

UNIVERSITY COURT – AGENDA

Thursday 7 March 2019, 09.30-12.00, coffee from 09.15
Court Senate Room, Collins Building

Apologies: Matt Crilly, Susan Kelly, Katharine Mitchell, Malcolm Roughead, Kerry Alexander

Declarations of interest: None

Introduction		
1.	Minutes of the meeting held on 29 November 2018 <i>All</i>	Paper A <i>5 mins</i>
2.	Matters arising <i>All</i>	Oral <i>5 mins</i>
3.	Principal's Report <i>Principal</i>	Oral <i>20 mins</i>
Substantive items		
4.	Presentation: Professor Stuart Reid, Biomedical Engineering Professor Reid will speak on his research into regenerative medicine technologies with applications for the treatment of osteoporosis.	Oral <i>20 mins</i>
5.	Outcome Agreement 2017-2020: Final 2019/20 Annex <i>Director of Strategy & Policy</i>	Paper B <i>10 mins</i>
6.	Presentation: Estates Development Update <i>Director of Estates Services</i>	Oral <i>20 mins</i>
7.	Q2 Business Report 2018/19 <i>Acting Chief Financial Officer, Director of Strategy & Policy</i>	Paper C <i>20 mins</i>
8.	Strategic Plan 2015-2020 – mid-year progress report <i>Director of Strategy & Policy</i>	Paper D <i>20 mins</i>
Items for formal approval		<i>20 mins</i>
9.	Convener's Actions <ul style="list-style-type: none"> Chief People Officer role Temporary arrangements for delegated authority in RKES 	Paper E Paper F

10.	Scottish Funding Council provision of loan funding via University Financial Transactions Programme	Paper G
11.	AFRC Future Forge Press Project	Paper H
Items for information		<i>10 mins</i>
12.	Court meeting dates 2019/20	Paper I
Committee reports		
13.	Senate For approval: <ul style="list-style-type: none"> • Innovation and Industry Directorate • Change of Department Name 	Paper J
14.	Executive Team	Paper K
15.	Court Business Group	Paper L
16.	Court Membership Group	Paper M
17.	Audit & Risk Committee	Paper N
18.	Enterprise & Investment Committee	Paper O
19.	Estates Committee	Paper P
20.	Remuneration Committee	Paper Q
Closing remarks		<i>10 mins</i>
21.	Any other business <i>Convener</i> Date of next meeting <i>Thursday 2 May 2019</i> <i>Location: Court Senate Room</i>	

Paper A

MINUTES OF UNIVERSITY COURT 29 November 2018

Present: Dame Sue Bruce (Convener), Kerry Alexander, Dr Jeremy Beeton, Dr Archie Bethel, Ronnie Cleland, Amanda Corrigan, Matt Crilly, Alison Culpan, Titi Farukuoye, Paula Galloway, Dr Kathy Hamilton, Gillian Hastings, Susan Kelly, Dr Katharine Mitchell, Dr Jane Morgan, Professor Scott MacGregor, Professor Sir Jim McDonald, Dr Neil McGarvey, Gillian Pallis, Heather Stenhouse

Attending: Professor Tim Bedford, Professor Douglas Brodie, Professor Sara Carter, Hugh Darby, Dr Veena O'Halloran, Sandra Heidinger, Professor David Hillier, Professor Atilla Incecik, Kirsty MacLeod (for item 6), Rona Smith, Professor Iain Stewart, Dr Daniel Wedgwood

Apologies: Malcolm Roughead, Marion Venman, Brenda Wyllie, Councillor David McDonald

Welcome and apologies

[Reserved]

The Convener welcomed Court members and attendees to the meeting.

No interests were declared.

1. Minutes

Court **approved** the minutes of the meeting held on 4 October 2018, subject to one minor correction: on page 2, reference to an event on the topic of the UK's withdrawal from the EU should note that the event had been organised by the City of Glasgow Council.

2. Matters arising

Fellowship of the University: As agreed by Court on 4 October 2018, this exceptional honour had been bestowed at the 5 November graduation ceremony upon Sir William Lithgow, first Honorary President of the University of Strathclyde Students' Association and former member of the University Court (1963-69).

3. Principal's Report

The Principal informed members of the following key developments since the October 2018 meeting:

Departmental visits: The Principal had begun a programme of engagement visits to different academic and professional services departments of the University and looked forward to undertaking further engagements over coming months.

CESAER

The Principal had hosted the CESAER Annual General Assembly in Bucharest, reviewing progress over the first 10 months of his presidency of this association of leading science and technology focused institutions. This activity continued to strengthen the University's reputation and was contributing to efforts to deepen international connections in the context of the UK's planned withdrawal from the EU, for both the University and Scotland.

UK Government Autumn statement

The Chancellor of the Exchequer had set out the UK Government's Autumn Statement on 29 October. There had been a strong focus on innovation. The Scottish Government's 2019-20 budget announcement would follow on Wednesday 12 December.

Government engagement

The First Minister had visited the University on 14 November to give a keynote speech at a human rights conference at the Technology & Innovation Centre (TIC). Among those present were Maree Todd MSP, Minister for Children and Young People, and Paul Wheelhouse MSP, Minister for Energy, Connectivity and the Islands. The event had come about as three Strathclyde professors are members of the First Minister's Advisory Group on Human Rights Leadership.

Richard Lochhead MSP, the new Minister for Further Education, Higher Education and Science had visited USSA on 11 October as part of a tour of student associations. Work was in hand to arrange an opportunity for him to visit the University.

The Principal had also met with Philip Rycroft, Permanent Secretary at the UK Government Department for Exiting the European Union.

Scottish Funding Council (SFC) engagement

The Principal had recently had a constructive meeting with the Chair of SFC, Dr Mike Cantlay OBE, who had also visited the Advanced Forming Research Centre.

In support of preparations for REF2021, the Principal had met Dr Stuart Fancey, Director of Research at SFC, to discuss a range of topics, including SFC's plans for research funding following the REF.

The new CEO of the SFC had been announced on 27 November. Karen Watt, a graduate of St Andrews and Edinburgh Napier universities, had a background in the Scottish Government, where she was currently serving as Director of External Affairs, with previous roles including Principal Private Secretary to the First Minister and CEO of the Scottish Housing Regulator. She would join SFC on 14 January. The Principal and Court wished her well in her new role.

Graduations

Graduation ceremonies had taken place at the beginning of November. The Principal thanked Court members for taking time to attend the ceremonies. Graduands had been joined by some inspiring honorary graduates, including

- Dr Jack Perry CBE, former Deputy Convener of the Court and Treasurer of the University of Strathclyde (Doctor of the University);
- Hugh Hall, Principal of Fife College and former Chief Operating Officer of the University of Strathclyde (Doctor of the University);
- Modesta Kanjaye, Director of Water Resources in the Ministry of Agriculture, Irrigation and Water Development of the Government of Malawi (Doctor of Science);
- Arunima Sinha, former India national volleyball player and the first female amputee to climb Mount Everest (Doctor of the University);
- Debi Gliori, author and illustrator (Doctor of Literature);
- Professor Sheila Rowan, Professor of Physics and Astronomy at the University of Glasgow and Chief Scientific Advisor to the Scottish Government (Doctor of Science);
- Professor Sir Pete Downes, former Principal and Vice-Chancellor of the University of Dundee;
- Stewart Saunders MBE, former Managing Director of Manweb (Doctor of the University); and
- Professor Max Lu, President and Vice-Chancellor of the University of Surrey (Doctor of the University).

A celebration of innovation

In the same week as graduations, the University had hosted a Celebration of Innovation evening in the TIC, to showcase innovative projects and launch a brochure focused on people and projects helping to make progress towards the UN Sustainable Development Goals, copies of which were made available for Court members.

Enhancement-Led Institutional Review (ELIR)

The University's ELIR reflective analysis had been submitted to QAA Scotland on 16 November, ahead of part one of the ELIR assessment on 31 January. The Principal thanked the Convener and Marion Venman for providing helpful comments on the draft.

UKVI visit

The University Secretary & Compliance Officer updated Court on the outcomes of the UKVI student audit. The official report had been received on 16 November. This report was positive, and the University's Tier 4 licence had been renewed for another year. UKVI would return to undertake a separate staff audit.

USS developments

In October, Court had been advised that the UUK/UCU Joint Expert Panel (JEP) had published its initial report, whose recommendations were welcomed by the university. Applying the recommendations would result in an increase in employer contributions from 18% to 20.1%, alongside an increase in employee contributions from 8% to 9.1%, while maintaining essentially the same member benefits.

Since then, UUK had completed an employer consultation on these recommendations. This had a good response rate and showed a clear majority of employers in favour of the recommendations.

The USS Trustee had not formally responded to the JEP proposals. However, USS had indicated a willingness to work with all parties and to pursue a new valuation taking into account changes up to March 2018 and in the light of the JEP recommendations. If effected in good time, this would prevent application of any cost-sharing contributions increases beyond the levels envisaged by the JEP. In the meantime, USS was obliged to complete the original 2017 valuation and pursue the default cost-sharing process. In the absence of a new valuation, pursued at sufficient pace, this would produce steep contributions increases.

The Director of HR had kept all staff informed by email about developments regarding USS, including sharing the university's response to the consultation on the JEP recommendations. The Principal and the Director of HR emphasised that current developments were constructive but swift and sustained progress would be essential.

Awards news

The University had won two awards at the Herald Diversity Awards on 11 October:

- TransEDU was awarded the Diversity Through Education Award.
- Breaking Barriers, an access programme between the Business School, Scottish Power and ENABLE Scotland, was named winner of the Youth Employment Award. The Principal noted the historical aptness of this collaboration, the charity that was to become ENABLE Scotland having been established by the University's first Principal, Sir Sam Curran.

On 15 November, at the Scottish Apprenticeship Awards in Perth:

- the first-ever Graduate Apprentice Rising Star Award was presented to Justyna Dabrowska, a second year in the Graduate Apprenticeship in Engineering: Design and Manufacture; and
- the Modern Apprenticeship of the Year (SCQF level 5) Award went to Robert McLatchie of Scottish Leather Group, who was now studying at Strathclyde in the Graduate Apprenticeship in Engineering Design and Manufacture.

Medicines Manufacturing Innovation Centre (MMIC)

Dr Dave Tudor had been appointed Managing Director of the MMIC, the collaboration between CPI, Strathclyde, GSK and AstraZeneca. Dr Tudor was previously Head of Manufacturing Strategy for GSK. The Principal welcomed the appointment, which he believed would make an important contribution to the future success of MMIC.

4. Health, Safety & Wellbeing Moment

The University Secretary & Compliance Officer noted the following significant developments:

- A new ramp had been installed in the Barony Hall, greatly improving disabled access at graduations. The ramp was removable, in order to comply with requirements relating to the building's listed status.
- Work was progressing towards creation of a new online risk assessment facility.
- Investigations had been carried out in relation to glazing failures on campus, in particular in the James Weir Building, Stenhouse Wing and TIC. Investigators had concluded that the breakages were caused by nickel sulphide inclusions in the glass, a known issue with certain kinds of glass panel. The Executive Team had received two reports on this issue and a number of actions had been agreed to prevent or mitigate any further failures. The University had been engaging with the wider UK higher education sector to improve understanding of the problem and to share best practice in addressing it.
- The University was continuing to work with Glasgow City Council on relevant health and safety and wellbeing issues, with current discussions centred on slip hazards on Montrose Street and possible pedestrianisation of parts of the campus.

5. Strathclyde Global Talent Programme

The Director of Human Resources presented an outline of Strathclyde's Annual Strategic Recruitment approach, comprising the Chancellor's Fellows scheme and the Global Talent Attraction Platform (GTAP), including an overview of the strategic context, ongoing recruitment and the diversity profile of applicants and appointees, with examples of previous appointees who have come to the university through the two schemes.

The Convener welcomed the presentation and noted the benefits of Strathclyde's innovative approach to recruitment. Court noted that there was a gender imbalance in applications, particularly for senior roles through GTAP, and discussed ways to encourage more applications from women. The Director of Human Resources highlighted efforts made to review the language used in adverts, and to reconsider essential and desirable criteria, in the context of evidence of the ways in which men and women, statistically, tend to consider their suitability for a post. The impact of these previous efforts to adapt advertising with gender balance in mind would be revisited.

Court noted the importance of Strathclyde's global reputation in attracting high quality candidates to these recruitment schemes, who would themselves, in turn, help to strengthen that reputation. Court suggested the use of existing fellows and GTAP appointees in marketing the schemes further. The University's values, and adherence to them, were identified as key to attracting and retaining talent. Court discussed levels of staff turnover in the University, noting that some turnover is desirable in any organisation, and was informed that current turnover is below the sector average and considered to be at a healthy level.

6. Financial Statements 2017/18

The Acting Chief Financial Officer (CFO) presented the draft Financial Statements 2017/18, noting positive year-end results. Notable results included the following:

- Income had grown despite continuing constraints in public expenditure, total income standing above £300 million for the first time.
- The proportion of income received through Scottish Funding Council (SFC) grants had continued to fall, highlighting the strategic importance of future growth in unregulated income.
- Tuition fee income had grown well (by 5.6%), in part attributable to a rise in demand for taught postgraduate courses coinciding with the Scottish Government having introduced new loan-funding arrangements for students.
- Research income had grown strongly, including visible benefits of industry engagement in the form of increased research income from UK industry.
- Staff costs had risen significantly, partly due to pensions cost increases and other external factors, but also as a result of strategic investments in staff and re-structuring.
- Depreciation and interest costs had risen as part of an anticipated upward trajectory resulting from major estates investments.

- From comparative data, the University's external auditors had confirmed that Strathclyde's debt burden was well within the acceptable range, in terms of risk, for a UK higher education institution of its size and profile.

The Convener invited the Treasurer and the Convener of the Audit & Risk Committee (ARC) to comment. Both welcomed the positive results and commended the quality of the accounts.

The Convener of ARC noted that rising pensions costs had been a focus of discussion for that committee. Court noted that the environment was likely to remain challenging for pension funds, including the USS scheme. These challenges were systemic and not specific to the University.

The nature of European Investment Bank (EIB) loans was discussed. Court was informed that the University's EIB loan is a Sterling loan and therefore carries no exchange rate risk. The UK's withdrawal from the EU would not impact on existing EIB loans, but could affect access to future borrowing.

Members considered the possible effects at sector level of the downward trajectory of Scottish Funding Council (SFC) funding, as a proportion of overall university funding. It was noted that the sector and the SFC maintained regular dialogue on possible responses to a challenging funding environment and that it would be important to maintain a constructive and collaborative approach. Strathclyde's distinctive qualities and position in the sector had put it on a strong and sustainable footing and it would be vital to maintain this.

Court **approved** the draft Financial Statements for 2017/18.

The Convener thanked the Acting CFO, the Deputy Director of Finance and all who had been involved in preparing the Financial Statements.

7. Q1 Business Report 2018/19

The Acting CFO and the Director of Strategy & Policy introduced the Q1 Business Report for 2018/19. Members noted the following key messages:

- Forecast total income was **[Reserved]** million lower than budget and operating outturn forecast a surplus **[Reserved]** million lower than the budget surplus. This position was not unusual at Q1, and there remained nine months in which to bring the outturn back into line with budget, with a number of actions having been discussed by the Executive Team.
- In response to a request from the Executive Team for more data on the 'pipeline' for student recruitment, new information had been added on student applications and offers. Data that would allow a multi-year comparison would become available in Q2. Equivalent 'pipeline' data on research grant applications and awards was also now included in the Business Report.
- While on-going research postgraduate (PGR) recruitment was expected to produce in-year growth, the PGR population was flagged as being short of the target, following lower than targeted intakes in recent years.
- Recruitment of students in widening access groups showed continued growth, exceeding targets.

Discussion focused on PGR recruitment. Referring back to the discussion under item 6, members noted the importance for PGR recruitment of continually enhancing the University's global reputation and fostering national and international networks, just as in the case of staff recruitment. It was suggested that more opportunities be sought for students and alumni to promote the University internationally.

Court **noted** the report.

8. Strategic Plan 2015-2020: year-end progress report 2017/18

The Director of Strategy & Policy introduced the year four progress report on the 16 KPIs contained within the University's Strategic Plan. Members welcomed the report and the good progress that had been achieved against a range of measures, noting that the majority of KPIs were 'on track' or ahead of relevant milestones.

Court discussed potential future changes to the KPIs to reflect a changing environment and the University's ambitions beyond 2020. It was noted that the core set of KPIs was likely to remain relevant for the foreseeable future, but suggestions of any additional indicators of relevance to Court would be welcome. The University maintained other sub-KPIs within more detailed policy portfolios.

Members discussed the potential impacts of development of new concentrated degree structures which were to be introduced in England. It was noted that the strength of demand for such courses was unclear and the University would monitor developments. There was evidence that the student experience was a stronger driver of choice for many students than the cost or duration of courses.

9. Outcome Agreement 2017-2020: Draft Annex 2019/20

The Director of Strategy & Policy presented an early, working-draft outline of the 2019/20 Supplementary Annex to the University's Outcome Agreement for 2017-2020. This was intended to address additional requirements set out in the SFC's most recent guidance, whilst maintaining and supporting the University's overall strategic objectives.

Members noted that the University was in a strong position to be able to address the additional requirements and that the Annex would be developed further ahead of the submission of a 'well-developed' draft to the SFC by the required deadline of 10 December 2018. Court members would get an opportunity to review the full submission again in March, ahead of the final submission deadline.

10. The UK's exit from the European Union

The University Secretary and Compliance Officer (USCO) introduced this paper which provided Court with a high-level update on key issues and risks presented by the UK's planned exit from the EU, with mitigating actions, while noting that in many areas specific actions could only be taken once the outcomes of the exit negotiations and future relationship outline were clearer. This was a priority area for the Executive Team and subject to a great deal of activity both within the University and at national level.

In line with issues raised at Audit & Risk Committee and Court Business Group, key Departments and Centres had been approached to gain a better understanding of any supply issues that might arise in the case of a 'no deal' withdrawal from the EU. In this scenario, the Executive Team would put in place a Business Continuity group.

Members discussed whether the University or the higher education sector planned to take a position publicly on possible outcomes of the EU withdrawal process. Court was informed that both the University and the Scottish sector had adopted a position of neutrality while making clear what was required under any scenario to support universities' continued success. In this respect, the University's leadership had worked very actively to influence decision-makers.

Members discussed whether withdrawal from the EU and associated uncertainty might impact on universities' access to finance. Court was informed that providers of finance continued to show strong interest in working with University.

The Principal noted that the University would offer to pay the application fee for members of staff of EU nationalities applying for settled status.

11. Policy@Strathclyde

The Executive Deans of HaSS and SBS presented an outline of the Policy@Strathclyde initiative. This would build on the intent behind the International Public Policy Institute, while taking a new approach that would better integrate with the Strathclyde 2025 vision. Existing Business School infrastructure would be leveraged, allowing greater penetration into, and a tailored offering for, different world markets.

The Principal highlighted the strategic importance of Policy@Strathclyde, noting in particular its potential to stimulate greater levels of collaboration and to help channel the outcomes of academic work into public policy arenas.

Court discussed the intended benefits of the initiative, which included increased impact through research and knowledge exchange, new Masters courses, new joint working with international partners, degree apprenticeships and a significant CPD offering both to the Scottish public sector and internationally.

As part of the continuing development of Policy@Strathclyde, the strategic targets of contributing centres would be revisited and aggregated and the additional value of the initiative defined in more detail. Members noted that many members of academic staff outside of the relevant centres had significant policy expertise and their involvement with Policy@Strathclyde could be expected to increase as the initiative developed and communications were rolled out. This would help to align Policy@Strathclyde with the University's strategic theme of 'Society and Policy' and amplify its contribution.

Items for formal approval

12. Convener's Actions

There were no actions to report since the last meeting.

13. Corporate Risk Register

The University Secretary and Compliance Officer outlined recent changes to the risk register. Court **approved** the register.

14. Annual Statement on Research Integrity

The Associate Principal, Research & Knowledge Exchange outlined the purpose and importance of the University's Annual Statement on Research Integrity for 2017/18, which Court **approved**.

15. Governance Act 2016: Implementation update

The University Secretary and Compliance Officer outlined a series of proposed changes to the University's governing instruments which would contribute to achieving full compliance with the Higher Education Governance (Scotland) Act 2016. Court **approved** all of the proposed changes:

- amendment of Ordinances 2.1.2 and 2.1.5 to reflect the statutory functions of the Senior Lay Member (SLM);
- amendment of Standing Order 3 to refer to extension rather than re-appointment, reflecting the wording of the Act;
- establishing terms of office for the Senior Lay Member, such that the initial appointment is for two years, with the possibility, at Court's discretion, of extension to a total of five years as the norm and an exceptional second extension of three more years;
- delegation to Remuneration Committee of the process for determining the level of remuneration for the Senior Lay Member;
- designation of Court Membership Group as the committee to whom Court would delegate the process of recruiting candidates for the Senior Lay Member position;
- amending statute 2.8 to clarify that the 75% stated is of the Court Members present and voting, excluding the member under consideration;
- introduction of an appeal process, based on the current staff appeals process, to allow the person who is the subject of the resolution to seek a review in order to have the resolution reconsidered; and
- amendment of Statute 2.8 and Ordinance 4.5.3 to include reference to the appeals process.

Items for information

16. Prevent Strategy: Annual Report and update

Court **noted** the annual update on the implementation of the Prevent requirements under the Counter Terrorism Security Act (2015) and action taken by the University to ensure continued compliance.

Committee Reports

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

17. Senate

Having approved the Annual Statement on Research Integrity under item 14, Court **noted** other key matters discussed by the University Senate at its meeting on 14 November 2018.

18. Executive Team

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

19. Court Business Group

Court **noted** and welcomed the Court Business Group's advance consideration and scrutiny of the Court agenda and its substantive items on 19 November 2018.

20. Court Membership Group

Court **noted** the report of the Court Membership Group (CMG) meeting on 19 November 2018.

In addition, Court **approved** the following recommendations from CMG:

- re-appointment of Jeremy Beeton, Archie Bethel and Marion Venman to Court, each for a final term of two years;
- appointment of Kathy Hamilton to the vacant staff member position on Court Membership Group for a period commensurate with her current term of office on Court; and
- appointment of Amanda Corrigan to the vacant staff member position on Court Business Group for a period commensurate with her current term of office on Court.

The Convener offered thanks to these members of Court for agreeing to serve in the respective roles.

21. Audit & Risk Committee (including the Audit & Risk Committee's Annual Report to Court)

In addition to approval of Financial Statements under item 6, the Court **approved** the recommendation made by the Audit & Risk Committee that Ernst & Young LLP be retained as the University's External Auditors for the audit of the 2018/19 Financial Statements.

22. Enterprise & Investment Committee

Court **noted** the items discussed by the Enterprise & Investment Committee at its recent meetings on 7 September and 5 November 2018.

23. Staff Committee

Court **noted** the items discussed by the Staff Committee at its recent meeting on 13 November 2018.

24. Estates Committee

Court **noted** the items discussed by the Estates Committee at its recent meeting on 25 October 2018.

25. AOB

There was no other relevant business.

Date of next meeting

- Thursday, 7 March 2019

UNIVERSITY COURT – NOTE OF STRATEGY SESSION 29 - 30 November 2018

Thursday 29 November

26. Opening Remarks

The Convener briefly introduced the Strategy Session, welcoming members and attendees.

27. Reflections on performance 2017-18 and horizons viewpoint: The road to 2025

The Principal and Vice-Principal delivered presentations on the University's Vision 2025, tracking progress through the different strategic horizons of recent years and towards the targeted achievements for future horizons.

28. Guest speakers

2025 vignettes

Court members and attendees were shown a series of short videos illustrating the envisioned experiences of students, staff and industrial partners as and when the University's goals for 2025 are achieved.

Homeward Bound Leadership Scheme participants – Dr Katherine Duncan (SIPBS), Kirsty Robb (SIPBS) and Dr Jana Schniete (Physics)

The three speakers gave an overview of their experiences to date as Strathclyde's participants in Homeward Bound, an international programme which supports women with scientific backgrounds to develop their leadership capabilities, forge new collaborations and engage in work that contributes to global sustainability. The presentation covered the context of women's representation in science in addition to the nature of the programme and noted connections between the ethos of Homeward Bound and Strathclyde's values.

Friday 30 November

29. Introduction and welcome

The Convener welcomed Court members and attendees to the second day of the Strategy Session.

Vision 2025 presentations

30. Vision 2025: Strathclyde Business School

31. Vision 2025: Faculty of Engineering

32. Vision 2025: Faculty of Science

33. Vision 2025: Faculty of Humanities and Social Sciences

34. Vision 2025: Professional Services

The Executive Deans, the University Secretary & Compliance Officer, the Acting Chief Financial Officer and the Chief Commercial Officer all delivered presentations on the achievements targeted in their respective areas of responsibility for 2025 and the strategy for reaching these goals.

Subsequent discussion centred on the high levels of student and staff recruitment required to meet the targeted growth in activity and income and the physical infrastructure and wider resource required to accommodate this growth. Given the level of ambition embodied in Vision 2025, and complex external environment, there would inevitably be challenges. However, an ongoing programme of investment had provided the platform from which to fulfil this ambition and current performance supported the projections to 2025.

35. Breakout Sessions

Court members and attendees split into small groups, each discussing a different aspect of the strategy towards 2025.

36. Breakout Sessions roundup

Members of each breakout group presented summaries of their respective groups' discussions and suggestions that emerged from them.

Outstanding student experience

- Achieving targeted growth in student numbers and internationalisation would bring a more diverse student population, better aligned with that of competitors. Alongside many positives, this would bring challenges, among which would be a likely need for additional English language support and investment in support services.
- A creative approach to taught postgraduate (PGT) provision could help to differentiate Strathclyde from competitor institutions in key areas. Specific suggestions included new ways of integrating work experience or work-based learning into PGT courses, potentially with expanded course durations to accommodate this – accompanied by specific marketing of this differential strength.
- Innovative approaches to learning and teaching such as Vertically Integrated Projects and Horizontally Integrated Projects would continue to make an important contribution to the University's unique offer.
- Alongside consideration of academic and major infrastructure enhancements, there should be a focus on 'bread-and-butter' issues affecting students; i.e. the convenience, comfort and quality of fundamental underpinning facilities and services on campus.

Internationally-leading research

- Support for grant writing and internal assessment of proposals continues to be crucial. Aligned with our values of being people centered and collaborative, every researcher should have the support of internal peer review when writing proposals. Moreover, enhancement of this proposal review provision should be enhanced across the institution.
- We need to look at the balance between central and distributed support for grant proposal development, ensuring that we are able to provide staff across all parts of the university with targeted support available elsewhere.
- Connectedness and visibility on a global stage would be essential to achieving targeted growth in research excellence. There might be scope to develop a dedicated initiative to this end, bringing together various forms of relevant activity and support ('Strathclyde Connects'), with a particular emphasis on visiting Early Career Researchers, which could facilitate the attraction of key (external) talent to the University, advance collaboration with existing Strathclyde staff, and potentially encourage visiting scholars to seek to return in permanent roles.
- Consideration might be given to a cohort approach to fellowship applicants, targeted at future research leaders, and ensuring that the appropriate time is taken to develop the vision for a future research leaders programme, which would facilitate enhanced institutional readiness for externally funded fellowships, and the creation of a talent pipeline of Strathclyde applicants.

World-leading innovation and impact

- The University's strength in these areas was evident, but traditional sector metrics do not capture this.
- Outputs from, and impact of, the Glasgow City Innovation District would be quantitatively measured and might provide a model for wider measurement of innovation activity.
- Existing work in the Fraser of Allender Institute could provide the basis for measuring economic impact of various University activities, with potential for wider application beyond the University.
- The University should showcase its successes more, projecting its world-leading status, economic and societal impact and aspirations.
- Support for entrepreneurial activity and deepening of entrepreneurial networks would be crucial to future success.

Global engagement

- Looking to 2025, differentiation from global competitors would be vital. Strathclyde's strong industry engagement provided a crucial platform, offering ways in which every student and staff member can benefit.
- Strategy would need to be driven by data and evidence, enabling the University's leadership to identify gaps in engagement and opportunities for improvement.

- Sources of evidence would include feedback from international strategic partners, noting that the most effective partnerships are those built on reciprocal esteem and enhancement of reputation to both partners.
- A more strategic approach to academic staff sabbaticals and exchanges, with funding attached, could contribute significantly to international engagement and the building of new targeted partnerships.

Operational excellence

- Closer integration of professional services and academic staff, and the infrastructure supporting both, would enable more shared focus on strategic goals and allow both to concentrate on value-adding activity.
- By 2021/22 it should be clear whether the University on track to achieve its 2025 Vision. Operational Excellence will ensure the flexibility to change direction at key staging points such as this, if it is in our strategic interest to do so.
- Operational excellence should be measured, with baselines and, where possible, benchmarking.
- A culture of trust and a collaborative approach are important in encouraging the necessary continuous improvement to practices and infrastructure.
- The importance of 'institutional memory' should be borne in mind in designing systems and processes: sustained operational excellence requires resilience in the face of changes of personnel.
- The University's ambitious growth targets were intended to deliver a significant increase in student and staff numbers, bringing challenges for both physical and systems infrastructure.
- Operational excellence presupposes appropriate levels of consistency and transparency. Consideration should be given to how to achieve this consistency across academic and professional services departments, to the benefit of staff and the student experience. This does not entail identical practices throughout the University, but recognisable principles and standards, to achieve consistency of outcomes for a given set of inputs.

37. Conclusions

The Principal and the Convener brought the Strategy Session to a close.

The Principal thanked Court members and attendees for their close engagement and active participation in discussions, noting the importance of Court's ownership and stewardship of the University's strategy, which would inform the next stage of decision-making and investment.

The Convener noted that in her experience of recent Court strategy sessions she had observed clear progression in the institution's current journey. She commended the strength and vision of the University's leadership team, the positive and productive environment created within the institution and the clear sense that the University's values were at the centre of its activity, noting that these things were interconnected. She added that the three Homeward Bound participants had provided an inspiring illustration of Strathclyde values and of the talent and vision that would drive the University forward to new levels of success.

DW, 06 December 2018

Outcome Agreement 2017-2020: Final 2019/20 Annex
[RESERVED ITEM]

Q2 Business Report 2018/19
[RESERVED ITEM]

Strategic Plan 2015-2020 – mid-year progress
[RESERVED ITEM]

Convener's Action: Chief People Officer role

Background

1. A new post of Chief People Officer (CPO) has been established. The nature of the role is outlined below.
2. The University's Ordinance 4.1 lists the institution's Senior Officers and briefly defines their roles. As listed there, the current Senior Officers of the University are the Principal, the Vice-Principal, the University Secretary and Compliance Officer, the Chief Commercial Officer, the Chief Financial Officer, the Executive Deans, and the Associate Principals.
3. Therefore, a change to Ordinance 4.1 is required to establish the CPO role. The proposed additional text, to be inserted into this Ordinance, is provided in the Annex below.
4. The University's Charter empowers the Court to amend, add to or repeal the Ordinances and Regulations of the University, following consultation with the Senate.
5. At its meeting on 30 January 2019, Senate was consulted on and recommended to Court the establishment of the new CPO role and the associated amendment to Ordinance 4.1 (see Paper J, Senate Report to Court).
6. Recruitment to the role will be undertaken by an Appointment Committee established by Court. In order for this process to be initiated without delay, Convener's Action was taken to effect Court's approval of the new role and the associated change to the Ordinances.

Chief People Officer: role and rationale

7. The establishment of a CPO role within the University's Executive Team reflects the importance of the University's staff and its people-oriented approach, which is a central tenet of its institutional values. Staff development, recruitment and retention will be crucial to delivering the University's ambitious strategy for 2025 and the creation of the CPO role will ensure enhanced strategic leadership on these and other issues.
8. The CPO will be responsible for two professional services directorates, Human Resources and Continuous Improvement. This restores a previous line management connection between these two areas, while maintaining the status of both as full directorates. There are clear operational and strategic links between these directorates, in terms of maximising the value of human resources and realising the potential of all staff. The CPO structure will enable these links to be developed and exploited further.

Recommendation

9. Court is invited **to homologate** the establishment of the new CPO role and associated amendments to Ordinance 4.1

Annex

Addition to Section 4.1 of the Ordinances of the University of Strathclyde

4.1 Senior Officers of the University

The Chief People Officer

The Chief People Officer, under the direction of the Principal, shall be responsible for the development and implementation of the People Strategy for the University and the strategic management of relevant Professional Services functions.

Paper F

COVER SHEET FOR PAPERS TO BE CONSIDERED BY COURT

Convener's Action: Temporary arrangements for delegated authority in RKES	
Date of Meeting:	7 March 2019
Purpose:	To homologate approval, under Court Convener's Action, of the temporary transfer delegated authority from the Director of RKES to the Deputy Director, while the former post was vacant, the Director of RKES being specified as the bearer of delegated authority in key areas in the Schedule of Delegated Authority. In practice, this formally sanctioned the continued use of existing sub-delegations during that period. (An Acting Director has since been appointed.)
Intended Outcome:	Court to homologate approval, by Convener's Action on 1 February 2019, of the relevant temporary transfer of delegated authority.
Paper Submitted by:	Dr Veena O'Halloran, University Secretary & Compliance Officer
Prior Committee Approvals:	N/A
Financial Implications:	N/A
Reserved Business:	No
Key Contact(s):	Dr Veena O'Halloran, University Secretary & Compliance Officer 0141 548 4799
Date of Production:	27 February 2019

Scottish Funding Council

Provision of Loan Funding via University Financial Transactions Programme

Background

1. **[Reserved]** In late 2018, the opportunity emerged for the University to compete for loan funding from the Scottish Funding Council (SFC) via its University Financial Transactions Programme (UFTP), with the funding expected to be made available on highly attractive financial terms.
2. In the final quarter of 2018, the University made two applications to the SFC for via the UFTP, in respect of two projects within the University's Capital Investment Plan:
 - £10M contribution to the Learning and Teaching Building
 - £1.1M for window replacement in the Royal College
3. SFC confirmed in November 2018 that both applications had been selected for approval. Formal SFC Board approval was subsequently granted and advised to the University on 21 December 2018.
4. Proposed loan contract documentation, due in mid-January 2019, was issued by SFC on 22 February 2019. The University has until 8 March 2019 to confirm acceptance of the loans and submit a drawdown notice to SFC, with funding then due to be released by 15 March 2019.
5. These borrowings will reduce the extent to which we might in due course require additional commercial borrowings as set out in the June 2018 Four Year Forecast.
6. The interest rate on these borrowings will be 0.25% per annum, which is considerably less than commercial interest rates, and attracts no ancillary costs such as arrangement fees.
7. The other key terms of the funding are set out in Appendix 1, and are all considered strongly positive.
8. The University Schedule of Delegated Authority requires that borrowing be approved in accordance with our Treasury Management Policy. The Policy provides that the Chief Financial Officer will undertake, on behalf of Court, any borrowing required by the University. Where new facilities are being requested, the Chief Financial Officer would normally report to Court Business Group (CBG) the basis of any such proposal, seeking CBG approval. Given the timescales imposed on the University by SFC, it has not been possible to obtain prior approval by CBG as would normally have been the case.

Recommendation

9. Obtaining loan funding from SFC rather than commercial sources results in significant interest savings to the University, within a framework of very positive wider lending terms and conditions.
10. Court is asked to approve that:
 - the University should accept the offer of loan funding from the SFC in the terms set out in the Project Loan Summaries;

- in accordance with the University's Schedule of Delegated Authority and Treasury Management Policy:
 - i. the Acting Chief Financial Officer be authorised to sign and dispatch all documents, notices and other communications required or permitted to be given by the University in relation to the Project Loan Summaries;
 - ii. the Acting Chief Financial Officer be authorised to sign the final contract documentation on behalf of the University.

HD/KGM
27 February 2019

Appendix 1 – Summary of Loan Terms

	Learning and Teaching space redevelopment	Window replacement in the Royal College
Maximum loan amount	£10M	£1.1M
Repayment schedule	<ul style="list-style-type: none"> 10 year payback from (date being reconfirmed with SFC) Annual instalments of £1.0M p.a. Final repayment date (date being reconfirmed with SFC). 	<ul style="list-style-type: none"> 10 year payback from 31 March 2020 Annual instalments of £110k p.a. Final repayment date 31 March 2029
Drawdown date	14 March 2019	
Repayments	SFC to recover the loan by making deductions to the grant payments SFC makes to the University.	
Interest rate	0.25%	
Interest applicable	Interest will accrue from 1 April 2019 and will be recalculated monthly on the reducing balance as though repayment had been made monthly.	
Security	<p>Unsecured.</p> <p>However, whilst any balance remains outstanding, the University has to undertake not to create, or permit to subsist, any mortgage, standard security, assignation, charge (whether floating or fixed), pledge, lien or other security interest on any of its undertaking, property or assets comprised or utilised in the Project without the prior written consent of SFC.</p>	
Mandatory early repayment	SFC may require the University to repay the outstanding balance of the loans in full or in part if a mandatory early repayment event occurs (see below).	
Reporting	The University is required to provide an update on the project in a specific format to SFC's Project Support Team on a quarterly basis for four quarters from the date of the loan agreement and on the first and second anniversaries of completion.	

Mandatory Early Repayment Event

SFC may require the Institution to repay the outstanding balance of the Loan in full or in part (together with any other sums which may be due under these Terms of Loan) promptly (and in any event within 20 Business Days) following notice from SFC given during the occurrence of any of the following events or circumstances ("Mandatory Early Repayment Events"):

- the Institution fails to comply with any other term or condition of these Terms of Loan; or

- any information provided by the Institution in the application for the Loan or in subsequent or supporting correspondence is found to be incorrect or incomplete to an extent which SFC reasonably considers to be material; or
- any statement made by or on behalf of the Institution within the Completion Certificate proves to be untrue or incapable of being substantiated; or
- there is a failure by the Institution to keep and maintain the records in relation to the Project substantially as required by SFC; or
- the Loan has been used for a purpose other than the Loan Purposes; or
- a Material Adverse Event has occurred or is reasonably likely to occur; or
- it becomes unlawful for SFC to fund or maintain the Loan, or allow the Loan to remain outstanding at all or in accordance with the Terms of Loan; or
- such repayment is necessary in order that SFC or the Institution complies with any direction, request or requirement (whether or not having the force of law) from any monetary agency or governmental or regulatory authority.

**AFRC Future Forge Press Project
[RESERVED ITEM]**

SCHEDULE OF COURT DATES 2019/20

Paper I

COURT

Tuesday 1 October 2019	0930-1200
Thursday 28 November & Friday 29 November 2019	Residential at Ross Priory
Tuesday 3 March 2020	0930 – 1200
Tuesday 5 May 2020*	0930 – 1600 – Extended meeting
Wednesday 17 June 2020	1430 – 1700

* the May meeting may be followed by an AGM-style “public meeting” to comply with the requirements of the revised Scottish Code of Good HE Governance.

COURT BUSINESS GROUP

Wednesday 11 September 2019	0930 - 1130
Wednesday 13 November 2019	1400 – 1600
Wednesday 19 February 2020	1500 - 1700
Tuesday 21 April 2020	1400 – 1600
Friday 5 June 2020	1400 – 1600

COURT MEMBERSHIP GROUP

Wednesday 11 September 2019	1130 - 1230
Wednesday 13 November 2019	1600 – 1700
Wednesday 19 February 2020	1700 - 1730
Tuesday 21 April 2020	1600 – 1700
Friday 5 June 2020	1600 – 1700

ANNUAL COURT DINNER

Wednesday 17 June 2020	1830 – 2200
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NOVEMBER 2019 GRADUATION CEREMONIES [DRAFT – to be confirmed]

Monday 4 November 2019	1100 and 1500
Tuesday 6 November 2019	1100 and 1500
Wednesday 7 November 2019	1100 and 1500
Thursday 8 November 2019	1100 and 1500
Friday 9 November 2019	1100 and 1500

JUNE 2020 GRADUATION CEREMONIES [DRAFT – to be confirmed]

Monday 22 June 2020	1100 and 1500
Tuesday 23 June 2020	1100 and 1500
Wednesday 24 June 2020	1100 and 1500
Thursday 25 June 2020	1100 and 1500
Friday 26 June 2020	1100 and 1500
Monday 29 June 2020	1100 and 1500
Tuesday 30 June 2020	1100 and 1500
Wednesday 1 July 2020	1100 and 1500

Senate Report to Court

Senate met on 30th January 2019

FOR APPROVAL

*Following due consultation, Senate invites Court to **approve** the following recommendations considered by Senate on 30th January 2019:*

1. Chief People Officer

Following Senate endorsement, Court is recommended to consider for **approval** a proposal to create a New Senior Officer role of “Chief People Officer”. The new role has been proposed to: “enhance strategic leadership in priority areas; recognise and reflect the centrality of people-centred issues in achieving the University’s strategic aims and respecting the University’s values...; and effect coherent change in oversight and leadership structure with regard to relevant professional services directorates”. The new CPO role will lead two directorates: Human Resources, and Continuous Improvement. Amendments to the University’s Ordinances will be required to update the list of Senior Officers and their roles.

2. Innovation and Industry Directorate

Court is recommended to formally **approve** a proposal to formalise the creation of a new Directorate, the “Innovation and Industry Directorate”, which Senate endorsed at its meeting, and which would establish a new Directorate within the Office of the Chief Commercial Officer. The new Directorate would provide increased and focussed support for industrial engagement across the University, and enable a stronger focus on strategic and underpinning research and Knowledge Exchange services within the existing Research and Knowledge Exchange Directorate.

3. Change of Department Name

Senate approved the change in the name of a Department in the Faculty of Engineering from “Department of Design, Manufacture and Engineering Management” to the “Department of Design, **Manufacturing** and Engineering Management” and recommends its endorsement by Court.

4. FOR NOTING

*Senate invites Court to **note** the following items considered by Senate on 30th January 2019.*

5. Removal of Graduation Fees

Court is requested to **note** that following consultation with the Students’ Association and Student Experience Committee it has been agreed that student graduation fees be removed.

6. Report from Senate Business Committee

Senate noted from the report of the Collaborative Provision Agreement (CPA) Subgroup that 6 collaborative agreements had been reviewed, details of which were contained in Faculty reports to Senate. The Principal had approved a further three collaborative agreements.

Senate noted the positive outcome the University had received following the UKVI Audit of Tier 1 and Tier IV students.

7. Strathclyde Doctoral School

The Deputy Associate Principal (Research and Knowledge Exchange) gave a presentation to Senate on the background, development and objectives of the Strathclyde Doctoral School.

Strathclyde Doctoral School, launched in October 2018, brought together a cohesive research and training environment, based on and complementing existing provision and enhancing the Postgraduate researcher experience by providing an inclusive and comprehensive support environment.

The vision and mission of the School were outlined. These included: driving the strategic and operational developments that enhanced the PGR experience; facilitation of cross-institutional interdisciplinary engagement and interconnectivity, promoting a sense of PGR community; further development of training infrastructure and technology systems. The Governance structures of the Doctoral School were outlined, with details provided of the Executive and Management Boards.

8. NSS Faculty Updates

Faculty Executive Deans provided Senate with brief updates on progress and development of their National Student Survey (NSS) 2018 Faculty action plans, focussing on key areas of activity where improvements were being made.

9. Learning and Teaching Building Project

The Associate Principal Professor Sara Carter and the Student Association President updated Senate on the latest developments in the Learning and Teaching Building Project, providing outlines of: work in progress, floor plans and images of anticipated end results of areas of the building. Main construction works had started; designs for the Plaza area were underway; hoardings graphics were nearly ready to be erected. Contract completion date is 17th July 2020.

10. ELIR

The Acting Director Education Enhancement updated Senate on ongoing developments in the University's preparations for the Enhancement-led Institutional Review (ELIR). The Planning Visit would take place on 31st January, with the review visit scheduled to take place in the week commencing 11th March 2019.

11. Principal's Report and Update

The Principal updated Senate on several matters of interest including:

- **Staff Engagement Sessions:** The Principal had undertaken staff engagement sessions across the University. At the time of the Senate meeting 20 sessions had taken place, including an online engagement session with the Student Association President, with more sessions planned in the following weeks.

- **Annual Strategic Recruitment Scheme:** The University has continued to receive strong applications through its Global Talent Attraction Programme (GTAP) 2018/19. Applications continued to be strong for Strathclyde Chancellor's Fellows posts.
- **Graduate Apprenticeships update:** The University's success in securing and delivering Graduate Degree programmes combining online learning with work-based learning continued. Senate was updated on currently active programmes, and on the success of bids for new cohorts and new degree programmes.
- Senate expressed its thanks and appreciation to Dr David McBeth, outgoing Director of RKES, for his outstanding contribution to the University.

Executive Team Report to Court

The Executive Team (ET) met on 19 November, 10 & 18 December, 15 & 28 January, and 12 February. 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 ET meeting and led by the University Secretary and Compliance Officer, the Team took the opportunity to discuss health and safety matters.

2. Industrial Relations

The Executive Team continued to receive regular updates on industrial relations. Members noted developments at a national level relating to the Universities Superannuation Scheme (USS), including ongoing consultations on the 2017 and 2018 valuations, which had to be concluded alongside developments stemming from the Joint Expert Panel's work.

3. REF 2021

The Executive Team received regular updates on plans and resources in place to support the university's preparations for REF 2021.

4. UK Exit from the EU

The Executive Team received updates on measures to manage and mitigate the impact of exit from the EU under different possible scenarios, taking input in particular from the Strathclyde EU Exit Working and Advisory Group (SEEWAG), and Audit and Risk Committee. The University Business Continuity Group was convened and held its first meeting on 17 January.

5. UKVI Audit

The Executive Team noted that the University had received the UKVI report on the Tiers 1 and 4 Student Audit that had been held in September. The report included recommendations but confirmed that no significant further action was required and the University received formal confirmation that its institutional licence had been renewed for a further year.

6. Strategic Recruitment

The Director of Human Resources provided the Executive Team with an overview of the Chancellor's Fellows scheme and the Global Talent Attraction Platform (GTAP), noting the diverse international profile of applicants and the high quality of appointees through the two programmes.

7. Policy@Strathclyde

The Policy@Strathclyde initiative was discussed, based on updates provided by the Executive Deans of HaSS and SBS. Expected benefits included greater levels of collaboration, increased impact through research and knowledge exchange, new Masters courses, new joint working with international partners,

degree apprenticeships and a significant CPD offering both to the Scottish public sector and internationally. Existing Business School infrastructure would be leveraged, allowing greater penetration into, and a tailored offering for, different world markets.

8. NSS progress

The Executive Team received updates from each of the Faculties on plans and work in hand to further improve student satisfaction, as measured in the National Student Survey.

9. TEF

The Executive Team agreed that the University should not take part in the next round of the Teaching Excellence Framework ('TEF4'), noting that Scottish HEIs were not required to take part and that the TEF system was due to be independently reviewed and was likely to change before the subsequent round, in 2021.

10. Strathclyde 2025

ET continued to discuss plans for 2025. Topics discussed by ET in this context have included discussion around a refreshed set of KPIs, size and shape of the sector, student and staff population aspirations, health and wellbeing strategy and international partnerships.

11. Corporate Risk Register

The ET discussed the top risks and mitigating actions in the University's Corporate Risk Register.

12. Corporate Parenting and Who Cares? Scotland Training

ET members attended Corporate Parenting training on 18 February 2019. This followed ET agreement that all Executive Team members should be invited to attend Corporate Parent training which would ensure they were appropriately informed to execute their responsibilities in line with the University's commitments under the Scottish Care Leavers Covenant and its Corporate Parent Plan.

13. Strategic Plan 2015 – 2020: Year 5 Mid-Year Progress Report

The ET received a Year 5 mid-year progress update on the 16 KPIs in the Strategic Plan 2015-2020. Members noted that 10 out of 16 KPIs were either 'on track' or ahead of their milestone, with 2 KPIs categorised as 'further work required'; reporting information for the final four KPIs was not available at the time the report was compiled.

ET approved the Strategic Plan Year 5 2018-18 KPIs mid-year Progress Report for onward transmission to Court Business Group and Court.

14. Draft Outcome Agreement Annex 2019-20

The ET discussed the content of the OA Annex and supplementary information (National Measures pro-forma, Gender Action Plan update, and UIF plan) and approved the latest draft of the OA Annex 2019-20, subject to suggested amendments, ahead of it being circulated to Court Business Group and Court.

15. AFRC Future Forge Press Project

The Vice Principal and Director of Estates Services introduced a paper, approved by Estates Committee, which presented information on the change of scope of the project and the requirement for additional funding. It set out detailed increased delivery costs for the AFRC Future Forge Press project, as compared to the Court-approved initial costs estimation. The project was progressing, with a tender exercise closing during the meeting, and construction of the forge scheduled to complete in March.

Noting that the additional **[Reserved]** required for the project was expected to be fully externally funded, the Team sought further written reassurance of Catapult's commitment in this regard, and additionally requested further context on risks. On the expectation this assurance would be forthcoming, ET endorsed the change in scope of the project including the requirement for additional funding.

16. Enhancement Led Institutional Review

The University had received its first visit from the Enhancement Led Institutional Review (ELIR) panel. The visit had been positive; and the group met with a range of staff and students during the visit. Initial feedback had been received following the visit, and this would set the agenda for the final meeting in March.

17. Q2 Business Report

The ET considered the Q2 Business Report. The Acting Chief Financial Officer highlighted that operating outturn was currently expected to be a surplus of **[Reserved]** compared to budget of **[Reserved]**, with work ongoing to identify opportunities for additional income and reduced spend.

The Balance Sheet was strong, and the Team welcomed the University's continued significant year-on-year increases in income. In particular, the strong performance in attracting research income was highlighted. The Estates Projects and IT Infrastructure projects were running to schedule, however the Team agreed that due to the scale and complexity of the works, and in recognition of the likely need for appropriate testing and phased introduction of students and activities within the Learning and Teaching Building upon its completion, the flag for this Estates Project should be amended to amber. PGR indicators remained red flagged – PDG engagement with Deans was continuing.

Court Business Group Report to Court

The following items were discussed by Court Business Group on 21 February 2019 and are provided here for Court to note.

1. USS pension scheme update

The Acting Chief Financial Officer (CFO) provided Court Business Group (CBG) with an update on recent developments relating to the USS pension scheme. Universities UK were working with USS to complete a 2018 valuation which would supersede the 2017 valuation, aiming to avoid contributions increases that would otherwise apply under the 2017 valuation. USS were looking for employer commitments to 'contingent support' to accompany any reduced contribution levels under a 2018 valuation. UUK was preparing a proposal for contingent support.

A new Joint Expert Panel was to be formed. This would look at further potential changes to the USS scheme, outside of the valuation process. There would be consultation on any new valuation or other proposals for change, to which Strathclyde would expect to respond, having modelled the impact of any changes.

2. Estates Development Update

The Director of Estates Services would provide an update to Court which would include reflections on developments over recent years, considering levels of investment, the leverage achieved on the university's own investment and what had been delivered as a result. This would also provide Court members with a summary of major upcoming projects and a wider overview of campus development, including considerations of acquisition and disposal. An outline of Estates master plans would give an indication of longer-term plans for other buildings.

CBG suggested that the presentation should include an overview of the recently completed Combined Heat and Power (CHP) facility. The Vice Principal noted that the CHP system represented a significant improvement in energy efficiency over the previous installation and was designed to lower our carbon footprint and utility costs. It should also be considered in the context of wider sustainability measures across the estate; for example, solar arrays on the TIC and Inovo buildings. The design of the system allowed for the potential expansion of the CHP network to include a number of other buildings in the local area, but the initial focus would be on maximising the benefits of the Stage One build, which was confined to the University.

CBG noted that the Campus Identity Working Group had been re-constituted under the leadership of Professor Sara Carter, Associate Principal, Learning and Teaching. This group would work to enhance the campus with extensive staff and student involvement.

3. Q2 Business Report 2018/19

The Acting CFO and the Director of Strategy & Policy presented the Q2 Business Report 2018/19.

The initial draft of the Q2 financial forecast had indicated an increase in the forecast adverse variance on the surplus from **[Reserved]**, with the majority of the increased adverse variance between Q1 and Q2 arising from forecast expenditure in excess of budget. Work was underway to generate additional income and to secure significant savings without suppressing key investments. It was noted that the Balance Sheet was strong, with continued

significant year-on-year increases in income. In particular, the strong performance in attracting research income was highlighted.

Major capital projects remained on course for delivery according to schedule, but some had been subject to delays in the interim, caused by unforeseen discussions triggered by contractors. The University had resolved all these contractual matters to its satisfaction but the spending profile over time had been affected by the consequent delay. A plan was in place to make up the lost time without compromising on quality noting that delivery dates were critical in relation to academic year for the Learning and Teaching Building in particular.

It was noted that, among other things, the University's relationships with industry provided many opportunities and selling points for prospective PGR students. Access to facilities and high quality supervision would always be of high importance to these prospective students and the university would need to continue to pursue both high quality in the 'basics' of the PGR student experience and additional measures to attract the targeted growth in the population, and should carefully distinguish these in explaining its approach to Court. Applications for taught postgraduate (PGT) study had grown strongly and in diverse international markets.

CBG noted the constraints on undergraduate recruitment that resulted from the Scottish government's cap on Scottish/EU student numbers and which did not show through in simple recruitment metrics. The group noted that the HE sector was encouraging the Scottish Government to maintain levels of undergraduate teaching funding following the UK's withdrawal from the EU, such that the planned significant expansion of student entrants from the most deprived areas of Scotland could be accommodated without displacing other Scottish-domiciled students.

4. Strategic Plan 2015-2020 – mid-year progress report 2018/19

The Director of Strategy & Policy introduced the year 5 mid-year progress report on the 16 KPIs in the University's Strategic Plan. Members welcomed the progress achieved against a range of measures, noting that the majority of KPIs were 'on track' or ahead of relevant milestones. A small number of KPIs had been flagged to indicate that further work was required. Among these, KPI 10, industry research income, had been given an amber flag based on a strict interpretation of the target, the forecast figure at this stage being slightly lower than the relevant milestone.

The Acting CFO noted that KPI 15, cash generation, was flagged red but that the context was important. It was known that the cash generation KPI had been impacted by lower than expected surplus figures and reduced levels of recorded depreciation. However, there were uncertainties associated with the metric itself. It was as yet unclear whether the process of translation from the old surplus-based targets had created realistic targets under the new metric, for which benchmarking data was not yet available. Nonetheless, some such indicator of financial sustainability was required. CBG noted the issues around this KPI and was informed that any change to the KPIs would have to be approved by Court on the recommendation of the Executive Team.

The Director of Strategy & Policy noted that work was in hand to design appropriate KPIs for the University's strategy to 2025, with associated targets. This was likely to result in changes to some existing KPIs and the introduction of some new ones.

5. Outcome Agreement 2017-2020: Final 2019/20 Annex

The Director of Strategy & Policy presented the latest draft version of the University's Outcome Agreement Annex AY 2019/20, which addressed additional requirements set out in the SFC guidance

for 2019-20 to 2021-22. This latest draft, a near-final version, incorporated feedback from SFC on the previous 'well-developed draft', from meetings with trade unions and the Students Association and from the Executive Team.

CBG complimented the quality of the document, noting that it successfully conveyed the character of the University and its achievements and also that Audit Scotland had recently noted the robustness of the Strathclyde Outcome Agreement and the processes involved in its production.

CBG **endorsed** the Outcome Agreement Annex.

6. AFRC Future Forge Press Project

The Vice Principal presented an outline of revisions to the Future Forge Press Project. There would be an associated additional investment of **[Reserved]** which Court would be required to approve according to the Schedule of Delegated Authority, but which would be funded entirely by an external agency, the High Value Manufacturing Catapult.

Revisions to the project followed from a review of technical requirements following the engagement of a specialist contractor with significant consequences for the design of the building. The innovative nature of the Forge had meant that specifications could not be reliably scoped before this stage. A re-budgeting exercise had been undertaken and the Catapult had agreed to meet the additional cost.

CBG noted the contents of the paper and **recommended** that Court approve the revised project and the associated externally-funded increase in overall project expenditure.

Court Membership Group Report to Court

The following items were discussed by Court Membership Group on 21 February 2019 and are provided here for Court to note.

1. Recruitment of Lay Members: Engaging a search agency and subsequent process

The University Secretary and Compliance Officer outlined the procurement process that had been pursued in order to select an agency to assist with recruitment of two new lay members of Court. A quality evaluation process had been completed, on the basis of a standardised scoring system, whereby each company was assigned an overall quality score, ranging from 1 ("Poor response - is partially relevant and will include few elements of the Contract as specified") to 4 ("Excellent response - is excellent overall and will include a balance of completely relevant elements of the Contract as specified"). This was combined with quoted prices, according to standard procurement methodology, to produce a recommendation of the Most Economically Advantageous Tender. The recommended agency, on this basis, was FWB Park Brown Ltd.

CMG **approved** this recommendation. It was noted that initial discussions with the agency should clarify what would follow contractually from a scenario in which one Court member was appointed but there was no second appointable candidate.

2. Vice-Convener of Court: role and selection

The University Secretary and Compliance Officer outlined the need to select a new Vice-Convener to take over the role in the new academic year and drew CMG's attention to an informal role description that had been provided.

CMG requested that eligibility criteria be added to the role description, including explicit mention of the requirement that the Vice-Convener be a lay member, and **agreed** that these criteria should also include at least one year's experience as a member of Court. It was also noted that any candidate for the vice-convener'ship should ideally be in a position to serve at least one full term in the role (i.e. two years).

CMG **agreed** that the Convener should note the need for a new Vice-Convener at the March Court meeting and invite anyone interested to indicate that interest privately thereafter.

Subject to the amendments noted above, CMG **endorsed** the process and the role description.

Report to Court from Audit & Risk Committee

The Audit & Risk Committee held its annual workshop on 7 February 2019.

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

1. Institutional Research Audit 2017 (REF Preparation)

The Deputy Associate Principal and Research Policy Manager took Members through a summary reminding them of what the Research Excellence Framework (REF) was, highlighting the key changes between REF2014 and REF2021 and giving an overview of how Strathclyde was preparing for REF 2021 for which the submission date was 27 November 2020.

To mitigate the risks inherent in the process, the University was using

- Internal and external peer review of proposed outputs combined with modelling and benchmarking against previous performance;
- An annual audit cycle, monitoring of progress, numbers of cases, suitability for submission and institutional KPIs on PGR student numbers and research income,
- Internal peer review of case studies;
- Centrally managed iterations of environment narrative with internal peer review to gauge potential scoring;
- Employment of an external consultant, with panel experience, in Engineering.

It was noted that Strathclyde's expectations on research output were greater than the requirements for REF. The 2018 Audit had identified areas where work was required and additional resource had been allocated by Faculties and RKES. Members were impressed by the significant amount of work that had already been done and looked forward to hearing the results of the 2019 Research Audit.

2. IAS Activity Report

The Committee noted the progress made against the Audit Plan which was still on track to be completed on time. Members also noted the good practice suggestions made in relation to the TRAC and TRAC(T) returns.

3. Review of Endowments

Members noted the Report on the review of Endowments which highlighted a robust process and well-designed controls which were operating well. The report included one, low risk, recommendation.

4. Review of USSA

[Reserved Item]

5. Review of Risk Management

The University's current Risk Management Framework was produced in 2010 and it was now timely to refresh this to ensure that it reflected current standards and guidance. IAS performed a walkthrough of the processes, controls and governance arrangements in place to monitor compliance with the Framework. No issues were noted as processes and controls were operating as designed and suitable governance arrangements were in place.

The report highlighted that the current Framework contained a statement on institutional risk appetite which did not appear to reflect the University's current approach, strategic objectives and values. The Report recommended that a workshop be conducted at Executive Team level to agree the University's risk appetite and that this be tailored to the diverse range of activities the University engaged in. In addition, a recommendation was made regarding how best to manage feedback and escalation in terms of risk. The Audit & Risk Committee and the Principal welcomed the report and recommendations.

6. TRAC Return 2017-18

The Acting Chief Financial Officer presented summary information on the University's TRAC Return for 2017-18, noting that the return had been approved by the University's Full Economic Costing Working Group (FECWG) and reviewed by the Internal Audit Service. The Scottish Funding Council required that the Annual TRAC return be subject to review and approval by a Committee of the Governing Body although this was permitted to take place following submission of the return. A new requirement this year was that the Convener of ARC review the return and approve it by Chair's action in advance of its submission. It was noted that the TRAC(T) return, which related to teaching costs, was now also included in this process. The paper was now provided to ARC Members for homologation.

The Audit & Risk Committee agreed to **homologate** the action taken by the Convener to approve the return.

7. Fraud Risk

Two representatives from the External Auditor's Forensic & Integrity Services presented to the Committee on fraud risks. They drew attention to the common drivers and behaviours that led individuals to commit fraud and the common factors that increased the risks to organisations in this area. The presentation indicated that half of all frauds uncovered were highlighted through Whistleblowing procedures and it was therefore important that there were clear procedures in this area, which staff felt confident to use, to flag any unusual or strange activity.

Members noted the need to constantly update risks and controls to ensure that the controls in place were correct and were being implemented. Organisational culture and leadership tone gave a message more important and influential than controls in preventing fraud.

8. Internal Audit Update

The Head of IAS updated the Committee on developments in the Internal Audit Service during the previous six months and further developments planned to enhance the service. During the early part of 2018-19 the Audit Plan for 2017-18 had been completed, an IAS Strategy Day held, introductory meetings and scoping for 2018-19 audits begun, report templates reviewed, an efficient completion process developed and the CHEIA Quality Assessment completed.

Future plans included an IAS Planning Day, an Audit Needs Analysis, the development of an Internal Audit Charter and a structured Internal Audit Methodology accompanied by further work on the CHEIA QUIP Action Plan and the review of how Data Analytics could be used by IAS going forward.

9. Information Security Annual Report 2017/18

The Director of Information Services gave a presentation on the cyber risks facing the University and the processes and plans in place to mitigate these. He reminded Members of the growing market in stolen data and the ease with which such data was traded on the dark web. He noted that Strathclyde held £1/4 Billion 'worth' of personal data along with extremely valuable research data on its systems, reminding Members of recent data breaches that had hit the headlines and the significant fines that had resulted. He then showed a graph of recent denial of service attacks on University systems and discussed the regularity of attacks from a variety of sources.

The Committee was reminded that the weakest link in cyber security was the system users and that awareness raising and training was the frontline of defence. Training was being rolled out across the University with a greater than 80% uptake currently. A new McAfee solution was had also been deployed. The University had created a trusted desktop environment for which it had gained Cyber Essentials + accreditation and was now beginning to move business units into this environment which would automatically give these units Cyber Essentials + accreditation. RKES had already been moved to this environment and Finance would be moved shortly. The trusted desktop removed admin rights from individual users which, while causing some minor inconvenience, decreased the deployment of malware by 95% by preventing malicious programs from being installed and run. The University would be fully compliant once all units and Faculties had been moved into the trusted desktop environment.

10. Financial Reporting Update

The External Auditor provided a summary of the financial reporting environment. The 2019 SORP would bring relatively few changes and was not expected to significantly impact Strathclyde. However, future SORPs would bring increased complexity of accounting standards with an increased focus on integrated reporting, translating financial performance for the year, explaining financial sustainability and greater transparency. The earliest impact from these changes was expected in 2022/23.

Members then received an update on the valuation of the Universities Superannuation Scheme (USS), the anticipated increased contributions from both members and employers and the impact on the accounts.

11. Review of Committee Effectiveness/ Terms of Reference

This item was deferred until the March 2019 meeting of Audit & Risk Committee.

Enterprise & Investment Committee
[RESERVED ITEM]

Report to Court from Estates Committee

The Estates Committee met on 14 January 2019 and the following items were among those discussed:

For Noting by Court:

1. Wolfson Biomedical Project – Additional Funding

As previously reported, tenders were originally returned in May 2018. However, they were found to be non-compliant, with all of them significantly over the budget and none of the companies able to agree to the University's Contractual Conditions. The project specifications and scope were subsequently reviewed and cost saving strategies implemented. Additionally, amendments were made to the Contract Conditions and revised tender documentation was published on 24 July 2018. The Committee was advised that while the issues with the contractual conditions had been settled, the tender returns were still slightly over budget. It was noted that one of the reasons for this was that the works were to be carried out to a listed building and that this had brought significant complexities to the project. As a result of the tenders being over budget, approval was now being sought from the Committee, as per the terms of the Estates Services Project Approvals Schedule, for an increase in the funding envelope for the project.

Following evaluation of the re-issued tenders, the project cost plan had been revised and the funding envelope now required to deliver the project had risen **[Reserved]**

It was noted that the Faculty and the Alumni Fund had agreed to support this additional funding. The Committee approved the increase to the funding envelope for the Wolfson Project.

Some concern was raised in respect of the failure of the initial tender exercise, noting that only four construction companies were on the Major Works Framework. The Committee expressed its desire, as per discussions at the November 2018 Court, that this be increased. Assurances were provided that this was being examined. It was also noted that the most appropriate procurement approach would always be identified for each individual project, with procurement routes other than the Framework also available to the University to use as required.

2. Proposal for External High Level Signage for the University Library, Curran Building

The Committee considered a proposal for the installation of additional high level signage to the Curran Building, which housed the Andersonian Library. The proposal was being presented to the Committee due to the strategic impact of the proposal. The Committee was reminded that 5 totems and illuminated, high level signage had been installed across campus. This was approved previously under the auspices of the Campus Identity Working Group, chaired by Professor Susan Hart, former Dean of the Business School. In November 2018 the Campus Identity Working Group was reformed with a new Chair, Professor Sara Carter, and it had considered (4th December 2018) and approved the proposal for additional signage to be installed to the Curran Building.

This proposal was warmly received. It was clarified to the Committee that the Curran Building already benefits from signage, having the University of Strathclyde on its east facade, and the Campus Identity Group wished to stress the 'Andersonian' name and emphasise the link between the name of the Library and that of the founder of the University. It also sought to provide signage which would be visible when approaching west from Cathedral Street, St James Road or from the path beside the new Sports Centre.

The Committee welcomed and approved this proposal, the cost for which was estimated at **[Reserved]**, and which was to be funded through the Campus Investment Plan Campus Realm budget.

3. Lease Management Approvals

The Committee considered a report pertaining to two lease agreements for occupants of the Inovo Building. Each of these is detailed below:

[Reserved]

REPORT OF THE REMUNERATION COMMITTEE MEETING HELD ON 29TH NOVEMBER 2018

The following items are provided for Court to **note**:

Remuneration Committee members were reminded that the Deputy Convener of Court (Staffing), who is also Convener of the Remuneration Committee, had sought Court members' guidance on any issues which Remuneration Committee should take into account in its decision making. A Court member had encouraged the Remuneration Committee to ensure that salaries for senior roles remained competitive and suggested that Remuneration Committee should meet more than once per year.

- **Feedback from Key Stakeholder Consultation**

The Director of Human Resources reminded the meeting that the 2017 'Scottish Code of Good Higher Education Governance' required Remuneration Committees to seek the views of representatives of students and staff of the institution, including representatives of recognised trade unions, in relation to the remuneration of the Principal and the senior executive team. The means of doing this were not prescribed by the Code. At Strathclyde, and as agreed by Court in March 2018 through approval of the 'Contribution Related Pay Policy: Remuneration Committee', this was being addressed through meetings held in advance of Remuneration Committee between the Director of Human Resources, as Secretary to the Remuneration Committee, and representatives of the TUs and the staff and student body. Meetings with staff and student members of Court and with the three recognised Campus Unions had been held on 22nd November and a number of issues had been raised. The Director detailed these issues to the Committee, confirming that they ranged from how the resource envelope for contribution pay was determined and allocated, the quantum of potential bonuses or consolidated pay increases, how the Principal's pay benchmarked against other institutions and other University staff and the importance of Remuneration Committee developing its own, independent culture. Remuneration Committee **noted** the feedback received from the key stakeholder engagement meetings.

- **Executive Team plus Deputy Associate Principals' Remuneration and Performance**

The Remuneration Committee **noted** a range of benchmarked sector data on Executive Team remuneration and **resolved** that consolidated salary increases should be awarded for three individuals who had demonstrated exceptional performance over a sustained period and where this level of performance and contribution was expected to continue. In another three cases, a one-off bonus for exceptional performance in a particularly challenging year was awarded. A small number of awards for Deputy Associate Principals were similarly considered and agreed. In all cases, Remuneration Committee's decision making was guided by the 'Contribution Pay Policy: Remuneration Committee', which had been approved by Court in March 2018.

- **Directors of Professional Services' Remuneration and Performance**

The Remuneration Committee **noted** the range of benchmarked sector data on Professional Services Directors' Remuneration and **agreed** two recommendations; one for a consolidated salary increase following exceptional performance and job growth over a sustained period and one for a one off bonus for exceptional, 'in year', performance. In both cases, Remuneration Committee's decision making was guided by the 'Contribution Pay Policy: Remuneration Committee', which had been approved by Court in March 2018.

- **Principal's Remuneration**

The Remuneration Committee **noted** two sets of benchmarked sector data on Vice Chancellors' remuneration. The meeting also noted the ratio of the Principal's remuneration to median salary within the University and that this would be reported in the University's annual Financial Statement. It was noted that the University's deliberate and values based decision to maintain in-house services resulted in the median pay ratio being higher than would be the case in other organisations where such key services were outsourced.

It was confirmed that the Convener of Court, in advance of her Accountability and Development Review meeting with the Principal and as required within the 'Scottish Code of Good Higher Education Governance', had sought feedback on the Principal's performance from all Court members. Feedback received had been universally positive. The Convener of Court reminded the Committee that the Principal did not receive the nationally negotiated general pay increase. The Committee **agreed** a consolidated pay increase of 2% in line with the national pay award which had already been applied to the salaries of other University staff and a one-off payment to be transferred to an internal good cause of the Principal's choice.

To inform its decision making on all cases, the Committee noted information on pay increases during 2017 in the wider economy outwith the Higher Education Sector.

- **Items for noting**

The Committee noted the 'Remuneration Committee Terms of Reference and Composition' considered by Court in March 2018 which confirmed that one key responsibility of the Committee was to be responsible for, "receiving comparative information on senior salaries and, where relevant, other emoluments and conditions of service, in the university sector". Following input from one Court member on the importance of also considering salary increases in other sectors, it was **agreed** that this should change to "receiving comparative information on senior salaries and, where relevant, other emoluments and conditions of service, in the university sector and beyond as appropriate".

The Remuneration Committee **noted** a small number of exceptional salary increases which had been agreed outwith the standard contribution pay processes and a number of voluntary severance cases which had been agreed during the previous calendar year.

Ronnie Cleland, Deputy Convener of Court (Staffing) and Chair of Remuneration Committee
Sandra Heidinger, Director of Human Resources and Committee Secretary to Remuneration Committee
February 2019