

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

MINUTES OF A MEETING HELD ON 25 JUNE 2025

Present: Julie Ashworth (in the Chair for Minutes 272 onwards)
Ainhua Burgos Aguilera
Martin Barker
Eleanor Bentley (via Teams up to Minute 325)
George Boyne (except for Minutes 317 to 326)
Ewan Cameron
Owen Cox (except for Minutes 291 to 295 and Minutes 316 onwards)
Iona Fyfe (in the Chair for Minutes 270 to 271 and attended part of remainder of meeting)
Iain Grant (from Minutes 283 onwards)
Ayten Hajiyevea (up to Minute 316)
Luke Halliday
Richard Hepworth-Young (from Minutes 283 onwards)
Fiona Islam
Gary McRae
Helen Martin
Caryn Miller
Lorenzo Moretti (up to Minute 316)
Alison Rankin
Shona Russell
Joachim Schaper
Christina Schmid
Diane Skåtun
Adaku Ufere
Ilia Xypolia

In attendance: *Senior Management Team Members/University Officers*

Pete Edwards (except for Minutes 291 to 295 and 317 to 326)
Samantha Waters
Mark White (except for Minutes 317 to 326)
Neil Curtis (for Minutes 283 to 287)
Steve Tucker (for Minutes 288 to 290)

Clerk: Bruce Purdon

Apologies: Lesley Birse

WELCOME AND RECTOR'S REPORT

270 The Rector opened the meeting and noted that the meeting was being observed by SUMS consulting as part of the governance efficiency review. The Rector

recorded Court's appreciation of the presentation given by the Students' Union Sabbatical Officer Team the preceding evening.

- 271 The Court received and noted the Rector's report on recent activities and meetings undertaken in the role since the last meeting of Court (CT20250625_1).

DECLARATIONS OF INTEREST AND REMINDER OF COURT AND MEMBER RESPONSIBILITIES

- 272 The Court noted the standing reminder of the responsibilities of Court and members as charity trustees (CT20250625_2). Owen Cox and Pete Edwards noted an interest in the agenda as Trustees of UASLAS. Richard Hepworth-Young noted an interest in the agenda as a member of one of the Schools within the current VS/ER scheme. It was noted that Diane Skatun had a standing item in the register of interests regarding the Business School.

MINUTES

- 273 The minutes of the meeting of held on 30 April 2025 (CT20250625_3.1) were approved subject to minute 235 being amended to note that one member of Court had recorded that they were unable to approve the proposals for and the actions to achieve a budget deficit in 2025/26.

MATTERS ARISING, ACTION LOG AND DECISIONS BY CIRCULATION

- 274 The Court received and noted a report on Matters Arising and the Court Action Log (CT20250625_4).
- 275 The Court also formally recorded that it had by circulation approval on the recommendation of the Pensions Advisory Group of a Flexible Appointment Arrangement for the UASLAS pension scheme

REPORTS FROM SENATE AND COURT COMMITTEES REQUIRING DECISION

Senate Report

- 276 The Court received a report on the meetings of Senate held on the 7th and 16th May 2025 (CT20250625_5.1). The Court noted a number of motions that Senate had passed on a range of matters. It was noted that Senate had passed a further motion with regard to requesting a joint meeting of Court and Senate and that in response representatives of Senate had presented to and had a discussion with members of Court the previous evening.
- 277 The Court, on the recommendation of the Senate, approved a Resolution "Changes to Regulations for Various Degrees" to implement changes to degree regulations for the commencement of academic year 2025/26 and to do so forthwith in accordance with Section 6 (2) of the Universities (Scotland) Act 1966.

Governance and Nominations Committee

- 278 The Court received a report on the key items of business considered by the Governance and Nominations Committee on 3 June 2025 (CT20250625_5.2).
- 279 The Court, on the recommendation of the Committee, approved the reappointment of Kevin Reynard as an External Co-opted Member of the Audit and Risk Committee with effect from 1 November 2025.

Remuneration Committee

- 280 The Court received a report on the key items of business considered by the Remuneration Committee at its meetings of 1 May, 12 May and 26 May (CT20250625_5.3).
- 281 It was agreed that approval of proposed changes to the Committee's composition, quorum requirement and terms of reference should be deferred to allow the Committee's Chair an opportunity to consider the comments received at the meeting.
- 282 It was also agreed to defer approval of changes to the Severance Policy to ensure references to the respective roles of the University Secretary and to the Chief Operating Officer were correct.

ROUTINE BUSINESS REQUIRING A DECISION

Collections Development Policy

The Head of University Collections joined the meeting for this item.

- 283 The Court received a proposed updated Collections Development Policy governing acquisitions and disposals in the University's archive, museums and rare book collections (CT20250625_6.1). The Court had also, by circulation, received an explanatory presentation from the Head of University Collections and an opportunity to receive further information.
- 284 The Court noted that the policy followed the Collections Development Policy template recommended by Museums Galleries Scotland (MGS), and followed by all other Accredited museums in the UK. Conformity to this template was required for Museum Accreditation and being a Recognised Collection of National Significance, a status which enabled access to funding from Museums Galleries Scotland and other sources of public funding.
- 285 In discussion, it was noted that the previous Policy did not permit the disposal of items from the collections for financial reasons. The template policy for accreditation, however, now permitted financial disposal under certain circumstances and subject to approval of the Court. A member noted their concern regarding this change in wording.
- 286 It was proposed and agreed that the composition of the Advisory Group on Collections Deaccessioning, Restitution and Return within the Policy be

amended to include a member of Court rather than specifying that this be an independent member of Court.

- 287 The Court agreed to approve the updated Policy subject to the change to the composition of the Advisory Group being incorporated. The Court noted that a confirmation on the wording of the policy with regard to disposals would be circulated.

Changes to Regulations for Various Degrees

The Dean for Quality Assurance & Enhancement joined the meeting for this item.

- 288 The Court received a report on the statutory process of consultation undertaken with regard to the Draft Resolution to give effect to changes various degree regulations which Court had received at its previous meeting (CT20250625_6.2).
- 289 The Court also received a report on comments received from the Business Committee of the General Council and noted the University's responses to the these. It was agreed that the University would ensure that the Business Committee received the University's response to their comments.
- 290 The Court approved the Resolution.

Pensions Advisory Group – Replacement Pensions Guarantee Facility for UASLAS

- 291 The Court received a copy of a paper that, at the point of circulation of papers, had been under consideration by the Pensions Advisory Group (CT20250625_6.3).
- 292 The paper sought approval to enter into an agreement with a bank to provide a facility that would allow the University to enter into an updated pension guarantee arrangement with the UASLAS pension scheme and that bank. The existing guarantee arrangement was no longer fit for purpose and the existing provider was no longer able to offer such a facility.
- 293 The Chair of the Pensions Advisory Group noted that it had now concluded its consideration of the paper and recommended that Court approve the alternative facility provision in order to enable the University to work with UASLAS Trustees and the bank to agree a revised pension guarantee arrangement, noting that this would require to return to Court for approval.
- 294 In discussion, it was noted that the Pensions Advisory Group would engage with UASLAS with regard to reducing their scheme deficit and that the forthcoming 31 July 2025 valuation of the scheme might also result in a reduction.
- 295 The Court approved the revised facility provision and noted that it would receive the alternative guarantee arrangement for further approval in due course.

GILLIES REPORT AND GOVERNANCE

- 296 The Senior Governor drew Court's attention to the publication of the Gillies Report regarding the circumstances contributing to the significant financial issues at the University of Dundee. The report included findings of relevance to the entire higher education sector and the Senior Governor reported that the Audit and Risk Committee would be asked to review and consider these from the University of Aberdeen's perspective. The Senior Governor also intended, as Chair of Governance and Nominations Committee, to consider the Gillies Report's findings with regard to the skills and experience base of the membership of Court.
- 297 The Senior Governor also noted that in response to feedback from members, she had raised with Senior Management the importance of ensuring that Court received papers with clear information and in a timely manner. The Senior Governor also noted the importance of ensuring the Court had the governance support required to fulfil its role effectively. The Senior Governor had been assured that this was not a capability issue but a capacity issue. The Court made a strong recommendation that steps be taken to invest in the resource necessary to address the significant workload pressures facing the finance and the governance support teams. **Action: Senior Management Team**

FINANCE – YEAR-END POSITION, CAPITAL BUDGET AND THREE YEAR FINANCIAL PLAN

Verbal Update on Year-End Position 2024/25

- 298 The Court received a brief verbal update on the expected position for the financial year ending 31 July 2025. It was noted that the University was forecasting to achieve the budget target and meet its covenant requirements.

Three Year Financial Plan 2025/26 to 2027/28

- 299 The Court received a paper (CT20250625_7.3) supplemented by a presentation on the Three Year Financial Plan 2025/26 to 2027/28.
- 300 The Court noted that the paper set out the Plan's underlying assumptions, assessment of risks and performance metrics and loan covenant compliance. It also included a 10-year cash flow projection anticipated to evolve from the Plan after incorporating projected capital expenditure and receipts over that period. This included a rolling investment plan for the digital and physical estate.
- 301 The paper outlined the sector context driven by the dual challenge of a loss of income primarily from the significant reduction in the number of international students choosing to study in the UK and ever increasing costs. The key objective of the Plan was to support the quality of education and research through achieving a sustainable financial position that removes the deficit and creates headroom for investment so that the University could continue to be globally competitive. This involved returning the University from a deficit

position to a break even position by July 2028 and to ensure continued financial covenant compliance. Broken down over each of the next three years the Plan's targets were:

- 2025/26 - £6.5M Deficit (including an in-year cumulative income generation/savings of £5.5M)
- 2026/27 - £2.5M Deficit (including an in-year cumulative income generation/savings of £6M)
- 2027/28 - £0M/Break Even (including an in-year cumulative income generation/savings of £6M)

302 To achieve this, the paper outlined three options for next steps that had been considered by Senior Management to close the £5.5m financial gap identified for 2025/26 to achieve the underlying deficit target of £6.5m.

303 The Court was updated that since the paper had been prepared, the latest projection was that £4M of the required £5.5M of revenue generation/savings assigned to 5 Schools had been identified and that Senior Management were confident that the further revenue/savings required would be identified. To create headroom to either invest in the pay award and promotions, or further reduce the deficit, the further seven Schools had been allocated a £2.1m income generation/savings target.

Option 1

304 This involved the extension of the current VS/ER Scheme to 31 August 2025 and further work and analysis on revenue generating opportunities that were credible and timely.

305 As part of this Option, University Court would receive an update on progress in early September. The activities underpinning the implementation of the new Operating Model by 1 August 2026 (see minutes 317 to 320) would be taken forward. This would include planning for a new academic structure that aligns with education and research priorities, takes account of future demand, re-aligns staff and student numbers, and enhances consistency of operations. The implementation of the change envisaged across Schools and Directorates would thereafter deliver a break-even position by the end of financial year 2027/28.

Option 2

306 Option 2 involved implementing Option 1, but if by September 2025 the £5.5m of revenue generation/savings had not been met, achievement of some or all of the £2.1m savings target from the other seven Schools would be included within the £5.5m target and therefore the option to either fund the pay award and the promotion round or further reduce the deficit below £6.5m would be in doubt.

Option 3

307 Would involve beginning immediate planning for a programme of compulsory redundancies in Schools which did not meet their revenue generating/savings target towards the £5.5m. This would require statutory provisions in respect of

consultation processes and appropriate timeframes for the development of business cases, which would take anywhere between three and six months. As such, the timeframe for implementing Option 3 would mean that financial savings would be very limited in Financial Year 2025/26.

308 Having evaluated each option, the Senior Management Team's recommendation to Court was to take forward Option 1, underwritten by Option 2. The Court noted that, while the Finance and Resourcing Committee had received a presentation to update it on the development of the Three Year Financial Plan, it had not received the substantive paper or recommendations that were before Court.

309 The Court debated the paper, the options presented and its supporting assumptions in depth. This included seeking and receiving assurance from the Senior Management Team that the tuition fee growth targets were achievable in the current student recruitment environment. The Court also discussed a number of points of clarification with regard to how income generation/savings targets had been allocated to Schools and whether all Schools should break even (or better) and when cross subsidy for a School in deficit, might be in the greater collective interest of the University as a whole. The importance of ensuring there was effective communication with all staff but especially in Schools to understand the financial plan, the external environment and challenge facing all universities and that, for Aberdeen, moving to a break even position and a financially sustainable operating model were not ends in themselves but prerequisite conditions for academic success.

310 In wider discussion, it was suggested that members might welcome further informal sessions to aide their understanding of the many complex issues of the University's financial model and the accounting considerations within these such as generation of cash and the operation of depreciation. The Chief Financial Officer offered to facilitate this going forward.

Action: Chief Financial Officer

311 Following discussion, the Court:

- 1) Approved the three-year budget, with an underlying deficit of £6.5m in 2025/26, £2.5m in 2026/27 and break even in 2027/28.
- 2) Approved the 10-year cash projection.
- 3) In terms of next steps, noting that the meeting had been advised that £4m of the £5.5m target saving had been identified, Court approved the recommendation of Senior Management which was Option 1 as detailed above, underwritten by Option 2. It was confirmed that Option 1 involved the extension of the current VS/ER scheme in terms of its duration.
- 4) Noted the intention to reduce the cost base by £12m recurrently by 2027/28 through the design and implementation of a revised Operating Model.
- 5) Noted that the Budget meets the financial covenants (with a degree of headroom) for 2025/26 whilst 2026/27 required more work and clarity.
- 6) Noted that there was a requirement for a decision on whether to extend or replace the current Revolving Credit Facility prior to signing of the 2024/25 Annual Report. This would be considered further by Senior Management and a recommendation brought to Court in due course.

- 7) Requested that it should receive regular updates on the University's financial position relative to the Plan.

Combined Capital Budget for 2025/26

- 312 The Court received a Combined Capital Budget for investment in both the physical and digital estates in financial year 2025-26 (CT20250625_7.2).
- 313 In discussion, it was confirmed that with regard to the uncommitted/unspent funds in 24/25, the University would progress the plans to which they were allocated and the intention was not to encourage underspends in investment in the asset base to help saving requirements in other budgets. The point was made and noted that investment in the estate while seeking savings in other areas would be queried by some staff and that it was therefore important to ensure there was good communications on why it was critical to invest in the estate.
- 314 In further discussion, the Court was assured that the expenditure on the decant from and repairs to Marischal East and the Mitchell Tower were considered essential to both enable the Museum Collections to be moved to a more suitable and accessible facility for visitors/tourist engagement, to address future health and safety risks from the building and would in the longer term deliver energy and other savings from mothballing the building.
- 315 Following discussion, the Court:
1. Approved the planned allocation of capital budget to Digital Strategy Committee & Estates Committee.
 2. Approved the reprofiling of uncommitted funds from 24/25 to 25/26.
 3. Requested an update on capital expenditure against the budget in April 2026.

Report to Scottish Funding Council (SFC) on Strategic Plan Forecast

- 316 The Court received the draft Strategic Plan (Financial) Forecast report (CT20250625_7.4) to the SFC but noted that this would need to be updated to reflect the Three Year Financial Plan. It was, therefore, agreed to receive and agree this by circulation for submission to SFC for its deadline of 30 June 2025 as soon as practicable.

Note by Clerk: This was subsequently received by Court for approval by circulation on 3 July and approval confirmed on 16 July.

OPERATING MODEL 2025-28

- 317 The Court received a paper, supplemented by a presentation, on the development of a new operating model for the University (CT20250625_8). These shared with Court initial thinking on how to progress the development of a new operating model and outlined why the University needed to adapt in response to a number of drivers for change – these being:

- Market conditions, in particular the reduction in the international student market across the UK;
- Financial Sustainability – the need to adjust the University’s cost base to reflect the current and projected levels of income in line with the Three-Year Financial Plan;
- Education & Student Experience – to meet evolving student needs and expectations;
- Research & Innovation – improving research quality, impact, culture and commercialisation;
- Digital – improving and enhancing the University’s digital infrastructure;
- Estate – addressing under-utilised facilities and ensuring the campuses meet staff/student needs and sustainability targets.
- Staff experience – a reducing workforce using manual and obsolete processes;
- Governance – addressing duplication and resource intensive arrangements that impede agility.

318 The paper outlined key design themes to underpin the consideration of a new operating model with potential priorities for focus detailed within each of the themes which were:

- Education & Student Experience
- Research & Innovation
- People & Culture
- Partnerships & Alliances
- Governance & Leadership
- Infrastructure (Digital & Estates)
- Organisational Design

319 The Court discussed the paper and presentation and a range of points arising from it in detail. The main themes from that discussion are recorded as follows:

- Given the scale of the project, the lessons learned from the Gordon Report, and that there were limitations around the University’s agility to agree and implement organisational change, the Court asked that Senior Management reflect further on the deliverability of the indicative timeline to implement a revised structure for Professional Services in 2025/26 and a new academic structure by 1 August 2026.
- Linked to this, and noting the significant number of other strategic and operational activity that was ongoing, some members suggested that investment in the capacity and skills base of staff, particularly in Professional Services, to support such a major change management process was required and/or through external specialist support.
- It was noted that understanding both the risks and opportunities from organisational change was key and Court was assured this would be assessed as part of a project management approach to the process.

- The inclusion of culture and trust in the paper and a cultural audit was welcomed.
- The Court debated the information in the paper with regard to student numbers on degree courses, with some members noting that low student numbers on some courses could in some circumstances be valuable to the University as 'loss leaders' or to its reputation.
- The importance of communication and engagement with the University community, including Senate, was emphasised. By this, it was suggested this was not only in terms of consultation but in ensuring the drivers and need for change, and the underpinning aim of ensuring that the University emerges in a stronger position to succeed in an increasingly difficult external environment, were both understood and shared as a collective rather than being perceived as a senior management agenda. It was noted that while the paper was prepared in a form for Court rather than wider sharing, the intention was to communicate and engage with the community in ways that were designed and focused on that audience.

320 Following discussion, the Court*:

- 1) noted the drivers for change impacting the University's current operating model;
- 2) endorsed the design themes and the further development of the priorities within these;
- 3) noted the indicative timelines and that these would be considered further by Senior Management in terms of their deliverability based on the feedback from the discussion;
- 4) agreed that, noting the importance of communication with staff and students, discussions should take place with colleagues across the University to support the development and delivery of a new operating model including the most appropriate academic and professional service structures and processes to meet the University's future needs;
- 5) agreed to commission a cultural audit to commence in September 2025; and
- 6) noted the proposed establishment of a Strategic Programme Board to oversee the relevant workstreams.

*One member asked that it be recorded that they were unable to approve or endorse recommendation 2.

CLOSED BUSINESS ITEM - CONFIDENTIAL TO COURT



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]


[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



VERBAL UPDATE ON CURRENT TNE ACTIVITIES

- 327 This item was deferred to a future meeting.

SIX MONTHLY HEALTH, SAFETY AND WELLBEING REPORT

- 328 The Court received and noted a six month update on the key health, safety and wellbeing issues that had been considered by the University during the first six months of the 2024/25 academic year (CT20250625_11.1).
- 329 In addition, the Court received and noted a specific additional report on the work being undertaken to respond to risks and compliance issues identified in regard to the use of Compressed Gas within the University.

ITEMS PROVIDED FOR FURTHER INFORMATION AND NOTING

- 330 The Court received the following written reports for information and assurance:
- Audit and Risk Committee (Meeting of 27 May 2025) (CT20250625_11.2)
 - Finance and Resourcing Committee (Meetings of 4 and 11 June 2025) (CT20250625_11.3)
 - Commercialisation Committee (Meeting of 28 May 2025) (CT20250625_11.4)
 - Pensions Advisory Group (Meeting of 4 June 2025) (CT20250625_11.5)
 - Report from the Senior Governor (CT20250625_11.6)
 - Update on HE Sector and University Developments (CT20250625_11.7)
 - Update on Campus Retail Opportunities (CT20250625_11.8)
 - Partnership, Negotiating & Consultative Committee (CT20250625_11.9)

MEMBERS RETIRING FROM COURT

- 331 The Court recorded its thanks to Ainhoa Burgos for her service to Court as one of the AUSA nominated members of Court for 2024/25.

DATE OF NEXT MEETING

- 332 The Court noted that it would next meet on 2 July, 9 July, 31 July, 1 September (provisional if required) and 30 September and 1 October 2025.