



MINUTES OF UNIVERSITY COURT

2 March 2023

Court-Senate Room, Collins Building, Richmond Street, Glasgow

Present: Dame Sue Bruce (Convener), Paula Galloway (Vice-Convener), Professor Sir Jim McDonald (Principal), Professor Scott MacGregor, Neelam Bakshi, Virginia Beckett, Councillor Richard Bell, Elaine Blaxter, Linda Brownlow (from item 4), Melfort Campbell, Professor Jonathan Delafield-Butt, Andrew Eccles, Stephen Ingledew, Mary Jo Jacobi, Susan Kelly, Adam Morrow, Fiona Salzen, Professor Jan Sefcik, Peter Young (by videolink).

Attending: Professor Douglas Brodie, Gillian Docherty, Dr Stuart Fancey, Beth Lawton, Professor Stephen McArthur, Louise McKean, Professor Eleanor Shaw, Steven Wallace, Dr Daniel Wedgwood, Ben Johnson (Executive Head of Strategic Research & Innovation Development; item 6), Sarah-Louise Keegan (Assistant Director, Major Projects; item 6)

Apologies: Gillian Hastings, Lewis McDermott, Malcolm Roughead

Welcome and apologies

The Convener noted apologies as above and welcomed Court members and attendees to the meeting. The Convener congratulated Stephen Ingledew on his receipt of the award of OBE in the King's New Year's Honours List.

Declaration of interest

It was noted that the Principal had declared prior professional connections to one of the candidates for Court membership named under item 8, Catriona Schmolke. These connections were not considered to create any significant conflict of interest but were noted for the sake of transparency.

1. Minutes

Court **approved** the minutes of the meeting held on 1 December 2022 and the note of the strategy session held on 1 and 2 December 2022.

2. Matters arising

There were no matters arising, other than those covered in the main agenda.

3. Principal's Report

The Principal paid tribute to the former Principal and Vice Chancellor of the University, Sir John Arbuthnott, who had recently passed away. Sir John's many contributions to public life were noted, not only through his leadership of the University at a crucial period in its history but also as Chair of NHS Greater Glasgow and Clyde, President of the Royal Society of Edinburgh and Chair of the Committee of Higher Education Principals, among other significant roles. Court recorded its condolences to Sir John's family and observed a period of silence in his honour.

The Principal updated Court on recent developments, including the following:

- The University had recently been visited by, or had imminent visits scheduled by, a number of leaders from the fields of politics, higher education, science and innovation, including a recent visit by the First Minister to the Power Networks Demonstration Centre and a visit by George Freeman MP, then UK Minister for Science, Research & Innovation, to the TIC, including roundtable discussions on the Space industry. The University had also recently hosted Indro Mukerjee, Chief Executive Officer of Innovate UK and was preparing to welcome Ilan Gur, Chief Executive Officer of ARIA.

- Strathclyde Safe360°, the University's holistic approach to safeguarding across the University community, had been launched in January 2023. An awareness campaign was to be run across all of the University's internal communication channels. In addition, a new 'Wellbeing Matters' Hub had been launched on the University website, bringing together all the resources and support available to colleagues. It was agreed that Court should receive a detailed presentation on Strathclyde Safe360° at a future meeting.
- The University had taken possession of the new headquarters building of the National Manufacturing Institute Scotland (NMIS), next to Glasgow Airport. The building, operated by Strathclyde, would be home to the NMIS Manufacturing Skills Academy, a fully connected Digital Factory and a publicly-accessible collaboration hub. It would be a cornerstone of the Advanced Manufacturing Innovation District. As previously agreed, a future Court meeting would be hosted in the NMIS building, giving Court members the opportunity to tour this important new facility.
- The next strategic plan, for the period 2025-2030, was in development, drawing on Court's contributions at its December strategy session and consultation with other key groups. A consultation draft was to be released shortly.
- Work was in progress for student recruitment in the autumn. This would draw on the experience of successful handling of autumn and January intakes on 2022-23, including overcoming the challenges of a city-wide accommodation shortage.
- The University and the students' union were continuing to work on matters of common interest under the Strategic Alliance signed earlier in the academic year. The President of the Students' Union noted that this formal alliance had attracted positive comment from external bodies including other student organisations and had been viewed as a sector-leading approach.
- The University had launched its new Young Strathclyder programme, a key focus for future widening access work. The programme was currently working with ten primary schools in Glasgow, all selected either because of an existing relationship with Strathclyde through the Children's University or because they had a high proportion of pupils from SIMD20 and Free School Meal backgrounds. This pilot programme would work with over 850 school pupils. The programme had the enthusiastic support and involvement of the Chancellor, Lord Smith.
- The University was initiating a research and review project to examine any historic links to the Transatlantic slave trade. The project was to be undertaken over the winter and spring of 2023. The University was committed to examining and acknowledging any links that might exist and using them to inform the University's future.
- The Memorandum of Understanding between Strathclyde and Technical University Delft concerning their joint foundation (or *Stichting*) had recently been renewed. The *Stichting*, whose creation had been endorsed by Court in 2017, had achieved its primary purpose of allowing the European Policy Research Centre (EPRC) to continue to bid for EU research funding after the UK's withdrawal from the EU. Since its creation, the *Stichting* had attracted over £2million of funding that otherwise would not have been accessible to the EPRC. A paper had been circulated to provide Court members with a more detailed review (see item 10).

The Principal also provided an update on the on-going investigation into the fatal accident at the Lightweight Manufacturing Centre which had been reported to the December Court meeting. The Health & Safety Executive was continuing to investigate. The investigation was complex, given the involvement of a contractor and subcontractor. The University was pro-actively examining its own processes in the meantime for any opportunities to make improvements.

At the Principal's invitation, the Chief People Officer and Chief Financial Officer updated Court on developments relating to the national pay negotiations, the USS pension scheme and industrial action.

Members took the opportunity of the Principal's Report to record appreciation of the December Court strategy session, noting the usefulness of the rich information conveyed and the strategic discussions that had been held.

4. Q2 2022/2023 Business Report

The Chief Financial Officer (CFO) presented the Q2 financial forecast. Some of the risks noted in the external environment that had been noted in the Q1 Business Report had materialised during Q2. The University had faced high levels of unbudgeted costs, including the cumulative impact of significantly increased utility costs,

higher staff costs from the national pay settlement and the cost-of-living payment made to all staff, and costs associated with the University's response to the student accommodation shortfall in Glasgow.

Income had also grown, to record levels, and this had enabled absorption of a significant proportion of the unbudgeted costs. However, there remained a significant shortfall in terms of meeting the requirements of one of the University's debt covenants with the European Investment Bank (EIB). The University was evaluating a number of potential mitigations, which were likely to include dialogue with the EIB. The University's cash position was strong and to a large degree unrestricted. This increased the range of available mitigations. Members **agreed** that such options should be assessed. It was noted that the Treasurer, who had been unable to attend this meeting, had indicated her support for the proposed dialogue and wider approach. Any discussions with external partners would be aided by the University's strong track record, in both financial results and governance, its strong cash position and its positive outlook for future revenue.

Members discussed the University's relationship with the EIB. It was noted that the University had had positive engagements with the EIB in the context of the Covid-19 pandemic, at which time a covenant waiver had been negotiated, although the actual results for the year had resulted in covenant compliance despite the pandemic impacts.

The CFO also outlined high-level modelling on Academic Year 2023/24 for those costs areas that could reasonably be estimated. High-level modelling of potential income and other improvements was also provided. While significant uncertainty remained in a number of the modelled areas, the net effect would result in minimal to no covenant headroom in-year. The Academic Year 2023/24 would therefore be included in the period under review in discussions with the EIB.

Members discussed a number of influences on the University's financial options, including the time constraints on fee-setting that were intrinsic to higher education, specific issues with collection of fees from students from certain countries, in relation to which the University was exploring flexible payment arrangements where reasonable, and the level of employer pension contributions in recent years. It was noted that some reduction in pension contribution rates might occur as a result of changing economic conditions, following the publication of the USS Trustees December 2022 monitoring report. This would depend on a forthcoming valuation of the USS pension scheme, with a valuation date of 31 March 2023 and conclusion of the process expected in April 2024. It was noted that the University would continue to provide input to consultations run by the USS trustees.

The Director of Strategic Planning summarised other elements of the Business Report. Key points included the following:

- Research income (revenue) was at its highest ever levels.
- Research application value was running behind the same point in the previous year, but this related to known delays in processes external to the University. A recovery in these figures was expected.
- The Research Postgraduate (PGR) population was being closely monitored, given expected shifts in the population over the course of the year. This was already an area of significant activity.
- Focused efforts by the Faculties had resulted in high numbers of offers made to applicants from SIMD0-20 backgrounds.
- While targets for full-time Taught Postgraduate (PGT) recruitment were not met, part-time recruitment had been strong, bringing the University closer to its overall target. Within this, recruitment of UK-domiciled students had reduced, in common with patterns seen across the sector.
- Student retention had also fallen within the University and more widely across the sector. Work was underway to understand the causes of this and identify appropriate action.

Court **noted** the Business Report.

5. Strategic Plan 2020-25 – Year 4 mid-year progress report 2022-23

The Director of Strategic Planning presented a summary of progress in relation to the KPIs in the University's Strategic Plan, Vision 2025.

Revisions to four of the KPIs had been discussed in principle at Court's strategy session on 1 December and these revisions were now proposed for formal adoption:

- KPI 7, citations: Change from assessing citations on publications from the previous year only to publications from a 5-year period. Also change from an absolute target to a relative target, using a sector benchmark.
- KPI 8, PGR population: Rebase the overall target as a range and adjust intake targets for 2023-24 and 2024-25, reflecting established trends locally and nationally.
- KPI 11, industry income: for clarity in reporting, remove as a separate KPI, but continue to report the relevant data as part of KPI 6, research income.
- KPI 16, carbon emissions: Re-phase milestones to recognise the non-linear impact of measures to reduce emissions. Retain the target of an 80% reduction in greenhouse gases by 2030.

Looking to the future, members discussed ways in which the University's strategic frameworks might best incentivise interdisciplinary research and innovation. It was agreed that this would be an important consideration in the on-going development of the next strategic plan.

Court **noted** the report and **approved** the proposed revisions to selected KPIs.

6. Innovation Update

The Executive Head of Strategic Research & Innovation Development and the Assistant Director, Major Projects gave a presentation on developments in innovation policy and activity, with a particular focus on the Glasgow City Region's Innovation Accelerator. Topics covered included:

- innovation policy in Scotland, including the involvement of the Principal and other members of Strathclyde's Court and staff in the development of the national Innovation Strategy;
- innovation policy in the UK, noting the recent creation of the new government Department for Science, Innovation and Technology;
- the development to date of the Glasgow Innovation Accelerator and the distinctive approach taken by the city, in which both Strathclyde and the University of Glasgow played key roles
- detailed case studies of projects submitted to the Innovation Accelerator by Strathclyde and its partners, which were currently undergoing evaluation; and
- possible future developments building on the Innovation Accelerator.

It was noted that a number of the projects contained the potential for significant job creation. The provision of relevant skills and attraction of talent would be important in this context and made up a distinct strand in the proposed work. The ability of the region to act as a magnet for talent was discussed, including the scope for synergies across the region's multiple areas of industrial and research specialism, many of which were strongly supported by the University.

Members commended the leadership shown by the University's team in the development of the Innovation Accelerator. It was noted that external partners had similarly complimented this work. The importance of the Innovation Districts led by Strathclyde was also noted.

7. Risk Appetite

The University Compliance Officer (UCO) presented the University's Risk Appetite Statements, three of which had previously been agreed by Court. The remaining seven had now been agreed by the Executive Team and endorsed by Audit & Risk Committee. The Statements and the associated governance framework were intended to associate the University's risk categories and risk register more closely with its strategic objectives. The overall framework was expected to help guide both decision-making and oversight by indicating agreed levels of risk in different areas of activity and drawing attention systematically to any cases in which actual levels of risk were misaligned with these. The statements would evolve over time, with regular opportunities for review and revision.

It was noted that guidance for use of the Risk Appetite framework and related training were to be developed and circulated to relevant staff throughout the University. These would include examples of the use of Risk Appetite in decision-making. The University's Risk Group would monitor adoption of the framework.

Members commended the work of relevant staff, in particular the Risk & Resilience Manager, in developing this framework.

In further discussion, members considered potential interactions between different risks, including the low appetite for risk in the areas of compliance and reputation. It was noted that a firm record of compliance and research integrity was an important contributor to the University's wider reputation and would remain so, including in any case in which research led to conclusions that were, for example, politically sensitive or unpopular in wider society. It was agreed that such issues should be included in the examples and guidance to be developed alongside the risk appetite framework.

Court **approved** the risk appetite statements.

Items for formal approval

8. Appointment of lay members of Court

Court **approved** the appointment of Belinda Oldfield and Catriona Schmolke to the position of lay member of Court from 1 August 2023, for the standard initial term of one year, noting that both appointees had already made significant contributions to the University as co-opted external members of committees of Court.

9. Amendment to the Ordinances: Senior Officer role

Court **approved** the proposed change to the Ordinances to reinstate the role of Chief People Officer in the list of the University's Senior Officers.

Items for Information

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

- 10. Stichting EPRC Strathclyde University Delft**
- 11. Counter Terrorism and Security Act (2015): Prevent annual update**
- 12. Key Court Dates 2023/24**

Committee Reports

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

13. Executive Team

14. Senate

On the recommendation of Senate, Court **approved** the creation of a Directorate of Campus Services.

15. Court Business Group

16. Audit & Risk Committee

17. Enterprise & Investment Committee

18. Remuneration Committee

19. Estates Committee

On the recommendation of Estates Committee, Court **approved** funding requested for Phases 3 and 4 of the Royal College Building Fire Safety Improvements.

20. AOB

The Convener thanked Steven Wallace for his contributions to the University and to the business of Court in his role of Chief Financial Officer. This was to be his last Court meeting, as he was shortly leaving the University.

Date of next meeting

- 3 May 2023

DW, 9 March 2023

