

MINUTES OF UNIVERSITY COURT
20 June 2017

Present: Richard Hunter (Convener), Ronnie Cleland, Malcolm Roughead, Dr Jack Perry, Kerry Alexander, Dr Archie Bethel, Susan Kelly, Alison Culpan, Marion Venman, Gillian Hastings, Dr Jeremy Beeton, Dr Jane Morgan, Principal Professor Sir Jim McDonald, Vice-Principal Professor Scott MacGregor, 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, Dr Veena O'Halloran, Professor David Littlejohn, Professor David Hillier, Professor Dimitris Drikakis, Professor Douglas Brodie, Professor Sara Carter, Professor Tim Bedford, Rona Smith, Sandra Heidinger, Ray McHugh, Darren Thompson, John Lauwerys, Calvin Hepburn, Taylor Wong, Hugh Darby, Kirsty MacLeod

Apologies: Councillor Stephen Curran

Welcome and apologies

The Convener noted apologies received and welcomed members of Court and attendees. He particularly welcomed John Lauwerys, who was observing the meeting to support his facilitation of the Court's on-going Review of Effectiveness, and Calvin Hepburn and Taylor Wong, the incoming Students' Association President and Vice-President (Diversity), respectively, who were observing the meeting, ahead of taking up office from 1 July 2017.

Court offered its warm congratulations to Dr Jane Morgan on her recent election as a Glasgow City Councillor for the Maryhill Ward.

There were no declarations of interest.

1. Minutes

Court **approved** the minutes of the meeting held on 4 May 2017.

2. Matters arising

There were no matters arising.

3. Principal's Report

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

Health & Safety: The Executive Team had recently instituted a regular 'Safety Moment' at each meeting in order to consider and reflect upon key internal and external health and safety issues, trends and actions. The Principal would, in future, provide a regular update to Court on health and safety issues, as part of his Report.

Court noted that an investigation into fire safety arrangements across the University's estate had confirmed that there were no issues in regard to the external cladding materials used in student residences, that each residence was fitted with an automatic fire alarm system, evacuation procedures were sound, and escape routes were protected by a series of self-closing fire doors.

Other buildings on campus had undergone similar initial checks and no issues with external cladding had been identified. Notwithstanding the confirmation that the University's fire safety arrangements were appropriate, a number of additional steps were being taken to enhance safety across the campus.

In general, the number of RIDDOR (Reporting of Injuries, Diseases & Dangerous Occurrences) incidents across the University had fallen significantly, although the number of recorded accidents involving students or staff had increased slightly. Over the last year, the number of unwanted fire alerts had fallen by 40%, with the University's approach being recognised by the Scottish Fire and Rescue Services as an exemplar of good practice. The Executive Team would consider longer term trend data on health and safety incidents within the University and take action where appropriate.

Court welcomed the recently enhanced focus on health and safety at a senior executive level and reflected on the importance of this, particularly at a time of heightened estates development activity on campus. It was noted that the University was fully aware of its obligations in this area and that contractors were fully engaged with reporting requirements.

External Affairs: The Principal reflected briefly on several significant external developments, including the UK General Election and the commencement of formal negotiations on the UK's anticipated exit from the EU. Court noted a range of external engagement activity undertaken with Scottish and UK Ministers and civil servants during a period of continuing political uncertainty. The Principal had also continued to engage with members of the newly elected Glasgow City Council administration on key issues of shared interest, such as economic development and innovation.

Institute for Inspiring Children's Futures: The Institute would be formally launched by the Deputy First Minister and Cabinet Secretary for Education and Skills on 28 June. The University had also recently hosted a visit from the Minister for Further Education, Higher Education and Science, providing an opportunity for her to meet with care-experienced students. This had been positively received and later referenced during a meeting of the Scottish Parliament.

Strategic Dialogue Meeting: The Principal thanked the members of Court involved in this engagement with the Scottish Funding Council (SFC). The meeting had offered a valuable opportunity to highlight the University's work to members of the SFC and had been positively received.

Visit by the Commissioner for Fair Access: The University had recently hosted a visit by the Scottish Commissioner for Fair Access, providing a valuable opportunity for engagement on the University's successful approach to widening access.

Scottish Space School: The 13th annual Scottish Space School had taken place during June. This important outreach and engagement activity was aimed at Scottish school pupils, highlighting the career and educational opportunities available to young people with an interest in science, engineering and technology.

Talent Attraction: The Principal indicated that details were being finalised for the promotion of the University's plan to attract around 20 Professors and around 40 Senior Lecturers in key academic areas during 2017/18. He reflected upon the success in recent years of the University's Global Talent Attraction Programme (GTAP) and the Strathclyde Chancellor's Fellowship Scheme (SCFS).

4. Q3 Business Report 2016/17 and International Strategic Partnerships Update

The Chief Financial Officer (CFO) and the Director of Strategy & Policy introduced the Q3 Business Report 2016/17. The following key issues were highlighted:

- Forecast surpluses in both the University's overall outturn position and operating surplus, compared to a budgeted deficit, once adjusted for new FRS102 and SORP 2015 accounting requirements;
- The main income and expenditure factors contributing to these variances, including a number of one-off items, such as a gain on the disposal of fixed assets, reshaping costs which had been lower than the amount budgeted, and depreciation benefits arising from a reassessment of the useful lives of assets;
- Due to the re-profiling of capital expenditure, a balance sheet which was expected to show higher than budgeted cash balances at the year end, exceeding the University's total borrowings; and

- Factors impacting the delivery timescales for the SIMS Project and the subsequent decision taken by the Executive Team to apply a red flag, until these factors could be resolved. Further discussions would take place at the Executive Team and Audit Committee, prior to reporting back to Court.

In relation to the non-financial elements of the Report, the Director of Strategy & Policy noted staff turnover and sickness absence rates which, although still below sector averages, would continue to be monitored closely. She also explained that, whilst PGR intake figures had continued to increase, it was unlikely that the 2016/17 target would be achieved by year-end. External factors impacting on this position included the availability of funding for prospective students and the reliance, in some subject areas, on specific geographical markets.

Court welcomed the Report and discussed the following issues:

- The University would move from a net funds to a net debt position in future, due to planned and approved expenditure on estates developments;
- Sector-level discussions between the SFC and the Scottish enterprise agencies were on-going in regard to the future funding arrangements for Innovation Centres;
- The results of the National Student Survey (NSS) 2017 were expected to be announced in August and these would be communicated to Court ahead of its next meeting, following review by the Executive Team.

Court also **noted** the biannual update provided on the University's International Strategic Partnerships. It was agreed that the format of this Report would be revised ahead of the next reporting date to provide a more succinct round-up of key activities and progress achieved.

5. 2017/18 Budget, Financial Forecasts and Operating Plan

The CFO presented the 2017/18 draft Budget alongside the draft Financial Forecasts for submission to the SFC. The CFO noted:

- The particular level of challenge arising during the development of the 2017/18 Budget as a result of recent changes to accounting standards and, particularly, increased volatility arising from the revised treatment of capital grants and the specific impact on the overall reported surplus;
- A number of positive factors impacting on the Budget position, including fixed asset disposals;
- A proposal to set aside an appropriate sum to support further planned reshaping activity within Faculties and Professional Services, whilst continuing to invest in new staff talent.

In relation to the Financial Forecasts, the following key points were highlighted:

- The continuation of ambitious but achievable forecasted increases in income from tuition fees and research contracts, recognising the critical link between successful income generation and the University's position as an investing institution;
- Anticipated future increases in staff costs which would need to be carefully managed and contained;
- A proposed new approach to monitoring financial sustainability and performance, by measuring the amount of cash generated from operations, with plans to grow this figure year-on-year;
- Projected increases in the University's net debt position over the four-year period, in line with increased strategic estates expenditure, balanced by the longer term forecasts which indicated that net debt would thereafter revert to lower levels; and
- The criticality of robust delivery strategies over the medium-term and the positive impact of recent revisions to the University's approach to Budget development and delivery.

Court members discussed the draft Budget, offering comments in the following key areas:

- The University was currently operating well within its bank covenants but there was a need to consider the position for future years, particularly in respect of any additional, future borrowings;
- The recognition that forecast surpluses for future years were partly reliant on projected capital grant income;

- The importance of success, supported by the University's competitive position, in bidding for large-scale external grants such as from the UK Industrial Strategy Challenge Fund;
- The recognition of significant continuing volatility in the external funding and political environment and the need to prepare and plan for this appropriately in both the medium and long-term;
- The potential to measure future surpluses on a rolling three-year average in order to take account of this volatility; and
- The importance of continued efforts to control staffing costs, relative to expenditure, through the application of existing support mechanisms and performance management approaches.

Court **approved** the 2017/18 Budget and Four Year Financial Forecast.

Court also **approved** the University's 2017/18 Operating Plan. It was recognised that the content of the Plan drew upon pre-existing documentation and that its preparation represented some duplication of effort. As such, alternative approaches to the development of an Operational Plan would be considered for future years.

6. Exploration of future borrowing facilities

The CFO provided an update on the University's cash and funding position and sought Court's agreement to explore, without commitment, options for obtaining additional credit facilities for the purpose of investing in key strategic initiatives and opportunities.

Court considered the proposals and noted that, based on the suggested level of potential additional borrowing, the University's level of debt, as a proportion of income, would not be inconsistent with other institutions across the UK higher education sector. It was also noted that, whilst the preference would be to secure further European Investment Bank (EIB) facilities, alternative options should also be investigated.

Court **agreed** that options for additional credit facilities should be explored. It was confirmed that no additional credit facilities would be formally agreed without first seeking and obtaining Court's approval.

7. University of Strathclyde Students' Association 2017/18 Budget

The Convener welcomed the Chief Executive of the University of Strathclyde Students' Association (USSA). The USSA Chief Executive presented USSA's 2017/18 Budget for Court's approval, highlighting key USSA activities and developments over the previous year and setting out its future plans. He also offered his thanks to members of Court and the University Executive for their continued support during a period of significant transition. Following Court's approval of USSA's Memorandum and Articles of Association in May 2016, it was expected that USSA would fully incorporate and become a Company Limited by Guarantee by December 2017.

Court considered and **approved** the USSA Budget for 2017/18, in accordance with the requirements of the Education Act 1994. Court also noted the update provided in regard to USSA's planned incorporation.

8. National Physical Laboratory progress update

The Associate Principal & Executive Dean of the Faculty of Science presented a progress update on the delivery of the University's strategic partnership with the National Physical Laboratory (NPL). Since the signing of the formal Partnership Agreement in April 2015, NPL had gone through a significant period of internal change but was now emerging from a period of positive disruption, supported closely by the University. Whilst overall progress against the stated objectives had been slower than originally anticipated, the University had benefited through the establishment of key relationships and the generation of new strategic opportunities, including the creation of a successful and growing Postgraduate Institute and the establishment of a regional NPL Scotland Hub. The partnership had also played a key role in enhancing the University's reputation and relationships with external stakeholders.

Court welcomed the update provided, noting that, whilst progress had been impacted by the significant level of organisational change within NPL, the University continued to be a key partner in driving this positive change and in ensuring a renewed focus on achieving the original objectives, albeit on a revised timescale.

It was agreed that a further progress update would be provided to Court in 12 months' time.

9. Proposals for formal engagement with Scottish Enterprise

[RESERVED ITEM]

10. European Policies Research Centre – reserved

[RESERVED ITEM]

Items for formal approval

11. Convener's Actions

There were no actions to report since the last meeting.

12. Court and Committee Membership 2017/18

The University Secretary and Compliance Officer (USCO) introduced a report from Court Membership Group, following its meeting on 12 June 2017, and sought Court's approval for a number of recommendations on Court and committee appointments. Court **approved** the following appointments to Court and its committees for 2017/18

Court Membership:

- The appointment of Paula Galloway as a lay member of the University Court for an initial one-year term, from 1 August 2017 to 31 July 2018.

Committee Membership:

- The appointment of Alison Culpan to membership of the Audit Committee from 1 August 2017 (replacing Archie Bethel and demitting office from Staff Committee)
- The appointment of Malcolm Roughead to membership of the Staff Committee from 1 August 2017
- The appointment of Susan Kelly to membership of the Enterprise & Investment Committee from 1 August 2017
- The appointment of Paula Galloway as Convener of the Audit Committee from 1 August 2017
- The appointment of Mr Les Campbell as a co-opted external member of the Audit Committee for an initial one-year term from 1 August 2017 to 31 July 2018

Court **approved** the use of Court Convener's Action, prior to the first scheduled Court meeting of 2017/18, to approve any recommendations from Court Membership Group in order to fill a small number of remaining vacancies on Court's committees.

13. Scottish Code of Good HE Governance – consultation response

Court considered and **approved** the University's response to the consultation on a revised Scottish Code of Good HE Governance.

Items for information

14. Court Action Tracker 2016/17

Court noted a paper highlighting progress on the completion of Court actions identified during 2016/17.

15. Health & Safety Annual Report and Strategy Update

Court **noted**:

- The Health & Safety Annual Report, submitted by the Statutory Advisory Committee on Safety and Occupational Health (SACSOH); and
- An update report on the delivery of the University's Occupational Health, Safety and Wellbeing Strategy.

Committee Reports

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

16. Executive Team

Court **noted** the key matters discussed by the Executive Team at its recent meetings.

17. Court Business Group

Court **noted** and welcomed CBG's advance consideration and scrutiny of the Court agenda and its substantive items.

18. Audit Committee

Court **noted** the items discussed by Audit Committee at its recent meeting on 25 May 2017

19. Estates Committee

Court **noted** the items discussed by the Estates Committee at its recent meeting on 23 May 2017.

20. Enterprise & Investment Committee (Annual Report)

Court **noted** a report summarising the main commercial and investment activities of the Enterprise & Investment Committee during 2016/17.

21. Strategic Marketing Group

Court **noted** the items discussed by the Strategic Marketing Group at its recent meeting on 16 May 2017.

22. Equality & Diversity Strategy Committee (Annual Report)

Court **noted** a report highlighting the key matters considered by the University's Equality & Diversity Strategy Committee during 2016/17.

23. AOB

Noting that this was the final Court meeting of 2016/17 and his final meeting as Convener, the Convener of Court expressed his gratitude to all members and attendees for their contributions throughout the period of his Convenership.

He offered best wishes, on behalf of Court, to those members demitting office on 31 July 2017, including Dr Jack Perry, Councillor Stephen Curran, Mr Raj Jeyaraj, Mr Gerry McDonnell, Dr Alistair Goldsmith, Dr Jonathan Delafield-Butt, and Dr Dimitris Andriosopoulos. He also offered thanks to Dr Veena O'Halloran, who had demitted office on 1 June 2017, as a result of her appointment to the position of University Secretary and Compliance Officer.

The Principal, on behalf of the Executive Team and the wider University community, expressed his gratitude to Mr Richard Hunter for his significant contribution to the University since his appointment as a lay member of Court and, latterly, for his dedication and efforts as Convener of Court.

The Principal also expressed his particular thanks to Dr Jack Perry, who had served as Treasurer since 2011, and to Dr Alistair Goldsmith and the Graduates' Association for their contribution to the University.

Date of next meeting

- Thursday 28 September 2017