

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

MINUTES OF MEETING HELD ON 12 DECEMBER 2023 via MICROSOFT TEAMS

Present: Julie Ashworth (in the Chair for Minutes 106 onwards)
Martin Barker
Eleanor Bentley
George Boyne
Martina Chukwuma-Ezike (in the Chair for Minutes 105)
Owen Cox for Minutes 105 to 120
Iain Grant
Luke Halliday
Vanessa Mabonso Nzolo
Iain Mackay for Minutes 105 to 120
Gary McRae
Helen Martin
Lyndsay Menzies for Minutes 105 to 121
Caryn Miller
Anne Minto
Alison Rankin for Minutes 105 to 120
Joachim Schaper
Diane Skåtun
Otto Thoresen for Minutes 105 to 121
Robert Traynham (except for parts of Minutes 109 to 118)
Adaku Ufere
Neil Vargesson
Sai Shraddha S Viswanathan
Ilia Xypolia

In attendance: Iain Torrance KCVO

Senior Management Team members:

Debbie Dyker for Minutes 119 to 125
Karl Leydecker for Minutes 109 to 125
Tracey Slaven (as University Secretary & Chief Operating Officer)
Mark White for Minutes 109 to 118

Clerk: Bruce Purdon
Communications: Seonag MacKinnon

Apologies: Susan Bodie
Charlotte Pope-Williams

WELCOME AND HOUSEKEEPING

- 105 The Rector opened the meeting and made some introductory remarks with regard to the agenda before Court.
- 106 The Court was reminded that the 'chat' function of Teams did not constitute part of the meeting and members should raise for discussion comments or further information that they required.

MINUTES

- 107 The minutes of the meeting held on 21 November 2023 were approved (CT20231212_1).

DECLARATIONS OF INTEREST AND REMINDER OF COURT AND MEMBER RESPONSIBILITIES

- 108 The Court noted the standing reminder of the responsibilities of Court and members as charity trustees (CT20231212_2). No declarations or conflicts of interest in the agenda were noted. Post meeting, the University Secretary believes it appropriate to record that two Senate Assessors, Professor Joachim Schaper and Iliia Xypolia, might be perceived to have a conflict of interest in the motions presented to Senate in relation to the consultation on Modern Languages. Both were signatories on the group correspondence which notified the University Secretary, as Secretary to Senate, of the proposed motions which were ultimately raised and approved in Senate.

UNIVERSITY RECOVERY PLAN

Some sections of this part of the minutes have been redacted due to being commercially sensitive.

- 109 The Court received a work in progress report on the Financial Recovery Plan ("the Plan") which was a revision of the three-year budget (to 2025/26) that had been approved by Court in June 2023 (Paper CT20231212_3).
- 110 The need for a revision to the Plan had arisen following the October 2023 student registrations which had resulted in significant under-recruitment of international post-graduate taught (PGT) students. It had subsequently also been confirmed that the indications across the sector were for a further strong downturn in entry of international post-graduate taught students for January 2024, and pessimism with regard to growth in September 2024.
- 111 Given this operating context, the growth ambitions in the original budget had been re-assessed and these projected a significant deficit in 2023/24 which would breach the University's debt covenants with its lenders. The Plan had, therefore, been prepared for Court to outline Management's planned actions to ensure financial sustainability, and for the University's lenders to consider as

part of the re-negotiation of the covenants that would be required and potential resultant debt restructuring. The Plan also, therefore, included a proposition in relation to the restructuring of debt to ensure management of cash and covenant compliance.

- 112 The Plan set out three scenarios (for 2024/25 and 2025/26) for revenue to reflect the structural downturn across the UK HE sector regarding international student recruitment. The Chief Financial Officer, as part of an opening presentation to Court, supplemented this with a fourth scenario that had been requested by some Court members, since the circulation of the papers. [REDACTED]

- 113 Members of Court noted that over the past two years, the University had not achieved its income growth targets related to international student recruitment and, therefore, sought assurance that the Senior Management team's future targets and projections were achievable and supported by a robust student recruitment strategy.

- 114 In framing the Plan, the Principal noted that the financial context was volatile and difficult and was likely to remain so for the next few years. The Principal noted that there were estimates that international student intake numbers in the UK for January 2024 could reduce by up to 70%. This was why the University had considered it prudent to significantly reduce its forecast numbers for the January 2024 international student intake. There was some more positive news as it was now expected that Qatar would open its borders to international students to studying in-country which offered a new opportunity for the University through its partnership there, although this was unlikely to be until academic year 2025/26. With regard to the financial recovery plan, the Principal noted that there were risks in doing too little to address costs and in doing too much. It was key, therefore, that the University had a strategic approach, which was flexible, allowed it to prioritise investment in excellence, could be altered as the main pivot points in the recruitment cycle were reached and which was phased. In addressing phasing and the options available to manage the University's costs, the Court was being asked to consider whether it wished Senior Management to take a strategic approach focused on areas that consistently were in deficit or a more generic and untargeted approach such as use of University wide flexible retirement and voluntary service schemes.

- 115 An extended discussion followed, from which the following points were noted:
- While recognising the need for the University to be prudent and to be able to have options open to it if necessary to reduce costs, there was a consensus that the Plan should have a greater focus and detail on new revenue streams and revenue growth. These included areas such as commercialisation (both

from academic teaching & research and non-income sources) and philanthropy/fundraising. In terms of philanthropic income, it was noted that the Plan assumed £2m per annum in the high case scenario and £1m in the medium and low cases over and above the regular annual funding flow of £3-£5M from the Development Trust that was included in the June 2023 budget. It was agreed, however, that given that launching a major new philanthropic campaign was a longer-term proposition, consideration would be given to including less ambitious but significant fundraising initiatives that could benefit the University sooner.


- Noting that the new income streams above would take time to generate results, members suggested that the Plan needed to be linked to a new student recruitment strategy. That new strategy should recognise the significantly changed operating environment and challenges to both international postgraduate and home undergraduate recruitment, and also consider factors such as tuition fee pricing, entry requirements and target markets. In addition, the strategy might also consider the future size and shape of the student population and model of delivery ie on campus versus online or transnational, which would also be important to the reimagining the campuses project.
- The importance of protecting the University's strengths in research and achieving an improvement in Research Excellence Framework performance and funding was emphasised. The Court discussed the challenges to achieving this while also having to manage operational and staffing costs, where the impacts of decisions on savings should large reductions in staff be required, needed to be assessed. Several members noted the negative impact that a previous approach to managing financial challenges had resulted in for the REF 2021 preparations.
- It was confirmed that providing early retirement schemes, was not discriminatory, but that there were risks, for example to REF and to intellectual leadership within Schools, if large numbers of senior staff were to retire early. These and other impacts/risks of approaches to cost control open to the University, such as on student staff ratios, or on student recruitment, needed to be assessed and explained in the final version of the Plan.
- A suggestion that the University adopt a financial Plan which accepted significant deficits for a longer period of time was discussed.

[REDACTED]

A number of members noted they could accept the potential level of deficit positions in the Plan but that there had to be a clear route to turn that position around.

- With regard to the restructuring of the University's debt and potential repurposing of the Bond, it was confirmed that there was no proposal for the Bond to be repurposed in order to finance early retirement or voluntary severance schemes.

[REDACTED]

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- 116 Some members expressed concern that in endorsing the direction of travel of the Plan they would be approving reductions in staff which were either unknown or without appropriate information to base a decision on. The Court was assured, however, that as stated in the paper, this was a draft Plan, provided to Court so it could give Senior Management guidance on the potential range of actions that could or could not be included within it. Formal approval for the final version of the Plan would be sought at the next meeting of Court on 28 February 2024.
- 117 The Court then discussed whether it should hold a vote on the draft Plan and the procedures by which members could call for a vote, rather than reaching a decision by broad consensus. It was confirmed that a vote could be called for but that as the paper did not seek a binding decision other than with regard to authority to undertake discussions to repurpose the bond, members had the option to register their dissent from endorsing the direction of travel articulated in the paper and for this to be recorded, with their names if wished, in the minutes.
- 118 At the conclusion of the discussion, the Court:
1. Endorsed the direction of travel and expectation of restructuring costs within the draft Plan, while noting it would be developed further to take account of the direction received from Court above, in particular regarding revenue growth, protecting REF performance and potential for smaller scale fundraising initiatives. The following members, however, registered their dissent from the Court's position: Owen Cox, Helen Martin, Joachim Schaper and Ilia Xypolia.
 2. Endorsed the Chief Finance Officer engaging with Banks to formally explore the potential relaxing of the conditions placed on the use of the Bond in order to restructure the debt and resolve the breach of covenant.
 3. Noted that the expectation that the Recovery Plan will include restructuring costs with individual severance arrangements agreed via normal delegated authority schedule and Remuneration Committee oversight where relevant.

SCHOOL OF LANGUAGES, LITERATURE, MUSIC & VISUAL CULTURE: FORMAL
CONSULTATION ON THE SUSTAINABILITY OF MODERN LANGUAGES
TEACHING

- 119 The Court received a paper on the current position on the proposals on the future sustainability of Modern Languages within the School of Language, Literature, Music and Visual Culture (LLMVC) (CT20231212_4). The Court was also provided with a range of background and contextual information, including a list of all correspondence to Court that had been received from staff, students, alumni and stakeholders by 12 noon 11 December 2023 and

several examples of each. In addition, and as highlighted by the University Secretary during the meeting, the Court was provided with a report (CT20231212_4d) from an additional meeting of the Senate held on 6 December 2023 on the academic view of Senate in relation to the formal consultation on the Sustainability of Modern Languages. This included an overview of the arguments shared at Senate and the two motions it had passed for the consideration of Court, one of which called for a pause to the consultation.

120 In presenting the paper to Court, the Senior Vice-Principal noted that there had been a number of developments since the paper had been prepared in terms of feedback from within the University and externally. Amongst the points of feedback that had been noted, was the strength of feeling expressed regarding modern language provision, including Gaelic, generally, and in particular, the importance of retaining Modern Languages provision in the North of Scotland. Having reflected on the feedback, the Senior Management Team therefore were presenting a new recommendation to Court which would both extend the consultation period and refocus it on Option 1 (as described in the paper) and not Options 2 and 3. Due to UCAS admissions time frames and in fairness to potential applicants, this would require the University to confirm it would, in line with Option 1, admit students to joint honours with languages degree programmes in September 2024 but not to single honours languages degree programmes.

121 An extended discussion followed, from which the following points were noted:

- All members recognised the very difficult nature of the issues being discussed for the staff and students who were personally involved.
- The new proposal was broadly welcomed by Court as helpful in seeking to address the concerns and reputational issues that had arisen following the announcement of the consultation.
- The revised proposal for consultation would still require efficiency and cost savings. It was confirmed by Senior Management that the University was compliant with its policies and procedures, including those on the avoidance of redundancy.
- Some aspects of the data provided in the consultation had been challenged but the Court was assured by Senior Management that it was confident that the data was accurate. Some members noted, however, that further consideration needed to be given to reconciling conflicting accounts of data to reassure the University community.
- It was noted that the local University & College Union branch were considering strike action in relation to the future of Modern Languages.
- The Students' Association had been responding to a large number of concerns raised by students following the announcement of the consultation and it was suggested that the University needed to ensure that continuing students felt valued. It was also suggested that the University might be challenged regarding the membership of the consultation steering group. Senior Management recognised that there was a need to foster better and more constructive engagement with both

students and staff and the revised proposal was intended to enable a basis to do so.

- Given the reputational risks, there was a need to reflect on how the process and communications were handled going forward. It was noted that there were members of Court with experience in strategic communications who could support the University in that context.
- It was noted that across the four Single Honours degree programmes in Modern Languages, there were only five students admitted in September 2023. Given the extension to the consultation and the decisions point in the UCAS admissions cycle that were approaching for applicants, Senior Management considered that it would be inappropriate to admit students to single honours programmes, at this time. The programmes would in the meantime, however, remain on the University Calendar.
- There remained, as discussed earlier in the agenda, a significant issue of financial sustainability facing the University, of which Modern Languages was part, that would still need to be addressed. Senior Management considered that a pause in the consultation, as proposed by Senate, would prevent it from delivering the financial recovery plan. Several members noted the need for a University wide approach to financial sustainability and were assured this was recognised by Senior Management. Members also noted that Court had a fundamental duty to ensure the University's financial sustainability, to deliver its charitable purposes, and that in turn it would be remiss of Senior Management not to routinely review and address the sustainability of provision across individual areas.
- Given the concerns raised regarding the importance of Modern Languages provision, including Gaelic, for the North of Scotland, the University would engage further with the Scottish Funding Council, potentially around 'clawback' of non-filled funded places.

122 Following discussion, the Court endorsed the proposal from Senior Management that the consultation process in the School of Language, Literature, Music & Visual Culture (LLMVC) regarding the future sustainability of Modern Languages would be extended to 16 February 2024 and that the consultation would be redefined to focus around Option 1, as set out in the paper, with engagement on innovative approaches to support the sustainability of Modern Languages, including how research could be supported. Consequentially, while the University would not admit students to Single Honours in 2024/25, it would continue to admit students to joint honours and other programmes.

123 It was also confirmed to Court that the proposals to delegate authority to the Senior Management Team in the paper were withdrawn and that decisions following the conclusion of the consultation with the School of LLMVC, on the future sustainability of Modern Languages would be brought back to Court for decision.

124 Ilia Xypolia noted that she did not endorse the revised proposal agreed by Court because she did not consider there was the necessary information available to make an informed decision.

DATE OF NEXT MEETING

- 125 Wednesday, 28 February 2024, 9am to 3pm, preceded by a seminar session on Tuesday, 27 February 2024 (time to be confirmed).