University of Strathclyde

COURT

Minutes: 17th November 2007

Present: Mr J F Livingston, Convener of Court (in the Chair except for items CM 4064 and 4073)
Mr T J Monaghan (in the Chair for items CM 4064 and 4073)
Principal, Vice-Principal Professor J Love, Mr J Fergus, Mr P Goldfinch, Mr D Gray, Dr D Grierson, Dr P Hughes, Bailie G Matheson, Ms K Morrison, Professor M Pacione, Professor A Paterson, Mr M Ross, Mr G Singh, Dr C Tedford, Dr C Vance, Dr G Wilson, Mr M Wishart.

Attending by invitation: Pro Vice-Principal Professor K Miller, Deputy Principal Professor R Condie, Deputy Principal Professor A Ferguson, Deputy Principal Mrs A Hughes, Deputy Principal Professor J McDonald, Professor J Bourne (Dean of Education), Professor B Furman (Dean of Science), Professor C Grant (Dean of Engineering).

Attending: The Secretary to the University, Ms J Whitley (Deputy Secretary) Mr D Coyle (Director of Finance), Mr G Roddick (Director of Estates Management), Mr W Sutherland (Director Human Resources), Professor D Law (Librarian and Head of Information Resources Directorate), Mr A Taylor (Director of marketing and Communications), Ms K MacLeod (Assistant Director of Finance), Mrs G McArthur (Court Secretary).

Apologies: Chancellor, Mr R Crawford, Mr D Dunbar, Mr R J A Hunter, Ms F McMenamin, Ms K Reid, Mr M Strachan, Ms L Whiteford, Professor C Harvey, Professor N Hutton.

CM 4065 WELCOME

On behalf of Court the Convener welcomed the new members to their first residential meeting.

CM 4066 MINUTES

The minutes of the meeting held on 9 October 2007 were approved.

CM 4067 PRINCIPAL’S REPORT

Court noted a report from the Principal which included the following information:

- Court was pleased to note that the University had recently won funding from the ERASMUS Mundus scheme to establish a joint Masters programme in Global Innovation Management with the University of Aalborg and Hamburg Technical University.
- The Principal recently helped launch a major study funded by ESRC into the economic impact Universities have on their regions. This study is being coordinated by two members of Strathclyde staff, Professor P McGregor and Ms U Kelly.
- Strathclyde students had held a ‘Green Campaign’ week recently where they had highlighted various issues affecting the environment.
- Court was pleased to note that Strathclyde was part of a new Centre for Charitable Giving and Philanthropy which was based at City University and also involved the Universities of Edinburgh and Southampton. This had been funded by the ESRC,
the Carnegie Trust and the Scottish Government. Strathclyde would be responsible for the Individual and Business Giving theme and would be undertaking research in the field of entrepreneurial philanthropy.

- Court welcomed the information that, in addition to the specific projects being undertaken, Estates Management staff were also working to improve signage round the John Anderson campus and to make improvements to the general look of the buildings and surrounding areas to make the campus area more attractive.
- The Principal reported to Court on the recent announcement made by the Scottish Government on the comprehensive spending review. This had been less favourable than the HE sector would have liked and appeared to be inconsistent with the Government’s own economic policy. The Secretary for Education had indicated that she wished to meet with University Principals to discuss this matter and to try and find a way forward. Court would be kept informed of developments.

**CM 4068 FINANCIAL STATEMENTS 2006/07**

.1 Court received the draft Financial Statements for 2006/07; a Commentary on the Financial Statements prepared by the Finance Office; reports from the University Management Committee and the Audit Committee on the Financial Statements; the Management Letter from the External Auditors; and Financial Performance Indicators.

The Vice-Convener of Court and Treasurer informed Court that the University had achieved a good result overall, with a surplus of £15.8M at the year end. The University was benefiting quite significantly at present from interest earned on the high levels of cash that it currently had at the bank. However, this would not continue indefinitely as once the major estates projects commenced this would impact on the overall financial position of the University. It was expected that this expenditure would move the University’s Income and Expenditure account from surplus to deficit over the next few years.

.2 The Director of Finance presented the draft Financial Statements for the year ended 31 July 2007 to Court. He was pleased to report that the University was in a generally healthy state financially achieving a surplus of £15.8M for the year. This surplus was due in part to an increase in income, which was up £12.9M (6.8%), and partly due to a gain on disposal of assets which brought in £8.3M during the year. It was noted that expenditure in 2006/07 had increased by £12.2M over the previous year. This had been due to an increase in staff costs, exceptional staff restructuring costs incurred in the Business School, a significant increase in utilities costs and an increase in depreciation.

The Director of Finance presented information on various trends affecting the financial performance of the University including, the trend in reported surplus/deficit including gains on disposal, net current assets and bank balances, and investment in land and buildings. The key messages emerging from the financial statements were that, while the surplus was highly satisfactory for the University a large proportion of this was due to a gain on disposal of assets and to interest receivable on cash at the bank. It was also partly due to timing of expenditure. Liquidity was currently strong but would decline as expenditure on the estates development framework (EDF) occurred. This meant that future surpluses would be affected by additional maintenance expenditure, depreciation charges and the fall in interest earned as the cash at bank was used to fund the EDF.

.3 In discussion Court noted that staff costs were continuing to rise both in terms of the actual amount spent and in terms of the proportion of overall University expenditure, though the latter figure was broadly in line with other Scottish Universities. It was also noted that the EDF would require significant investment and could lead to the University having to borrow funds to meet the costs involved. Although the University had significant cash balances at present the Funding Council had been made aware that these would be depleted once the
estates projects commenced. In order to help offset these costs the University would need to look at ways of raising income from sources other than the Funding Council. The recently announced comprehensive spending review had not favoured higher education and had served to emphasise the need to diversify the income stream. It was also known that there was presently no additional money to support the outcomes of the research assessment exercise.

.4 Court noted that both the University Management Committee and the Audit Committee were satisfied with the Financial Statements. The Audit Committee had discussed these in some detail with the External Auditors. The External Auditors had confirmed that they would be issuing an unqualified audit report and their Management Letter confirmed that they had no new control issues to raise.

On the recommendation of the Audit Committee, Court

RESOLVED that the draft Financial Statements for 2006/07 be approved and the relevant officers be authorised to sign the printed statements in due course.

On behalf of Court the Convener thanked the Director of Finance and his team for all their efforts in preparing the Financial Statements.

CM 4069 PRIZES AND SCHOLARSHIPS (SM 11253)

On the recommendation of Senate, Court

RESOLVED that the prizes, as listed in Annex 1, be approved for inclusion in the Calendar with immediate effect. Some of these prizes were awarded by the University of Glasgow, and would now appear in both University Calendars.

CM 4070 RESPONSE TO THE DECISION OF THE INDEPENDENT REVIEWER OF STUDENT COMPLAINTS (SM 11246)

Court noted the decision of the Independent Reviewer of Student Complaints relating to a case brought against the University. Court also noted the University’s proposed response.

CM 4071 RENEWAL OF OVERDRAFT FACILITIES (CM 3896)

On the recommendation of the University Management Committee, Court

RESOLVED that the current overdraft provision from the Bank of Scotland, which was unchanged from the previous year, be extended for the period to 31 August 2008.

CM 4072 AUDIT COMMITTEE

Court noted the report of the meeting of Audit Committee held on 6 November 2007, and in particular the following:

.1 Review of the Performance of the External Auditors (AM 317)

In light of their performance in 2007 and on the recommendation of the Audit Committee, Court

RESOLVED that Ernst & Young LLP continue as External Auditors to the University for the audit of the Financial Statements for 2007/08.
.2 Internal Audit Service (AM 811)

The Convener of the Audit Committee drew Court’s attention to the variation in practice between Universities, with some having an internal audit service and others using external companies to provide this service. The Audit Committee was of the view that the University benefited from having an Internal Audit Service which performed well and added value to the excellence agenda of the University. He also commended to Court the recently published newsletter of the Internal Audit Service, ‘Audit Insights’.

.3 Meeting of the Chairs of Audit Committees of Scottish HEI’s (AM 814)

It was noted that Strathclyde would host a meeting of the Chairs of Audit Committees of Scottish HEI’s in early December.

.4 Mrs Ritchie

Court noted that Mrs Ritchie had completed her period of membership of the Audit Committee and joined the Convener in thanking her for her contributions to this Committee.

.5 Annual Reports

Court received the Annual Reports from the Audit Committee and from the Internal Audit Service for 2006/07. Court was pleased to note the opinion of the Audit Committee, namely: ‘The Committee is satisfied with the adequacy and effectiveness of the University’s internal financial and management systems of control and with the arrangements for securing economy, efficiency and effectiveness. This view is based on the information and comment provided to the Committee from the Internal Audit Service through their audit reports, annual report and regular activity reports; from the University Management Committee, principally through its annual risk report; from the External Auditors, through their report on the financial statements and the Management Letter; and from various other enquiries and information sought by the Committee from a range of areas within the University.

The Committee is satisfied that the University has complied with the CUC Guide for Members of Higher Education Governing Bodies in the UK, and that the Governing Body’s responsibilities as defined in the Statement of responsibilities of the University Court in the Financial Statements, have been satisfactorily discharged.’

.6 Membership of Audit Committee

The Convener informed Court that various discussions had taken place regarding the need to recruit new members for the Audit Committee. In light of these discussions Court agreed that it would support the co-option of a new member to the Audit Committee subject to clarification of his current status.

CM 4073 ESTATES STRATEGY COMMITTEE (CM 4037, 4054)

Mr T J Monaghan, Vice-Convener, was in the Chair for discussion of this report.

Court received the report from the meeting of the Estates Strategy Committee held on 23 October 2007. Due to the absence of the Deputy Convener (Estates) the Convener of Court had chaired this meeting.
.1 Building Condition Report (ESCM 157)

At its last meeting Court had agreed that it would approve the overall target budget for investment in backlog maintenance within the EDF for each session and that the Estates Strategy Committee would agree the specific projects to be supported from this budget. On the recommendation of the Estates Strategy Committee, Court

RESOLVED that the budget set aside for backlog maintenance during session 2007/08 be set at £4.7M for category C items and £585k for category D/DX items.

Court noted that Estates Strategy Committee had approved expenditure of £1.95M on Category C items and £474k on Category D/DX items at its meeting.

.2 Sports and Health Facility (ESCM 168)

Court noted progress with the development of the new Sports and Health facility.

.3 Estates Management Procedures (ESCM 159)

Court noted that the project management procedures had been reviewed to ensure that they aligned with the introduction of the frameworks for consultants and contractors, were up to date in terms of committee nomenclature, and were more closely aligned with the gateway approval process developed by the Scottish Funding Council.

CM 4074 CONVENER’S ACTIONS

The following action taken under delegated authority by the Convener of Court was homologated by Court:

Honorary Membership of Ross Priory
The Convener had recommended to the Ross Priory Committee of Management that Mr John Pairman, former Manager of Ross Priory, should be made an Honorary Member of Ross Priory in recognition of his length of service and commitment to Ross Priory. Court homologated this action.

Secretary’s Note: the following item was omitted from the papers

Membership of Court
Following consultation and with the support of the members of Court the Convener had approved the immediate co-option of Mr D Dunbar and Ms K Reid to membership of Court under the terms of Statute XIII and for the period to 31 July 2008 in the first instance.

CM 4075 NEXT MEETING

The next meeting would be held on Tuesday 22 January 2008 at 2.00 p.m. at the Jordanhill Campus. This would be preceded by a visit to the Department of Childhood and Primary Studies at 10.30 a.m. and lunch at 12.30 p.m.

GMcA/20.11.07
Annex 1

PRIZES AND SCHOLARSHIPS (CM4069)

The following prizes were approved by Court with immediate effect:

Additional Prizes in Naval Architecture and Marine Engineering

UNDERGRADUATE

King Harald Trophy
The trophy is awarded to the graduating student who achieves the highest degree mark in the Department of Naval Architecture & Marine Engineering. It was first awarded in 1994.

The trophy was presented to King Harald of Norway by the workforce at the Kvaerner Govan shipyard in Glasgow to commemorate his visit to the yard during a state visit to Scotland in 1993. The King in turn presented the cup to the University.

Archibald Denny Prize - £800
Founded in 1912 by Archibald Denny LLD, the prize is awarded annually to the graduating student who has shown greatest proficiency in design and practical work in naval architecture and marine engineering.

Kirk Memorial Prize - £600
Founded in 1893 in memory of Alexander Carnegie Kirk LLD, past president of the Institution of Engineers and Shipbuilders in Scotland, the prize is awarded annually to a graduating student who has shown overall proficiency in naval architecture and marine engineering.

The IMarEST Prize - £50 - is awarded to the student with the best overall performance in naval architecture and marine Engineering. It is provided by the Institute of Marine Engineering, Science and Technology.

Reid Birrell Prize – up to 4, each of £225
Founded in 1930 by the bequest of William Reid Birrell of Glasgow, this prize is one of up to four prizes awarded annually to students in the third or fourth year who have shown overall distinction in naval architecture subjects.

Salilaksha Basu Memorial Prize - £200
Founded in 1996 by Mrs Indrani Basu in memory of her husband Salilaksha Basu who graduated with the degree of BSc in 1961 from the Department of Naval Architecture and Ocean Engineering at the University of Glasgow, this prize is awarded annually to the student in the fourth year of BEng study who has shown greatest practical proficiency and overall distinction in naval architecture.

Sir Ross Belch Memorial Prize – £250
The Sir Ross Belch Memorial Prize is awarded to the student who has produced the best fourth year project related to test tank work. The prize was first awarded in 2001.

During his professional life Sir Ross was closely associated with the shipbuilding firm of Lithgows Ltd in Port Glasgow. He later became associated with Irvine Development Corporation and Chairman of Trustees of the Scottish Maritime Museum in Irvine.

McCaig Watson Small Craft Prize - £100 - was first awarded by Mr Jim McCaig, of McCaig Watson Ltd, a Glasgow-based consultancy firm, while he was an honorary lecturer.
in the Department of Naval Architecture and Marine Engineering. The prize is awarded annually to the student who has demonstrated greatest proficiency in the field of small craft engineering.

**The Ian Broadley Prize - £50 -** is awarded to the student whose individual fourth year project shows the best appreciation of innovation and finance in engineering. Ian Broadley is a past president of the Institution of Engineers and Shipbuilders in Scotland.

**RINA-BAE Systems Prize - £250** – is awarded to the student judged to have presented and defended in public the best fourth year project in the Department of Naval Architecture and Marine Engineering.

**POSTGRADUATE**

**Neil S Miller Memorial Award - £100** – awarded to the student who has achieved the highest mark for an experimental-based project in the MSc degree programme.