

**UNIVERSITY COURT**

**Minutes of the meeting held on 17 June 2019**

**Present:** Mr H Adam (Chair), Mr S Anderson, Mr N Acquah, Mr J Dick, Prof J Donaldson, Mr H Grossart, Mr S Haldane, Prof M MacLeod, Ms L Marr, Prof G McCormac, Ms B McKissack, Ms C Morrison, Mr J Muirhead, Rev M Roderick, Councillor C Simpson, Mr A Sturgess

**In Attendance:** Prof P Hancock, Ms J Harrison, Mr G MacLeod, Mr L McCabe, Mr M McCrindle, Mr C McNally, Ms J Morrow, Prof J Phillips, Dr J Rogers, Ms E Schofield, Prof L Sparks, Mr L Spillane, Ms F Wheater (Clerk), Prof N Wylie, Dr L Zhuang

**Apologies:** Prof A Green, Ms F Sandford, Prof H Nehring,

Members welcomed Nelson Acquah, Union President and Joshua Muirhead, Vice-President of the Students’ Union to their first meeting of Court. [Note: Item 20 was brought forward on the agenda to **approve** the membership of these two individuals in advance of the meeting starting].

**1. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**2. MINUTES UC(18/19) Minutes 3**

The minutes of the meeting held on 25 March 2019 were **approved** as an accurate record.

**3. MATTERS ARISING NOT OTHERWISE ON THE AGENDA**

There were no matters arising.

**4. KEY DEVELOPMENTS IN THE EXTERNAL ENVIRONMENT UC(18/19)48**

Court **received** a report on recent developments in the external environment and their potential impact upon the higher education sector. Issues highlighted included the publication of the Augar Review on post-18 education and funding. The headline from the review was the proposed reduction of the maximum undergraduate tuition fee in England from £9,250 to £7,500, without recommending an associated cap on the student numbers for English institutions. If implemented, this would have knock on implications for fees that Scottish institutions would be able to charge Rest of UK students.

The report included details of a number of external factors that presented potential strategic and financial challenges to the University, most notably: Brexit, student recruitment, UK and Scottish Government policy, public spending and funding allocations, staff pay awards and pensions.

Court **noted** the update on the external environment.

***DELIVERY OF THE STRATEGIC PLAN***

**5. PLANNING & BUDGETING**

**(i) University Budget 2019/20 UC(18/19)49**

Court considered the University’s proposed revenue budget and associated cash flows for 2019-22 including the financial impact of the proposed capital investment plan.

The draft budget was presented with the endorsement of JPPRC, for approval by Court. The budget had been prepared through an iterative process taking account of extensive consultations with academic, professional services and commercial areas. Approval was requested for a budget that was presented against main SORP headings for income and expenditure.

The paper presented three modelled budget scenarios which reflected the extremely challenging environment within which the University was operating and proposed that the *Likely Scenario* be adopted.

The *Likely Scenario* presented an accounting deficit under FRS 102 of £3.5m and an EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation) of £6.2m. Court noted that to achieve that outcome would require recurrent savings of just over £5m to be achieved in year. In order to be compliant with the University’s debt covenants, EBITDA had to be at least £3.2m. The *Likely Scenario* provided a margin of £3m above the covenant threshold and would deliver compliance with the University Treasury Management Policy.

Members of Court questioned senior management in detail on the key assumptions on which the budget estimates were based.

It was noted that in the three scenarios presented income was constant and that the different scenario outturns were achieved through different levels of expenditure savings. These were split pro rata between staff costs and other operating expenditure (OOE). There was scrutiny by Court members of the Executive’s plans for achieving the required £5m savings. It was explained that a number of steps were being put in place through consideration of staff vacancies until the end of the calendar year 2020 and a 10% reduction of all non-essential operating expenses. It was acknowledged that it was a fine line between ensuring the cost base was manageable whilst still having the ability to grow income.

Court was assured that all reasonable steps would be taken to ensure the required savings targets would be met without creating a negative impact on the University’s ability to grow income or on the student experience.

Thereafter Court:

* **Approved** the University’s proposed revenue budget target of an operating deficit of £3.5m for 2019/20.
* **Noted** the management actions and the potential implications required to deliver the proposed revenue budget for 2019-22.
* **Noted** that the approved budget would form the basis of the Financial Forecasts submitted to the Scottish Funding Council at the end of June, in accordance with the requirements of in its financial monitoring framework.

 **(ii) Making It Happen Performance 2019-2021 UC(18/19)50**

Court considered the *Making it Happen* (MiH) plan 2019-2021. MiH had been developed to support delivery of the University’s strategic ambitions set out in the Strategic Plan 2016-2021. MiH 2019-21 built on the progress made in year three of the Strategic Plan, included a snapshot of institutional performance data against 2018/19 milestones and provided a forecast performance to 2021.

Some key areas included:

* Growing unregulated student numbers - this included the development of international partnerships building on work that has already been done with Amity Global Institute and Planet Core International Education FZE. During 2019/20 a new Internationalisation Strategy would be developed.
* Improving student experience - activities would include the development of a new student experience plan and a new Mental Health and Wellbeing Plan. The transformation of the estate (Campus Central and redeveloped sports facilities) would also contribute to student experience.
* Developing research - work would include focusing on larger grants and continued preparations for REF 2021.

Court **approved** the MiH plan for 2019-21.

**(iii) Capital Expenditure Plan UC(18/19)51**

Court considered an update of the Capital Expenditure indicative plan for 2018-23. The original capital plan had been approved by Court in June 2018. The revised plan presented an updated forecast for 2018-19 and an indicative plan for 2019-23. Although the overall budget remained at £68m, there had been a reprioritisation of work within that total amount.

Court had previously approved the first stage of stage of the Teaching and Learning Zone project, the Cottrell Courtyard Learning Zone. However, the start of this project had been postponed due to delays associated with tender qualifications and operational issues but also because an indication had been received from SFC that the Teaching and Learning Zone project would meet the criteria for their Financial Transactions Loan. An application for the loan would be considered by the SFC Board in September.

Provision had been made in the plan for £0.5m each year for the investment in the legacy residences which responded to concerns raised by students about student accommodation. The proposed investment would not fully address the backlog of maintenance required but would be supplemented by prioritising work in the student accommodation by the maintenance team.

The Campus Central and Sports Facilities Redevelopment were both progressing on time and on budget.

Court **approved** the Capital Investment Plan

**6. CITY DEAL UC(18/19)52**

Court considered the update paper on the Stirling and Clackmannanshire City Region Deal. The paper provided an updated on the status of the three University-led projects:

* The National Aquaculture Technology and Innovation Hub (UK Government: £17m)
* Scotland’s International Environment Centre (Scottish Government: £17m, UK Government: £5m)
* The Intergenerational Living Innovation Hub (UK Government: £TBC, £8m requested)

It was anticipated that the City Region Deal contract would be signed by the two governments, Stirling Council, Clackmannanshire Council and the University during the summer. Following signing of the City Region Deal contract, each project within it would then prepare a full business case.

Court **noted** the update on the City Deal and **granted delegated authority** to the Principal to sign the Deal Contract on behalf of Court.

**7. REF 2021 CODE OF PRACTICE UC(18/19)53**

Court considered the REF2021 Code of Practice setting out the principles and procedures the University would use to develop its submission to the 2021 Research Excellence Framework (REF2021). The Code of Practice had already been submitted to the Scottish Funding Council. The document built on the previous REF2014 Code of Practice, the main changes to the current version related to the new REF2021 rules requiring 100% of eligible staff to be submitted.

Court retrospectively **approved** the REF2021 Code of Practice

**8. LEARNING & TEACHING QUALITY ENHANCEMENT STRATEGY UC(18/19)54**

Court considered the Learning & Teaching Quality and Enhancement Strategy.

The strategy encompassed six themes: engagement, curriculum, assessment and feedback, excellent teaching, resources and spaces for learning and teaching, and development and support. Each theme had a set of associated aims and actions.

Court **approved** the Learning & Teaching Quality Enhancement Strategy.

***GOVERNANCE***

**9. SPECIAL RESOLUTION - CHARTER AND STATUTES UC(18/19)55**

Court considered the proposed amendments to the Charter and Statutes. The amendments to the Charter and Statutes were required as a consequence of the HE Governance (Scotland) Act 2016. Agreement had been reached in principle with both the Scottish Government and OSCR on the proposed amendments to the Charter and Statutes. Following the meeting of Court the proposed amendments would be publicised within the University for 28 days prior to the submission of the changes to the Privy Council.

Thereafter, with the support of Academic Council, Court **agreed** to:

* + **make a Special Resolution** to amend the Royal Charter as set out in the paper provided, subject to such further amendments as the Lords of Her Majesty’s Privy Council may require and as are agreed by the University.
	+ **make a Special Resolution** to amend the Statutes as set out in the paper provided, subject to such further amendments as the Lords of Her Majesty’s Privy Council may require and as are agreed by the University.

**10. FREEDOM TO SPEAK UP (WHISTLEBLOWING) POLICY UC(18/19)56**

Court considered the Freedom to Speak Up Policy which had previously been discussed by Audit Committee. The University had had a Public Interest Disclosure Policy for a number of years but the policy had been refreshed to open up the language and encourage people to come forward with concerns rather than emphasising the compliance aspects of the policy.

Court **approved** the updated Freedom to Speak Up (Whistleblowing) Policy.

**11. SCHEDULE OF RESERVATIONS AND DELEGATIONS UC(18/19)57**

Court considered the amended Schedule of Reservations and Delegations. The updates mainly related to job titles and names of business areas.

Court **approved** the updated Schedule of Reservations and Delegations.

***ACTIVITY UPDATES***

**12. STUDENTS’ UNION UPDATE UC(18/19)58**

Court **noted** the report on recent Students’ Union activities covering the election of the new sabbatical officers and RATE awards.

**13. STAFF AND EMPLOYMENT UPDATE UC(18/19)59**

Court received an update on staff and employment issues. UCEA had concluded the negotiations relating to the 2019/20 pay award and had made a final offer that would deliver a pay increase of between 3.56% (lower points) and 1.8% to academic and professional services staff. The Trade Unions were expected to consult their members on the final offer and it was expected that four out of five trade unions would recommend members to reject the final offer.

In response to proposals by the Joint Expert Panel, the USS pension trustees had proposed three options for contributions from employers and employees as alternatives to the planned increases based on the 2017 valuation of the pension scheme.   Following consultation with employers the majority preferred option 3 with total contributions raising from 30.7% in October 2019 to 34.7% in October 2022.  Option 3 would allow time for further consideration of alternative approaches for the long-term sustainability of the scheme.

Under option 3, if implemented, the proposed contributions were lower than the contributions included within the University budget and would result in savings for the University in the short term.  However, if further increases were required as a result of the 2020 valuation there could be significant increases in future years.

UCU had outlined grounds for a potential trade dispute in relation to the USS contributions, seeking a “no detriment” approach based on current employee contributions and benefits.

Court **noted** the staff and employment update.

**14. EQUALITIES UPDATE UC(18/19)60**

Court considered the Equalities Update which included the recently published Equality Mainstreaming Report. The report set out the University’s progress against its four equality outcomes and demonstrated how, through a range of policies, initiatives, and continuous improvement activities, the institution was committed to integrating equality, diversity and inclusion into everything that it did.

The University had made considerable progress against its equality outcomes and the specified measures, notably:

* Over 400 staff had been trained on preventing & tackling sexual violence & misconduct (PTSVM) and 16 University and Students’ Union staff were fully trained as Sexual Violence & Misconduct Liaison Officers (SVMLO’s).
* The University had published its first British Sign Language (BSL) Action Plan in consultation with its BSL community.
* In 2018, the University’s Leadership Development programme won the Times Higher Education (THE) Award for Outstanding Contribution to Leadership Development.
* The University was working in close partnership with staff, students and external organisations to develop an institutional Mental Health & Wellbeing Strategy.

Court **noted** the update on matters relating to equality and diversity.

***COMMITTEE REPORTS***

**15. ACADEMIC COUNCIL UC(18/19)61**

Court received an update from Academic Council from its meeting of 5 June 2019. The report covered the outcomes from meetings of Research Committee, Education and Student Experience Committee and Joint Policy Planning and Resources Committee.

Items for approval, covered elsewhere on the Court agenda, were the Learning & Teaching Quality Enhancement Strategy, the REF Code of Practice and the Amendments to the Charter and Statutes. Court **noted** the other items in the report.

**16. JOINT POLICY, PLANNING & RESOURCES COMMITTEE (JPPRC) UC(18/19)62**

Court considered the report from the JPPRC meeting held on 28 May 2019. The report included updates on the external environment, scholarship proposals, management accounts, capital expenditure update, city deal and equalities update.

Items for approval, which that were covered elsewhere on the Court agenda, were Making it Happen 2019-2021, University Budget and the REF Codes of Practice.

Court **approved** the Safety, Environment and Business Continuity Annual Report and **noted** the other items in the report.

**17. AUDIT COMMITTEE UC(18/19)63**

Court considered the report from the Audit Committee meeting of 20 May 2019 which included the internal audit progress report, internal audit plan for 2019/20, external audit interim management report, Information Governance annual report, report on safety, environment and continuity and register of strategic risks.

Court **approved** the extension of the appointment of KPMG as external auditors for a year to 31 December 2020 and **noted** the other items in the report.

**18. ACADEMIC ADVANCEMENT & PROMOTIONS COMMITTEE UC(18/19)64**

Court considered and **noted** the annual report from the AAPC which included a summary of the applications considered for academic promotion in May 2019 and details of the committee membership.

**19. COMBINED JOINT NEGOTIATING & CONSULTATION COMMITTEE UC(18/19)65**

Court **noted** the report from CJNCC that summarised the issues that had been discussed during 2018/19.

**20. GOVERNANCE AND NOMINATIONS COMMITTEE UC(18/19)66**

Court received a report from the meeting of GNC that took place on 14 May 2019. Court noted a number of committee appointments for committees reporting to Court. Other items in the report included the progress that had been made with the Chair of Court recruitment and election process and a review of committee compositions.

Court **approved** the re-appointments of two members to Court and appointments of six new members of Court.

Court **noted** the other items in the report.

***RISKS***

**21. RISK APPETITE STATEMENT UC(18/19)67**

Court considered the amended Risk Appetite Statement. An internal audit had recently been conducted on the Management of Strategic Risk that had endorsed the University’s Risk Appetite Statement. Audit Committee had subsequently reviewed the statement as part of a regular review and agreed to update the examples given within the statement.

Court **approved** the updated risk appetite statement.

**22. RISKS ARISING Oral**

No additional items were identified to add to the institutional Register of Strategic Risks.

***OTHER ITEMS***

**23. ANY OTHER COMPETENT BUSINESS**

Members noted that it was the last meeting for the following members:

* Fiona Sandford
* Andrew Sturgess
* Lynne Marr
* Simon Anderson
* James Dick

Members thanked these individuals for their contributions to Court. In particular Fiona Sandford was thanked for the time and dedication she had given to the University during her time as Chair of Court.

**24. NEXT MEETING**

Court **noted** that the dates for meetings in 2019/20:

* 23 September 2019
* 25 October 2019 (Strategy Day)
* 16 December 2019
* 23 March 2020
* 15 June 2020

Policy & Planning

June 2019