

MINUTES OF UNIVERSITY COURT

25 November 2021

Auditorium B, Technology & Innovation Centre

Present: Dame Sue Bruce (Convener), Paula Galloway (Vice-Convener), Professor Sir Jim McDonald (Principal), Neelam Bakshi, Kirsty Bannatyne, Virginia Beckett, Elaine Blaxter, Linda Brownlow, Melfort Campbell, Ronnie Cleland, Alison Culpan, Professor Jonathan Delafield-Butt, Gillian Hastings, Councillor Ruairi Kelly (items 1-5), Susan Kelly, William McLachlan, Professor Jan Sefcik, Peter Young

Attending: Professor Tim Bedford, Professor Douglas Brodie, Professor David Hillier, Professor Atilla Incecik, Dr Veena O'Halloran, Beth Lawton, Gordon Scott, Professor Eleanor Shaw, Professor Iain Stewart, Steven Wallace, Dr Daniel Wedgwood. Professor Stephen McArthur, Professor Duncan Graham, Kirsty McLeod (items 1-5), Lucy Noble (items 1-5)

Apologies: Andrew Eccles, Stephen Ingledew, Mary Jo Jacobi, Professor Scott MacGregor, Benn Rapson, Malcolm Roughead

Welcome and apologies

The Convener welcomed Court members and attendees to the meeting and noted apologies as above.

No interests were declared.

1. Minutes

Court **approved** the minutes of the meeting held on 5 October 2021.

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, including the following:

- An extended programme of graduation ceremonies had been held, the first since the Covid-19 pandemic, allowing around 1,700 students to graduate, with Covid-19 mitigations measures in place and social distancing maintained in the ceremonies
- The University had delivered all of its plans in relation to the COP26 international climate change conference, making important contributions to the event and its satellite events, and the University and Students' Union had received a visit from Barack Obama, former President of the USA. The University's COP26 legacy strategy was highlighted.
- The Principal paid tribute to the exceptional contributions to the University of the University Secretary & Compliance Officer (USCO), Dr Veena O'Halloran, whose retirement had recently been announced. He noted in particular her central contributions to the University's success in widening access and to its response to the Covid-19 crisis.
- Other notable changes to the Executive Team were to be effected in the coming months, with the arrival of Gillian Docherty as the new Chief Commercial Officer and the commencement of the terms of office of new Executive Deans of Engineering and Science, in addition to the appointment of Professor Atilla Incecik as an Associate Principal (subject to Court's approval in this meeting).

- A Leadership Talent Programme had been launched, with the aim of supporting a more diverse talent pool to move into leadership positions in the University.
- The CEO of UK Research & Innovation, Professor Ottoline Leyser, had visited the University and had commented on the distinctiveness of the Strathclyde 'ecosystem'.

The USCO outlined the current situation in relation to Covid-19. The number of confirmed cases in the University community remained low and there had not been a significant rise in cases after students had arrived at the beginning of the semester. It would, nevertheless, be important to continue to monitor case numbers, which were rising in several countries. The Scottish Government had asked HE institutions to continue to apply existing voluntary measures that go beyond Scottish Government guidance to prevent the spread of the virus. It was noted that the University was planning for Semester 2 with a continuation of existing measures but with the flexibility to adapt to a variety of scenarios.

Court **noted** the report.

4. 2020/21 Financial Statements and Going Concern assessment

The Chief Financial Officer (CFO) presented the draft Financial Statements. The University was in a net cash position at year-end and its debt covenants showed good headroom, giving a strong base upon which to enter the 2021/22 academic year. There had been year-on-year growth in income, although short of targeted growth, in the context of continuing restrictions in relation to the Covid-19 pandemic. This had had a significant impact on income through its effect on student numbers and other income, including from residences and conference and catering services. There had been effective mitigations of this loss of income, in particular through the newly established courses with January commencement. The University continued to invest, including in staff, and had implemented careful management of other costs.

The completion of the 2020 valuation of the USS pension scheme had resulted in a disclosure requirement for a non-adjusting Post Balance Sheet Event, as would be the case across the sector.

It was noted that Audit & Risk Committee had recommended the financial statements for approval by Court. The Treasurer also commended the financial statements and noted that performance had been excellent in the context of the challenges of the pandemic.

The CFO also provided a summary of the modelling underpinning the Going Concern assessment. Three scenarios had been modelled, with no mitigations included: a Risk-adjusted Budget, a Plausible Worst Scenario and Reverse Stress Testing. Under all three models, the University had been shown to maintain positive cash balances throughout the period modelled. Under the Plausible Worst Case scenario, in the absence of mitigations, a covenant breach would occur at the end of 2022/23. It was noted that sufficient mitigating actions were available in this scenario, including full repayment of the covenanted debt while still leaving positive cash balances. The Treasurer noted that this represented exceptionally strong financial health.

Court commended the work of the Finance team and **approved** the Financial Statements.

5. Q1 2021-22 - Quarterly Business Report

The CFO summarised the core financial elements of the Q1 Business Report and financial forecast. The continued impact of the Covid-19 pandemic on student recruitment, contrary to expectations earlier in the year, had created a deficit relative to the budget. Tuition fees had recovered significantly relative to the previous year, but short of budgeted targets. A process to mitigate this shortfall, through both cost control measures and income generation, was in progress. The University's debt covenant position had been maintained, following the in-year benefit of the Charles Huang Foundation donation. Movements in the costs of the USS pension scheme had reduced the headroom on one covenant, but the headroom remained significant. Notwithstanding the shortfall relative to budget milestones, the balance sheet forecast showed the University to be in good financial health throughout the current financial year. Courses with January intakes were attracting high levels of interest, as shown in applications and deposits received.

It was noted that the availability of student accommodation in Glasgow had been affected by the pandemic, through effects on the private sector, and that this had, in some cases, acted as a barrier to student

recruitment. It was observed that the demand for University accommodation had remained strong despite the move towards greater online delivery of learning during the pandemic. The University was investigating possible ways to increase its stock of accommodation.

The Acting Director of Strategic Planning gave a summary of the non-financial elements of the business report, including the following points:

- Research applications and awards value had both increased quite significantly relative to Q1 last year and research income was underlyingly in line with the budget (i.e. excluding capital grant income).
- The PGR population remained below targeted levels, but year-round recruitment provided opportunities to continue progress towards the University's ambitious goals. The Executive Team and Performance Development Group were monitoring this closely, in conjunction with Faculties.
- RUK recruitment was very strong and exceeding targeted levels for both undergraduate and PGT cohorts.
- 'Home' PGT numbers had been impacted by the reclassification of most EU students as international students following the UK's withdrawal from the EU.
- International PGT recruitment, although negatively impacted by the Covid-19 situation, was at its second-highest level in the last five years. There had been changes in the demographics of the international PGT intake, with India now the largest overseas market.
- The already high levels of applications and deposits for courses with January starts showed continued growth, beyond the point of Q1 reporting.
- Recruitment of students from SIMD0-40 backgrounds was strong, continuing Strathclyde's exceptional performance in this area. It was noted that this had been achieved while maintaining entry requirements that were among the highest in the sector.

Members discussed the changing demographics of international applicants, noting that it was as yet unclear to what extent these were short-term or longer-term effects. The advantages of both diversification of markets and building on established partnerships were noted, as were the wider benefits of educational connections in international relations.

Court **noted** the Business Report.

6. Strategic Plan Progress Report

The Acting Director of Strategic Planning presented a summary of progress against the University's strategic KPIs. Alongside progress, necessary changes to the definitions of certain KPIs were noted. Key points included the following:

- The definition, targets and milestones for KPI4, Graduate-level Employment/Further Study, had changed in response to changes in national data collection and reporting by HESA.
- Performance against 12 of the KPIs was on track or ahead of milestone, which compared favourably with 8 at the mid-year reporting point.
- Progress against KPI 3, Student Satisfaction, had been driven by the University's excellent performance in the National Student Survey (NSS), more details of which were due to be presented in the subsequent strategy session.
- KPI9, Income from conferences, training, consultancy, KE grants and other KE income, was ahead of target for the first time.
- KPI10, Key Strategic Relationships, was undergoing development towards quantitative reporting, to replace its current qualitative basis and it was expected that quantitative reporting would commence from the 2021-22 mid-year reporting point.
- The Principal and Senior Officers were strongly engaged with the leadership of a number of major industrial partners in order to support progress in relation to KPI11, Industrial Research Income.
- KPI16, Greenhouse Gas Emissions, showed significant progress, with benefits still being drawn from reduced business travel during the pandemic. The definition of this KPI had been updated to be inclusive of Scope 3 emissions and, therefore, the baseline had been restated accordingly, with the target remaining a 70% reduction in emissions by 2025.

Court **noted** the report.

7. Outcome Agreement with the Scottish Funding Council

The Acting Director of Strategic Planning presented the University's Outcome Agreement Self-evaluation Report for 2020-21 and Outcome Agreement for 2021-22. It was noted that the Outcome Agreement timetable had changed, as the sector focused on recovery from Covid-19: the cycle was both later (i.e. in-year) and significantly curtailed.

Members noted that the University's distinctiveness and strength in a wide range of areas were well evidenced in the Outcome Agreement documents.

Court **approved** the Outcome Agreement Self-evaluation Report for 2020-21 and Outcome Agreement for 2021-22, for submission to the SFC by the deadline of 30 November 2021.

Items for formal approval

8. UK Research Concordats: Annual Reporting

The Associate Principal, Research & Innovation presented the Annual Research Integrity Statement 2020-21 and the First Annual Researcher Development Concordat Report, noting that the latter covered a 5-month period but would henceforth be prepared to an annual cycle.

Court **approved** the Annual Research Integrity Statement 2020-21 and the First Annual Researcher Development Concordat Report for publication.

9. Senior Officer appointments and re-appointments

Court **noted** the appointment of Gillian Docherty OBE as Chief Commercial Officer (to commence in February 2022) and **homologated**

- the reappointment, by Convener's Action, of Professor Tim Bedford as Associate Principal (Research and Innovation) for a further 5-year term, to 31 October 2026; and
- the appointment, by Convener's Action, of Professor Atilla Incecik as Associate Principal (International Partnerships) from 1 January 2022, for a period of one year.

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

By passing the Resolution as presented in the paper, Court **approved**

- the required change to the named SBS Country Manager on the Dubai Commercial Licence;
- authorisation for the SBS Country Manager to open, operate and close the Strathclyde Business School bank account at Abu Dhabi Commercial Bank ADCB; and
- the signing of relevant documents by the Convener of Court, to effect the above.

Committee Reports

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

11. Executive Team

12. Senate

13. Court Business Group

14. Court Membership Group

Court **approved** the appointment of Professor Jan Sefcik to Court Business Group.

15. Audit & Risk Committee

16. Estates Committee

Court **approved** the proposals presented in relation to the following:

- Heart of the Campus business case
- Curran Building renovations

- Biological Procedures Unit: heating, ventilation and air conditioning systems

Members discussed the challenges presented to those with mobility issues by the steep gradients in and around the Heart of the Campus development. It was noted that Estates Committee had discussed this issue and that a commitment had been made to investigate potential ameliorations, the approval of the business case notwithstanding.

17. AOB

There was no other business.

Date of next meeting

- 1 March 2022

DW, 29 November 2021