

## MINUTES OF UNIVERSITY COURT

26 November 2020

Meeting held by videoconference

**Present:** Dame Sue Bruce (Convener), Paula Galloway (Vice-Convener), Professor Sir Jim McDonald (Principal), Virginia Beckett, Dr Jeremy Beeton, Dr Archie Bethel, Linda Brownlow, Kayla-Megan Burns, Ronnie Cleland, Alison Culpan, Gillian Hastings, Chelbi Hillan, Stephen Ingledew, Dr Barbara Keating, Councillor Ruairi Kelly, Susan Kelly, Professor Scott MacGregor, William McLachlan, Dr Katharine Mitchell, Malcolm Roughead, Heather Stenhouse, Marion Venman, Peter Young

**Attending:** Professor Tim Bedford, Professor Douglas Brodie, Adrian Gillespie, Professor David Hillier, Professor Atilla Incecik, Dr Veena O'Halloran, Professor Ian Rivers, Gordon Scott, Professor Eleanor Shaw, Rona Smith, Professor Iain Stewart, Steven Wallace, Dr Daniel Wedgwood, Claire Carroll (item 8), Professor Stephen McArthur (item 8)

**Apologies:** Andrew Eccles

### Welcome and apologies

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 6 October 2020.

#### 2. Matters arising

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

#### 3. Principal's Report

The Principal updated Court on recent developments, noting that the leadership of Court had been given regular briefing on operational issues relating to the Covid-19 pandemic and that further summary of recent achievements would be given in the strategy session that was to follow this meeting. The following points were noted:

- In August 2019, the Principal had commissioned an independent QC-led Inquiry into the University's handling of matters relating to Kevin O'Gorman, a former staff member. This followed his conviction of a range of serious offences, some of which were carried out when he was an employee of the University between 2005 and 2012. Dr Craig Sandison QC had conducted a thorough and detailed independent examination of the University's records, systems, processes and actions to ascertain the facts pertaining to Kevin O'Gorman's recruitment to and promotion within the University, his activities while in post, the disciplinary processes undertaken, and his exit from the University. QC Sandison was also asked to make any recommendations as he saw fit. His report and recommendations had been sent to all staff and students, to the Executive Team, Senate and Court and had been made public in its entirety on 9 November 2020. The report contained recommendations, which, on behalf of the University, the Principal had accepted unreservedly. Sexual misconduct has no place in higher

education. With the objective of reducing risks, particularly for those most vulnerable, the Principal had invited the USCO to lead an Inquiry Recommendations Implementation Group (IRIG), tasked with implementing the recommendations in 2020/21. Work on the recommendations would provide opportunities for the University to enhance procedures to safeguard members of the university community. Involving staff and students, the IRIG would take forward the implementation work and would go beyond the report to identify other policies and actions to create an even stronger and safer environment for all. The work of the group would be open to wide participation from across the University. A report on the work of IRIG and implementation of the Inquiry recommendations would be submitted to Court in due course.

- 'Strathclyde Inspire', the University's new entrepreneurial strategy, had been launched on 19 November.
- The University had marked a Conferment Day online, in place of cancelled autumn graduation ceremonies, on the model of the well-received summer Conferment Day.
- The University continued to attract major research grants. The Principal gave details of some of the most significant recent awards.

Court **noted** the report.

#### **4. Update on Health, Safety & Wellbeing**

The University Secretary & Compliance Officer gave Court an overview of recent activity to manage the impact of the Covid-19 pandemic. The following points were noted:

- The health, safety and wellbeing of students, staff, visitors and the wider community continued to be the University's highest priority and national guidance was being followed at every stage.
- Between 20 November and 11 December, the Glasgow city region had been placed under the Scottish Government's Strategic Framework Level 4 restrictions, meaning that only essential teaching and essential research could take place on campus. Clear justifications and additional risk assessments were required and the Executive Team was considering each case.
- A test centre was being established at the Barony Hall to administer Lateral Flow Asymptomatic Covid-19 tests in anticipation of students travelling over the Christmas break, to help prevent transmission of the virus during travel or as a result of changing household.
- The University continued to provide support for mental health and wellbeing, with a particular focus on students remaining on campus over the Christmas break. Special support provision was being arranged for this period.

The USCO provided a summary of recorded cases of Covid-19 within University-managed residences and in the wider University community. The number and pattern of positive cases suggested that transmission control measures were effective.

Court **noted** the update.

#### **5. Financial Statements 2019/20**

The Chief Financial Officer (CFO) presented the draft Financial Statements. While accounts preparation was complete, the Statements could be not be approved at this stage. Owing to the unusual conditions brought about by the Covid-19 pandemic, further work was required, in conjunction with the external auditor, to finalise the Going Concern section of the Statements. This was in line with the approach taken throughout the sector. A final version of the Financial Statements would be presented to Audit & Risk Committee (ARC) at its meeting in January and final approval would be sought through an Extraordinary Meeting of Court shortly thereafter. The CFO thanked Court for its flexible approach to this unavoidably extended process.

The Going Concern modelling was dependent in part on the University's continuing negotiations with the European Investment Bank (EIB) regarding its debt covenants, in the light of the impacts of the pandemic. These negotiations were progressing well and were likely to conclude soon.

Summarising the accounts, the CFO noted that headline surplus/deficit figures were subject to significant fluctuation caused by how pensions and capital grants, in particular, must be recorded under current accounting standards. The underlying picture was one of resilience, bearing in mind that the financial year in

question had seen normal operations in part but had also been significantly affected by the pandemic. Despite this, total income had remained flat and recurring income excluding volatile capital grants had grown, on a year-on-year basis.

Research intensity had continued to grow, advancing strategic objectives and bringing a corresponding increase in staff costs. Overall, both revenue and expenditure had been affected by the pandemic.

The University had significant headroom on all covenants at year-end. Reverse stress-testing carried out for Going Concern modelling showed the University to be resilient and in a strong position in the context of the sector.

In subsequent discussion, the CFO clarified the basis of Going Concern modelling, which drew on rich information including scenarios developed in Q1 forecasting, and the nature of the EIB negotiations. It was noted that the EIB was able to offer amendments to the terms of covenants and/or temporary waivers of covenant conditions, with previous budgetary performance taken into account when developing such solutions.

Members asked whether disposal of assets, mentioned in the accounts as a potential mitigation against any significant shortfall, might be pursued in the near future. It was noted that any asset disposal would be a lengthy process and that the value of maintaining any given asset would need to be considered. There would be significant work on space utilisation, which would help to inform a strategic approach to the University's physical assets.

Members commended the management of the impacts of the pandemic by the Finance team and the wider University, noting that a strong sense of institutional identity and purpose had been key to this.

Court **noted** the draft Financial Statements and the plan for their completion and approval by ARC and Court.

## **6. Q1 Business Report**

The CFO summarised the Q1 financial forecast. The pandemic had affected both income and expenditure, including a significant reduction in non-EU tuition fee income. Significant growth in tuition fee income in the previous year had provided a strong basis for managing this. Relative to 2018/19, overall income was broadly unchanged, despite the effects of the pandemic. While the pattern of the University's performance for non-EU tuition fee income meant that the University would not consequently qualify for additional UK government loan assistance, this was also an indicator of financial strength and stability relative to the sector.

A cautious approach had been taken in forecasting. In line with this, income from student residences had been calculated on a revised assumption of 50% occupancy. The University's primary mitigation for the shortfall in fee income, the provision of additional January intakes for certain PGT courses, was not reflected in the present forecast but was showing positive results. The University was aiming to further diversify its international markets and finding strong demand in a number of countries, in addition to the expected recovery of existing markets. Research income was expected to rise on emergence from the pandemic crisis, the current 'order book' being strong.

Based on expected outcomes from ongoing negotiations with the European Investment Bank, taking into account a range of scenarios, clear headroom was projected on the University's debt covenants. No additional debt was required to maintain liquidity, but the University would seek to take advantage of any future offer of low-interest Financial Transactions loan funding, as it would under normal conditions.

The Director of Strategy & Policy presented the non-financial elements of the Business Report. Staff turnover and reported sickness absence had decreased. The gender pay gap showed a gradual reduction, based on year-end figures. The value of research grant applications was close to that at Q1 in the previous year, despite predictable falls in EU funding applications for cyclical reasons.

Demand for the PGT programmes with new January commencements was continuing to rise, with new applications in addition to deferrals. Applications for autumn entry to the next academic year were being monitored closely; early signs were positive, with strong recovery in key markets.

The University was on course to meet the target of the Commission on Widening Access for SIMD20 student numbers ten years ahead of schedule, showing exceptional performance in this area for a research-intensive institution. The University had also increased its intake of care-experienced students.

Subsequent discussion centred on the additional risks posed by the UK's withdrawal from the EU. While there was continuing uncertainty around the nature and impact of this, the University was continuing to monitor risks and plan accordingly and was considering potential mitigations in the event of a 'no deal' scenario. It was noted that the opportunity for informed assessment and the formulation of any appropriate actions was expected to arise in January 2021, with greater knowledge of both external developments and the positive financial impacts of the new student cohorts.

Court **noted** the Business Report.

## **7. Strategic Plan Progress Report**

The Director of Strategy & Policy presented a summary of progress against the University's strategic KPIs, which covered both a final review of the KPIs from the 2015-2020 strategy and an early assessment of progress relative to the Vision 2025 strategic KPIs.

The impact of the Covid-19 pandemic was visible in certain areas, in particular industrial research income, but in other areas, including student recruitment, it did not yet feed into the figures.

A number of areas showed highly positive performance, including Widening Access (as noted under the previous item). The reduction of greenhouse gas emissions had achieved the relevant targets in the last strategic plan and was on track for the 2025 target at this stage. Further work would be required to maintain and build on recent success in this area.

Members were informed that discussion of the KPIs and targets was to be undertaken, as part of an annual process, and that both opportunities and risks would be taken into consideration.

Court **noted** the report.

## **8. REF 2021 update**

Professor Stephen McArthur (Deputy Associate Principal) and Claire Carroll (Research Policy Manager) gave an overview of preparations for the REF2021 submission.

The primary focus at this stage was on Impact and Environment statements and good progress was being made with these. The institutional Environment statement had been updated and would be shared with selected Court members soon for review – those members were thanked for volunteering their help. Environment metrics had been finalised since the last Court meeting. It was noted that Environment would contribute 15% of the score for each Unit of Assessment (UoA), based on a combination of narrative and metrics that could vary according to UoA.

Court noted that, as agreed by Court Business Group, an Extraordinary Meeting of Court was to be held in order to review the REF submission in detail, the scheduled March Court meeting being very close to the submission deadline. This additional meeting was likely to be combined with the planned meeting to approve the Financial Statements.

It was noted that a number of Impact case studies gathered for the REF would potentially be of use in activity surrounding the COP26 climate conference.

Court **noted** the update.

## **Items for formal approval**

### **9. Annual Statement on Research Integrity**

Court **approved** the Statement.

## **10. Convener's Action: SBS UAE branch campus – Country Manager and Authority to operate banking facilities**

Court **homologated** approval by Convener's Action to

- change the SBS Country Manager on the Dubai Commercial Licence; and
- authorise the SBS Country Manager to open, operate and close bank accounts,

as set out in the paper, noting that the Vice Convener had signed relevant documents on behalf of the Convener.

### **Item for information**

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

#### **11. Lady Curran Endowment Fund**

#### **12. Independent QC Inquiry Report**

Court noted that the Inquiry Report had been discussed as part of item 3 (see above). Court was supportive of the way in which the process had been managed and welcomed the report and the University's proposals for full implementation of all the Report's recommendations and further enhancement of relevant policies and procedures through the work of the Inquiry Recommendations Implementation Group.

### **Committee Reports**

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

#### **13. Executive Team**

#### **14. Court Business Group**

#### **15. Audit & Risk Committee**

Court **approved** retention of Ernst & Young LLP as the University's External Auditor for the audit of the 2020/21 Financial Statements.

#### **16. Estates Committee**

#### **17. Senate** (relevant approval noted under item 9)

#### **18. AOB**

There was no other business.

### **Date of next meeting**

- Extraordinary meeting to approve Financial Statements and review the REF submission: date to be confirmed [minute note: subsequently scheduled for 25 January 2021]
- Next ordinary meeting: 2 March 2021