

University of Dundee

Submission by lay members of Court regarding the consultation on the development of a new Scottish Code of Good HE Governance

Meetings in public

We do not agree with the Review's recommendation that meetings of Court should be held in public. We consider that such an approach would inhibit the key role of members of holding management to account. Such a role may on occasion necessitate members making critical observations which they may not be prepared to make in a public forum.

We do however endeavour to ensure that the business of our Court is transparent to staff and students. The agendas are published in advance on the University website and an informal summary of the main issues discussed is published in the University's quarterly 'Contact' magazine which is distributed to all staff. In addition the minutes of Court meetings and its committees are published on the University's web site.

Appraisal and appointment of the Principal

We support the Review's recommendation that the appraisal of Principals should involve lay governing board members, staff and students. The Chair of our Court informally consults with members, including both staff and students, and takes into account their views when undertaking the Principal's annual performance review.

It should also be noted in this context that staff and the President of the Students Association have been members of appointment panels for appointments of both the Principal and Vice Principals.

Membership of the Remuneration Committee

We do not support the recommendation that the Remuneration Committee should include staff and student members. We consider it important that committee members should be objective, independent of the University and between them have experience of remuneration practice in both the public and private sectors.

Staff and students will however have views on the remuneration of senior staff. We consider it important that members of the Remuneration Committee be sensitive to those views when reaching their decisions. We suggest that the Chair of Court, when consulting staff and student members on the performance of Principal, should take that opportunity to discuss remuneration levels with them and ensure that the Remuneration Committee is aware of those views.

Remuneration of the Principal and Senior Staff

We consider that our arrangements for setting the pay of the Principal and senior officers and reporting the outcome meet the requirements of the current UK Corporate Governance Code, and exceed those set out in the CUC code.

We believe that the salaries of senior staff (Principal, Vice-Principals, Secretary and Finance Director) should be reported in a university's published annual financial statements. Such an approach would meet the requirements of the UK Corporate Governance Code and the Scottish Government's statutory requirements for Local Authorities. The format of both is very similar, and the publication by universities of such data would bring them in line with established mandatory practice in both the private and public sectors. Our Court recently took the decision for such data to be provided to members on a confidential basis, but

refrained from publishing the data as it considered it would be inappropriate to do so alone, without the participation of the other Scottish universities.

We also consider it important that, in line with the guidance set out in the UK Corporate Governance Code, the Chair of Court should not chair the Remuneration Committee. The Chair of Court will inevitably have a close working relationship with the Principal and should not be in a position to exercise undue influence over their remuneration through chairing the committee.

Chairing of Governing Body

We believe that our current arrangements for appointing the Chair of Court are rigorous, transparent and effective.

Our Chair is elected by all Court members from the lay membership of Court. The elections for both our current Chair and his predecessor were contested. The election is by secret ballot with supporting statements accompanying the voting paper sent to members. We recently changed the rules regarding membership of Court so that on election the Chair demits office from their existing category of membership (e.g. co-opted) and starts a new three-year term of office as Chair. At the end of that term, should they not be re-elected, they then cease to be a member of Court. This ensures that former Chairs, who can no longer be considered to be 'independent' members, do not remain on Court. This approach is in line with the UK Corporate Governance code.

It is important to note that underpinning our process for electing the Chair is a rigorous, transparent and public process for appointing lay members to Court. The process of appointing new members of Court is undertaken by the Governance & Nominations Committee which has staff, student and lay members. We advertise vacancies for lay members of Court in the local and Scottish press as well as within the University itself. The Governance & Nominations committee shortlists candidates arising from advertisements or otherwise suggested to it against documented criteria. Shortlisted candidates are interviewed by a panel comprising one staff, one student and two lay members. Following interview candidates are given the opportunity to meet the Principal and Secretary of the University. We would commend our approach to the Steering Group.

We do not support the remuneration of chairs of governing bodies, although we note that a committed Chair will have to make a substantial time commitment probably averaging a day a week.

Membership of Governing Bodies

We believe that our Court is well informed of the views of staff across the institution through the membership of six elected representatives of the academic and one elected representative of the non-academic staff.

We have recently increased student representation on our Court to two members – one is the President of the Students' Association and one directly elected by the student body as a whole. We do not agree with the recommendation that one should be a woman – we believe it is up to the student electorate to decide. It should however be noted that in this academic year we have one female and one male student representative on Court.

We consider the present size of our Court - 23 members - to be appropriate. We have steadily reduced the number of members (and officers attending) over the past decade. Whilst this is larger than current trends in corporate governance we have found it to be a satisfactory compromise between being small enough to be effective whilst allowing a wide representation of academic and clerical staff, student, alumni, local authority and

independent interests. The categories of membership of our Court largely match those recommended in the Review.

We do not agree with the suggestion that one academic and one non-academic member of staff should be nominated by their relevant Unions. We believe our approach of such members being elected gives all staff the opportunity to participate in the governance of the University. In any case, our Court currently includes in its academic and non-academic members representatives from the campus unions who were identified through the election process. This has also been the case for some time, indeed the non-academic staff member is invariably a union representative.

We note the suggestion that the practice of the Chancellor appointing an assessor should be discontinued. With the agreement of our Chancellor, however, our Governance & Nominations Committee now recommends who should be appointed. We have taken the opportunity to use the role to designate the incumbent as the senior lay member of Court with additional responsibilities broadly equating to those of Senior Independent Director as set out in the UK Corporate Governance Code.

We agree with the recommendation that two members of Court should be alumni – this reflects the current composition of our Court. We consider it important, however, that such members should display the attributes required of other lay members and should be independent (i.e. not be current or recent members of staff or students).

We do not believe that a Scottish Code should set a quota for the proportion of ethnic, disabled or gender groups to be represented. We do however consider it important that strenuous efforts are made to widely advertise any vacancies on Court, whether they be for co-opted or elected members and that such advertisements should encourage members of underrepresented groups to apply. It is worth noting that following recent advertisements for co-opted vacancies on our Court the six shortlisted candidates comprise three men and three women and will be interviewed by a panel of two women and two men.

Our University currently pays travel (within the UK) and other expenses to members but does not reimburse members for wages lost as a result of attending meetings. A member has in the past had to use their holiday allowance to attend meetings of Court. We commend the approach taken by our Principal in this case of approaching the relevant organisation's Chief Executive who agreed that the member should not have to use their holiday to attend meetings.

We consider the attendance of a limited number of senior officers at Court meetings to be beneficial. Our Governance & Nominations Committee recently reviewed the attendance of senior officers at Court meetings. The committee concluded that four officers (in addition to the University Secretary) should be in regular attendance, namely the Director of External Relations; Director of Finance; Director of Human Resources; and Director of Policy, Governance & Legal Affairs. Other officers would be invited to attend for particular agenda items as and when appropriate. The committee has suggested that the contribution of officers in attendance should generally be restricted to discussions where the Chairman or members have requested specific input, where clarification of points of fact are necessary, or where an officer, as the author of a paper, has the responsibility of introducing it to the Court.

Composition of Senate

As lay members of Court, we have no views we wish to formally submit regarding the composition or functioning of Senate.

23rd January 2013