
 - Details of the risk assessment undertaken, together with the risk of potential litigation.
 - Benchmarking data used.
 - Confirmation of compliance with governance, management and HR processes.

The Remuneration Committee will make its annual report to Court in December.

15. **Confidentiality**

Any undertakings in relation to confidentiality should allow the transactions to be open to proper public scrutiny and in line with the University's Public Interest Disclosure (Whistleblowing) Policy.

16. **Poor performance**

VS or a mutually agreed settlement must not be used as a means of removing poor performers from the workforce. Poor performance should be addressed through use of the Capability Procedure and there should be no perception that poor performance is being rewarded.

17. **Personal Considerations**

The University's ethic of Valuing People must be explicitly demonstrated when an individual's employment is being terminated.

It is essential that the communication flow between the manager/official dealing with VS or a mutually agreed severance arrangement is excellent at each stage of the process.

The employee's contribution and service should be recognised and honoured within the School or Directorate and more widely in the University where appropriate. It is acknowledged that in cases of mutually agreed severance, the relationship may be tense or difficult which makes this challenging.

In all cases, any announcement should be discussed and the content agreed with the individual.

Prior to the leaving date it may also be appropriate to discuss the gist or text of a reference that will be given in the event of a request from a prospective employer.

18. **Delegated Authority**

Court has delegated authority to the Remuneration Committee for recommending a policy to Court on senior employee severance that sets out general principles regarding all severance packages.

December 2017

Other related information can be found at:

<http://www.dundee.ac.uk/hr/policiesprocedures/redundancyavoidanceagreement/>
<http://www.dundee.ac.uk/hr/policiesprocedures/redundancypolicy/>

UNIVERSITY OF DUNDEE
APPLICATION FOR APPROVAL OF SETTLEMENT AGREEMENTS

Name of Employee:**Job Title:****School/Directorate:****Date of Application:****Notes on Approval Process:**

The University Executive Group (UEG) must approve all applications for approval of mutually agreed settlement agreements including Voluntary Severance.

- a. **UEG** must approve all Settlement Agreements up to and including one year's salary/with a maximum ceiling of £100,000 (as approved by Court).
 - b. **The Chair of the Remuneration Committee must approve in advance (on behalf of the Remuneration Committee) all grade 10 Settlement Agreements.**
 - c. **The Remuneration Committee** must approve, in advance:
 - All applications which are higher than the sum approved by Court (see a. above).
 - Where the settlement sum is higher than the threshold approved by Court, the University must first consult with the SFC's Accountable Officer and the external auditor and report the discussions to the Remuneration Committee.
 - All applications relating to Grade 10 employees, including members of UEG, irrespective of whether or not the settlement amount is within the £100,000 threshold.
1. Details of the circumstances of the case (attach Voluntary Severance application if relevant):
 2. Assessment of risk of litigation and likely outcome (following discussion with HR Officer). Not required in cases of Voluntary Severance:
 3. Confirmation that the relevant compliance, management and Human Resources procedures have been followed to date:
 4. Proposed Settlement including a breakdown of the constituent parts of the proposal, if relevant and proposed Termination Date:
 5. Assessment of value for money offered by the proposal. If Voluntary Severance, detail the period over which the savings will be recouped.
 6. Any non-financial considerations:
 7. Clarification in relation to the need or otherwise to replace the post-holder:

Signature of Dean or Director:

Signature of Vice-Principal (Provost)
 or University Secretary:

UEG/Chair of Remuneration Committee/Remuneration Committee Decision:**Date:**

APPENDIX 8**COMMUNICATIONS FROM THE SENATUS ACADEMICUS
(Minute 39(6))**

A meeting of the Senatus Academicus was held on 29 November 2017.

PRELIMINARY REMARKS

The Principal welcomed Professor Lynn Kilbride, Dean of Nursing & Health Sciences to her first meeting of Senate.

1. PRINCIPAL'S REPORT**University Strategy to 2022**

The Principal introduced his Report by explaining that Key Performance Indicators associated with the University Strategy to 2022 were being finalised and that work to prioritise actions and activities linked to the strategic goals had begun. He noted the continued engagement of the University community in these tasks.

The Principal noted the link between growth in institutional reputation and an improving financial position. He explained that the University's ambitions required financial sustainability alongside an unflinching commitment to academic excellence. He observed that increased levels of unregulated tuition fee income were central to the University's sustainability and welcomed the indications that levels were on an upward trend.

International Student Recruitment

The Principal welcomed indications that UK policy on international student migration might be more sympathetic in future and noted that the University needed to be ready to respond to future opportunities in international student recruitment, including the potential for post-study work visas for the University's international graduates.

Staff Survey

The Principal explained that the deadline for responding to the Staff Survey was imminent and urged members of Senate to help ensure that the final response rate was as high as possible. He noted that it was important for the University's staff to have an opportunity to express their views and that Senate would be able to discuss the results of the Survey, including issues related (for example) to life-work balance and the workload allocation model, in due course.

Times Higher Education Awards

The Principal noted that a number of staff and students would attend the Times Higher Education Awards ceremony in London in virtue of Dundee's nomination for the University of the Year Award. The Principal observed that the nomination should be celebrated as a significant achievement in itself, whatever the final outcome, and served as recognition of the efforts of all staff and students of the University.

Professor Newman

The Principal paid tribute to Vice-Principal Professor Newman who was attending his final meeting of Senate before leaving the University. The Principal outlined the important contributions made by the Vice-Principal especially in relation to the institution's understanding of its research economy.

Senate applauded Professor Newman's contributions to the University and joined the Principal in wishing him well for the future.

Tay Cities Deal

In response to a question the Principal gave details of the Tay Cities Deal. Senate noted that City Deals were partnership agreements between local and national governments designed to deliver long-term improvements in regional economies.

The Principal explained that the partnerships included other regional bodies including the higher education sector. He noted that the University of Dundee had been involved in developing three innovative projects as part of the Tay Cities Deal: Brighter Lives by Design, Just Tech (related to Forensic Sciences) and a Biomedical Cluster project.

The Principal noted that there was a significant amount of potential investment available as part of the City deal and that the extent of the University's participation was likely to be confirmed by March 2018.

The Senatus decided: to note the Report.

2. UNIVERSITY COURT

The Senatus received a communication from the Court meetings held 24 October 2017.

The Senatus decided: to note the Report.

3. GENERAL DATA PROTECTION REGULATIONS

Alan Bell (Head of Information Governance) gave a presentation on the EU General Data Protection Regulations (GDPR) and the UK's Data Protection Bill 2017.

Senate noted that new Regulations were intended to build on current data protection practice and that many of its provisions were familiar, although more extensive. Members also noted that the new Regulations would come into effect on 25 May 2018 and that the University would need to be fully compliant with all aspects of the Regulations and a related e-Privacy Directive by this date.

Mr Bell explained that the Regulations updated definitions, added new categories of sensitive information (e.g. biometric data) and increased the levels of fines that might be imposed in relation to data breaches.

He suggested that the University's approach to good information management would help in ensuring compliance with the regulations and that technical and cultural controls already in place should enable a relatively straightforward transition to the new regulatory framework.

Senate noted however that there needed to be a high degree of institutional buy-in and co-operation during the transition and welcomed the proposal to publish comprehensive documentation on the University's website to raise awareness of both individual and corporate obligations.

Mr Bell advised that in the event of a data breach it was vital to instigate the correct response within 72 hours and emphasised the need for early notification of any potential instances.

In response to a question Mr Bell confirmed that safeguards on the transfer of information outside of the European Economic Area would remain mandatory in the new Regulations.

He advised that there would need to be full documentation of how the University processes and protects information and that significant encryption and protection protocols had been implemented to secure email and other communications used by staff in the University, including on their own devices if used for University business.

Senate noted that the General Regulations would have an impact on all of the University's academic activities and recognised the substantial reputational risks involved. Members agreed that full compliance would only be assured by effective communication and fostering an institutional culture founded on trust and accountability.

The Principal concluded that the University was heavily dependent on the generation and use of data and would need to continue to respect the data of which it was a custodian and fulfil its responsibilities carefully and consistently.

The Principal asked members of Senate to report back to their colleagues in Schools and Directorates on this issue in a positive and proactive way.

The Senatus decided: to thank Mr Bell for his presentation.

4. UNIVERSITY FINANCIAL REPORT

Mr Andrew Hewett (Director of Finance) gave a Presentation on the University's Financial Performance.

Senate noted the recent trend for the University to achieve a break-even financial position despite significant negative pressures that included a real-terms decrease of 15% in support from the Scottish Funding Council (SFC) since 2007/8.

The Director explained that the University's ambitions required that it generates financial surplus in order to invest in its academic strategy. He also explained that in the current financial year a planned deficit position was expected.

Senate noted that the challenge of producing financial surplus could only be met through sustained increases in the amount of unregulated tuition fee income received by the University. The Director emphasised that while income in this area had increased by 50% since 2007/8 (a significant achievement in itself) there was still some way to go to reach benchmark levels and meet the University's needs.

Senate noted that the statutory accounts for 2016/17 would show a surplus due to income from Intellectual Property (IP) and Endowments and that pension liabilities tended to be volatile but had no cash impact.

The Director explained that the University's cash position continued to be very healthy but that the balance was mostly advance payment for research activities yet to be undertaken and thus could not be used for investment.

Senate noted that pension contributions now represented 17% of the University's pay cost and that the cost of pensions had been rising steadily. Members noted the difficulties involved with the USS pension scheme and its growing deficit position.

The Director highlighted other aspects of the University's overall financial performance and noted relatively low borrowing compared to most UK institutions. He also noted the University's relatively low numbers of international undergraduates and research postgraduates.

The Director concluded his presentation by highlighting the likelihood of further financial pressures on the UK higher education sector and contrasted this with the improving financial position of the University. He emphasised that there were significant challenges for the University to overcome to achieve its ambitions for sustainable excellence.

Members of Senate welcomed the Report and suggested a wider circulation in order to promote a better understanding of the University's financial position. Members also suggested that the Director of Finance might be invited to present a similar update report to School Boards to help underline the link between School budgets, strategy and the University's overall performance.

Senate discussed the role that pensions liabilities play in the University's finances. The Principal was asked to comment on the recent Universities UK consultation response on the future of Universities Superannuation Scheme.

The Principal emphasised that Court had responsibility for decisions in this area and that the University of Dundee's response to the consultation had been made publicly available to staff. The Principal explained the University's position was that further increases in the level of employer contributions to USS could not be supported, on the grounds of affordability, that any changes to the scheme's benefits should seek to ensure that staff on lower rates of pay were affected the least and that inter-generational fairness and the need for sustainable and appropriate pension arrangements for future generations of staff should be a key concern.

Members of Senate also discussed the importance of increasing the numbers of Research Postgraduate (RPG) students in the University. The contribution of research students to the University's research environment was recognised but, having noted the levels of fee waivers currently applied, members asked the Director to circulate information of the impact of such waivers on income from this source.

- The Senatus decided:**
- (i) to agree that a Report on University Finances should be a Standing Item for Senate Meeting (No2) each year;
 - (ii) to ask the Director of Finance to circulate information on the impact of research degree student fee waivers on income; and
 - (iii) to thank the Director for his presentation.

5. SENATE EFFECTIVENESS REVIEW

Senate received the Senate Effectiveness Review Action Plan, for approval.

Janice Aitken (Convener Review Group) introduced the Plan and noted that it had incorporated feedback from Senate and from the Governance & Nomination Committee of Court.

Senate noted that although documentation on some details of the implementation plan would need to be developed the Review Report and Action Plan would be submitted to the next meeting of Court once approved by Senate.

Members noted that procedures to select Senate members to serve on Committees would need to be developed.

Member welcomed the proposal for a Senate Away Day and plans for equality impact assessments in relation to Senate and its Committees.

The Senatus decided: to approve the Senate Effectiveness Review Report and Action Plan, subject to further development of documentation and procedures.

6. QUALITY & ACADEMIC STANDARDS COMMITTEE

The Senatus received a Report from the Quality & Academic Standards Committee meeting of 26 October 2017.

Professor Karl Leydecker (Vice-Principal Learning & Teaching) introduced the Report and asked Senate to note the Committee's discussion on Grade Inflation and emphasised the significant reputational risks involved.

The Vice-Principal also noted the consultation on the UK Quality Code and the concern expressed in the Scottish HE sector on the lack of focus on enhancement contained in initial proposals.

Members of Senate suggested that gender equality issues could be considered as part of the Committee's work to monitor grade inflation. Members also suggested that statistical information linking entry tariffs and degree outcomes might help with monitoring.

The Vice-Principal confirmed that these issues would be examined in the context of work on retention, attainment and progression. He also suggested that work on the new enhancement theme of evidence-based enhancement might provide an opportunity to focus on data.

The Senatus decided: to approve the Report.

7. LEARNING AND TEACHING COMMITTEE

The Senatus received a Report from the Learning & Teaching Committee meeting of 14 November 2017.

Professor Karl Leydecker (Vice-Principal Learning & Teaching) introduced the Report and asked Senate to note the Committee's discussion on the final Strategy to 2017 Key Performance Indicator report. He explained that the KPI report demonstrated that improvements had been made in all areas of the Learning and Teaching Strategy and agreed to circulate the Report itself to Senate, for information.

The Vice-Principal referred to the statistical information produced for the Teaching Excellence Framework (TEF) in 2017. He explained that although the University would not participate in TEF 2017 the metrics were very encouraging.

Members of Senate asked the Vice-Principal whether consultation with distance learning students had taken place as part of the Virtual Learning Environment (VLE) Review. The Vice-Principal agreed that distance learning students should be consulted and agreed to suggest this to the Review team.

Members also raised the issue of student concerns over inconsistent approaches being taken across and within Schools in relation to referencing and citations. Alex Muir (DUSA) explained that School Presidents Forum had discussed the issue and decided to refer it to the Learning & Teaching Committee. Senate noted that although different referencing systems might be used in different disciplines the Learning & Teaching Committee recommended greater consistency and standardisation of approach.

The Vice-Principal emphasised that students should not be penalised at assessment unless standard requirements had been specified in advance. Senate noted the tools to assist students with referencing (e.g. Cite Them Right) available through the Library & Learning Centre.

Exam Timetabling

Members of Senate discussed recent issues with the publication of the Semester 1 Examination Timetable. It was suggested that these problems were caused by a lack of shared mutual understanding of processes between the Schools and the relevant Professional Services directorates. It was also suggested that this lack of understanding characterised a number of other problems in organisation and management experienced by the University.

Senate noted that the issues had been discussed by Learning & Teaching Committee and by the Professional Services Group.

The Vice-Principal agreed that such problems needed to be tackled systematically and that improvements to organisation and management should be a strategic priority for the University.

The discussion concluded with agreement that the School Managers were central to facilitating improvements in understanding and communication between Schools and Directorates in relation to complex business processes.

The Senatus decided: to approve the Report.

8. RESEARCH & KNOWLEDGE EXCHANGE COMMITTEE

The Senatus received a Report from the Research & Knowledge Exchange Committee meeting of 21st November 2017.

Professor Tim Newman (Vice-Principal Research, Knowledge Exchange & Wider Impact) introduced the Report and asked Senate to note the high-quality bids made to the Global Challenges Research Fund that focussed on anti-microbial resistance and food security.

The Vice-Principal also highlighted (i) the recent productive visit from Medical Research Council representatives and (ii) the global recognition given to the University's pharmaceutical research in the 2017 State of Innovation Report.

Research Excellence Framework (REF) 2021

The Vice-Principal outlined details of the second set of initial decisions on REF 2021 published by the Higher Education Funding Council for England (HEFCE).

Senate noted that there would be (i) 100% return of eligible research staff with flexibility, (ii) submission of 2.5 average outputs per fte and (iii) portability of outputs with some double counting possible.

The Vice-Principal explained that the University's introduction of an Annual Review of Research would help inform decisions on the submission of outputs, that Unit of Assessment mappings would be a priority and that impact case studies were likely to be an important differentiator.

The Vice-Principal emphasised the need for full compliance with open-access requirements to ensure that outputs were eligible for REF submission and asked members of Senate to assist the Associate Deans (Research) in their efforts to ensure compliance.

Members of Senate asked the Vice-Principal about the implications of the research efficiency data discussed by the Committee. The Vice-Principal noted that the highest rates of Full Economic Cost (FEC) recovery of research costs were achieved by the Schools of Medicine and Life Sciences. However, he explained that as these Schools accounted for over 50% of the University's research turnover even 80% FEC recovery left a sizable unfunded gap in cash terms. He concluded that each School would need to re-examine its approach to FEC recovery in the context of discipline-specific variables.

Members of Senate raised the issue of research postgraduate student numbers and welcomed the news that a progress report from the PGR Recruitment Working Group would be discussed at future Senate Committee meetings.

In response to a question the Vice-Principal noted that as all eligible research staff would be included in the University's submission the focus of selection procedures would be on outputs. He agreed that equality and diversity issues would still need careful consideration. He gave an assurance that Schools would be able to feed in to the REF Steering Group as part of the University's preparations for REF 2021 led by Professor John Rowan.

The Senatus decided: to approve the Report.

9. SUMMARY REPORTS OF SCHOOL BOARDS

The Senatus received Summary Reports from each of the School Boards.

The Senatus decided: to approve the Report.

10. STAFF COUNCIL – PRINCIPAL'S QUESTION TIME

The Senatus received a Report from the Staff Council Meeting held on 14 November 2017, for information.

Senate noted the work of the Students' Association in promoting a zero-tolerance policy (signed jointly with the University) in relation to sexual harassment and agreed that the University should consider a similar approach in relation to University Staff in any future review of Policy.

The Principal explained that as well as being a signatory to the DUSA Policy, the University would be delighted to undertake joint working with the Students' Association and the Campus Unions on this issue.

The Senatus decided: to note the Report.

11. ACADEMIC PROMOTIONS

To note the following promotions to Professor (from 1 October 2017):

Simon	Arthur	Life Sciences
Kevin	Read	Life Sciences
David	Keeble	Science & Engineering
Qi	Zhao	Science & Engineering
Cameron	Ross	Social Sciences
Ian	Barron	Education & Social Work
Jacob	George	Medicine

Senate noted the academic promotions reported by Human Resources and congratulated those listed as being promoted to Professor.

Members expressed concern over the gender imbalance contained in the list of promotions and agreed that there must be greater encouragement and support for female candidates seeking promotion. It was, however, noted that a number of promotion applications were still in progress, that these included female candidates and that an analysis of the gender balance of the current round should await the final outcome of the process.

The Senatus decided: to await a full and final report from the academic promotion committee to a future meeting.

12. PROFESSOR EMERITUS

The Senatus decided: subject to the concurrence of Court, to confer the title of Professor Emeritus upon the following:

Professor Douglas Brownlie
Professor Murdo McDonald
Professor Tim Newman