UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 2 October 2018

Present: Ms M Chapman (in the Chair), Professor G Boyne, Mr M Gilbert, Professor N Booth, Mrs D Connelly, Mr C Duncan, Professor M Delibegovic, Mrs J Fernandes, Mr J Hall, Ms L Jack, Mr D MacFarlane, Mr I Mackay, Mrs K McPhail, Ms L Menzies (by teleconference), Dr M Mills, Ms A Minto, Mr L Ogubie, Dr N Oren, Mr B Paterson, Mr I Percival, Professor J Schaper, Dr R Shanks, Mrs J Shirreffs, Dr D Steyn and Dr D Watts.

In attendance: Mr D Beattie, Professor P Hannaford, Mrs C Inglis, Professor M Campbell (for minutes 14 to 15), Professor J Paterson (for minutes 32), Dr H Sveinsdottir (for minutes 11 to 13), Professor R Wells (for minutes 32 to 34), Very Rev Professor I Torrance KT, and Mr B Purdon (Clerk).

WELCOME

1 The Rector, on behalf of Court, welcomed Professor Boyne to his first meeting of Court as Principal and Vice-Chancellor.

DECLARATION OF INTERESTS

2 No declarations of interest in the agenda were noted.

MINUTES AND ACTION LOG

3 The Minutes of the meeting held on 27 June 2018 were approved, subject to the addition of a text at minute 274/5 to note the appreciation that had been expressed by Court to officers for the extensive work undertaken with regard to a transnational education project.

4 The Court noted the updated action log (copy filed with the principal copy of the minutes). In discussion of actions related to minute 243 of the previous meeting, it was noted that vacancies in security staff had meant that the staffing profile had fallen below the University's operating requirements. The Court was assured that actions were being taken to address this matter through consultation with the relevant Trades Unions and in the meantime the matter would continue to be noted on the action log.

5 The Court noted that two potential dates for a new University 'AGM', to be held in partnership with the General Council, were under consideration. Members would be advised of the confirmed date as soon as practicable.

ADDRESS AND REPORT FROM THE PRINCIPAL

6 The Court received a presentation from the Principal on his vision and ambition for the University. The Principal highlighted the continuing relevance of the University's founding mission of 1495 and that this translated today into being inclusive, interdisciplinary and international. Underpinning this and the University's strategies and behaviours were a set of principles: staff and student wellbeing, the equal importance of teaching and research, collaboration, financial sustainability and investment, a culture of creativity and discovery, and effective governance. In discussion, it was suggested that a commitment to excellence and to working with the world of business and the wider community were also important.
The Principal reported on the discussions he had begun with colleagues on the University's future strategy around the potential following areas of focus for the development of the next strategic plan:

- The Planning timeframe: the usual cycle of a five year plan looked insufficient and a strategy that ran to 2030 or beyond should be considered.
- Institutional size versus quality.
- Academic Shape: Whether the University’s future lay in breadth of disciplines or greater focus on combining disciplines and areas where it could be world-leading.
- Location: was there a strategic need to continue to develop overseas campuses and if so, where would these need to be located and what were the preconditions for committing to them.
- Infrastructure: Investment in the Estate and how this supported and enabled the academic strategy.

The Principal also emphasised the need to generate the level of investment required to enable the University to make a step-change in its competitive position over the long-term.

There followed an extensive discussion of the issues the Principal had introduced, from which the following main points of record were noted:

- Academic Growth: It was expected that the planning process would generate a clearer picture of where the University’s academic strengths lay and its plans to grow these areas. The importance of interdisciplinary work was noted but it was suggested that the University should also continue to be open to opportunities to introduce new disciplines. The Principal emphasised the need for ideas for growth in academic areas to be organic and led by the academic community. The importance of both academic and professional services staff contributions to the effective growth of the University was also noted.
- Financial Sustainability: It was suggested that the Court needed to define what this represented, for example, in terms of operating margins and the diversity/sources of core funding streams.
- External Environment: The Court needed to understand and assess the future external and competitive environment in which the University would be operating. In this regard, understanding the ambition of other universities as ‘competitors’ would be particularly important.
- Branding and Marketing: Defining the University’s areas of excellence and its values should be at the centre of the development and delivery of the new strategy.
- The Estate: the capacity of the future estate to accommodate the required growth and provide the quality and type of facilities that staff and students would require or expect.

The Court also discussed the Principal’s priorities for the year ahead, which were:

- Addressing the challenges from Brexit, given the significant number of students at the University from the rest of the EU. The Court would be provided with a report on the number of students the University would need to recruit to overcome the impact of Brexit.
- Widening access and participation.
- International Student Recruitment. This was considered vital for growth and to address the threat posed by Brexit. A key focus this year would be the development of Foundation programmes and expansion of English Language Summer School provision.
- A successful outcome to the Enhancement Led International Review.
- REF Preparations, selective academic investment (in both teaching and research) and supporting impact.

In further discussion, the Principal noted that investment in academic staff was critical and that the University would assess funding requests from Schools against two key criteria: potential for a top quartile position in REF and a robust plan of how the School would sustain the posts through teaching and research income. It was anticipated that the investment in new staff
would be to a range of career levels - junior, mid-career and senior – with the mix determined by individual discipline requirements.

REPORT ON LEAGUE TABLES AND KEY PERFORMANCE INDICATORS UPDATE

11 The Court received a paper and presentation on the University's recent performance in key league tables, the National Student Survey, Destination of Leavers in Higher Education Survey, and institutional key performance indicators (copy filed with the principal copy of the minutes).

12 The Court welcomed the University's success in receiving The Times and Sunday Times Scottish University of the Year award and its improvement in the Times Higher Education World University Rankings. The Court discussed an analysis of a number of areas where the University had recorded improvements and those where performance could be enhanced further. The Court noted the importance of league tables, in particular to successful student recruitment, but agreed that ultimately this depended upon the quality of the University's teaching and research. The University's focus, therefore, needed to be on that core mission and creating the conditions for ever greater academic success.

13 The Court requested further information on the ranking of Business Schools in Scotland.

RESEARCH

UPDATE ON RESEARCH EXCELLENCE FRAMEWORK

14 The Court received a paper which provided an update on the Research Excellence Framework 2021 (REF2021) preparations (copy filed with the principal copy of the minutes). The paper reported on the outcome of recent meetings with each Head of School on REF readiness, the implications of recent guidance published by the funding councils, the work to date of the University's REF Steering Group and the forthcoming key actions for the next phase of REF preparations.

15 The Court noted that additional investment was being made to support the preparation of impact case studies and that, as part of this, this would include the use of professional writers where required. The Court noted that since the last meeting, the University's assessment of the number of staff who were expected to achieve 4* papers had increased. The Court was assured that Heads of Schools had been asked to ensure that staff were aware of where they were in terms of the assessed quality of their REF papers, however, Heads of Schools would be reminded of the importance of this. The Court also noted the actions being taken to address a decline in research income.

REPORTS FROM COMMITTEES

GOVERNANCE AND NOMINATIONS COMMITTEE

16 The Court received a report of the principal items of business considered by the Governance and Nominations Committee at its meeting held on 12 September 2018 and that further information on the items it had considered was available on the Court Intranet (copy filed with the principal copy of the minutes).

17 Following discussion, it was agreed that queries from two members regarding proposals for the amendment of Standing Orders would be considered by the Convener of the Committee in consultation with the relevant members out-with the meeting. If, following those discussions, amendments to the proposals were required these would, if practical, be considered by the Governance and Nominations Committee by circulation before being presented to Court.

18 The Court also approved, on the recommendation of the Committee, the following:

- An amendment to the remit of the Governance and Nominations Committee;
- The membership of Court sub-Committees and the Court’s membership of Joint Committees of Court and Senate for 2018/19, subject to further review by Governance and Nominations Committee regarding its gender imbalance;
- Proposed revisions to the Court’s Statement of Intent on Diversity;
- The appointment of Professor Wells, Vice-Principal, as a University Court nominated trustee of UASLAS.

**REPORT ON DECISIONS TAKEN UNDER VACATION POWERS**

19 The Court noted a paper (copy filed with the principal copy of the minutes) confirming that no matters of urgent business were required to be approved under delegated powers during the summer. In discussion, it was agreed that the Governance and Nominations Committee should review whether the procedure for taking such decisions should be expanded to involve a wider representation of Court members.

**CENTRE FOR SCANDINAVIAN STUDIES**

20 The Rector asked Court to note a representation that some members had received from students with regard to a staffing matter in the Centre for Scandinavian Studies. The Court was advised that the matter had also been raised at the Student Experience Committee and Postgraduate Research Committee but was assured that the University would consider the issues raised in the representation and respond appropriately to the students concerned.

**FINANCE**

**2017/18 UNAUDITED YEAR-END OUT-TURN**

21 The Court received a report (copy filed with the principal copy of the minutes) detailing the draft unaudited results for the financial year ended 31 July 2018. The results reported an underlying operating deficit of £3.9M, which was a substantive improvement on the position forecast earlier in the year, and a reported FRS102 surplus of £9.7M. The Court was reminded that it was the underlying position, rather than the FRS102 adjusted position, which was key to understanding the University’s financial performance. The Court also noted that the University had improved its cash position by £4.4M over the year, which would be beneficial to the capital investment plan.

**REPORT ON STUDENT ADMISSIONS**

22 The Court received a paper (copy filed with the principal copy of the minutes) on student admissions for September 2018 entry and an informal high level analysis of the resulting projected fee income.

23 The Court noted that, in general, the trend in admissions had been very positive. The University expected to be close to target for Home/EU students and had recorded very significant growth in international postgraduate taught enrolments. While subject to change from late student registrations, the University estimated student fee income of a minimum of £6.5M (growth of 11%) against a budget target of £8.5M (growth of 14%). This outcome included growth in international postgraduate taught fee income of £5.3M (43%). The projected shortfall against the budget target was forecast to be up to £2 million, however, this was expected to reduce once the first formal snapshot of student data was available. At that point, a process would commence with Schools to identify where mitigating actions might be required. A full analysis would be presented to the Operating Board in November.

24 The Court noted the encouraging performance in international student admissions against a challenging budget target. It discussed the competitive factors that influenced conversion rates, the significant work and priority that the University had given to converting applications into admissions and how this might be built upon further. The potential importance of developing a Foundation Programme for international students and expanding English Language Summer School provision to enable further growth in student recruitment was noted. The Court also discussed the factors influencing performance in widening access and postgraduate research student recruitment.
USS UPDATE

25 The Court received a paper (copy filed with the principal copy of the minutes) which provided an update on the progress of national discussions around the future structure of the Universities Superannuation Scheme (USS), in particular with regard to the recommendations from the Joint Expert Panel (JEP) which had been established to review the valuation of the scheme. The paper highlighted the potential future financial impact to the University and to staff contributions, although this varied depending upon which basis for the valuation of the scheme was adopted and which approach to deficit reduction was agreed at a national level. The Court noted the update and that it would continue to receive reports at future meetings as discussions at a national level progressed.

UNIVERSITY OF ABERDEEN SUPERANNUATION AND LIFE ASSURANCE SCHEME (UASLAS):
PROPOSED CHANGES TO THE SCHEME

26 The Court received a paper (copy filed with the principal copy of the minutes) providing an update following the conclusion of the UASLAS consultation on proposed changes to the Scheme, together with the Operating Board’s recommendations on the way forward. The consultation followed a valuation of the scheme which disclosed a deficit of £9 million and the Court’s resulting decision that future pension contributions required were unaffordable and to, therefore, consult on three options to deliver benefits that were within the University’s budgeted level of affordability.

27 The Court noted that the outcome of the consultation had been a clear preference to retain a defined benefit scheme at a lower accrual rate. The University and relevant Trade Unions had worked closely together and very positively on the consultation and future options for the Scheme. The Operating Board had considered the outcome of the consultation and requests from the Trades Unions to consider an accrual rate of 1/95ths instead of 1/100ths (reduced from 1/80ths), capping inflationary increases at 3% rather than 2.5% and there being some protection from the changes for staff seeking to retire in the next year. The Board considered a change in the accrual rate was not affordable at this time, but with regards to the CPI cap, it acknowledged the importance of maintaining the real value of pension provision as best it could, and agreed to recommend a cap of CPI up to 3% (at an additional cost of £88,000 per annum). The Board were also supportive of the principle of protection for employees seeking to retire in the next year, but stressed this needed careful consideration to ensure no age discrimination issues arose.

28 On the recommendation of the Operating Board, the Court agreed that with effect from 1 January 2019:

- The University would retain a defined benefit scheme but with an accrual rate of 1/100ths and an employee contribution rate of 8%.
- Inflation increases would be capped at CPI up to 3.0% at an additional cost of £88,000 per annum.
- An employer’s contribution rate of 18.3%.
- The retirement age would be linked to the state pension age with protection for employees who were seeking to retire in the next year, subject to legal confirmation that this presented no age discrimination issues.

29 The Court noted its appreciation of the positive and constructive contribution from Trade Union colleagues to the consultation and agreement of the proposed changes.

INVESTMENT BOND

30 The Court received a paper (copy filed with the principal copy of the minutes) which provided an update on the progress of preparatory work towards the arrangement of a private placement bond to finance investment in the future development of the University’s estate. The Court noted that a tender exercise for the appointment of professional financial advisers to support the arrangement of the bond had been completed.
The Court also noted the progress of ongoing discussions regarding the consolidation of the University's existing borrowings into one larger placement and associated issues with regard to the securities provided for these loans. The Court discussed the current status of negotiations and provided guidance on how these might be taken forward, together with when the optimum point in the next year for a placement to be issued might be.

**INTERNATIONALISATION**

**KOREA CAMPUS UPDATE**

The Court received a paper *(copy filed with the principal copy of the minutes)* which reported on developments since its last meeting with regard to the proposed campus in Hadong, South Korea. These had also been the subject of regular reports to the Senior Governor and the Chair of the Operating Board. The Court noted the paper and endorsed the approach being taken in the discussions with partners.

**PROPOSED TNE PROJECT IN SRI LANKA**

The Court received and noted an update paper *(copy filed with the principal copy of the minutes)* on the development of a healthcare education partnership in Sri Lanka to deliver in Aberdeen and in Sri Lanka the MBChB degree programme.

**QATAR CAMPUS UPDATE**

The Court received and noted a paper *(copy filed with the principal copy of the minutes)* which reported on the activities of the University of Aberdeen campus in Qatar. The Court noted that Qatar continued to experience difficult relations with other countries in the Gulf and that while this had not impacted upon the operation of the campus, it had limited its attractiveness to students from other countries in the region. The Court was encouraged, however, by the success of the campus to date and noted its potential as a hub for recruitment of Indian students. The Court was advised that formal Ministry approval for the delivery of the two postgraduate programmes (MBA and MSc International Business Management) had now been received and interest had been strong across both programmes. The Court also noted that there had also been an increase in applicants from Qatar wishing to undertake programmes at the University's campuses in Aberdeen.

**INSTITUTIONAL STRATEGY MEETING**

The Court received a paper *(copy filed with the principal copy of the minutes)* which considered the purpose and format of the proposed Strategy meeting in November 2018.

The Court endorsed a proposal that it would be helpful for Court and for Senior Management if the meeting was broadened to include discussion with Vice-Principals, Heads of Schools and the Directors of Professional Services. It was also agreed that all student sabbatical officers should be invited to attend. The meeting would be facilitated by an external consultant with significant experience of the higher education sector and held off campus.

The Court noted that the meeting was intended to focus on developing a long-term vision and strategy for the University. It would develop further the key issues that had been discussed as part of the Principal’s earlier presentation, in particular the five areas highlighted, these being: planning horizon, academic size and shape, locations, and infrastructure, together with the three key components of the University’s mission: inclusive, interdisciplinary and international.

In discussion, members suggested that it would be helpful to consider some future scenario planning of what the world might be like in 25 years and how this might shape the University’s future strategy. Members also suggested that the meeting should allow Schools the opportunity to outline their ambitions and how they perceived their opportunities and challenges, supported by some baseline information on their current performance. It was also
suggested that the meeting should allow time for consideration of the challenge posed by Brexit and the marketing and branding of the University. A sensitivity analysis of the University’s financial projections, taking into account Brexit and pensions issues was also suggested.

39 It was expected that a draft agenda for the meeting would be shared with Court members before being finalised and that supporting papers for the meeting would be circulated by the end of October.

REPORT FROM THE SENIOR GOVERNOR

40 The Senior Governor informed Court that he did not intend to seek reappointment for a further period of office but would continue in office until a successor had been appointed. The Court noted that the Senior Governor considered that with the successful transition to a new Principal having been concluded, it was an appropriate stage to intimate to Court his intention to not seek reappointment and to enable the University to take forward the process required by the Higher Education Governance (Scotland) Act for the selection and election of his successor.

41 The Court expressed its considerable appreciation for the contribution that the Senior Governor had made to date. The Secretary outlined the key elements of the appointment process that would be required under the Higher Education Governance (Scotland) Act. The Court agreed that the Governance and Nominations Committee, with appropriate adjustments to ensure gender balance, should oversee the process and provide an initial report to Court in December. The option to schedule a discussion for Court within the strategy meeting in November was considered but Court agreed that it did not wish to diverge from the focus of that meeting on strategy.

OPERATING BOARD REPORT

42 The Court received and noted a report from the Operating Board, outlining the main business considered at its meeting on 11 September 2018 and that further information on the items it had considered was available on the Court Intranet (copy filed with the principal copy of the minutes).

ROUTINE BUSINESS

ANNUAL STATEMENT ON RESEARCH GOVERNANCE AND INTEGRITY 2017/18

43 The Court received and approved the University’s Annual Statement on Research Governance and Integrity (copy filed with the principal copy of the minutes) which set out how it had complied with the requirements of the Universities UK Concordat to Support Research Integrity.

ANNUAL REPORT ON INSTITUTION-LED REVIEW OF QUALITY 2017/18

44 The Court received and approved the Annual Report on Institution-Led Review of Quality 2017/18 (copy filed with the principal copy of the minutes). The report was required by the Scottish Funding Council (SFC) as a condition of grant to ensure (i) that provision is of an acceptable quality; and (ii) that all institutions have an appropriate strategy for quality enhancement.

PAY NEGOTIATIONS 2018/19

45 The Court noted an update on the progress of recent national pay negotiations (copy filed with the principal copy of the minutes), and that following a failure to reach agreement with the Universities & Colleges Employers’ Association (UCEA), the University and College Union (UCU), Unison and Unite had indicated their intention to ballot members for industrial action. Following the failure to reach agreement, the University had, on the advice of UCEA, implemented the proposed pay offer to staff with effect from August 2018.
DEVELOPMENT TRUST UPDATE

46 The Court noted a report (copy filed with the principal copy of the minutes) from the Development Trust on the fundraising activities undertaken since the last meeting of Court.

HEALTH, WELLBEING AND SAFETY REPORT

47 The Court noted a report on Health, Wellbeing and Safety (copy filed with the principal copy of the minutes).

FINANCIAL MANAGEMENT REPORT

48 The Court noted the Monthly Management Report for the period to 31 July 2018 (copy filed with the principal copy of the minutes).

DATE OF NEXT MEETING

49 The Court noted that the strategy meetings had been scheduled for Monday 12 and Tuesday 13 November 2018, from 9am to 5pm on Monday 12 November, followed by dinner, and 9am to 1pm on Tuesday 13 November.

Maggie Chapman

11/12/2018

Date approved