

MINUTES OF UNIVERSITY COURT
1 May 2018

Present: Dame Sue Bruce (Convener), Ronnie Cleland, Gillian Hastings, Paula Galloway, Kerry Alexander, Dr Archie Bethel, Dr Jeremy Beeton, Susan Kelly, Councillor David McDonald, Principal Professor Sir Jim McDonald, Vice-Principal Professor Scott MacGregor, Professor Erling Riis, Amanda Corrigan, Dr Kathy Hamilton, Gillian Pallis, Louise McKean, Calvin Hepburn, Taylor Wong

Attending: Professor Douglas Brodie, Professor David Hillier, Professor David Littlejohn, Professor Atilla Incecik, Professor Sara Carter, Professor Tim Bedford, David Coyle, Dr Veena O'Halloran, Adrian Gillespie, Rona Smith, Sandra Heidinger, Darren Thompson, Helyn Gould (for item 4), Professor John Bachtler (for item 10)

Apologies: Marion Venman, Malcolm Roughead, Alison Culpan, Dr Jane Morgan, Dr Andrew McLaren

Welcome and apologies

The Convener noted the apologies received. She welcomed Court members and attendees to the meeting.

No interests were declared.

1. Minutes

Court **approved** the minutes of the meeting held on 30 November 2017, recalling that the meeting scheduled for 1 March 2017 had been cancelled due to adverse weather.

2. Matters arising

There were no matters arising.

3. Principal's Report

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

The UK's exit from the EU: The Principal explained that the University was monitoring EU-related events closely. A draft withdrawal agreement had been published in March 2018 and the confirmation of a transitional period to December 2020 provided some short-term certainty for the higher education sector as institutions continued to engage with the significant opportunities presented by Horizon 2020. In addition, the Scottish Government had confirmed the extension of funding support for EU student entrants in 2019/20 with discussions ongoing in relation to 2020/21. The University continued to engage positively and widely with its European partners and this was typified by the commencement in January of the Principal's term of office as President of the Conference of European Schools for Advanced Engineering Education and Research (CESAER). In addition, the University continued to undertake its own internal preparations, supported by a working group chaired by the Head of the European Policies Research Centre (EPRC).

Industrial Action: Court noted the extent of the industrial action that had taken place over a four-week period during February and March 2018, in response to changes proposed by Universities UK (UUK) to the Universities Superannuation Scheme (USS). The Principal welcomed the professionalism demonstrated by Strathclyde staff during this challenging period. Following talks mediated by Acas, a revised USS proposal had been put forward and the University and College Union (UCU) had voted on 13 April to accept this,

leading to the suspension of further planned industrial action. A Joint Expert Panel (JEP) would now be established to carry out a further review of USS and a recent meeting of the Joint Negotiating Committee (JNC) had revoked the benefit proposals previously recommended to the USS Trustee. It was noted that the USS Trustee, in the absence of an alternative proposal, had indicated its intent to implement a cost-sharing model, commencing in April 2019, based on the original 2017 valuation. It was anticipated that the work of the JEP would be focused on delivering an alternative proposal for consideration and consultation in advance of this date. Court noted the potential financial impacts of any increase in USS employer contributions.

Court members asked about the impacts on students as a result of the recent industrial action and how these had been addressed. It was noted that, whilst a small number of queries and complaints had been received from students, all Departments/Schools had taken appropriate steps to mitigate, as far as possible, any impact upon students. In the case of any requests for tuition fee refunds, whilst each case would be considered on its own merits, the University's position was informed by the fact that tuition fees covered a wide range of services in addition to the delivery of teaching. Where appropriate steps had been taken to ensure that there was no material impact on student progression, it was anticipated that tuition fee refunds would not be necessary.

SFC indicative funding allocations 2018/19: Court noted that the Scottish Funding Council (SFC) had announced its indicative funding allocations in late February. For Strathclyde, the indicative 2018/19 grants announced were overall 2.4% higher than the 2017/18 grant levels and 2.2% higher than the FYF. This was indicative of the University's success, particularly in bidding for additional funded places. Final allocations would be confirmed in May, although it was not anticipated that these would change significantly.

Ministerial Letter of Guidance 2018/19: Following the finalisation of the Scottish Government's 2018/19 Budget, the Minister for Further Education, Higher Education and Science had issued her Letter of guidance to the SFC in April, setting out her priorities for the year. Key points included a focus on digital skills and on student mental health and wellbeing, both of which the University was well positioned to respond to.

Outcome Agreement 2018/19: Court members were reminded that, following the cancellation of the 1 March 2018 meeting due to adverse weather, they had approved the University's final Outcome Agreement via correspondence. Court took the opportunity to **homologate** this approval.

Strathclyde as a Socially Progressive University: Court welcomed the news that the University had won two awards at the Guardian University Awards 2018 in the following categories:

- "Advancing Staff Equality" for the University's "TransEDU" Project, based on research by staff at the University of Strathclyde, on the experience of trans students and staff in further and higher education; and
- "Retention, support and student outcomes" for the University's "Strathclyde Cares" Project established to increase the proportion of care-experienced students progressing from school to university.

In addition, the University's "Equally Safe in Higher Education Toolkit" Project, funded by the SFC and aimed at eradicating gender-based violence in higher education, had been formally launched by the Minister for Further Education, Higher Education and Science. The Minister had stated her expectation that the Strathclyde-designed Toolkit would be implemented by all Scottish universities and colleges.

Court considered that these examples, amongst others, provided strong evidence that the University's position as a socially progressive institution was well-established. Court therefore **endorsed** the proposal that the University's public-facing Vision statement be slightly expanded to visibly reflect this. The revised Vision statement would be: *A leading international technological university, inspired by its founding mission, that **is socially progressive and** makes a positive difference to the lives of its students, to society and to the world.*

Heath, Safety and Wellbeing: The University Secretary and Compliance Officer (USCO) provided a summary of recent activity and key issues in this area. It was noted that work on the University's Combined Heat & Power (CHP) Plant was continuing and that this had brought some specific safety-related

challenges due to the construction work on campus. Liaison with the contractors and sub-contractors had secured assurances that any issues would be addressed. In addition, Court members discussed:

- Drug-taking amongst students and whether a zero tolerance approach applied. Both the USCO and the USSA Student President commented on the current position at Strathclyde, noting that, whilst reported incidents of drug-taking were relatively low, the agreed focus was on educating and supporting students rather than one of zero tolerance;
- The personal safety of staff and students on campus. It was noted that the city centre location and openness of the campus meant that, on occasion, there were incidents involving members of the public. The University was well attuned to the possibility of such incidents and enhanced security approaches had been implemented in response.

Complete University Guide 2018: Overall, Strathclyde had moved up five places in this league table to 40th and was ranked joint 7th in Scotland. The University had performed particularly well in the subject listings across the UK and was ranked No.1 in seven subject tables. The only UK university to come top in more subject tables was the University of Cambridge. The seven subjects were: Accounting & Finance; Aural & Oral Sciences; Communication & Media Studies; Hospitality, Leisure, Recreation & tourism; Medical Technology; Pharmacy & Pharmacology; Social Policy (joint 1st with LSE)

Engage with Strathclyde Week: Court noted the programme of events that were taking place as part of the annual “Engage with Strathclyde” event, including the “Images of Research” exhibition. Further details, including a calendar of events, would be circulated by email.

Research grants: The Principal highlighted a range of recent major research awards across the University.

4. Presentation: Strathclyde Online – Digital Education Strategy update

The Deputy Associate Principal (Learning and Teaching) presented an overview of key developments in the University’s Digital Education Strategy. She explained that new course and programme approval structures had been implemented to provide appropriate oversight and governance and that the University’s Education Enhancement Team was working closely with academic staff in portfolio development to ensure the quality and consistency of new digital materials. Each Faculty was investing in learning technology provision, and skills and capacity building was taking place across the University. The University’s current online learning portfolio compared favourably to offerings available in benchmark institutions across the UK and examples of current online materials were demonstrated. The University’s approach to the development and delivery of Graduate Apprenticeships was an exemplar of online learning and had been recognised externally.

Next steps in the delivery of the Digital Education Strategy would include the further rollout of the online learning development process across the University, supported by a series of workshops and employer engagement events. Future developments being explored included providing access to student services from off campus and further exploration of the potential for online assessments and examinations.

Court members welcomed the update provided, commenting positively on current activities and the obvious level of success achieved to date. Key issues arising in discussion included:

- The link between successful online delivery and institutional reputation, as well as the need to ensure the effective and successful marketing of online provision;
- The need to be alert and adaptable to future technological disruption and the changing expectations of future learners. The University’s approach ensured the engagement and close involvement of specialist education technology staff;
- The importance of the student voice in the development of online provision and the fact that Strathclyde was creating an experience-led community involving students; and
- The potential for online learning approaches to contribute significantly to the Continuing Professional Development (CPD) needs of employers and support the University’s widening access ambitions.

Court thanked the Deputy Associate Principal for her presentation.

5. Medicines Manufacturing Innovation Centre – Strategic Business Case

The Chief Commercial Officer (CCO) presented a paper seeking Court's approval for the University's partnership with the UK Centre for Process Innovation (CPI) and industry partners to secure the funding and formation of the Medicines Manufacturing Innovation Centre (MMIC). He explained that, following a funding commitment by Innovate UK, there was some urgency to progress the partnership and that the Scottish Enterprise approval process was currently underway. Key elements of the anticipated industry funding had also recently been confirmed. Court noted the proposed partnership model whereby the University would act as a Strategic Partner, providing access to infrastructure, expertise, and the wider research base. This would be operated through a contractual relationship with CPI. It was noted that the intended main benefits for the University were increased research income, an enhanced reputation in this area, and additional opportunities for students to gain industry experience. The location of the MMIC would be confirmed in the coming weeks.

Court discussed the proposal, noting that the University anticipated that it would retain exclusivity on contracting with MMIC but was seeking further confirmation in this area. It was also confirmed that the University would continue to retain all background intellectual property rights emerging from the work of the Continuous Manufacturing and Crystallisation (CMAC) Hub.

Court **approved** the establishment of the strategic relationship between the University, the CPI and the MMIC, as set out in the paper. It was agreed that, should there be any significant changes to the proposed arrangements, this should be reported to Court for additional consideration. It was also agreed that a follow-up report on the establishment of MMIC should be provided to Court in 12-18 months' time.

Additionally, Court members requested that further information be provided on how the strategic relationship and the establishment of MMIC will support the delivery of the University's Key Performance Indicators (KPIs).

6. Budget setting 2017/18: context and progress

The Chief Financial Officer (CFO) outlined the 2018/19 budget-setting process. He explained the major factors affecting the emerging budget position, highlighting:

- continuing challenges in the public funding environment;
- the importance of maintaining and accelerating current income growth lines, particularly in relation to tuition fees and research grants, with the former being of key importance for financial sustainability; and
- anticipated expenditure growth, particularly increases in staff-related and infrastructure costs.

The CFO highlighted continuing competition within the UK higher education sector and the corresponding impact of this on Scottish institutions. He also stated that, beyond the 2018/19 Budget and the usual Four-Year Forecast, the University was undertaking significant financial planning for the delivery of the "Strathclyde 2025" vision.

In general discussion, Court members recognised the scale of future growth required to achieve the University's "Strathclyde 2025" ambitions. Whilst this growth was considered achievable, it was noted that there were a number of uncertainties and anticipated that significant further increases in non-public funding streams, such as overseas fee income, would be required. Growth would also be supported by the enhancement of core processes and systems, with greater central coordination being a key aspect of delivery, ensuring consistency and efficiency of effort.

Members also recalled previous discussions in June 2017, where the potential for additional future borrowing was considered by Court. The CFO reminded members that that, in order to support some of the activity envisaged as part of the "Strathclyde 2025" vision, additional funds for investment would be required, in particular to support the expansion of the Technology and Innovation Centre (TIC) Zone. More developed proposals for future borrowing requirements and options would be provided to Court for approval in the coming months.

7. USSA Financial Statements 2016/17

The University of Strathclyde Students' Association (USSA) President introduced the Students' Association Financial Statements 2016/17, noting that these are provided to Court annually for information, following approval by the USSA Trustee Board. Court noted a year-end deficit position that was largely attributable to an unexpected increase in the Association's pension liability following the scheme's 2017 actuarial valuation. Despite this, Court agreed that significant progress had been made in recent years to improve the Association's overall financial position and resilience. It was suggested that, in advance of future pension valuations, USSA should budget accordingly for anticipated cost increases.

Court noted the USSA Financial Statements for 2016/17 and welcomed the intention to bring forward the USSA 2018/19 Budget for approval in June.

Items for formal approval

8. Financial Regulations 2018

The CFO introduced revisions to the University's Financial Regulations, for Court's consideration and approval. He explained that the revisions had been necessary to reflect both internal and external changes but that the overall control environment remained largely unchanged. Court members agreed that the revised and reformatted Regulations, with the addition of hyperlinks to associated policy documents, represented a very useful and readable document for staff. They reflected previous discussions at Court Business Group on the need to ensure a high level of awareness amongst all staff, and particularly budget holders, of the revised Regulations, and their financial responsibilities.

Court **approved** the University's updated Financial Regulations for 2018. It also **agreed** to delegate the necessary authority to the Court Business Group (CBG) to enable it to approve any future material revisions to the University's Financial Regulations.

9. Convener's Action: Magna Charta Universitatum

The University Secretary and Compliance Officer (USCO) reminded Court members that, following endorsement by the Executive Team, a recommendation that the University should become a signatory to the Magna Charta Universitatum had been circulated to Court for approval in advance of the scheduled meeting on 1 March 2018. As this meeting had been cancelled due to adverse weather, the Convener of Court had agreed to approve the proposal via Convener's Action. Following similar approval by the Principal on behalf of Senate, the University's application had been submitted on 16 March 2018, ahead of the stated deadline. The University had received formal notification on 29 March 2018 that its application had been successful, subject to homologation by Court.

It was noted that the University Senate, on 28 March 2018, had already formally homologated the Senate Convener's Action taken by the Principal in this area (reported via Paper G) and that Court members had been given the earlier opportunity to comment on the proposal via correspondence following the cancelled Court meeting in March. In light of this, Court discussed and **unanimously approved** the University's intent to become a signatory to the Magna Charta Universitatum. Members agreed to **homologate** the action taken by the Convener on 14 March 2018 to facilitate this.

Items for information

10. EPRC Delft – update

The Head of the European Policies Research Centre (EPRC) introduced a paper updating Court on the University's progress in establishing a presence for the EPRC in Delft, Netherlands. Members were reminded that the establishment of a non-profit Foundation or "Stichting" was approved by Court in June 2017, with the intention of safeguarding EPRC's access to key EU income streams and enhancing the University's relationship with TU Delft. It was highlighted that the University had sought extensive external advice in relation to the tax implications both of creating a presence in the Netherlands and of establishing and operating the "Stichting". Based on this advice, it was understood that the risk of either the "Stichting" or the University being liable for corporate tax, at this stage, was low. This was important in terms of minimising

ongoing compliance and operational costs. Based on advice received, it was also believed that the “Stichting” would be exempt from VAT and, in accordance with standard Dutch practice, a ruling from the Dutch tax authorities had been sought. Court noted that the governance arrangements of the Stichting’s Supervisory Board were being revised in order to align with EU norms, allowing it to act as a genuine EU entity, at arms-length from the University. In advance of the formal launch of the Stichting, the membership of the Supervisory Board would be amended such that there was a broader composition, including nominees from TU Delft and an independent chair.

Court welcomed the progress achieved since June 2017 and agreed that the structures and developments described provided appropriate assurances ahead of the formal public launch of EPRC Delft which was scheduled for 20 June 2018.

Committee Reports

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

11. Senate

Court **noted** the key matters discussed by the University Senate at its recent meeting on 28 March 2018, and **approved** the recommendation that the University should become a signatory to the Magna Charta Universitatum (see item 9 above).

12. Executive Team

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

13. 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 17 April 2018.

14. Court Membership Group

Court **noted** the report of the Court Membership Group (CMG) meeting on 17 April 2018. In particular, Court noted that, following a public and extensive recruitment exercise, CMG had shortlisted a number of potential candidates for lay membership of Court. Appointment recommendations would be brought for approval to the next meeting of Court on 20 June 2018.

15. Audit & Risk Committee

Court **noted** the items discussed by the Audit & Risk Committee on 22 March 2018.

16. Estates Committee

Court **noted** the items discussed by the Estates Committee at its recent meeting on 20 March 2018.

17. Staff Committee

Court **noted** the items discussed by the Staff Committee at its recent meeting on 14 March 2018.

18. Enterprise & Investment Committee

Court **noted** the items discussed by the Enterprise & Investment Committee at its recent meeting on 16 April 2018.

19. AOB

The Convener noted that the USSA President and Vice-President (Diversity) were both attending their final meeting of Court, due to their terms of office coming to an end on 15 June 2018. On behalf of Court, she expressed her thanks and appreciation to them both for their contributions at Court meetings throughout the year and wished them well for the future.

Date of next meeting

- Wednesday, 20 June 2018

DRAFT