



MINUTES OF UNIVERSITY COURT

3 May 2023

National Manufacturing Institute Scotland, 3 Netherton Square, Paisley

Present: Dame Sue Bruce (Convener), Paula Galloway (Vice-Convener), Professor Sir Jim McDonald (Principal), Professor Scott MacGregor, Virginia Beckett, Councillor Richard Bell, Melfort Campbell, Professor Jonathan Delafield-Butt, Andrew Eccles, Gillian Hastings, Stephen Ingledew, Justyna Kardasz, Lewis McDermott, Fiona Salzen, Peter Young

**Attending
by videolink:** Malcolm Roughead

Other Attendees: Professor Tim Bedford, Professor Douglas Brodie, Gillian Docherty, Dr Stuart Fancey, Professor Duncan Graham, Professor David Hillier, Beth Lawton, Professor Stephen McArthur, Louise McKean, Lucy Noble, Wesley Rennison, Professor Ian Rivers, Gordon Scott, Professor Eleanor Shaw, Dr Daniel Wedgwood, Ben Johnson, Kevin Kane (item 6), Emma Fair (item 7)

Apologies: Neelam Bakshi, Elaine Blaxter, Linda Brownlow, Mary Jo Jacobi, Susan Kelly, William McLachlan, Professor Jan Sefcik

Welcome and apologies

The Convener noted apologies as above and welcomed Court members and attendees to the meeting. She extended a particular welcome to Justyna Kardasz, who was attending her first meeting of Court, having been nominated by the students' association to fill a vacant position for a student member of Court.

Declaration of interest

None.

1. Minutes

Court **approved** the minutes of the meeting held on 2 March 2023.

2. Matters arising

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

3. Principal's Report

The Principal welcomed members and attendees to the NMIS headquarters, noting that it was to be formally opened in June 2023. He updated Court on recent developments, including the following:

- The University had recently hosted, or was preparing to host, a number of high-ranking visitors, including Ministers or other representatives from governments including those of Germany and the USA. Further international delegations were expected, one relating to a significant potential overseas partnership initiative.
- The Principal had recently completed a round of staff engagement sessions. These had, among other things, provided an opportunity to outline plans and priorities for the next Strategic Plan. Positive and highly valuable feedback had been received from staff. A dedicated consultation process on the Strathclyde 2030 Strategic Plan was being carried out separately; Court was to receive a full overview of this in its forthcoming strategy session.

- The UCU union had received a mandate from its membership to carry out a marking and assessment boycott as part of its action over the national pay dispute. The University, through its Industrial Action Planning Group, was working to minimise the impact of this action on students and had a number of key mitigations already in place. The Chief People Officer provided a brief summary of the state of national pay negotiations and positive developments in relation to the USS pension scheme
- The applications stage had now closed for this year's round of the Chancellor's Fellows scheme, a part of the Strathclyde Global Talent Attraction Programme. A large, diverse and high-quality field of applications had been received for the 23 available fellowships, promising an intake of talent with transformative potential in key strategic areas.
- The students' association had elected its Executive Officers for the next academic year. The Principal noted that he was looking forward to working with the new team, following what had been year of highly constructive engagement with the present Executive. He congratulated the new member of Court, Justyna Kardasz, on her re-election to the post of Vice President, Community.
- The University had taken possession, at no cost, of the streets surrounding Rottenrow Gardens, an important prerequisite to commencement of the Heart of the Campus project. The Principal asked Councillor Richard Bell to convey the University's gratitude to colleagues at Glasgow City Council for this transfer and for the constructive engagement that had enabled it.

4. Budget setting: context and process

The Acting Chief Financial Officer (Acting CFO) presented the on-going budget process for the coming financial year. This process was to culminate in presentation of the 2023/24 budget for approval by Court at the 22 June Court meeting.

The budget-setting process would be of critical importance in the context of a challenging external environment, in particular the impacts of inflation, affecting staff, energy and other costs. Key requirements for the budget were that it should be deliverable and data-led and should inform subsequent decision-making. The process to date was outlined. This included close engagement with all Faculties and Professional Services areas to identify opportunities for further income generation or efficiencies.

The position with regard to compliance with one of the University's debt covenants in the current year 2022/23, Net operating cashflow/Debt servicing, had improved relative to the expectations communicated at the March Court meeting, but there remained work to do to drive delivery of the new forecast outcome. The Finance team was engaging with the key lender, the European Investment Bank (EIB). It was expected that a suitable adjustment to the covenant would be achieved, based on early engagement, the team's prior experience of such negotiations (at the time of the Covid-19 pandemic) and advice from external experts. The University's external auditors and the Scottish Funding Council had been informed of these discussions with the EIB.

It was noted that the University remained financially resilient despite the external environment. The University's cash position was robust and international recruitment strong. Positive change was expected with regard to pension provisions, following a recent announcement from the USS Trustee. While achieving covenant compliance was the immediate financial priority, thereafter the aim would be to build significant covenant headroom. Long-term financial planning would be tied to the development of the Strathclyde 2030 strategic plan, in support of strategic objectives, sustainability and maintaining competitive advantage.

Members discussed the importance of demonstrable resilience. It was noted that the University would have a number of options in the unlikely event that covenant negotiations were unsuccessful, aided by its strong cash position. A standing Mitigation Exploration Group was in place, working to complement the overall budget process.

It was noted that the importance of maximising income growth was further highlighted by the recent decision by the Scottish Government to withdraw £46 million from the HE/FE budget for other uses. Court was reassured that the current budget-setting process was unaffected by this, since the relevant funds had been intended for sector-level purposes.

Court **noted** the presentation.

5. Quality Enhancement and Standards Review – from ELIR to QESR

The Vice Principal provided Court with a summary of the new Quality Enhancement and Standards Review process. This was understood to be a temporary, transitional review framework. It was more 'light touch' than the previous Enhancement-Led Institutional Review (ELIR) and made more use of pre-existing documents and policies. Consequently, there had been less scope to benefit from Court members' input, relative to previous years.

It was noted that the University's strengths, as encapsulated in the last ELIR report, remained clear and well-evidenced under the new process. The wider framework included an enhancement topic, which at present was Digital and Blended Learning. It was noted that Strathclyde had a strong narrative and valuable contributions to make in these areas.

Members observed that the ELIR process had brought certain benefits, through its more active 'reflective' element, but also noted that the QESR provided appropriate assurance to external stakeholders regarding the quality of the University's learning and teaching.

Court **noted** the presentation.

6. Influencing Strategy

Kevin Kane, Business Director, Innovation & Industry Engagement Directorate, outlined for Court the rationale and for developing an Influencing Strategy and the Action Plan for its further development. The University already had significant pathways to influence key stakeholders, often through the work of key individuals, but it had been recognised that a pro-active strategy would be required to build on these, given the complexity and pace of change in the external environment. An important aspect of this would be to widen the base of University staff who were suitably equipped and supported to carry out influencing on behalf of the institution.

The Action Plan was to have three main strands:

- mapping our influencers;
- analysing key external environments and measuring our innovation impact; and
- developing a 'core script', influencing storyboards and strategy pilot at the Strathclyde Young Academy.

It was proposed that the Principal's External Engagement Advisory Group should oversee the development and finalisation of the Influencing Strategy, with the Executive Team subsequently approving an Implementation Plan.

Court members welcomed this initiative, noting that it represented an ethos of enhancement from an already strong position. It was noted that Court members themselves could be important ambassadors for the University and therefore were among those that could be supported to under the strategy.

Members enquired as to the mechanisms for supporting University staff in influencing activities. It was noted that the University's Organisational and Staff Development Unit had been engaged to assist with relevant training and development and that the Young Academy (currently in development) would be an important channel for identifying and supporting key groups of younger staff.

Members also discussed what might be learned from other sectors, including potential measurement of influencing activity, and the value of targeted engagement in online media. The importance of clear and concise key narratives in each area of University activity was also noted and it was agreed that resources for staff should be developed to this end.

Court **noted** progress to date in the development of a University Influencing Strategy.

7. University of Strathclyde Students' Association (USSA) Audited Accounts 2021/22

The USSA Deputy Chief Executive Officer presented the student association's annual accounts for the previous financial year, in compliance with statutory requirements to make the accounts available to Court.

The Acting CFO commended the association's management in what had been a year of challenging external circumstances.

Members noted the influence of pensions liabilities on the financial results. The USSA Deputy Chief Executive Officer noted that this was a longstanding challenge, as faced by many organisations, and that there was significant focus on managing this.

Court **noted** the accounts.

Items for formal approval

8. Corporate Risk Register

The University Compliance Officer summarised key points from the Corporate Risk Register (CRR), as part of its cycle of presentation to Court twice a year. Significant changes since the previous presentation to Court were noted. The register itself was now complemented by the integration of risk appetite statements.

Members welcomed the changes to both the form and content of the CRR and the degree to which the CRR was an effective 'live' document. The Convener of Audit & Risk Committee noted that that committee had also strongly welcomed the review and revision of the CRR that had taken place over the current cycle.

Court **approved** the University's top risks and mitigating actions.

9. Appointment of Lay Members of Court

The Convener summarised the process used to identify suitable candidates for membership of Court and relayed the recommendations of Court Membership Group. Court **approved** the appointment of Michael Timar, Clyde Marwick and Charles Berry as lay members of Court, to commence on 1 August 2023 with the standard one-year initial term of office.

In addition, Court **noted** the intention to approach three other shortlisted candidates with regard to potential non-Court governance or advisory positions in the University.

10. Convener's Action (for homologation)

- Project MERLIN

Court **homologated** the prior approval, by Convener's Action, of revisions to the MERLIN (Manufacturing, Electrification and Lightweighting at Inchinnan) project. Use of Convener's Action, on the recommendation of Court Business Group, had enabled contractual deadlines to be met and engagements with partner organisations to proceed. It was noted that the projected results in the approved revised project represented the base case and that the new plan brought the potential for significant additional income-generating activity.

- Business Case – Quantum Research and Physics Teaching Laboratories

Court **homologated** the prior approval, by Convener's Action, of the Quantum Research and Physics Teaching Laboratories project, including the creation of new and upgraded laboratory space in the John Anderson building, to be funded from the Capital Investment Plan.

11. Appointment of Acting Chief Financial Officer [item taken before early, before item 4]

In line with the requirements of the Senior Officer recruitment protocols, Court **endorsed** the appointment of Lucy Noble as Acting CFO.

Committee Reports

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

12. Executive Team

13. Senate

14. Court Business Group

15. Audit & Risk Committee

16. Enterprise & Investment Committee

17. Staff Committee

On the recommendation of Staff Committee, Court **approved** revisions to the Staff Appointment Protocol.

18. Estates Committee

19. AOB

The Convener drew members' attention to a recent invitation to participate in summer graduation ceremonies, including the first Young Strathclyde ceremony, and encouraged members to take part in these celebratory events.

Date of next meeting

- Thursday 22 June 2023, 14.00-17.00

DW, 10 May 2023