

UNIVERSITY COURT – AGENDA

Thursday 4 May 2017, 09.30-15.30, coffee from 09.15
Rm 604, James Weir Building, Glasgow G1 1XQ

BUSINESS SESSION

(09.30-11.35)

Apologies: Lord Smith of Kelvin KT CH, Gillian Hastings, Jane Morgan, Stephen Curran

Declarations of interest: None

Introduction		
1.	Minutes of the meeting held on 2 March 2017	Paper A
2.	Matters arising	<i>5 mins</i>
3.	Principal's Report	Oral <i>10 mins</i>
Substantive items		
4.	Budget setting 2017/18: context and process <i>Chief Financial Officer and Acting Chief Operating Officer</i>	Oral <i>20 mins</i>
5.	Major Strategic Projects update <i>Principal, Associate Principal (Research & Innovation), Special Advisor to the Principal</i>	Oral <i>60 mins</i>
6.	USSA Financial Statements 2015/16 <i>USSA President, USSA Chief Executive Officer</i>	Paper B <i>10 mins</i>
Items for formal approval		<i>10 mins</i>
7.	Convener's Actions (<i>none to report</i>)	
8.	Corporate Risk Register	Paper C
9.	Revisions to Charter and Statutes – formal resolution	Paper D
10.	Appointment of Chief Operating Officer and University Secretary	Paper E
Items for information		<i>5 mins</i>

Committee reports		<i>5 mins</i>
11.	Senate	Paper F
12.	Executive Team	Paper G
13.	Court Business Group	Paper H
14.	Court Membership Group	Paper I
15.	Audit Committee	Paper J
16.	Staff Committee	Paper K
Closing remarks		<i>5 mins</i>
17.	Any other business <i>Convener</i>	
	Date of next meeting <i>09.30-12.00, Tuesday 20 June</i> <i>Location TBC</i>	

BREAK
(11.35-11.45)

STRATEGIC SESSION
(11.45-15.30)

Introduction		
1.	Convener's Opening Remarks	<i>5 mins</i>
2.	Reflections on the November 2016 Strategy Session <i>Principal</i>	<i>15 mins</i>
Strategic Items		
3.	The project approach – update and introduction <i>John Hogg, Director of Business Improvement</i>	<i>15 mins</i>
4.	What works? Identifying and Implementing Best Practice Business Processes and Approaches <i>Professor David Hillier and Gillian Hastings (apologies received)</i>	<i>20 mins</i>
	<i>Lunch – 12.40pm</i>	<i>45 mins</i>
5.	Refreshing our vision of a 'Leading International Technological University' <i>Professor Tim Bedford and Marion Venman</i>	<i>20 mins</i>

6.	Leadership and Development <i>Professor Sara Carter and Ronnie Cleland</i>	<i>20 mins</i>
7.	Supporting Growth and Sustainability <i>Professor Dimitris Drikakis and Dr Jeremy Beeton</i>	<i>20 mins</i>
8.	Reviewing and Realigning Financial Planning and Budgetary Processes <i>David Coyle and Dr Jack Perry</i>	<i>20 mins</i>
9.	Reviewing and Enhancing Internal Communications <i>Ray McHugh and Malcolm Roughead</i>	<i>20 mins</i>
10.	Key deliverables and implementation plan <i>Principal, Professor David Littlejohn, and John Hogg</i>	<i>15 mins</i>
11.	Conclusions, Action & Close Convener	<i>10 mins</i>

MINUTES OF UNIVERSITY COURT
2 March 2017

Present: Richard Hunter (Convener), Ronnie Cleland, Dr Jane Morgan, Malcolm Roughead, Gillian Hastings, Dr Jack Perry, Kerry Alexander, Dr Archie Bethel, Susan Kelly, Councillor Stephen Curran, Principal Professor Sir Jim McDonald, Vice-Principal Professor Scott MacGregor, Dr Veena O'Halloran, Dr Jonathan Delafield-Butt, Dr Andrew McLaren, Professor Erling Riis, Dr Dimitris Andriosopoulos, Louise McKean, Raj Jeyaraj, Gerry McDonnell, Dr Alistair Goldsmith

Attending: David Coyle, Professor David Littlejohn, Professor David Hillier, Professor Dimitris Drikakis, Professor Douglas Brodie, Professor Sara Carter, Professor Tim Bedford, Rona Smith, Sandra Heidinger, Ray McHugh, Stella Matko, Dr Stuart Brough, Darren Thompson

Apologies: Alison Culpan, Marion Venman, Dr Jeremy Beeton

Welcome and apologies

The Convener noted apologies received and welcomed members of Court and attendees.

Court members noted the recent departure of Hugh Hall, Chief Operating Officer (COO) to assume the position of Principal at Fife College. Court recorded its considerable appreciation for Mr Hall's significant contribution to the University and wished him good luck in his new role.

There were no declarations of interest.

1. Minutes

Court **approved** the minutes of the meeting held on 24 November 2016.

2. Matters arising

There were no matters arising.

3. Principal's Report

The Principal informed members of key activities and developments since the November meeting:

SFC Indicative Funding Allocations: the Scottish Funding Council (SFC) had recently announced its 2017/18 indicative funding allocations. These allocations would be confirmed in April, subject to agreement of the Scottish Budget Bill by the Scottish Parliament and finalisation and agreement of universities' Outcome Agreements. The University's share of the sector grants announced was slightly higher than in previous years and above the sector average.

Reconfiguring senior officer responsibilities: with the departure of the COO, the Principal had taken the opportunity to reflect on and reconfigure the senior leadership of Professional Services areas. The Executive Team had discussed and agreed proposals to discontinue the COO role, whilst retaining and enhancing the University Secretary role and creating a new senior officer position for a Chief Commercial Officer. The relevant Court office-holders would be engaged in the required recruitment processes, in line with Staff Appointment Protocols.

Research Excellence Framework: the University was currently finalising its draft response to the UK Funding Councils' consultation on the second Research Excellence Framework (REF). The University was considering its position on a range of key issues, including those relating to the portability of research outputs and the number of outputs per staff member. It was noted that strategic investment in top academic talent would continue to be a priority for the University.

Teaching Excellence Framework: Court noted that, following detailed consideration by the University's Education Strategy Committee, the Executive Team had approved a recommendation not to participate in the UK-wide 2017/18 Teaching Excellence Framework. The University would continue to engage with sector-wide discussions and the question of participation would be revisited ahead of the deadline for opting into arrangements for 2018/19. It was noted that participation was voluntary and that the majority of Scottish institutions had opted not to participate in 2017/18.

Enterprise and Skills Review: Court noted developments in relation to the Scottish Government's Enterprise and Skills Review and that the university sector continued to be represented in discussions.

Major Projects: Court noted on-going developments concerning a number of major projects.

Academic staff recruitment: the University had recently approved offers to twenty-one candidates under the Strathclyde Chancellors Fellowship Scheme. Additional strategic recruitment activity was being pursued under the University's Global Talent Attraction Programme.

Widening Access: Court noted the University's continuing high performance in attracting applicants from widening access backgrounds and the increasing focus by Scottish Government on applicants from the highest deprivation quintile. An invite had been issued to the recently appointed Commissioner for Fair Access to visit the University and discuss activity in this area.

4. Estates Developments

a. Advanced Forming Research Centre (AFRC) – Extension Project

The AFRC Projects Director presented a proposal for the physical expansion of the current AFRC facility in order to house the planned Future Forge Facility. Court's formal homologation was sought, following Convener's Action, for the advancement of the project. Convener's Action had been required to allow the AFRC to indicate acceptance, in principle, of external funding from Scottish Enterprise (£1.8M) and the High Value Manufacturing Catapult (£4.3M) to cover the full capital costs of the expansion project. It had also allowed the AFRC to indicate acceptance, in principle, of a further grant from the Aerospace Technology Institute (£6.6M) to fund the capital purchase of equipment that would support the AFRC in realising its strategic ambitions over the next ten years.

Court discussed the capital investment proposal and noted the relatively small level of contingency funding included within the proposal and the need for clarity on responsibility for the potential costs of any unexpected project overrun. It was noted that, whilst the risk was minimal due to the level of familiarity with the proposed site, any overspend could be covered from future revenues generated by AFRC, which was a self-funding entity. In addition, the external funders would be approached in the event of any projected overspend. It was agreed that this position should be confirmed by the Director of Estates Services and communicated to Court.

Following further discussion, it was confirmed that any risks relating to the design and specification of the Future Forge Capability's isothermal hydraulic press would rest with the manufacturer. The end result would be the delivery of a unique and distinctive academic capability. Court welcomed an offer from an experienced lay member to review the specification and design of the press and the AFRC Projects Director would follow-up on this.

Court welcomed the proposed development, noting its key strategic value in supporting plans for the future upscaling of related activity. Members **agreed** to formally homologate the Convener's Action taken to endorse the proposal.

b. John Anderson Building – external improvements

The Director of Estates Services presented proposals to undertake external improvements, including over-cladding, to the John Anderson Building. It was highlighted that the recommended option would deliver a range of functional, aesthetic and sustainability benefits. The recommended option also offered the best value for money. Due to the overall value of the maintenance works required, it was appropriate to seek Court's approval, in line with the Schedule of Delegated Authority.

Court noted previous discussions and endorsement of the recommended option by the Estates Committee, Executive Team, and the Court Business Group. Court **approved** the recommendation to proceed with *Option 3: Over-cladding Solution*, at a total estimated inclusive cost of £2.5M, as detailed within the paper.

c. The Place – Business Case

The Director of Student Experience and Enhancement Services, the Associate Principal (Learning & Teaching), and the Director of Estates Services presented a final Business Case for The Place Teaching and Learning Project. Following earlier consideration by Court on 24 November 2016 of a draft Business Case, the final proposals had been enhanced to highlight the key pedagogical developments being pursued in conjunction with the project.

In considering the final Business Case, Court noted the criticality of the project to delivering the University's ambitions for future growth, supporting its learning and teaching strategies, and delivering wider benefits for the University estate. During discussion, the following key points were noted:

- the potential for campus disruption as a result of this project and other estates development activity. The Executive Team was particularly attuned to this and had commissioned the development of a decant and impact minimisation strategy to fully consider and mitigate the potential impacts upon students, staff and stakeholders;
- the need to consider, in general, the collective aesthetic impact of campus building developments alongside the existing estate and, in particular, to make clear if there is a goal to achieve either homogeneity or diversity in the appearance of buildings;
- the strong support expressed for the proposed development by the Students Association and by the student body more widely. This was evident from the detailed student engagement process undertaken so far, which would continue throughout the design and implementation stages; and
- the challenge in identifying and measuring the tangible benefits and success of the project, notwithstanding the recognition of its criticality to the University's strategic growth.

Following discussion, Court **approved** the recommendation to proceed with *Option 2: Redevelopment of the Colville and former Architecture Buildings*, including a budget allocation of £60M.

5. Q2 Business Report 2016/17

The Chief Financial Officer (CFO) and the Director of Strategy and Policy introduced the Q2 Business Report 2016-17.

Court noted and discussed the level of performance across the range of areas outlined in the Report. Particular areas highlighted included:

- the presentational changes to budget and forecast figures arising from the implementation of new accounting requirements and the resulting increased importance of net cash generation as a measure of financial performance;
- actions taken in the previous quarters, through the Executive Team's 'stage-gating' process, to deliver a positive Q2 operating outturn;
- the continued focus on income generation to deliver targeted surpluses, whilst recognising that increased income generates corresponding increases in expenditure;
- higher than anticipated cash balances due largely to re-profiling of expenditure on fixed assets;
- the University's risk-based approach to the investment of cash reserves, in line with the Court-approved Treasury Management Policy;

- a forecasted shortfall in postgraduate research (PGR) intakes against stretch targets, the factors contributing to this and in-year actions underway to improve the position; and
- continued positive trajectories on widening access entrants, whilst maintaining entry standards.

6. Strategic Plan 2015-2020 – mid-year progress report

The Director of Strategy and Policy presented a mid-year progress report on the key performance indicators contained within the Strategic Plan. Members welcomed the report, noting the positive progress achieved against a range of measures. It was confirmed that circulation of the mid-year progress report was internal to the University.

7. Outcome Agreement 2017-2020

The Director of Strategy and Policy introduced a final draft of the University's new three-year Outcome Agreement for Court's consideration and approval, prior to submission to the SFC. Court was invited, in particular, to consider a number of potential additional measures which were aligned with the SFC's national measures and for which there were no corresponding KPIs within the University's Strategic Plan.

Court discussed the final draft Outcome Agreement and noted the following key points:

- the document should include reference to the University's focus on a Business Improvement approach to delivering improved sustainability, efficiency, and effectiveness; and
- the measures highlighted at the end of the document should fully reflect all measures included within the narrative.

Subject to these minor revisions, Court **approved** the University's new three-year Outcome Agreement for submission to the SFC.

Items for formal approval

8. Convener's Actions

Members **homologated** the following actions undertaken by the Convener of Court since the last meeting on 24 November 2016:

- Appointment of Acting Chief Operating Officer
- Approval of Advanced Forming Research Centre Building Extension Proposals (homologated by Court under Item 4a above)

9. Externally-facilitated Review of Court Effectiveness

Court **noted** and **approved** the intended approach to undertaking an externally facilitated review of effectiveness, including the Terms of Reference for this review. The agreed Steering Group would finalise and agree the arrangements for external facilitation.

10. Proposed amendments to Charter and Statutes

Court **noted** draft minor amendments to the University's Royal Charter and Statutes and **endorsed** the proposed approach. Court also noted the intention to consult with the University Senate on the proposed changes and seek a formal resolution of Court in May, prior to seeking approval from the Privy Council Office.

Items for information

11. Technology & Innovation Centre Update

Court **noted** the progress set out in the paper and the agreement by Court Business Group that future reporting would be 'mainstreamed' and appropriately focused on broad deliverables.

12. Implementation of Review of Alumni Engagement

Court **noted** the paper and welcomed the intended next steps in progressing implementation of the recommendations of the Review of Alumni Engagement, originally approved by Court in February 2013.

The Convener of Court invited members to applaud the Graduates Association for its charitable efforts and for its representatives' engagement with Court over a number of years. Court instructed that the University should now take forward the full implementation of the recommendations of the Review of Alumni Engagement, working with representatives of the Graduates Association, as appropriate.

The Graduates Association representative welcomed the level of clarity offered and noted the intention to now take forward implementation of the recommendations of the Review of Alumni Engagement, including the cessation of the Association's direct representation on the University Court.

In discussion, it was suggested that the University should consider additional opportunities for engagement between Court members, senior officers, and representatives of the University's global alumni groups.

Committee Reports

Court received and **noted** the following committee reports:

13. Senate

Court noted:

- that Senate had been duly consulted on the appointment of David Coyle as 'Chief Financial Officer and Acting Chief Operating Officer';
- the findings and recommendations from a recent Consultation on the Role of Senate which had offered an opportunity for Senate to consider and review its effectiveness; and
- that Senate had welcomed the appointment of Dame Sue Bruce as Convener of Court, from 1 August 2017, and expressed its thanks to the outgoing Convener, Mr Richard Hunter, whose term of office would end on 31 July 2017.

14. Executive Team

15. Court Business Group

16. Court Membership Group

Court **approved** the following recommendations made by the Court Membership Group:

- that Gillian Hastings be appointed as Treasurer with effect from 1 August 2017;
- that University Ordinances be amended to align the protocols applied to the Treasurer's term of office with those of the Convener and Vice-Convener, subject to consultation with Senate; and
- the introduction of an objective that, in future, one third of lay members on Court should be alumni of the University.

Court **noted**:

- that Court Membership Group had approved the launch of an external recruitment exercise to identify suitable lay member candidates. Court members were encouraged to raise awareness of the opportunity more widely.

17. Audit Committee

18. Estates Committee

Court noted the following recommendations from the Estates Committee already **approved** as items of substantive business:

- an investment of £6.2 million to build an extension to the Advanced Forming Research Centre (approved as Item 4a, above);

- the redevelopment of the Colville and Architecture buildings to deliver the Teaching & Learning Project at a cost of £60 million (approved as Item 4c, above)

19. Staff Committee

20. Enterprise & Investment Committee

Court requested that an annual report on the activities of the Enterprise & Investment Committee be provided.

21. Any other business

- Edinburgh School Closures Report: Court noted the recent publication of an independent report into the closure of 17 Edinburgh schools. The University was considering the full range of recommendations to assess their potential relevance to the current estate and identify any potential actions required. Court was assured that a report would be provided to the Executive Team in due course.

Date of next meeting

- Thursday 4 May 2017

DT, March 2017



Financial Statements of University of Strathclyde Students' Association

Please find enclosed the audited accounts for the year ended 31 July 2016. These accounts have been audited by BDO and approved by the USSA board of Trustees on Friday 3rd February 2017.

Our auditors believe that the trustees have fulfilled their responsibilities for the preparation and presentation of the financial statements as set out in the terms of the audit engagement letter, and in particular that the financial statements give a true and fair view of the financial position of the charity as of 31 July 2016 and of the results of its operations and cash flows for the year then ended in accordance with Charities SORP 2015 (FRS 102).

There was no fraud or suspected fraud involving trustees, management or employees in the financial year 2015/16 and there are no omissions from these accounts - they are a true reflection of the Association.

The key areas from the 2015/16 accounts are noted below:

- The Union was thankful to the University for the 3% increase in the block grant for the financial year.
- There was a surplus of £258,499, this was primarily down to the review and restructure and salary savings from senior managers as opposed to improved trading income which was down over 8% on the previous year. The decline in trade has been partially addressed with refurbishments to the Barony Bar and a new coffee shop, Recharge, which benefitted from a £44,000 grant from the University. Given the decline in commercial revenue over the years the Association is now looking at diversifying its income streams and is looking at the following:
 - Promoting job opportunities to our students via a newly established Job Shop for the new academic year
 - Internationalising our Union so that we have a range of services and products that cater to the needs of our increasing international students
 - Enhancing our room hire and conferencing facilities
 - Improving our catering proposition to students to encourage increased footfall and improved sales.
- Income generated from our other commercial activities such as freshers fair, advertising and sponsorship remains consistent at £100,000 and we have grown this over the course of the current financial year.
- Income from the sale of crested merchandise failed to generate the anticipated levels of income and sales fell to around £7,000 for the year. Given the poor sales and the excessive stock that had been purchased the decision was made to write off £28,000 in the year.

- Our overall expenditure has decreased from £2,836,214 in 2015 to £2,567,813 in 2016, this is primarily down to the restructure and cutting costs as a result of the review and a temporary freeze on expenditure during the review period.
- In terms of our cost base, our wage bill is the greatest cost that we have and over the course of the current year we have been looking to cut costs in non-essential services such as catering and cleaning as well as outsourcing elements of our operations such as web development. This work will continue as we develop our new strategic plan (due for launch in September 2017) as our structure will have to accommodate our future plans.
- The Association has a significantly improved cash in hand position at 31 July 2016 (£289,957) compared to the previous year (£73,927). Correspondingly the net assets position is also greatly improved sitting at £226,245 at 31 July 2016 compared to (£32,254) the previous year.
- The Association has a negative reserves position when taking the pension liability into account, however, the trustee board believe that the Association remains a going concern with continued support from the University. The priority for the Association moving forward is replenishing its reserves and exploring options for reducing or mitigating the pension liability if at all possible. As long as the Association can meet the ongoing deficit reduction payment annually, circa £22,000, the Association will pay off the pension liability in approximately 18 years.
- There were no material issues raised by the auditors in their letter to the Association.

Since completion of the 2015/16 accounts the Association has re-established a Finance, Audit and Risk Committee as a sub-committee of the trustee board and this committee has met twice since October to review the audit, update the risk register and review the management accounts. The Committee also recommended to the board that it would be appropriate to put our audit out to tender and this process is currently ongoing with the intention of appointing an auditor for the 2016/17 accounts. This committee has also overseen the budgeting process for 2017/18 and the Association budget will be coming before court for approval in June 2017.

At the time of this report the Association is in the process of recruiting a Finance Manager. The Association believes this will bring added oversight and scrutiny to the daily, weekly and monthly financial processes within the organisation as well as opportunities to build stronger relationships with counterparts at the University.

University of Strathclyde Students' Association

Report and Financial Statements

Year Ended

31 July 2016

Registered Charity Number SCO05914

University of Strathclyde Students' Association

Annual report and financial statements for the year ended 31 July 2016

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University of Strathclyde Students' Association

Board of Trustees and Association Information for the year ended 31 July 2016

2015/16 Executive Committee Trustees from 1 July 2015 to 30 June 2016

Gary Paterson
Nesaraj Jeyaraj
Michael O'Donnell
Ann-Marie Kennerley
Gerry McDonnell
Kyle Henry

(Dismissed 6th June 2016)

Student Trustees

James Fems
Iain Paterson

External Trustees

John Anzani (resigned 7 November 2015)
Janette Young (resigned 7 November 2015)
Graham Leitch (resigned 10 August 2015)
Michael Wilson (resigned 22 June 2016)
Colm Breathnach

2016/17 Executive Committee Trustees from 1 July 2016 to 30 June 2017

Nesaraj Jeyaraj
Liam McCabe
Calvin Hepburn
Simran Kaur
Bohdan Starosta
Gerry McDonnell

Student Trustees

James Fems (Interim)
Iain Paterson (Interim)

External Trustees

Kirsty Garrick (appointed 1 July 2016)
John Wilkes (appointed 1 July 2016)
Les Gaw (appointed 1 July 2016)
Mhairi Maguire (appointed 1 July 2016)
Colm Breathnach

Management Staff

Chief Executive
Interim Chief Executive

Manish Joshi
Antony Blackshaw

(appointed 1 August 2016)
(appointed 1 January 2016 and resigned 31 July 2016)

Auditor

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Bankers

Co-Operative Bank, Edinburgh Service Support Centre, Level 2, Balloon Street, Manchester, M60 4EP
National Westminster Bank, 14 Blythswood Square, Glasgow, G2 4AQ

Principal Address

90 John Street, Glasgow, G1 1JH

On behalf of the Board of Trustees, I have pleasure in submitting the annual report and audited financial statements for the University of Strathclyde Students' Association for the year ended 31 July 2016. The financial statements comply with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP 2015 (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

Structure, Objectives, Governance and Management

The University of Strathclyde Students' Association ("the Association") is constituted under the charters of the University of Strathclyde. The activities of the Association are governed by its Constitution and Schedules. Those elected by ordinary members to the Trustee Board, subject to the Constitution and Schedules of the Association, shall represent the Association in all matters affecting its interest and shall administer the finances of the Association.

The aims, objectives, purpose and values as laid down in Section 3 of the Association's constitution are to achieve the following objectives:

- i Promote and advance citizenship amongst the membership through democratic structures for student representation within the Association, the University, associated organisations and in society in general;
- ii Prevent and relieve poverty and advance health by providing advice and welfare services for members and potential members; and
- iii Advance the arts, culture, education, science, heritage and sport by providing amenities and supporting activities for our members.

These aims and objectives will be achieved through:

- i Representing and promoting the general interests of students of the University;
- ii Representing students in their needs and aspirations;
- iii Supporting students throughout their university life and relieving hardship, poverty or difficulties connected with university life;
- iv Advising, informing and listening to students;
- v Promoting participation in the work and activities of the Association;
- vi Providing social, welfare and recreational facilities and services;
- vii Supporting student development, sports, societies and other co-curricular activities; and
- viii Promoting the awareness of environmental sustainability among our members.

In fulfilling these objectives and purposes, the Association aims to provide:

- i Representation of students within the structures of the University, to ensure the future of course development through active participation by students;
- ii Support for students facing difficulties, whether in academic or personal matters, and to look after students' welfare and relieve hardship or poverty;
- iii Opportunities for students to gain experience in the running of the Association, by participating in its democratic structures and by working for the Association;
- iv Social facilities to enhance the student experience and to be the focus of the student community;
- v Cultural, political and leisure activities (including competitive and non-competitive sport), to enable students to mix out-with the academic environment and gain practical personal development; and
- vi Support for student groups seeking to educate other students in areas of shared common good, such as environmental sustainability.

Responsibility for the long-term strategic direction of the Association, and ensuring legal compliance and financial viability and sustainability in the pursuance of these strategic aims, lies with the Association's Trustee Board, which is comprised of 11 elected students (6 of whom are full-time paid officers who form the Executive Committee) and 5 External Trustees, each with a defined remit.

Association Policy is determined by the ordinary membership via two main routes – Referendum or General Meeting – either of which can be called by any ordinary member who attains a prerequisite amount of support from his or her peers, or via the committee process laid out in the Constitution.

Responsibility for day-to-day matters is delegated to full-time staff under the direction of the Chief Executive, who reports directly to the Trustee Board.

Connected Bodies

The Association has no formal links or associations with other charitable organisations, but works in partnership with other students' unions and the National Union of Students to promote issues important to students and the wider community. The Association maintains close links with the University of Strathclyde. Details of related party transactions are contained in note 19.

Risk Management

The Trustee Board have assessed the major risks to which the Association is exposed, in particular those related to the operations and finances of the Association, and have undergone a review process, assisted by the University of Strathclyde, to be fully satisfied that systems are in place to mitigate our exposure to risk. We are in the process of compiling a risk register and are instigating committees as part of the Trustee Board to provide greater oversight and scrutiny of the Association operations and finances. Our Finance Manual is also being reviewed and updated as part of our ongoing risk controls and we are subject to an Internal Review from the University of Strathclyde each year to assess our finances and risk controls.

Chair of Trustee Board's Commentary on Activities and Achievements

2015-16 proved to be a challenging year for the Association from both a finance and trading perspective as well as from a staffing and senior management point of view as a review of the organisation resulted in a number of departures of senior management and a restructure of the organisation. However, despite these challenges our Executive team were successful in a number of areas, most notably:

Member Involvement

Throughout 2015-16, USSA continued to increase the involvement of student members and volunteers which saw a major increase in all areas. Over 1800 student volunteers have given their time to help others by organising and creating activities and events within Clubs & Societies, Sports, Representation, Support and Community Engagement. The student led groups reached an all-time high of 220 with members in each averaging from 10 to 150 which represents in excess of 12% of full time students at Strathclyde.

Advice & Support

The Advice Hub continued to be the main centre for student support and advice on campus, often taking up slack in areas where the University's provision was being reduced, for example this year the University's Advice Centre has been reimagined as The International Student Support Team and they are no longer doing appeals, personal circumstance information etc. The Advice Hub has also seen an increase in students needing immediate emotional support and is seeing increasing complex casework. The continued coordination of Nightline and the addition of running Scottish Mental Health First Aid training for students has increased workloads along with trying to maintain USSA's 5 Star HBHM Award.

Representative Voice

This year saw a huge increase in election turnout with focus being on the promotion both on and offline. Changes were made to the democratic structures during 2015-16 with a review of the Constitution and increased engagement which ensured representation reflects the needs of the students going forward.

Key Performance Indicators

USSA is currently working through a new strategic process to define our strategic plan and as part of this process we will be establishing a revised set of key performance indicators. However, in this year we were able to exceed our expectations in a number of areas, namely:

- 17.85% increase in voter turnout for student elections for 2015/16 compared to the previous year.
- 23% increase in the number of class reps registered in 2015/16 up to 687 from 559 in 2014/15.
- The number of new clubs affiliated increased by over 30% from 45 in 2014/15 to 59 in 2015/16. The total number of affiliated clubs increased by over 18% from 139 in 2014/15 to 165 in 2015/16.
- 4 new sports affiliated in 15/16 – Target Shooting, Table Tennis, Orienteering & Handball – taking our total sports clubs to 53 and a corresponding 5.4% increase in memberships for the Sports Union.
- Competitively, USSA broke the 1,000 point barriers on BUCS for the first time, finishing 34th in the UK-wide table and finished 6th overall in Scotland.
- The Student Union NSS score stood at 73 which places us ahead of the average score of 68 for the sector.

Report of the Trustees for the year ended 31 July 2016

Financial Performance

2015-16, as noted, was a challenging year for the Association in various key areas, however, the restructure and a significant period without costs for a number of senior managers has resulted in surplus of £258,499 being recorded, this will go some way to replenishing reserves as well as funding reinvestment in the building.

The Association's main source of funding, the Block Grant received from the University based on a fixed percentage of the teaching grant paid to the University by the Scottish Funding Council, rose in 2015-16 by 3.0% to £1.491m.

Trading income within the Association has decreased as a result of under utilised venues that are no longer meeting the needs of our students. Total commercial revenues decreased by 8.1%. Gross Bars income rose by 14.7% however, this was not sufficient to make up for the significant reduction in catering income across all food outlets. Gaming income rose by 3.1%.

Income generated by the Communications team (room hire, advertising & media sales and Freshers Week related promotions) remained consistent at £100k (2015: £100k).

The income stream of Crested Merchandise sales failed to generate the anticipated levels of income, and sales reduced to £7.1k (£10.6k) in the year. Following poor sales a decision was made to write off £28k of Crested Merchandise stock in the year and not focus on this as an area of income generation.

The main outgoing for the Association continued to be that of staff costs, which accounted for £1.354m (2015: £1.295m). There were one off termination payments made in the year of £125k. Payroll costs excluding termination payments decreased by £65k.

Total non-trading costs decreased by 6.6% to £1.165m (2015: £1.247m). The primary contributor to this decrease was the reduction in the senior management and associated costs.

Going concern

The accounts have been prepared on a going concern basis. Cash reserves have been substantially improved from the prior year and there has been a strengthening of the balance sheet. The going concern basis is appropriate with the support of continued funding from the University of Strathclyde, which has been agreed at least until July 2018. The Trustees have prepared budgetary information for the following year from approval of these financial statements. On the basis of this information the Trustees believe that the organisation remains in a position to continue operating and to meet all liabilities as they fall due.

Reserves policy

The Association has a range of restricted and unrestricted reserves. The restricted reserves relate to funds awarded to the Association to be applied for the specific purposes as set out in Note 17 to the financial statements. The unrestricted reserves less tangible assets represent the free reserves of the Association.

The Trustee Board passed a Reserves Policy in 2010-11 which requires the Association to maintain a minimum reserves position of no less than 25% of operational costs at any point, representing three months' unrestricted expenditure, in order to cover fluctuations in funding and costs.

The target free reserves at current unrestricted spend levels are £592,000. The free reserves (defined as unrestricted funds less fixed assets) at 31 July 2016 were negative £155,396 (2015: negative £481,998) which is below the target reserves level however an improvement of £326,602 on the prior year. The free reserves are negative as a result of the pension deficit recovery plan of £363,908 (2015: £384,364) being brought onto the balance sheet. The free reserves excluding the pension reserve were £208,512 (2015: negative £97,364).

Risk management

The Association continues to monitor risk and undertakes actions to mitigate identified risks wherever possible within the constraints of its resources. In the past year the Association identified that failure to attract students into its building to utilise the facilities, in particular the commercial venues, was a risk and approval was sought from the board to make capital available for spending in the financial year 2015/16 in order to improve two of the venues, the Barony Bar and the Scene.

As well as the desire to drive footfall the Association has also recognised the need to diversify commercial income and is investigating alternatives to supplement the existing commercial ventures the Association has.

As outlined previously servicing the pension liability remains an ongoing risk and the Trustees are aware of the obligation as part of the SUSS scheme and the annual payments that are made towards the deficit reduction.

List of Charities receiving funds raised by the Association's Raising And Giving (RAG) Committee

The following charities were approved by USSA's RAG Committee to receive charitable funds during 2015-16, under Part II, Section 22, Paragraph 2.k.ii of the Education Act 1994:

Maryhill Food Bank
Islamic Relief
UNICEF
The Trussell Trust
St Andrews Hospice
Glasgow Children's Hospital

www.greatermahillfoodbank.co.uk
www.islamic-relief.org.uk/
www.unicef.org.uk
www.trusselltrust.org
www.st-andrews-hospice.com/
www.glasgowchildrenshospitalcharity.org/

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditor

BDO LLP have indicated their willingness to continue in office. A resolution proposing their reappointment was put to the Trustee Board at the February 2017 Board meeting where it was decided that the audit should go out to tender.

On behalf of the Trustee Board



Nagesh Jayaraj

USSA President and Chair of Trustee Board 2016-17
3 February 2017

Independent auditor's report to the trustees of University of Strathclyde Students' Association

We have audited the financial statements of University of Strathclyde Students' Association for the year ended 31 July 2016 which comprise the Statement of Financial Activities, the Income & Expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of audit of financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

BDO LLP
Statutory Auditor
Glasgow
United Kingdom

14 MARCH 2017

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

University of Strathclyde Students' Association

Statement of Financial Activities (Incorporating income and expenditure account) for the year ended 31 July 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Grants	4	1,508,814	221,726	1,730,540	1,666,389
Other trading activities:					
Commercial and other services	5	878,487	-	878,487	956,381
Association general and marketing		85,094	7,525	92,619	88,461
Investments	6	496	-	496	362
Charitable activities:					
Membership and welfare services		5,058	-	5,058	32,326
Sports Union and Clubs		119,112	-	119,112	93,379
Total income		2,597,061	229,251	2,826,312	2,837,298
Expenditure on:					
Raising funds:					
Commercial trading costs		(904,998)	-	(904,998)	(996,067)
Costs of generating other income		(474,119)	-	(474,119)	(593,095)
Charitable activities:					
Membership and welfare services		(579,634)	(7,525)	(587,159)	(779,026)
Executive		(171,372)	(147,208)	(318,580)	(143,725)
Sports Union and Clubs		(237,058)	(45,899)	(282,957)	(324,301)
Total expenditure	7	(2,387,181)	(200,632)	(2,587,813)	(2,836,214)
Net income		229,880	28,619	258,499	1,084
Reconciliation of funds					
Fund balance brought forward at 1 August 2015		(140,203)	107,949	(32,254)	(33,338)
Fund balance carried forward at 31 July 2016	17	89,877	136,568	226,445	(32,254)

The Statement of Financial Activities includes all recognised gains and losses in both the current and prior year.

All income and expenditure derive from continuing activities in both years.

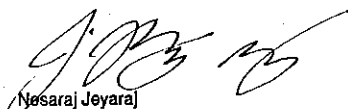
The notes on pages 10 to 21 form part of these financial statements.

University of Strathclyde Students' Association

Balance sheet as at 31 July 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	11		245,073		341,795
Current assets					
Stock	12	29,440		73,444	
Debtors	13	284,669		133,549	
Cash at bank and in hand		289,957		73,927	
		<u>604,066</u>		<u>280,920</u>	
Creditors: amounts falling due within one year	14	<u>(282,170)</u>		<u>(292,685)</u>	
Net current assets			321,896		(11,765)
Creditors: amounts falling due after more than one year	16		<u>(340,724)</u>		<u>(362,284)</u>
Net assets / (liabilities)			<u>226,245</u>		<u>(32,254)</u>
Funds					
Unrestricted funds:					
General		453,585		244,161	
Pension		(363,908)		(384,364)	
	17	<u>89,677</u>		<u>(140,203)</u>	
Restricted funds	17		136,568		107,949
Total funds	18		<u>226,245</u>		<u>(32,254)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 3 February 2017.



Nasaraj Jeyara
USSA President and Chair of Trustee Board 2016-17

The notes on pages 10 to 21 form part of these financial statements.

University of Strathclyde Students' Association

Statement of Cash Flows for the year ended 31 July 2016

	2016 £	2015 £
Cash flows from operating activities		
Net income per Statement of Financial Activities	258,499	1,084
Interest receivable	(496)	(362)
Depreciation	107,295	144,790
Decrease / (increase) in stock	44,004	(27,430)
(Increase)/decrease in debtors	(151,120)	29,729
Increase/ (decrease) in creditors	(32,075)	(69,230)
Loss on disposal of tangible fixed assets	-	53
	<u>226,107</u>	<u>78,634</u>
Net cash provided by operations		
Cash flow from investing activities		
Payment for tangible fixed assets	(10,573)	(18,557)
Receipts from disposal of tangible fixed assets	-	1,525
Interest received	496	362
	<u>(10,077)</u>	<u>(16,670)</u>
Net cash (used in) Investing activities		
Increase in cash and cash equivalents in the year	216,030	61,964
Cash and cash equivalents at the beginning of the year	73,927	11,963
	<u>289,957</u>	<u>73,927</u>
Total cash and cash equivalents at the end of the year		

The notes on pages 10 to 21 form part of these financial statements.

1 General Information

University of Strathclyde Students' Association is an unincorporated charity registered in Scotland. The address of the registered office is given on the information on page 1 and the nature of the charity's operations and its principal activities are set out in the Report of the Trustees.

2 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charities SORP (FRS 102).

These financial statements are the first financial statements prepared under FRS 102 and information on the impact of first-time adoption of FRS 102 is given in note 21.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgements in applying the charity's accounting policies. Details of these have been provided at note 3.

University of Strathclyde Students' Association meets the definition of a public benefit entity under FRS 102.

The following principal accounting policies have been applied:

Going concern

The accounts have been prepared on a going concern basis. Cash reserves have been substantially improved from the position last reported and there has been a strengthening of the balance sheet. The going concern basis is appropriate with the support of continued funding from the University of Strathclyde, which has been agreed at least until July 2018. The Trustees have prepared budgetary information for the following year from approval of these financial statements. On the basis of this information the Trustees believe that the organisation remains in a position to continue operating and to meet all liabilities as they fall due.

Income

Commercial trading activities

Income from commercial trading and other fundraising activities is included in the period in which the goods or services are supplied.

Grants

Grant income consists of core funding received from the University of Strathclyde and other similar awards. It is included in income when it can be measured reliably and it is probable the Association is entitled to receipt.

Investment income

Investment income, including bank interest is included when receivable, and is stated gross of taxation recoverable.

Other income

Other income, which also includes grants and donations in relation to the clubs and societies of the Association, is recognised in the period in which the Association is entitled to receipt.

Donated services and facilities are included in the value to the charity where this can be quantified. The value of services provided by volunteers have not been included in these accounts.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis.

Expenditure directly attributable to specific activities is allocated to those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Governance costs are attributable to compliance with the Association's constitutional and statutory requirements.

Tangible fixed assets

All expenditure of a capital nature is capitalised under one of the categories below, with the exception of assets purchased by the Sports Union which are written off in the year of acquisition.

Tangible fixed assets are stated at cost less accumulated depreciation, with depreciation calculated over the assets' estimated useful lives as follows:

Equipment	- 33% straight line
Furniture & fittings	- 33% straight line
Building improvements	- between 12.5% and 25% straight line

Depreciation is charged from the month of acquisition with the exception of capital work in progress, which is not depreciated until the asset comes into use.

2 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements which give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Depreciation on assets acquired under finance leases is charged to the Income and expenditure account to write the assets off over their expected useful lives.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the statement of financial activities using the straight line method.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The Association participates in a range of defined benefit schemes which are externally funded and contracted out of the State Second Pension. These schemes operate as pooled arrangements, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Association. Under the terms of FRS 102, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year. These schemes are the Universities Superannuation Scheme (USS) Pension Scheme and Local Government Pension Scheme (LGPS). These contributions are recognised as an expense in the year. The liability of the scheme is with the University of Strathclyde therefore no pension recovery plan or liability has been recognised on the balance sheet of the charity.

For the SUSS scheme where there is a deficit recovery plan in place, the charity accounts for amounts that it has agreed to pay towards the scheme deficit in accordance with paragraph 28.11A of FRS102. The present value of this liability has been recognised on the balance sheet.

Taxation

No provision is made in these accounts for corporation tax, as the Association is exempt from such taxes as its activities are recognised as charitable.

Funds

Unrestricted funds comprise grants and other income received or generated for general charitable purposes. They are available for use at the discretion of the Executive Committee in furtherance of the charity's charitable objectives.

The Association general fund represents the free reserves of the charity, which are not designated for particular purposes.

The Association has two restricted funds relating to the Sports Union and Clubs & Societies. These funds comprise of specific grants, awards, membership fees and event income received by the Association for the purposes of undertaking these activities, net of direct costs and an appropriate share of the Association's central support costs.

Designated Funds relate to funding granted to specific student groups/activity by the University's Alumni Fund. This Fund is allocated via an application process, and funds must be utilised within a specific time-frame.

Further information in respect of funds of the Association is given in note 17.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Stock is held at the lower of cost and net realisable value. The net realisable value of stock is determined via review of current market prices, demand for the products and sales history. An adjustment is made to provide for stock held in excess of net realisable value.

- Determining whether any bad debt provision is required by reviewing trade debtors, with debts provided on a specific basis. Factors considered include customer payment history and agreed credit terms.

- The critical assumptions underlying the pension liability recorded on the balance sheet including discount rates. This is as disclosed in note 10 to these financial statements.

University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2016

4 Grant Income

	Unrestricted £	Restricted £	2016 £	2015 £
University of Strathclyde grant	1,491,000	-	1,491,000	1,448,000
Restructuring grant	-	147,208	147,208	-
Alumni funding	7,525	74,518	82,043	182,639
Other grants	10,289	-	10,289	35,750
	<u>1,508,814</u>	<u>221,726</u>	<u>1,730,540</u>	<u>1,666,389</u>

Included in the £74k Alumni funding figure above is £51k received pre year end for 2016/17 (2015 - £65k).

Grant income in 2015 consisted of unrestricted income of £1,508,273 and restricted income of £160,116.

5 Other trading activities

	Unrestricted £	Restricted £	2016 £	2015 £
Commercial and other services				
Bar	579,173	-	579,173	505,051
Food	159,543	-	159,543	282,528
Games	48,434	-	48,434	46,983
Entertainment	20,755	-	20,755	27,151
Other	63,498	-	63,498	84,072
Crested Goods	7,084	-	7,084	10,596
	<u>878,487</u>	<u>-</u>	<u>878,487</u>	<u>956,381</u>
Association and general marketing	<u>85,094</u>	<u>7,525</u>	<u>92,619</u>	<u>88,461</u>

Income from commercial and other services in 2015 consisted of £956,381 of unrestricted income and £Nil of restricted income. Income from association and general marketing in 2015 consisted of £78,436 of unrestricted income and £10,025 of restricted income.

6 Investment Income

	Unrestricted £	Restricted £	2016 £	2015 £
Bank interest received	496	-	496	362
	<u>496</u>	<u>-</u>	<u>496</u>	<u>362</u>

All income from investment in 2015 was unrestricted income.

All income from charitable activities in 2015 was unrestricted income.

University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2016

7 Expenditure

Basis of allocation	2016						2015			
	Commercial trading	Association general	Executive	Communications	Membership & welfare services	Sports Union	Clubs	Governance costs	Total	Total
	£	£	£	£	£	£	£	£	£	£
Costs directly allocated to activities										
Cost of sales	300,722	-	-	-	-	6,615	-	-	307,337	304,078
Staff related costs	330,488	61,858	271,454	107,027	345,191	671	-	-	1,116,689	1,104,756
General admin & building costs	51,091	119,647	35,552	14,340	9,184	29,782	271	-	259,867	272,435
Student related costs	7,090	1,624	2,848	20,879	47,397	185,110	60,122	-	325,070	415,373
Commercial & society related	88,239	1,270	126	16,840	7,943	386	-	-	114,804	148,195
	777,630	184,399	309,980	159,086	409,715	222,564	60,393	-	2,123,767	2,244,837
Support costs allocated to activities										
Central Services	127,366	43,545	-	87,089	177,444	-	-	8,600	444,046	591,377
	904,998	227,944	309,980	246,175	587,159	222,564	60,393	8,600	2,567,813	2,836,214

Support costs are based on management's best estimate of how central resources are utilised within the Association.

Expenditure in 2015 consisted of £2,741,323 of unrestricted funds and £94,891 of restricted funds.

University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2016

8 Net Income	2016 £	2015 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	107,295	144,790
Auditor's remuneration - audit services	8,600	8,350
- non-audit	800	-
	<u>116,700</u>	<u>153,140</u>
9 Employees	2016 £	2015 £
Wages and salaries	1,073,603	1,127,435
Social security costs	62,337	64,780
Pension costs	92,670	102,697
Restructuring termination payments	125,608	-
	<u>1,354,218</u>	<u>1,294,912</u>
Average number of employees during year	<u>74</u>	<u>75</u>

Two members of staff earned emoluments over £60,000 in the current year. These included termination payments of £35,289 and £23,360. One member of staff earned emoluments over £60,000 in the previous year.

Certain trustees serve as full time sabbatical members of the Executive Committee and, as permitted by the Association's constitution, these individuals are remunerated for their roles. Amounts paid to Trustees in respect of services to the Association totalled £123,520 (2015: £102,505) during the year and are analysed as follows:

Position	2015/16 member	£	Position	2016/17 member	£
President	Gary Paterson	18,308	President	Nesaraj Jeyaraj	1,683
VP			VP Volunteering & Development	Liam McCabe	1,754
Volunteering & VP Sports & Wellbeing	Kyle Henry	18,308	VP Sports & Wellbeing	Calvin Hepburn	2,759
VP Education	Ann-Marie Kennerley	18,308	VP Education	Simran Kaur	2,342
	Michael O'Donnell	18,308			
VP Diversity	Nesaraj Jeyaraj	19,000	VP Diversity	Bohdan Starosta	2,759
VP Support	Gerry McDonnell	18,308	VP Support	Gerry McDonnell	1,683

The aggregate amount of expenses reimbursed to the 6 (2015 - 6) trustees during the year was £21,581 (2015: £10,874). These amounts related mainly to travel and subsistence costs.

10 Pension Contributions

Students' Union Superannuation Scheme (SUSS)

For a number of years, USSA participated in the Students' Union Superannuation Scheme (SUSS), which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £73,849,000.

The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2013 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the on-going funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the on-going administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on USSA's future contribution commitment. In addition to the above contributions, USSA also pays its share of the Scheme's levy to the Pension Protection Fund.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of scheme liabilities.

Where the scheme is in deficit and whether the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of opening and closing provisions

	2016	2015
	£	£
Provision at the start of the period	384,364	404,390
Unwinding of the discount factor	1,624	998
Deficit contribution paid	(22,080)	(21,024)
	<hr/>	<hr/>
Provision at the end of the period	363,908	384,364
	<hr/>	<hr/>
Due in less than one year (note 14)	23,184	22,080
Due in more than one year (note 16)	340,724	362,284
	<hr/>	<hr/>
	363,908	384,364
	<hr/>	<hr/>
Impact on the Statement of Financial Activities		
Interest expense	1,624	998
	<hr/>	<hr/>
Assumptions		
Rate of discount	3.2%	3.2%
	<hr/>	<hr/>

11 Tangible Fixed Assets

	Equipment £	Building Improvements £	Furniture & Fittings £	Total £
<i>Cost</i>				
At 1 August 2015	510,455	1,547,302	523,044	2,580,801
Additions	8,122		2,451	10,573
At 31 July 2016	518,577	1,547,302	525,495	2,591,374
<i>Depreciation</i>				
At 1 August 2015	500,148	1,449,129	289,729	2,239,006
Provided for the year	9,253	53,249	44,793	107,295
At 31 July 2016	509,401	1,502,378	334,522	2,346,301
<i>Net book value</i>				
At 31 July 2016	9,176	44,924	190,973	245,073
At 31 July 2015	10,307	98,173	233,315	341,795

12 Stocks

	2016 £	2015 £
Bar	17,670	31,102
Catering	1,850	2,875
Merchandise	9,920	39,467
	29,440	73,444

The cost of stock recognised as an expense during the year was £307,337 (2015: £304,780). This includes £28,000 (2015: £Nil) in respect of write down of stock to net realisable value.

13 Debtors

	2016 £	2015 £
Trade debtors	38,065	36,527
University of Strathclyde debtor	133,675	
Other debtors and prepayments	112,929	97,022
	284,669	133,549

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	46,892	65,642
Club savings	92,537	79,433
University of Strathclyde	-	8,093
Taxation and social security	13,892	21,483
Accruals and deferred income	60,064	63,203
Other creditors	45,601	32,751
Pension deficit funding creditor	23,184	22,080
	<u>282,170</u>	<u>292,685</u>

	2016 £	2015 £
Deferred Income		
At 1 August 2015	21,296	25,426
Released during the year	(21,296)	(25,426)
Deferred during the year	31,624	21,296
	<u>31,624</u>	<u>21,296</u>
At 31 July 2016		

The balance of deferred income as at 31 July 2016 relates to sponsorship and rental income received in advance. These funds will be released to the statement of financial activities in the year to 31 July 2017.

15 Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	470,294	121,853
	<u>470,294</u>	<u>121,853</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(577,378)	(612,190)
	<u>(577,378)</u>	<u>(612,190)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by University of Strathclyde, other debtors and accrued income.

Financial liabilities comprise trade creditors, club savings, amounts owed to University of Strathclyde, accruals, other creditors and pension liability.

16 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Pension deficit funding creditor	340,724	362,284

17 Funds

	Balance at 1 August 2015 £	Net Income £	Transfers £	Balance at 31 July 2016 £
Unrestricted Funds				
Association General Fund	139,940	215,822	(20,456)	335,306
Pension Fund	(384,364)	-	20,456	(363,908)
<i>Designated funds:</i>				
Strathclyde Music	817	-	-	817
Sports Union	63,971	7,572	-	71,543
Clubs & Societies	39,433	6,466	-	45,919
	<u>(140,203)</u>	<u>229,880</u>	<u>-</u>	<u>89,877</u>
Restricted funds				
	Balance at 1 August 2015 £	Net Income £	Transfers £	Balance at 31 July 2016 £
Sports Union	59,578	14,047	-	73,625
Clubs & Societies	38,347	14,572	-	52,919
Other	10,024	-	-	10,024
	<u>107,949</u>	<u>28,619</u>	<u>-</u>	<u>136,568</u>

In the year to 31 July 2016 total unrestricted income of £2,744,269 and restricted income of £82,043 was received. Unrestricted expenditure of £2,514,389 and restricted expenditure of £53,424 was incurred. This resulted in net unrestricted income of £229,880 and net restricted income of £28,619.

Unrestricted funds represent the free reserves of the Association. These are available for use at the discretion of the Executive Committee in furtherance of the Association's charitable objectives.

The Executive Committee has elected to establish three designated funds within unrestricted reserves. These funds are effectively ring fenced amounts intended to support musical activities within the University and also the activities of the Sports Union and the Association's Clubs and Societies. The amounts designated for these purposes will be reviewed annually by the Executive Committee.

The Association also has two restricted funds relating to the Sports Union and Clubs & Societies. These funds comprise of specific grants, awards and membership fees received by the Association for the purposes of undertaking these activities, net of direct costs and an appropriate share of the Association's central support costs.

Other restricted funds relate to activities and volunteering and communications.

All spend from both unrestricted and restricted funds in respect of clubs & societies is made at the discretion of the Executive Committee based on applications from the clubs and societies.

The pension funds represents the pension repayments due based on the existing repayment plan and duration in place in respect of organisations pension deficit.

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
As at 31 July 2016			
Fixed assets	245,073	-	245,073
Current assets	467,498	136,568	604,066
Current liabilities	(282,170)	-	(282,170)
Non-current liabilities	(340,724)	-	(340,724)
	<u>89,677</u>	<u>136,568</u>	<u>226,245</u>
As at 31 July 2015			
Fixed assets	341,795	-	341,795
Current assets	172,971	107,949	280,920
Current liabilities	(292,685)	-	(292,685)
Non-current liabilities	(362,284)	-	(362,284)
	<u>(140,203)</u>	<u>107,949</u>	<u>(32,254)</u>

19 Related party disclosures

Controlling parties

The Association is controlled by the Executive Committee which is subject to democratic election by the voting membership of the Association. The ultimate control of the Association is vested under the constitution in the membership in General meeting. As such, no single person or entity controls the Association as defined by FRS 102.

Related party transactions and balances

The University of Strathclyde is considered to be a related party as the Association is chartered under the charter of Strathclyde University. The Association is in receipt of a recurrent grant from Strathclyde University of £1,491,000 (2015: £1,448,000). The Association also received an award totalling £82,043 (2015: £182,639) from the Alumni Board and an award totalling £147,208 (2015: £Nil) for restructuring costs.

Other sales of £16,276 (2015: £24,061) were made to the University of Strathclyde and purchases of £84,941 (2015: £147,329) were made from the University of Strathclyde.

As at 31 July 2016, a balance of £133,675 (2015: £8,093 owing to) was owing by the University of Strathclyde. This is included in note 13.

In addition the Association occupies a building owned by the University of Strathclyde on a rent free basis.

The trustees of the Association include the members of the Executive Committee. The sabbatical members of the Executive Committee receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £123,520 (2015: £102,505). Full analysis is given in Note 9.

Key management personnel

Key management personnel include the Chief Executive and the Trustees who have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to the management team for services provided to the charity was £313,230 (2015: £244,856).

20 Capital commitments

As at 31 July 2016 the charity had the following capital commitments:

	2016 £	2015 £
Contracted for but not provided for in these financial statements	<u>114,000</u>	-

21 First time adoption of FRS 102

	As previously stated 2014	FRS 102 Adjustment	As restated 2014	As previously stated 2015	FRS 102 Adjustment	As restated 2015
Statement of Financial Activities						
Income	2,614,757	-	2,614,757	2,837,298	-	2,837,298
Expenditure	(2,774,592)	-	(2,774,592)	(2,856,240)	21,024	(2,835,216)
Recognition of present value of deficit funding	-	(404,390)	(404,390)	-	(998)	(998)
Net Income/(expenditure)	(159,835)	(404,390)	(564,225)	(18,942)	20,026	1,084
Balance brought forward	530,887	-	530,887	371,052	(404,390)	(33,338)
Balance carried forward	371,052	(404,390)	(33,338)	352,110	(384,364)	(32,254)
Balance Sheet						
Fixed assets	469,606	-	469,606	341,795	-	341,795
Current assets	238,282	-	238,282	280,920	-	280,920
Creditors	(336,836)	(404,390)	(741,226)	(270,605)	(384,364)	(654,969)
Net assets	371,052	(404,390)	(33,338)	352,110	(384,364)	(32,254)
Total funds	371,052	(404,390)	(33,338)	352,110	(384,364)	(32,254)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP 2015 (FRS 102) the restatement of comparative items was required. At the date of transition in applying the requirement to recognise liabilities arising from deficit funding of multi-employer defined benefit schemes, a liability was recognised for the present value of the payments required under such funding. The initial liability recognised at the date of transition was for the liability arising from this deficit funding at 1 August 2014 with subsequent movements arising recognised in the year they arose. The initial liability was for £404,390.

The pages which follow do not form
part of the audited financial statements

University of Strathclyde Students' Association

Appendices to the financial statements for the year ended 31 July 2016

Appendix 1 - Analysis of Income & Expenditure by activity

	Total Income £	Cost of sales £	Staff related costs £	General admin & building costs £	Student related costs £	Commercial & society related costs £	Total expenditure £	Net income / (expenditure) 2016 £	Net income / (expenditure) 2015 £
Commercial Services	878,487	300,722	330,488	51,091	7,090	88,239	777,630	100,857	130,850
Association General	1,362,259	-	61,858	119,647	1,624	1,270	184,399	1,177,860	1,112,490
Communications	100,896	-	107,027	14,340	20,879	16,840	159,086	(58,190)	(99,829)
Executive	147,208	-	271,454	35,552	2,848	126	309,980	(162,772)	(135,375)
Activities & Volunteering	4,485	-	176,660	3,237	5,475	6,738	192,110	(187,625)	(195,101)
Ask	-	-	110,542	2,561	4,930	437	118,470	(118,470)	(101,946)
Representation	7,343	-	57,989	3,386	36,992	768	99,135	(91,792)	(180,184)
Strathclyde Music	-	-	-	-	-	-	-	-	-
Sports Union	244,183	6,615	671	29,782	185,110	386	222,564	21,619	39,152
Clubs and societies	81,451	-	-	271	60,122	-	60,393	21,058	22,404
Central Services	2,826,312	307,337	1,116,689	259,867	325,070	114,804	2,123,767	702,545	592,461
	-	-	156,866	272,102	-	15,078	444,046	(444,046)	(591,377)
Total	2,826,312	307,337	1,273,555	531,969	325,070	129,882	2,567,813	258,499	1,084

**Corporate Risk Register
[RESERVED ITEM]**

**Revisions to Charter and Statutes
[RESERVED ITEM]**

**Appointment of Chief Operating Officer and University Secretary
[RESERVED ITEM]**

Report to Court from Senate

Senate met on 29 March 2017.

The following items were discussed or approved by Senate and are provided here to Court **for noting**:

1. Faculty of Science: Developing and sustaining work-based research collaborations

As part of Senate's focus on Faculty activity and successes, Deputy Associate Principal (Research & Knowledge Exchange) Professor Billy Kerr provided a presentation to Senate on a highly successful transferrable programme for work-based collaborative research degrees in the Faculty of Science in partnership with GlaxoSmith Kline (GSK). The benefits of the partnership to the institution, the partner and to employees were outlined. Senate noted that the programme had expanded with the number of new PhD studentships having grown, as well as the number of collaborative researchers. Senate reflected on how the model for this successful partnership programme could be used and transferred to other Faculties and Departments, and was encouraged to look at initiatives to establish further similar models which would be warmly supported. Senate noted that the University's successful partnership with GSK had been extended significantly.

2. Update on Strategic Research Themes

Professor Tim Bedford Associate Deputy Principal Research & Knowledge Exchange updated Senate on developments in the University's strategic research themes. The new themes included: promotion of cross-disciplinary collaboration; providing a focus for developing further strategic partnerships; openness and flexibility towards new "bottom up" initiatives from within the University. Senators were invited to reflect on the impact of the themes in their specific areas of work. Theme activities, which encouraged building strong cross linkage and engagement with strategic international partner, were ongoing and sub-themes would evolve and develop each year. The importance was stressed of ensuring that internal strategies are informed by thematic opportunities as part of the strategic planning cycle. Staff and student engagement was a vital part of the activity around the themes, which offered a range of opportunities to students.

3. Learning and Teaching Building: Update to Senate

An update was provided by Associate Principal Professor Sara Carter on developments around the University's new Learning & Teaching Building. The £60M investment, following approval by Court, was now moving to the next stage of development. The strategic benefits of the new building, as well as the benefits to students and to learning and teaching were defined. The new building offered a wealth of opportunities for the University's future teaching and learning provision, and would strengthen support mechanisms for an increasingly diverse student population. The timescales of the next phases of development were outlined. Senate members warmly welcomed the development, noting that this was a flagship project which would bring huge benefits to the University population.

4. Finance Update: Budget and Q2 Business Report

The Chief Financial Officer (CFO) introduced the Budget and Q2 Business Report 2016-17. The following summarised points of note are highlighted:

- The impact of the introduction of the new financial reporting standard on the 2016/17 budget and Q2 forecast figures.
- The Q2 forecast figures for 2016/17 are largely on target with the budget figures set in June 2016.
- The application and effect of accelerated budget timescales, and the recognition of the need to build residual capacity.
- The impact of the new Learning and Teaching Building, the University's single biggest investment, on the budget and consequent need to generate income for this expenditure.
- The 2017/18 draft budget noted a variance of **[RESERVED]** in tuition fee income and of **[RESERVED]** in research income, with SFC income on line, as compared with the current 2017/18 Four Year Forecast figure.
- University income trends (2006-2019) indicate a declining share of income from SFC grants.

Next steps for budget forecasting included: detailed analysis and profiling of all income and expenditure projections; identification of additional income options to achieve target outturn; identification of expenditure reductions; re-profiling of expenditure to achieve target outturn.

Senate members expressed confidence in the University's good financial position, acknowledging the work undertaken to achieve this and recognising that the institution's growth is based on its strong financial performance relative to its excellent academic outcomes.

5. The Principal included the following points in his update to Senate:

- The Principal had hosted the First Minister's visit to the Advanced Forming Research Centre (AFRC).
- Senate noted Court's approval the £60 million Teaching and Learning Building, in addition to the significant investment in the estate, as part of the campus transformation. With the extensive work taking place on the campus in the coming years, Estates Services were developing a Decant Strategy to ensure sufficient teaching estate at all times. An Impact Minimisation Strategy would also be developed to ensure disruption would be kept to a minimum, particularly at key times.
- The University had held its first Recruitment and International Forum. The event was well-attended by colleagues across the University, and will become an annual event.
- Underlining the University's commitment to attracting and retaining global talent, following an unprecedented number of high-calibre applications, 21 individuals have been selected for offers of Chancellor's Fellowships
- Professor Iain Hunter has been appointed co-chair of a national group to shape the Scottish Government's Science, Technology, Engineering and Maths (STEM) education strategy.
- Professor David Hillier, Executive Dean of Strathclyde Business School has been named Public Sector Director of the Year at the Institute of Director awards.

- The University's successful partnership with GlaxoSmith Kline (GSK) has been extended significantly in an agreement worth more than **[RESERVED]**.
- The University of Strathclyde has been announced as a partner in the newly-launched Centre for Work-based Learning.

6. The following item was discussed by Senate and is **recommended to Court** for approval:

Senate approved the proposed amendments to the Membership of Senate and recommended these amendments to Court for formal approval. The amendments included: amendment of the titles of officers serving ex officio on Senate to accurately reflect recent changes; amendment of senior officer titles and roles to reflect and support operational changes to the role of the Chief Operating Officer; removal of a current requirement in the Statutes to include a representative of the Graduates Association amongst the membership of Court. Senate noted the intention to bring forward more substantial draft revisions to governing instruments in compliance with the Higher Education Governance (Scotland) Act 2016.

Executive Team Report to Court

The Executive Team met on 28 February and 14 & 28 March 2017.

The following key items were discussed by the Executive Team and are provided here for **Court to note**:

1. Health and Safety

Under the 'Safety Moment' held at the opening of each Executive Team meeting, the Team took the opportunity to share reflections and experiences in regard to health and safety issues, led by the Chief Financial Officer and Acting Operating Officer. Key items included:

- a safety KPI dashboard, for information, including reportable incidents during 2016, which had reduced in comparison to the previous year;
- a recent incident in the Royal College Building which was being investigated to identify the cause and any subsequent remedial actions;
- a recent incident involving external contractors and a potential chemical exposure which had been reported to the Health & Safety Executive; and
- issues considered in response to recent fire evacuation drills, including lessons learned.

2. PGR Recruitment

The Team agreed proposed measures which were intended to be implemented immediately to improve the in-year postgraduate research (PGR) recruitment position, focused on timely processing, and progressing offers ahead of confirming details of supervisors, funding and specific research topic..

3. Combined Heat & Power (CHP) Project Update

The Team received an update on the CHP Project and, in particular, the practicalities of implementation, the likely challenges this would present, and the plans in place to mitigate potential impacts and communicate key issues to staff, students, and stakeholders. The Team discussed:

- the need to engage and communicate imminently and directly with the student body. Multiple routes of communication should be considered, including use of the Strathclyde App;
- the importance of raising awareness amongst all stakeholders in advance of works commencing;
- the importance of considering the collective impact of all on-going and planned major capital developments. The Team asked that an appropriate "decant and impact minimisation strategy" be produced for consideration, in the first instance, by the Estates Committee. This should also highlight the positive aspects of the University's aggregate capital investment activity; and

4. Research Excellence Framework consultation – draft response

The Team considered a draft institutional response to the Funding Councils' joint consultation on the next Research Excellence Framework (REF) exercise. In discussing the longer term implications of a new REF exercise, the Team noted the importance of ensuring a continued priority focus on research quality and intensity and communicating this clearly to academic staff.

5. Outline 2017/18 Budget

The Team received regular updates on the development of the outline 2017/18 Budget position. It was noted that this was the first time that the budget-setting exercise had commenced at such an early stage in the year. Some degree of certainty was possible due to the SFC's indicative funding allocations announced in early February, the setting of University recruitment targets, and future salary cost projections.

The Team welcomed the close engagement by all budget holders in the process, including the efforts to date of the Performance Development Group. Updates on progress would continue to be provided to the Team prior to the development of a final Budget and its presentation to Court in June.

6. Investment Proposal: Orthosensor

[RESERVED ITEM]

7. Investment proposal: Biogelx

[RESERVED ITEM]

8. Corporate Risk Register

The Team noted and endorsed the latest top risks and opportunities included within the University's Corporate Risk Register, including mitigating actions.

9. ET Projects

The Team continued to receive updates on the progress of these projects and their emerging findings. It was agreed that the Project Leads should present progress to Court's Strategy Session on 4 May and that final reports should be provided to Executive Team later in May.

10. Modern Slavery and Human Trafficking Statement

The Team endorsed the University's draft 'Slavery and Human Trafficking Statement', subject to a desire to undertake a final review of the content, prior to publication.

11. The Place – Project Governance

The Team approved proposed project governance arrangements to support the delivery of the new Learning and Teaching Building. Following Court's approval of the Full Business Case on 2 March, the architect had been appointed and the project was now moving into its next phase. The delivery of the project would be overseen by an Executive Steering Board with input from three separate User Groups, focusing on specific areas. Both the Executive Steering Board and the User Groups would be appropriately representative of relevant stakeholders. The Executive Steering Board would report formally to the Executive Team and, through Executive Team, to Senate and Court.

12. Widening Access Update

The Team discussed a paper on the University's strategic activities, sector position, and performance in relation to widening access. Members noted the strategic direction indicated, the clear focus on monitoring performance, and an evidence-led approach to decision-making. The Team also noted the recommendations arising from the Commission on Widening Access (CoWA), the likelihood of an

increased focus by the Scottish Government on SIMD20 entrants, and the potential for SFC funded places to be restricted to this measure in future.

The Team also noted the importance of communicating and reinforcing the University's highly successful widening access activity. A scheduled meeting with the Scottish Commissioner on Fair Access would present an opportunity to do so.

13. USSA Financial Statements 2015/16

The Team noted the University of Strathclyde Students' Association's (USSA) audited accounts for 2015/16. These would be provided to Court on 4 May, for information, to ensure compliance with relevant provisions of the Education Act 1994. The CFO/ACOO indicated that the accounts showed a significantly improved financial position within USSA, following an organisational review undertaken during 2015/16, although it was noted that the pension liability on the balance sheet placed additional pressure on USSA's reserves. The Audit Committee had also recently discussed a satisfactory report from the University's Internal Audit Service.

Court Business Group Report to Court

The following items were discussed by Court Business Group on 20 April 2017 and are provided here for Court to note.

1. Budget setting 2017/18: context and process

The Chief Financial Officer and Acting Chief Operating Officer (CFO/ACOO) outlined the 2017/18 budget-setting process. He highlighted a realigned budgeting and planning cycle which had delivered a more advanced and informed draft budget position, compared to the same time in previous years. The intent was to provide Court with background information in May, with a full draft Budget to be presented to the June CBG and Court meetings.

The CFO/ACOO highlighted the following key points in relation to the on-going development of the 2017/18 Budget:

- the importance of increased tuition fee and research income to the delivery of targeted surpluses and strategic investment, and the need to maintain progress in this area, as set out in the current Four Year Forecast approved by Court in June 2016;
- the continuing necessity to invest strategically to ensure future success and growth;
- continuing challenges in regard to public funding and expenditure growth, in particular flat-lining SFC funding, anticipated increases in staff-related costs, and planned future estates expenditure;
- a continuing reduction in the proportion of overall University income which comes from the SFC with a consequent increase in volatility of the University's income streams, and the resulting need to adapt funding strategies accordingly and maximise opportunities;
- on-going Budget discussions at Executive Team meetings, particularly in relation to addressing and controlling costs and identifying new sources of income and funding.

CBG members discussed the points highlighted and agreed that these provided an appropriate basis on which to provide an update to Court in May. In discussion, it was noted that the Budget update should also seek to highlight to Court:

- the University's position in comparison to other UK institutions in relation to its potential to service additional borrowing, should this be required in future;
- the University's strong performance in cash generation and the significance of this;
- SFC income disaggregated by funding stream (i.e. UG/PGT teaching-related versus research-related); and
- a clear indication from the Executive Team on the anticipated June Budget position;

CBG asked about the level of financial awareness amongst University staff. The CFO/ACOO explained that financial awareness amongst staff was significantly higher than it had been previously, due to recent and on-going efforts to communicate key messages, particularly around the need to generate surpluses to support further investment. The Principal highlighted that there was a continuing focus in this area to enhance the understanding, at an individual level, of the relationship between income and expenditure.

2. Major Strategic Projects update

The Principal indicated an intent to use part of the May Court meeting to provide Court members with important updates on some major on-going and emerging strategic activities, including: the Medicines Manufacturing Innovation Centre (MMIC); the National Manufacturing Institute for Scotland (NMIS); the Institute for Improving Children's Futures (IICF); the National Physical Laboratory (NPL); the Digital Health & Care Institute (DHI); the Glasgow Innovation District; the Centre for Work-based Learning in Scotland; and the Centre for Social Innovation.

CBG noted that, collectively, these projects represented a significant investment in the University and welcomed the opportunity for Court members to consider the broad scope of activity, prior to future decisions being sought from Court.

The potential to undertake an evaluation of the University's overall economic impact, particularly in light of these emerging activities, was discussed. The Principal explained that consideration was currently being given to refreshing previous work undertaken in this area by independent consultants. It was anticipated that this would provide an updated estimate of the University's overall Gross Value Added (GVA) but also allow a more granular view of the impact of specific Centres.

CBG also noted the significance of this collective activity in regard to the development of the 2017/18 Budget and the intended update to Court. It was suggested that this should link to the Budget item to demonstrate the level of investment being generated in support of the University's continued growth and success.

3. USSA Financial Statements 2015/16

The USSA President introduced the Students' Association Financial Statements 2015/16, noting that these are provided to Court annually for information, following approval by the USSA Trustee Board. CBG noted the delivery of a financial surplus for 2015/16, mainly as the result of savings generated following an organisational review undertaken in the previous year. CBG noted that previous issues identified on cost controls had been addressed and that continuing challenges in commercial income performance reflected a sector-level trend amongst UK students' associations.

CBG agreed that the USSA President and USSA Chief Executive should briefly introduce the 2015/16 Statements to Court in May, highlighting key messages. Court would then be invited to comment on and note the Financial Statements.

4. Draft agenda for Court, 4 May (including Strategic Session)

Members considered and **approved** the draft agenda for the May meeting of Court. This included proposals for the planned afternoon Strategic Session where Court members would have the opportunity to consider emerging outcomes from the Executive Team's Projects, last discussed at Court in November 2016. CBG asked that the project presentations include an indication of how and when outcomes would be delivered. It was also requested that the ET Project Leads and assigned lay members of Court be encouraged to make contact with one another to discuss the presentations prior to the Court Strategy Session.

5. Externally-facilitated Review of Court Effectiveness - update

The Convener Elect provided an update on progress. The Steering Group had met initially on 28 March to discuss key areas of focus and finalise the arrangements for external facilitation. A consultant

from the Leadership Foundation for Higher Education (LFHE) had been appointed to support the Steering Group in its work and would be undertaking one-to-one meetings with Court members and observing key meetings of Court and its committees. The Steering Group would meet again on 2 May and as required thereafter. A final report, along with recommendations, would be provided to Court in September.

The Convener noted that a final draft of the revised Scottish Code of Good Higher Education Governance had been published for consultation. Responses were sought by 21 June and the Strategy & Policy Directorate would compile the University's draft response. CBG would be invited to comment on and endorse this prior to the deadline.

6. Review of Annual Court Reports and Actions

The Convener reflected on the range of regular and annual committee reports provided to Court throughout the academic year. As agreed at the Court meeting in March, an annual report from the Enterprise & Investment Committee would be provided for the Court meeting in June.

In addition, it was agreed that a short report on the development and implementation of Professorial Zoning should be provided to Court in June, for information. This would be presented by the Vice-Principal and the Deputy Director or HR.

7. AOB

There was no other relevant business.

Court Membership Group Report to Court

The following items were discussed by Court Membership Group on 20 April and are provided here for Court to note:

1. Lay Member Recruitment 2017

[RESERVED ITEM]

2. Any other business

- Membership of Court's committees: CMG agreed that the membership of Court's committees should be reviewed at the next meeting, with recommendations presented to Court in June. In advance of this, the Convener Elect and Vice-Convener would meet to discuss and agree proposals.

Report to Court from Audit Committee

The Audit Committee met on 23 March 2017.

The following items were discussed by the Audit Committee and are provided here for Court to note:

1. IAS Activity Report

The Committee noted progress against the delivery of the Audit Plan for the current academic year and that all scheduled activity for 2016-17 was expected to be completed. In light of recently reduced staff resources within the team (January to March 2017), a review of the Audit Plan and priorities would be carried out when the new Head of Internal Audit joined the University in April. If required, additional resource would be sought to ensure that the Internal Audit Service was resourced to the satisfaction of the Audit Committee.

2. IAS Management Action Update Report

The Committee received an update on the progress achieved in addressing various management actions agreed following the conclusion of Internal Audit Service reviews. Members noted that:

- one action from the Review of the University's Emergency Response and Business Continuity Planning activity remained outstanding. This would be addressed following the anticipated appointment of a new Risk & Resilience Manager in April 2017;
- the Students' Association had appointed a new Account Services Provider and was seeking to appoint a new Finance Manager. The new USSA Chief Executive continued to address issues which were highlighted by previous Internal Audit Service reviews; and
- further guidance would be developed and provided by Internal Audit in regard to which University Centres were required to complete their own Key Controls Checklist and which were covered by Departmental Checklists.

3. Strathclyde Business School Report

The Committee considered a report on the review of Strathclyde Business School conducted as part of a rolling three year programme of reviews following the introduction of a holistic approach to Faculty reviews. Members were pleased to note significant improvements since the last Internal Audit report. The Committee also considered whether the current system of evaluation allowed for sufficient differentiation between high performance and simply achieving the minimum requirements. This would be reviewed by the Internal Audit Service.

4. Review of Senior Officer Expenses

The Committee discussed the results of an Internal Audit Service Review of Senior Officer Expenses, which included detailed audit testing focusing on transactions processed during the 2015/16 financial year. It was considered good practice that a similar review be undertaken on an annual basis.

5. USSA Review 2015/16 Final Report

The Committee was reminded that an audit of USSA was part of the annual audit plan timed to review the previous financial year ending. USSA's financial performance in 2015/16 had improved on the previous year and the Association was in surplus at 31 December 2016. There had been a number of changes in governance and management arrangements as a result of an organisational review including amendments to the constitution and the appointment of a new Chief Executive. The audit

evaluation was satisfactory although it was recognised that this was still a work in progress. The committee welcomed the positive developments and progress made.

6. Review of Corporate Risk Register

The Committee reviewed the top risk and opportunities reflected within the University's Corporate Risk Register. Members noted that this was underpinned by a large number of individual departmental risk registers but was also influenced by the Executive Team (ET) and Court's assessment of wider economic, political and social risks. In discussion, members:

- welcomed the ET projects underway to support enhanced financial sustainability and secure further competitive advantage;
- noted that ET had agreed funding for the development of a three-year Cyber Security Change Programme;
- noted that ET had considered in detail recommendations on enhancing preparations for a future REF exercise and endorsed the approach and timetable for the Institutional Research Audit 2017. Preparation needed to be sustained year on year and there were still many unknowns;
- noted that an appropriately experienced Risk & Resilience Manager had been appointed to provide support for the administration of the University's Risk Management Framework;
- noted that a revised Scottish Code of Good HE Governance (2017) would be available for consultation at the end April. The University was considering how best to embed changes required by the Higher Education Governance (Scotland) Act;
- enquired on the uptake of the centralised storage facilities for data. It was reported that the expected take up rate had been met and proposals had been made to extend the facility. Take up as a percentage of available storage would be sought; and
- enquired as to whether risks related to Britain leaving the EU should be widened out to incorporate other uncertainties in the current political environment.

7. TRAC Return 2015/16

The Committee received summary information on the University's TRAC Return for 2015-16, noting that the return had been approved by the University's Full Economic Costing Working Group (FECWG) and subsequently reviewed by the Internal Audit Service. Confirmation had been received from the Scottish Funding Council that the Annual TRAC return should be subject to review and approval by a Committee of the Governing Body.

Members were reminded that the Financial Statements for 2015/16 had, for the first time, been prepared in accordance with FRS102, the new UK Financial Reporting Standard, and the revised 2015 SORP. The Funding Council had stipulated 2015/16 would be a pilot year for TRAC in order to assess the full impact of changes relating to FRS 102. This meant that the charge-out rates calculated for 2015/16 would not be used from 1 February 2017 but that current charge-out-rates, based on TRAC 2014/15 with an inflationary increase, would be used instead.

The Committee noted and **retrospectively approved** the return.

MATTERS TO BE NOTED FROM THE STAFF COMMITTEE MEETING HELD ON 15 MARCH 2017

The following items are provided for Court's information.

- **STRATEGIC RECRUITMENT**

The Director of Human Resources reported that the 2016 Strathclyde Chancellor's Fellowship Scheme was now in its concluding stages. Interviews had been conducted with 41 candidates which resulted in 21 offers being made to exceptional early career academics.

- **EMPLOYEE RELATIONS**

The Director of Human Resources reported that national pay negotiations between UCEA (the Universities and Colleges Employers' Association) and the national Trade Unions for the academic year 2017/18 were due to commence in April; an update on negotiations would be provided at the next meeting of Staff Committee.

- **PROFESSORIAL ZONING**

The Director of Human Resources reported that, since the last meeting of the Committee, all members of the Professoriate had been advised of the zone in which they'd been placed. A small number of appeals had been received and arrangements were being made to consider these.

- **STAFFING IMPLICATIONS OF BREXIT**

The Director of Human Resources reported that almost 200 non UK EU staff had now attended one of the three Brexit sessions which had been arranged with the University's immigration lawyer, Thorntons. In addition, 82 members of staff had taken up the opportunity of a one-to-one session with Thorntons. HR would continue to monitor EU staffing turnover as Brexit negotiations progressed.

- **ATHENA SWAN (AS) SILVER AWARD: GAP ANALYSIS**

The Director of Human Resources reminded members that, at its December meeting, Staff Committee had requested details of progress against the University's commitment to applying for an institutional AS Silver Award by 31 July 2020, as detailed in both the Strategic Plan 2015-2020 and SFC Outcome Agreement. Annie McLaughlin, Gender Equality Officer, had been invited to submit her view of progress against this target, identifying any gaps, and had been invited to attend the meeting to present her findings.

Annie advised Staff Committee on progress made to date and reminded the Committee that the University held an Institutional Bronze award, which was due for renewal in November 2017. Based on the evidence presented to Staff Committee in her report and the progress made by the University, Annie advised that the AS Working Group (ASWG) was of the view that the University should apply for an Institutional Silver award.

Staff Committee was **pleased to note** the University's progress and the recommendation to apply for Institutional Silver was 3 years ahead of schedule. Staff Committee therefore **agreed** with the recommendation that the University should apply for the Athena SWAN Institutional Silver award.

- **VALUES: FACULTY/PROFESSIONAL SERVICES ACTION PLAN UPDATE**

The Director of Human Resources reminded Staff Committee that during May and June 2016 an all staff Values survey had been conducted, as a result of which a number of follow-up actions had been agreed with the Executive Deans, COO and CFO to help further integrate the Values within their areas of the University. Staff Committee was provided with an update on these actions.

Staff Committee **noted** the progress to date and **were content** with the proposed actions to further integrate the Values.

- **GENDER PAY AND EQUAL PAY REPORT**

The Director of Human Resources noted that, as part of its Public Sector Equality Duty, the University was required to publish gender pay gap information every two years and an equal pay statement every four years. The report presented to Staff Committee would be published prior to 30 April 2017.

Staff Committee **noted** its contents and, subject to minor updates, **approved** its publication.

- **STAFF EQUALITY MONITORING REPORT**

The Director of Human Resources noted that, as part of its Public Sector Equality Duty, the University was required to publish an annual report relating to equality monitoring statistics based on the protected characteristics of its staff. The report presented to Staff Committee would be published prior to 30 April 2017.

Staff Committee **noted** its contents and **approved** its publication.

SH/GS/CS
26.04.17