MINUTES OF MEETING HELD ON 26 MARCH 2019

Present: Maggie Chapman (in the Chair), George Boyne, Nuala Booth, Donna Connelly, Colin Duncan, Mirela Delibegovic, Jenny Fernandes, James Hall, Lorna Jack, David MacFarlane, Lyndsay Menzies, Kathryn McPhail, Anne Minto (by teleconference), Nir Oren, Brian Paterson, Iain Percival, Joachim Schaper, Rachel Shanks, Jenny Shirreffs, David Steyn and David Watts.

In attendance: David Beattie, Debbie Dyker, Marion Campbell, Karl Leydecker, Dariya Koleva, Cecilia Wallback, Richard Wells, Iain Torrance, Bruce Purdon and Ruth MacLure (Clerk).

Apologies for absence were received from Martin Gilbert, Iain Mackay, Martin Mills and Lawson Ogubie.

DECLARATION OF INTERESTS

133 Mr Hall declared his interest in the matter of the appointment of the Senior Governor and recused himself from the meeting for the discussion of that item.

MINUTES AND ACTION LOG

134 The Minutes of the meeting held on 26 January 2019 were approved.

135 The Court noted the updated action log (copy filed with the principal copy of the minutes).

OPERATING BOARD: ROUTINE REPORT

136 The Court received a report of the principal items of business considered by the Operating Board at its meetings held on 1 February and 5 March 2019 (copy filed with the principal copy of the minutes) together with a recommendation that the Student Recruitment Committee (formerly the Student Recruitment and Admissions Committee) become a sub-Committee of Operating Board. The Court approved this recommendation.

137 In discussion, the Court received an assurance that regular updates on actions in response to the Staff Satisfaction Survey would be provided to the Operating Board.

REPORT FROM THE PRINCIPAL

138 The Principal provided an oral report in which he noted a high level of interest and enthusiasm from staff in response to an invitation to participate in the development of the new institutional Strategy. The University was moving to a position of staffing growth, with recruitment to vacant Director-level posts in Professional Services and four Head of School positions, plus the approval of 50 new appointments in Teaching and Research. However, these academic posts were not in themselves sufficient to equal the University’s position at the time of the Research Excellence Framework (REF) Exercise of 2014. Turning to the matter of the investment in the Estate, due diligence was underway in respect of the private placement (the Bond), including visits to the campus by investors. The Scottish Funding Council (SFC) had issued its annual funding letter, indicating a reduction in their allocation of funds to the University. This was in the context of nine out of 15 Scottish universities reporting a deficit for 2017/18. In this financial climate, the University’s strategy for international student revenue growth was noted to be of increased importance.

139 In discussion, the Court noted that some of the bids for the 50 new academic appointments included support staff requirements identified by the Schools.

140 It was confirmed that a Programme Board had been established to determine the optimal use of the MacRobert Building, prioritising an improved student experience and the planned growth
of the Business School, and identifying solutions for the accommodation of the School of Education, Music and other building users.

STRATEGY DEVELOPMENT

141 This Court received and noted a paper (copy filed with the principal copy of the minutes) which provided a summary of progress made toward development of the new institutional Strategy for 2040.

142 The Senior Vice-Principal reported the establishment of a Strategy Development Steering Group and four Workstream Steering Groups under the themes: Inclusive, International, Interdisciplinary and Sustainable. It was intended to engage a broad range of stakeholders, both regional and worldwide, prior to an externally-facilitated workshop in July. The new Strategy was to be launched on Founders Day, in February 2020.

143 The Court noted that the topic of culture and values was to be addressed within the Inclusive Workstream and was to be considered as a long term commitment. It was agreed to ensure representation of the Business Committee of the General Council in the consultation process. The Court was assured that the University remained committed to working with the energy sector and it was agreed to consider the use of Shell Scenarios to inform strategic thinking. The Court noted that Workstreams had been tasked with the delivery of clear and measurable outcomes. It was further noted that the Development Trust was engaged to ensure that the University’s new strategic goals are aligned with fundraising opportunities.

REPORT ON THE BOND

144 The Court received a paper (copy filed with the principal copy of the minutes) detailing actions taken since its meeting in January to secure additional borrowing to fund investment in the King’s campus. The Court noted that the University had borrowed £60 million, at the following maturity dates and borrowing rates:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
<th>Maturity</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGIM</td>
<td>£20 million</td>
<td>25 Years</td>
<td>3.05%</td>
</tr>
<tr>
<td>Macquarie</td>
<td>£20 million</td>
<td>30 Years</td>
<td>3.13%</td>
</tr>
<tr>
<td>LGIM</td>
<td>£20 million</td>
<td>35 Years</td>
<td>3.19%</td>
</tr>
</tbody>
</table>

Finance was to bring forward a strategy for the short/medium term investment of these funds.

145 The Court endorsed the recommendation from the Operating Board to delegate to the Bond Working Group the ability to amend the University’s Treasury Policy and associated counterparty list as required and to agree the overall strategy for investment.

146 The Court noted the indicative repayment profile and that this would be formalised in the annual Financing Report to the Court.

CAPITAL PROJECTS AND PROGRAMME UPDATE

147 The Court received a paper on the proposed next steps for the transformational development of the estate which focused on providing high quality teaching spaces within historic areas of King’s College (copy filed with the principal copy of the minutes).

148 The Court noted that two Programme Boards had been established, the first with an overarching remit to deliver a permanent home for the Business School, and in parallel, the School of Education. This Board was to be led by Professor Speight who described its remit as follows:

- For the Business School: to deliver a solution which ensured that the School staff-base was housed in its entirety in the MacRobert building, in dedicated facilities which were fit-for-purpose and able to accommodate future growth projections, while providing the world class facilities which underpin a high quality student experience. This solution was to be accommodated within the footprint of the MacRobert Building and its surrounding perimeter, either by accommodating the School within that facility as it stood, or by extending the building where appropriate or possible.
• In parallel, the Board was also required to determine a solution for the School of Education, Music (now part of the School of Language, Literature, Music and Visual Culture, LLMVC) and other identified users, noting that it would be directly impacted by whatever arrangement is agreed for Business. The solution taken forward for Education and Music was required to ensure the quality of current teaching spaces provided to those Schools / departments was retained, either by maintaining access to those facilities, or through developing facilities of equivalent standard on an adjacent site. Appropriate solutions were also to be presented for all other users of the building. The School of Education staff-base was to be co-located on one site, again, either within MacRobert or in alternative accommodation.

149 The Court noted that the second Programme Board was focussed on the King's development.

150 The Court noted that Professor Graeme Paton, Head of the School of Biological Sciences, had taken on the role of Project Director on the Science Teaching Hub Project Board, ensuring continued academic leadership of the Project, alongside Professor Wells, who had succeeded Professor Hannaford as Project Sponsor.

151 The Court noted that although the contractor had, on being challenged, withdrawn their proposed contractual clause in respect of Brexit, they had submitted an updated cost plan which had risen to £450k above the approved overall project budget. The University continued to carry out detailed financial due diligence, drilling down into all areas of financial risk and certainty over materials and components to be used. The University's contractual arrangement would be for a Guaranteed Maximum Price. The design had been finalised but ten items within the contract remained to be confirmed with regard to either final cost or proposed substitution of products. The Court agreed the importance of controlling costs from an early stage.

152 The Court requested further information on the University's contract with AFG for Phase Two of the Qatar Campus. The Court noted that while the University provided the curriculum, was involved in the delivery of teaching, and was engaged in the planning of the new facilities in Qatar, AFG was responsible for the costs and construction of the building. The Court was assured that the University conducted a regular review of its Risk Register for the project.

**MID-YEAR FINANCIAL REPORT (MMR)**

153 The Court noted the Financial Management Report for the period to January 2019 (copy filed with the principal copy of the minutes).

154 The Court noted a positive movement on the position forecast earlier in the year, with an improved estimated year-end underlying deficit of £3.7 million. This was largely as a result of savings through staff vacancies. It was agreed to provide information on Research awards on a “per FTE” basis going forward.

**USS UPDATE**

155 The Court received a paper which provided an update on the continuing discussions regarding the valuation of the Universities Superannuation Scheme (USS) (copy filed with the principal copy of the minutes).

156 The Court noted that the 31 March 2017 valuation had been completed and imposed, with a resultant increase in both employers' and employees' contributions. USS had subsequently announced that a further valuation was to be undertaken as at 31 March 2018. A system of contingent contributions had been proposed, wherein the performance of the scheme would be monitored and, should performance fall below expectations, an automatic increase to contributions would be triggered. USS was now consulting on this proposal with Universities UK.

157 The University's response to the consultation was enclosed at Appendix 2 of the paper. The University had welcomed the Trustees' consideration of the JEP's recommendations. It had
expressed concern over the introduction of contingent contributions, but if these were to be introduced, had set out points to be addressed.

REPORT ON BREXIT

158 The Court received a paper (copy filed with the principal copy of the minutes) which reported on the mitigating strategies it had put in place to prepare for Britain's exit from the European Union, as at 15 March 2019, noting that this was a changing situation.

159 The Court noted that the University had considered additional risks arising from a "no-deal" scenario, particularly in relation to: immediate changes to immigration frameworks for current and prospective staff and students; the potential cessation of financial support for Erasmus+ exchanges from summer 2019; the lack of clarity on the process for underwriting funding for Horizon 2020; and potential disruptions to the supply chain. The Court noted that the University was working with its partners to future-proof existing collaborative agreements and was striving to expand its horizons beyond Europe.

KOREA CAMPUS UPDATE

160 The Court received a paper (copy filed with the principal copy of the minutes) which reported on developments since its last meeting and up to the end of February 2019, with regard to the previously proposed campus in Hadong, South Korea. The Court also received an oral update on developments since the paper had been written.

161 The Court discussed the key issues highlighted in the paper and the reported subsequent developments. It was noted that these had been the subject of regular reports to the Chair of the Operating Board. The Court endorsed the proposed approach towards the further discussions with partners and commended efforts to bring matters to a conclusion within the described envelope.

162 The Court agreed a review of the project should be undertaken to help inform future international partnerships, while noting that matters related to the Korea Campus were ongoing.

TNE PROJECT IN SRI LANKA UPDATE

163 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. Court noted that Professor Rona Patey had taken on responsibility for oversight of the project, pending the appointment of a new Head of School of Medicine, Medical Sciences and Nutrition.

PROVISION OF AN EMBEDDED INTERNATIONAL STUDY CENTRE

164 The Court received and noted a report (copy filed with the principal copy of the minutes) that at the end of February 2019, the University had secured a partnership with Study Group International (SGI) to establish an embedded International Study Centre, to be located in the Regent Building.

165 The Court welcomed this development and noted that the Centre's first students were expected on campus in September 2019 and this was expected to support further growth in the University's international student population. The University had opted for the SGI model due to its marketing expertise and existing international networks. Between 75 and 100 students were expected in the first year, with anticipated growth to around 250 to 300 students in future years. The Court noted that students would be enrolled with "associate" status, with access to all usual student facilities, with the intention of a seamless transition to fully registered student status on successful completion of their foundation studies. Staff would be the employees of SGI, on separate terms and conditions, with "Honorary" status at the University.
SFC OUTCOME AGREEMENT 2019/20

166 The Court received a presentation on the University’s draft Outcome Agreement with the Scottish Funding Council, 2019/20, from the Senior Vice-Principal.

167 The Court noted that the Outcome Agreement included an increased commitment to Widening Access, in line with Scottish Government priorities, and requested further information on the impact of these changes upon previously-approved Key Performance Indicators. The Court extended its thanks to those involved in the preparation of the document and approved the University’s proposed submission to SFC, including associated targets provided via the University’s Table of Measures, as required by SFC, and the University’s Innovation Fund (UIF) update, also required for submission by the SFC (copy filed with the principal copy of the minutes).

REMNUNERATION COMMITTEE

168 The Court received an oral update on the principal items of business considered by Remuneration Committee at its meeting on 25 March 2019.

169 The Court noted that the Committee had approved an initial budget of £100k to recognise exceptional performance by senior staff, to ensure retention in the approach to the Research Excellence Framework (REF) exercise. The Committee was also giving consideration to the structure of banding within Grade 9. The Committee had received an updated and enhanced Draft Severance Policy which would now go through the appropriate consultation process for approval. The Committee had also given initial consideration to matters related to the Principal’s tax liability for residence in the Lodge following changes by the Inland Revenue.

GENDER PAY GAP REPORT

170 The Court received and discussed the draft outcome of the Gender Pay Gap analysis, based on data from March 2018, which was due to be published by the end of March 2019 (copy filed with the principal copy of the minutes).

171 The Court noted a list of actions taken as steps towards closing the gap and expressed a wish to see benchmarking of the University compared to its peers and an indication of trends. It was proposed that future reports should separate out academic from professional services and support staff and present figures without the consolidated bonus. The Court approved the report for publication and looked forward to receiving a more detailed presentation at a future meeting.

STRATEGIC INVESTMENT FOR GROWTH

172 The Court received and noted a paper which provided an update on progress with the recruitment of 50 new academic posts to support REF and income growth (copy filed with the principal copy of the minutes). The Court noted that the opportunity had been taken to review all vacant Regius Chairs, for inclusion in the recruitment campaign.

173 The Court commended this initiative, which was consistent with approved strategy to fund these posts partly through asset sales for the first three years. It was agreed to include a statement on priorities and demonstrate the cross-cutting nature of many posts, as well as including information on associated support staff requirements in future documentation.

UPDATE ON REF

174 The Court received a paper which provided an update on preparations for the Research Excellence Framework (REF) 2021 (copy filed with the principal copy of the minutes).

175 The Court noted that since the last update in December 2018, the funding councils had published final REF guidance. The REF Steering Group had met twice and discussed the draft institutional Code of Practice on Preparing the Institutional Submission and the submission
structure proposed for REF2021. The Court agreed the importance of focusing on REF quality during the recruitment process for the 50 new academic posts.

NEW SFC REPORTING REQUIREMENTS AND DATE OF DECEMBER 2019 COURT MEETING

176 The Court received and noted the Scottish Funding Council’s requirement for universities to submit their annual accounts and associated audit reports by 30 November, following the end of financial year of 31 July 2019 (copy filed with the principal copy of the minutes).

177 The Court agreed to retain its current schedule of meetings for 2019 but to convene an additional meeting in November 2019, with the option for members to participate by teleconference, to consider the annual accounts package following its review and approval by Audit Committee.

NOTE BY CLERK: Subsequent to the meeting, it was confirmed that universities in Scotland would in 2019 be permitted to submit their annual accounts by 31 December 2019 and that an additional meeting in November would therefore not be required.

ELECTION OF THE SENIOR GOVERNOR

178 The Court received and noted an update on the progress of the process for the recruitment and election of the Senior Governor (copy filed with the principal copy of the minutes) and noted that voting had opened that day and would close on Thursday 28 March. The Court noted that due to the absence of the Secretary, who was also Returning Officer in the election, that under delegated authority to the Senior Governor, Principal and Convener of the Appointment Committee, the Director of Finance had been appointed as Deputy Returning Officer.

179 The Court recorded its thanks and appreciation to Mr Martin Gilbert, for his service as Senior Governor.

INDEFINITE LEAVE TO REMAIN FOR UNIVERSITY STAFF FROM OUTSIDE THE EUROPEAN UNION/EUROPEAN ECONOMIC AREA

180 The Court received and considered a paper (copy filed with the principal copy of the minutes) from Dr David Watts, Academic Trade Union Member of Court. The paper invited the Court to consider payment of fees in respect of Indefinite Leave to Remain (ILR) for University Staff from Outside the EU / EAA, as a gesture of solidarity. Following discussion, the Court supported Senior Management’s decision that an ILR application was a personal matter, rather than a cost incurred through an individual’s contract with the University and that the current policy would be maintained. It was agreed, however, that issues such as this would be appropriate for further discussion in the appropriate Strategy Development workstream.

REPORTS FROM COURT COMMITTEES

AUDIT COMMITTEE

181 The Court noted a report of the principal items of business considered by Audit Committee at its meeting on 17 January 2019 (copy filed with the principal copy of the minutes).

STUDENT EXPERIENCE COMMITTEE

182 The Court noted a report of the principal items of business considered by Student Experience Committee at its meeting on 11 February 2019 (copy filed with the principal copy of the minutes).

RESEARCH POLICY COMMITTEE

183 The Court noted a report of the principal items of business considered by Research Policy Committee at its meeting on 3 December 2018 (copy filed with the principal copy of the minutes).
UNIVERSITY COMMITTEE ON TEACHING AND LEARNING

184 The Court noted the reports of the principal items of business considered by University Committee on Teaching and Learning at its meetings on 12 December 2018 and 19 February 2019 (copy filed with the principal copy of the minutes).

ROUTINE BUSINESS

PUBLIC SECTOR EQUALITY DUTY

185 The Court received and approved the draft mainstreaming equality report (copy filed with the principal copy of the minutes).

REF CODE OF PRACTICE ON INSTITUTIONAL SUBMISSION

186 The Court received and approved an REF Code of Practice on Preparing the Institutional Submission (copy filed with the principal copy of the minutes).

GAELIC LANGUAGE PLAN

187 The Court approved the institution's second Gaelic Language Plan (copy filed with the principal copy of the minutes), which was a legislative requirement.

FORMAL ADOPTION OF CHANGES TO COURT STANDING ORDERS

188 The Court formally approved changes to Standing Orders with immediate effect, these having been previously considered by the Court at its meeting in December 2018 (copy filed with the principal copy of the minutes).

UPDATE ON STUDENT RECRUITMENT AND ADMISSIONS

189 The Court noted a report (copy filed with the principal copy of the minutes) detailing the student recruitment in relation to January 2019 entrants and the forecast for September 2019.

SENATE REPORT

190 The Court noted the reports from the Senate meetings of 5 December 2018 and 30 January 2019 (copy filed with the principal copy of the minutes).

DEVELOPMENT TRUST AND ALUMNI RELATIONS ACTIVITY

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

HEALTH, WELLBEING AND SAFETY REPORT

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

DATE OF NEXT MEETING

193 The Court noted that the next scheduled meeting would be held on Tuesday 2 July 2019.

Maggie Chapman

2/7/2019
Date approved