

# **Minutes – University Court**

09/12/2024 | 2.00pm to 4.00pm

Stirling Court Hotel

Present

Mr Harry Adam (Chair), Ms Leen Ali, Professor Kirstie Blair, Ms Pamela Crawford, Mr Gary Fleming, Mr Kenny Fraser, Ms Susan Gordon Hardy, Mr Hamish Grossart, Mr Graham Hastie, Dr Magdalena Ietswaart, Mr Douglas Kearney, Dr Deborah Keith, Professor Malcolm MacLeod, Professor Sir Gerry McCormac, Ms Catriona Morrison, Professor Gozde Ozakinci, Ms Justine Pedussel, Mr Julian Roberts and Dr Clare Wilson.

**In Attendance**

Mr David Bond, Ms Linsey Dickson, Mr Graeme Duff, Ms Rose Edwards, Ms Jennifer Harrison, Ms Karen Lawson, Mr Colin McNally, Ms Joanna Morrow, Mr Moray Nichol (Clerk), Ms Eileen Schofield, Mr Liam Spillane, Dr David Telford, Professor Paul Townsend, Professor Neville Wylie and Dr Lee Zhuang.

1. Welcome and Apologies

Apologies for absence were received from Dr Poonam Gupta, Ms Lynne Marr, Mr William Stancer, Professor Julie Tinson and Lord Provost Elaine Watterson.

2. Declarations of Interest

There were no new declarations of interest.

3. Minutes

Court approved the minutes of the meetings held on 21 October 2024, subject to the amendment of an agreed action based on recommendations from the Review of Governance Effectiveness at item 10.  The amendment was to clarify that the action to ensure appropriate arrangements were in place for engaging with the students' union and fostering contributions from student governing body members would involve co-creation with the students' union.

4. Matters Arising Not Otherwise on the Agenda

Members discussed proposed arrangements prior to the meeting of University Court scheduled on 25 March 2025.  It was agreed that the March Court dinner would be cancelled.  There were no other matters arising.

5. Developments in the External Environment

Court received an overview of recent developments in the External Environment that included coverage of the change of UK Government and Budget, information on the increase in undergraduate tuition fees in England and implications for RUK fees in Scotland, an update on the US Presidential Election, conflict in the Middle East and Ukraine, and widening access to students entering higher education in Scotland.  Members discussed in particular the implications of the Scottish Budget for 2025 to 2026 published on 4 December 2024.

The Chair congratulated the Marketing, Communications and Recruitment Team on winning the Times Higher Education Award 2024 for their outstanding contribution in the promotion of sporting excellence at the University.  The Chair also congratulated Professor Angela Creese on receiving a Highly Commended award in the Outstanding Research Supervisor of the Year category.

Court noted the recent developments in the external environment.

INSTITUTIONAL PERFORMANCE

6. University Annual Report and Financial Statements 2023/24

Court received an overview of the audited Annual Report and Financial Statements for the year ended 31 July 2024.  It was confirmed that the Financial Statements were prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards FRS102.  In addition, the Financial Statements conformed to the Scottish Funding Council's (SFC) Accounts Direction.

It was confirmed that the Quarter 4 managements accounts reported an operating surplus of £2.2m for 2023/24.  Following accounting adjustments required in the presentation of the statutory financial statements, the University reported a surplus for the year of £54.6m (2023: £17.4m).  It was confirmed that the statutory financial performance of the University was significantly affected by the impacts of pension scheme valuations and associated pension accounting.  University Court noted the movements were not a reflection of the University’s actual financial performance and were non-cash in nature.

Members discussed the University's strong reserves position, noting total net assets had increased by £52.0m to £195.1m (2023: £143.1m) and sufficient liquidity to deal positively with uncertainties and opportunities.

It was confirmed that the University was covenant compliant for 2023/24.  It was noted the University’s financial resilience and overall financial sustainability had been achieved despite unprecedented external stresses and challenges that put pressure on income and expenditure.

Court approved the Annual Report and Financial Statements 2023/24 and considered the Letter of Representation and Report to the Audit Committee from the external auditor.

7. Quarter 1 Reporting

Court received the Quarter 1 performance report including the Quarter 1 management accounts and key operating indicators associated with the University's performance.  It was confirmed that the Quarter 1 management accounts presented a preliminaryout-turn forecast surplus of £74k, despite challenges with tuition fee income and higher staffing costs due to changes in employer’s National Insurance Contributions, the latter being a direct result of a UK Government budget announcement.

Members discussed the range of measures implemented by the University to strengthen expenditure controls across all spending categories.  It was confirmed, as part of these efforts, that the University developed mitigating actions to ensure that expenditure reflected business priorities and activity.

Members discussed planned capital expenditure and a cash update at Quarter 1.  It was confirmed that, in line with the reprioritisation exercise conducted in parallel with the 2024/25 planning and budgeting cycle, planned capital expenditure was £50.8m.  It was confirmed that, considering the forecast cash position, the University would be covenant compliant for 2024/25.

Court considered and approved the Quarter 1 performance report.

STRATEGIC INVESTMENT PROPOSAL

8. Student Information System

Court received a presentation on a strategic proposal to invest in a new Student Information System through an APUC framework-compliant procurement process.

Members discussed the business case, implementation costs associated with the project and limitations experienced with the current approach.  Members discussed the expected benefits that would be derived from an investment in this area and the change of culture required to ensure success.  It was confirmed that benefits included enhanced operational efficiency and effectiveness, and an improved student experience through an integrated technology platform that enabled real-time engagement and personalised support.

Members discussed due diligence undertaken to evaluate the integrity, capability and risk associated with the proposed supplier.  Members discussed risk associated with the implementation of a project on this scale and mitigations that would be in place to ensure its delivery on time and within budget, and identified the need for project leadership with accountability for delivery of the full organisational change project.

Court considered and approved the proposed Student Information System for inclusion within the University’s capital infrastructure plan.

COLLABORATION

9. City Region Deal

Court received a report from the University’s City Region and Growth Deal Programme Board that included progress on Scotland’s International Environment Centre, the National Aquaculture Technology and Innovation Hub, the Intergenerational Living Innovation Hub, International Marine Science and Environment Centre and the Machrihanish Innovation Campus.

Court considered the update from the University’s City Region and Growth Deal Programme Board.

POLICY AND GOVERNANCE

10. Treasury Management Policy Annual Review

Court received the Treasury Management Policy.  It was confirmed the Policy ensured all treasury management activity was undertaken within clear parameters to manage the risks inherent in those activities and was reviewed annually.  It was confirmed the annual review included the policy on Socially Responsible Investment which set out the University’s approach to integrate environmental, social and governance factors in its investments.

It was confirmed that, following review, no updates were being proposed to the Treasury Management Policy as it was considered to be fit for purpose in the current internal and external operating environment.

Members discussed the steps taken by the University to decarbonise its investment portfolio by removing direct investments in fossil fuel companies.  It was confirmed that the proposed updates to outline the University’s commitment to socially responsible investments were in line with the Sustainability Policy, and that a review of the Socially Responsible Investment Policy was undertaken in collaboration with the Students’ Union Officers and representatives from other student groups.

Court approved the revised Treasury Management and Socially Responsible Investment policies.

11. Strategic Risk Management

Court received a revised approach to Strategic Risk Management which formed a key part of the University’s effective governance arrangements and included the Risk Management Policy, Risk Appetite Statement and the Institutional Register of Strategic Risk.  Members discussed the proposed approach, provided feedback and considered the University's appetite for risk in the context of the external operating environment.

Court approved the revised approach to strategic risk management, including the draft Risk Management Policy, proposed Risk Appetite Statements and a draft template for the Institutional Register of Strategic Risk.

12. SFC Outcome Agreement 2023/24

Court received the Self-Evaluation Report 2023/24 and accompanying case studies.  It was confirmed that the self-evaluation report summarised the ways in which Scottish Funding Council (SFC) funding was successfully utilised throughout 2023/24.  It was confirmed SFC specify that universities should submit a report of up to six pages on the following areas: fair access and transitions, coherent learning provision, work-based learning and skills, net zero and environmental sustainability, and the university innovation fund.

Court approved the self-evaluation 2023/24 and case studies for submission to Scottish Funding Council (SFC).

13. SFC Outcomes Framework and Assurance Model

Court received an overview of the Outcome Framework and Assurance Model that would replace the current Outcome Agreement framework from 2024/25.

Court noted the SFC’s new Outcome Framework and Assurance Model.

14. Amendment to Ordinance 58

Court received a proposed amendment to Ordinance 58, that would enable Stirling Management School to introduce a new programme within the University’s portfolio – the Masters of Accountancy (MAcc).   It was confirmed that Academic Council endorsed the proposed to amend Ordinance 58 at its meeting held on 27 November 2024.

Court approved the MAcc award to the University’s Degrees, Diplomas and Certificates and the amendment to Ordinance 58 to specify this.

STRATEGY DEVELOPMENT

15. Finance Strategy

Court received the draft Finance Strategy for 2024-2030 which was designed to drive significant growth and ensure long-term financial sustainability for the University.  It was confirmed that it was a strategic priority to increase income from £170m in 2023-24 to £250m by 2030, and to achieve this, the strategy focused on expanding income sources by boosting student recruitment, increasing research income and diversifying commercial ventures and philanthropic efforts.

It was confirmed that the Strategy was developed through extensive consultation with academic and professional services stakeholders and was crucial for achieving the long-term ambitions outlined in the University Strategic Plan 2030, with financial sustainability as the cornerstone of the strategy.

Members discussed the significant challenges facing Higher Education, the focus on financial sustainability and the ambition of the targets for growth set out in the strategy.  It was confirmed that the University would align spending to strategic priorities, effectively control costs and use resources efficiently to maintain financial health.  It was confirmed that the Strategy would be supported by a comprehensive growth plan with specific milestones and initiatives to navigate market conditions effectively.

Court approved the draft Finance Strategy.

16. Monitoring and Evaluation - Strategic Plan 2030

Court received an overview of the monitoring and evaluation framework associated with the new Strategic Plan and the proposed Key Performance Indicators.

Members discussed the proposed approach to the evaluation of staff satisfaction, health and wellbeing in particular, that included insight from pulse surveys and progress on activity linked to the objectives of the People Strategy.

It was confirmed that baselines had been established from the recent year of full data and were considered as part of the process to determine the scale of the University's ambition.  It was confirmed that over the duration of the strategic planning period, a rating system would be in place to evaluate progress to target and against the institutional/sector risk profile.  It was confirmed that the Key Performance Indicators would be kept under review to ensure they remained relevant and fit for purpose.

Court approved the proposed list of Key Performance Indicators and the accompanying monitoring and evaluation approach.

ACTIVITY UPDATES

17. Students' Union Update

Court received an update on recent Students' Union activities that included coverage of funds raised by club members for charity, a series of events planned as part of the 16 Days of Activism campaign and discussions with local public transport providers aimed at improving the communication of service disruptions to staff and students.

Court considered and noted the activity update from the Students’ Union.

18. Staff and Employment Update

Court received an update on staff and employment matters that included coverage of University's staff engagement approach, and activity undertaken to seek accreditation from the Living Wage Foundation for the University to be formally recognised as a Real Living Wage employer.

Court considered and noted the staff and employment update.

COMMITTEE REPORTS

19. University Court

Court considered and noted the annual evaluative report from Court 2023/24.

20. Academic Council

Court considered and noted the report from the meeting of Academic Council held on 27 November 2024.

21. Joint Policy, Planning & Resources Committee (JPPRC)

Court considered and noted the report from the meeting of Joint, Policy, Planning and Resources Committee (JPPRC) held on 26 November 2024 and the annual evaluative report from JPPRC for 2023/24.

22. Audit Committee

Court considered and noted the report from the meeting of Audit Committee held on 18 November 2024, the annual evaluative report from Audit Committee 2023/24 and the Internal Audit Report for 2023/24.

Additionally, Court approved the recommendation from Audit Committee to extent the external audit services contract for a period of two years.

23. Governance and Nominations Committee

Court considered and notedthe annual report from Governance and Nominations Committee 2023/24 and the report from the meeting of Governance and Nominations Committee held on 21 October 2024.

24. University Research Ethics Committee

Court considered and notedthe annual report from the University Research Ethics Committee for 2023/24.

RISKS

25. Risks Arising

Court considered risks associated with items discussed in the context of the agreed risk appetite statement.

OTHER ITEMS

26. Any Other Competent Business

There was no other competent business.

27. Next Meeting

Court noted the schedule of meetings for the remainder of 2024/25.