

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

MINUTES OF MEETING HELD ON 10 DECEMBER 2019

Present: Maggie Chapman (in the Chair), Eleanor Bentley, George Boyne*, Nuala Booth, Colin Duncan (for Mins 45 to 81), Jenny Fernandes, Dariya Koleva, Gary McRae, Lyndsay Menzies, Anne Minto (for Mins 45 to 75), Brian Paterson, Iain Percival, Esther Robertson, Jenny Shirreffs, David Steyn (for Mins 45 to 58), Lindsay Tibbetts, Neil Vargesson, Cecilia Wallback and David Watts.

In attendance: David Beattie*, Marion Campbell*, Steve Cannon, Angus Donaldson (for Mins 54 to 58 only), Rob Donelson*, Debbie Dyker*, Karl Leydecker*, Alan Speight*, Ruth Taylor*, Iain Torrance KCVO, Richard Wells* and Bruce Purdon (Clerk).

*Denotes members/attendees who withdrew for Minute 105.

Apologies for absence were received from David MacFarlane, Iain Mackay, Martin Mills and Joachim Schaper.

WELCOME AND THANKS

45 The Court welcomed Steve Cannon (Interim Secretary), Ruth Taylor (Vice-Principal for Education) and Rob Donelson (Executive Director of Advancement) to their first meetings of Court and extended its thanks to Mirela Delibegovic and Lorna Jack following their retirement from Court at the end of October.

DECLARATIONS OF INTEREST

46 Lindsay Tibbetts declared an interest in the King's Campus Transformation item as Deputy Dean of the Business School.

MINUTES

47 The minutes of the meeting held on 1 October 2019 were approved.

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

REPORT FROM THE SENIOR GOVERNOR

49 The Court noted a report (*copy filed with the principal copy of the minutes*) from the Senior Governor which focused on a range of internal and external meetings that she had undertaken since the last meeting of Court in October 2019. This included attending the launch of the Muscatelli Report on university engagement with industry. The University had welcomed the report, a link to which would be circulated to members of Court.

SFC/OSCR REVIEWS

50 The Senior Governor provided an oral report on the Scottish Funding Council and Office of the Scottish Charity Regulator (OSCR) Reviews. The Court noted that the report from the SFC was not expected to be finalised until early 2020 and that the OSCR report would follow later that year.

REPORT FROM THE PRINCIPAL

51 The Principal provided an oral report to Court in which he provided updates on Brexit, the Industrial Dispute within the UK HE sector and the expected timeframe for the setting of the Scottish Government budget. In discussion, it was noted that a share of additional Higher Education funding from the UK Government had been allocated to the Scottish Government but had not been directed towards the higher education sector in Scotland.

- 52 The Principal also highlighted the excellent growth in international student numbers that had been achieved over the past year and the positive impact this was bringing to the University, both in terms of its diversity as an educational community and financially. The Court noted the need to maintain and improve upon that upward trend and the importance that the new investment in facilities and in staff would make to delivering the educational experience required to sustain that growth.
- 53 In discussion, the Court noted that a recent report by the House of Commons Foreign Affairs Committee "*Defending Democracy in an age of autocracies*", had highlighted the potential threat of political interference in UK academia by foreign governments. It was agreed to circulate a briefing on the matter, in particular regarding what safeguards were in place to prevent the manipulation of international students.

KING'S CAMPUS TRANSFORMATION

- 54 The Court received from the King's College Transformation Programme Board proposals and the supporting business case for investment in the King's College estate using the £50 million of funding raised by the University via a private placement bond (*copy filed with the principal copy of the minutes*). This was supplemented by a presentation from Professor Alan Speight, Vice-Principal for Student Recruitment and the Programme Sponsor.
- 55 The proposals, which had been considered and approved by the Policy and Resources Committee, were focused on two projects: the redevelopment of the Johnston site as a new home for the Business School and the transformation of the King's Quarter into a modern educational environment able to meet the demands of future student populations. It was noted that the proposals had been developed following an extensive process of consultation and input from key user areas.
- 56 The Court noted that the proposals had a total estimated cost of £50M, in line with the available budget. Projected costs included a 10% contingency and annual inflationary increases to construction costs of 4.4%; which was above the current level of 3.5% affecting the construction sector, thereby providing an additional safeguard against any uncertainty or potential cost increases. The paper detailed the return on investment projections, including financial returns and expected strategic benefits. It was noted that the Pay-Back Period for the building was estimated as being 20 years with the Return on Investment being 104% over a thirty-year period (being the estimated life of the refurbished buildings). It was noted that this was forecast to generate sufficient cash (£52M) to pay back the borrowing on maturity at year 30 (including the associated annual interest payments).
- 57 In discussion of the proposals, the following key points were noted:
- That given the expected future constraints on Scottish higher education funding and the funds available to the University over the next twenty years, this was likely to be the last major set piece investment in the estate for the foreseeable future. It was, therefore, vital that the Court was satisfied that in strategic terms, this was the right set of priorities for that investment;
 - That while part of the proposals were focused on providing a new home for the Business School, the projects overall were intended to be used by other academic areas on the King's Campus;
 - An assurance was given that in the next phase of developing the projects, the user groups would consider how to provide multifunctional spaces which students could use. It was also noted that engagement would be undertaken with representatives of Postgraduate Research students on the use of the new and refurbished buildings;
 - That external fundraising would be undertaken in relation to the projects;
 - That the business case underpinning the proposals had been developed on extensive market modelling of student recruitment over the next five years and tested against the median of comparator institutions;
 - That the level of budget contingency had been considered in depth but that as the projects moved to the detailed design phase, this would help to identify any risks to the project cost and implications for the level of contingency. The 'stage-gating' of the

projects was also intended to provide further assurance to Court on the control of project costs;

- That lessons learned from recent major capital projects, in particular the Rowett Building and the ongoing Science Teaching Building, would inform the planning and delivery of the new projects.

58 Following discussion, the Court agreed to:

- i. Approve the programme scope as outlined in the paper and the progression of the programme to the detailed design phase(s).
- ii. Approve the exclusion of New King's from the scope of the programme but to agree in principle that the redevelopment of New King's be factored in as a priority under a notional Phase 2, in line with the proposed scheduling, using alternative funds.
- iii. Note the programme schedule, with delivery of the Johnston Refurbishment due in the summer of 2022, followed by King's Quarter during the summer of 2023.
- iv. Approve the governance and reporting requirements proposed, with a particular focus on the proposal to provide updates to Court at key stage-gates throughout the programme lifecycle.

STRATEGY DEVELOPMENT: ABERDEEN 2040

59 The Court received the proposed final draft of Aberdeen 2040 (*copy filed with the principal copy of the minutes*) and a presentation from Jenny Fernandes, Acting Director of External Relations & Marketing on the approach being developed to brand and promote the Aberdeen 2040 strategy and vision, internally and externally. The Court was reminded that the draft was the culmination of a year-long institution wide process of strategy development. The Senate had considered the draft the previous day and with some suggested amendments, approved it for its part.

60 The Court discussed a number of points regarding the draft and its promotion, the principal points of which were noted as:

- The success of the strategy would be monitored through five-year targets set against the 20 specific commitments. The success of branding and promotion of Aberdeen 2040 internally would be through the level of engagement and 'buy in' achieved with staff and externally through how the University was perceived amongst key stakeholders and reputational indicators such as league tables;
- The question of whether the strategy was ambitious enough in terms of making 2040 the timeframe for the University becoming carbon neutral was discussed. The Court noted that this was a question that had been considered in depth in the development of the draft and that there was a balance to be found between setting an ambitious target and one that was also realistic and achievable. However, following discussion it was agreed that the draft would be amended to reflect the fact that the University wanted to be carbon neutral before 2040 and that the text might also be amended to refer to there being a climate emergency;
- Further consideration would be given to whether the text could better reflect the curiosity driven nature of research and the optimal wording to describe that. It was also suggested that the document could acknowledge further that freedom of expression was central to academic inquiry and the pursuit of truth;
- A reordering of the text within the opening section of the strategy would be made;
- That further supporting information linked to the document's "We are." statements, for example in relation to inclusion, to illustrate the diversity of the University community, would be added.

61 The Court approved the document (subject to the amendments above which would be agreed by the Principal and Senior Governor) and noted it would be formally launched on Founders' Day 2020 as part of the 525 Anniversary celebrations. The Court noted that the focus would now switch from strategy development to strategy implementation, and the institution wide processes to support and monitor this. As had been noted, it was anticipated these would include the development of an initial five-year plan at University level, to deliver the 20 commitments under the four strategic themes of Inclusive, International, Interdisciplinary and Sustainable, together with key performance indicators.

STUDENT RECRUITMENT 2019/20 AND IMPACT ON STUDENT POPULATION AND BUDGET

- 62 The Court received a paper (*copy filed with the principal copy of the minutes*) on the key highlights from the 2019/20 student recruitment round and which summarised the student population and subsequent budgetary implications for academic year 2019/20.
- 63 The Court noted that there had been encouraging growth in postgraduate taught international new entrants (up 31%); undergraduate international new entrants (up 44%); and in undergraduate rest of UK new entrants (up 29%). Overall, while there had been a decrease in postgraduate research new entrants, the growth in other areas had contributed to tuition fee income increasing by £7.2M (11.4%) on prior year. Taking into account the projected January 2020 intake of postgraduate taught students, which were continuing an upward trend, it was estimated that fee income would increase to £76.6M representing growth of £8.7M (12.8%). While this was a very positive performance, it was £1.6M below the target fee income. This shortfall would be met by the contingency built into the budget.
- 64 The Court noted that future potential opportunities for recruitment in India were being explored as part of a wider piece of analysis on international opportunities and exposures by School and discipline area. This would be reported to the Policy and Resources Committee once complete.
- 65 The Court also received an oral update on September 2020 admissions and noted that across both undergraduate and postgraduate taught the University was seeing significant increases in applications.

RISK MANAGEMENT UPDATE

- 66 The Court received a bi-annual update on institutional risk management (*copy filed with the principal copy of the minutes*).
- 67 The Court noted that a full review of the Strategic Risk Management process would be undertaken in 2020 as part of the second phase of the new institutional strategy development process. The Court also noted that as part of that review consideration would be given to holding a facilitated workshop for members of Court and Senior Management to discuss the future approach to risk management.
- 68 In discussion it was suggested that as part of the new approach, when papers were presented to Court on key items, they should explicitly refer to how they related to risk and that the wider reporting of risk should mention the impact that mitigating actions have had. It was also suggested that with regard to the Financial Sustainability risk, this could be presented differently to better explain that the risk score was unchanged due to the impact of pensions but that in other respects financial performance had improved. It was also confirmed that the Health and Safety risk would be reviewed to take into account any risks arising from the second phase of the Qatar Campus development once that had commenced.
- 69 The Court approved the revisions to the Strategic Risk Register.

KEY PERFORMANCE INDICATORS FOR 2015-2020 STRATEGIC PLAN

- 70 The Court received an annual update on institutional performance in academic year 2018/19 against the metrics that underpin the University's Strategic Plan for 2015-2020 (*copy filed with the principal copy of the minutes*). The Court noted that this would be the final report based on these metrics and that future reporting would be against new performance measures based on the new Aberdeen 2040 strategy.

LEAGUE TABLE PERFORMANCE: ACTION PLAN

- 71 The Court received and noted a paper (*copy filed with the principal copy of the minutes*) which provided details of an action plan that had been developed with the aim of consolidating the

University's position in key rankings as a top 30 UK university and as a top 200 global institution.

- 72 In discussion, it was noted that there were a number of actions where joint working with AUSA would be important and which needed to be built into the formal partnership agreement between it and the University. It was also suggested that the Business Committee of the General Council be invited to discuss some of the employability actions that the University had identified as priorities.

REF 2021 - UPDATE ON PREPARATIONS

- 73 The Court noted an update (*copy filed with the principal copy of the minutes*) on the progress of preparations for the institutional submission to REF2021.
- 74 The Court noted that while good progress was being made towards increasing the size of the submission through the strategic investment in recruitment campaign, the final number was still expected to be lower than that submitted in the 2014 REF. While a range of factors would impact upon the level of research funding received from REF 2021, the lower number of staff was likely to negatively impact upon the outcome for Aberdeen.
- 75 In discussion, it was noted that the preparation of impact studies for REF was proving useful to academic staff in formulating grant applications and in promoting the importance of research to external stakeholders. It was agreed to circulate to Court an example of an impact case study and a list of the areas the University had impact case studies for.

ANNUAL REPORT & ACCOUNTS, AUDIT AND FINANCIAL REPORTS

ANNUAL REPORT AND ACCOUNTS FOR YEAR END 31 JULY 2019

- 76 The Court received and approved the University's Annual Report and Accounts for the year ending 31 July 2019 (*copy filed with the principal copy of the minutes*).
- 77 The Court noted that the University group results reported a deficit of £54.1M for the year ended 31 July 2019 and that this was largely due to a combined adverse movement of £53.0M for the Universities Superannuation Scheme (USS) and University of Aberdeen Superannuation & Life Assurance Scheme (UASLAS) pension liability figures. Adjusting for other exceptional items such as the impairment of Crombie and Johnston halls and the movement in various provisions, Court noted that the underlying surplus for the year was £0.6M.

EXTERNAL AUDITORS' REPORT & REPRESENTATION LETTER

- 78 The Court received and noted a Report from its External Auditors for the year ending 31 July 2019, together with then University's Representation Letter which was to be signed on behalf of the Court by the Senior Governor (*copies filed with the principal copy of the minutes*).
- 79 The Court noted that the External Auditor had completed the audit of the University group accounts and had provided a clean audit certificate.

AUDIT COMMITTEE ANNUAL REPORT

- 80 The Court received and approved for submission to the Scottish Funding Council the Audit Committee's Annual Report covering the period from 1 August 2018 to 31 July 2019 (*copy filed with the principal copy of the minutes*). The Court also noted that the Audit Committee had confirmed that it was satisfied with the work of the Internal and External Auditors. The Court thanked the Audit Committee for their work during the year, in particular with regard to the annual accounts, and Ms Bentley for presenting the reports on behalf of the Committee.

INTERNAL AUDITORS' ANNUAL REPORT

- 81 The Court received and noted the Internal Auditors' Annual Report for 2018/19 (*copy filed with the principal copy of the minutes*).

GOING CONCERN ANALYSIS

- 82 The Court received and noted a paper (*copy filed with the principal copy of the minutes*) on the University's net current liability position, projected cash flows and short-term financing risks and noted that this demonstrated that the University could continue on a going concern basis for the period to 31 December 2020.

FINANCING UPDATE REPORT – YEAR END 31 JULY 2019

- 83 The Court received and noted a paper (*copy filed with the principal copy of the minutes*) which outlined the University's long-term financing and which assessed compliance with both internal and external covenants.

POLICY AND RESOURCES COMMITTEE REPORT

- 84 The Court received and noted a paper (*copy filed with the principal copy of the minutes*) which provided a report on the key items of business discussed by the Policy and Resources Committee (PaRC) at its meetings on 7 and 18 November 2019. The Court noted, in particular, that the Committee had approved changes to its sub-committees as follows:
- Renaming the Capital Programme Management Committee to be the Estates Committee;
 - Changes to the structure of the Digital Strategy Committee;
 - Changes to membership of the Investment Committee.

REPORTS FROM OTHER COURT COMMITTEES AND JOINT COMMITTEES OF COURT AND SENATE

AUDIT COMMITTEE

- 85 The Court noted a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by the Audit Committee at its meetings on 26 September and 31 October 2019.
- 86 The Court, on the recommendation of the Committee, approved the renaming of the Committee to the Audit and Risk Committee and minor changes to its remit.

GOVERNANCE & NOMINATIONS COMMITTEE

- 87 The Court noted a report (*copy filed with the principal copy of the minutes*) from the Governance & Nominations Committee regarding the appointment of an independent member of Court. The Court, on the recommendation of the Committee, approved the appointment of Colette Backwell for a period of office of three years, the date of commencement to be confirmed by mutual agreement with the candidate.

RESEARCH POLICY COMMITTEE

- 88 The Court noted a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by the Research Policy Committee at its meeting on 26 November 2019.

UNIVERSITY COMMITTEE ON TEACHING & LEARNING

- 89 The Court noted a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by the University Committee on Teaching & Learning at its meetings on 18 September and 12 November 2019.

ROUTINE BUSINESS FOR APPROVAL

ANNUAL REPORT ON PROCUREMENT

- 90 The Court noted and approved the Annual Report on Procurement (*copy filed with the principal copy of the minutes*).

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

- 91 The Court noted and approved the revised Modern Slavery & Human Trafficking Statement (*copy filed with the principal copy of the minutes*).

SENATE REPORT

- 92 The Court noted and approved a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by Senate at its meeting on 9 October 2019.
- 93 The Court, on the recommendation of Senate, approved the draft Resolution, 'Changes to Regulations for Various Degrees', and agreed that, in accordance with the provisions of Section 6 (2) of the Universities (Scotland) Act 1966, the draft Resolution be passed forthwith, so that the amended provisions could be applied with effect from the date on which they were passed.
- 94 The Court, on the recommendation of the Senate, approved revisions to the Fitness to Practise Policy and associated documentation.

ROUTINE BUSINESS FOR INFORMATION

QATAR CAMPUS GOVERNANCE

- 95 The Court noted a paper (*copy filed with the principal copy of the minutes*) on the establishment of a revised governance structure for the Qatar Campus in partnership with AFG Limited.
- 96 The Court noted that the proposed structure, which had also been considered by the Policy and Resources Committee, introduced a Strategic Partnership Board, an Academic and Curriculum Development Group, and an Operational Sub-Group.
- 97 In discussion, it was confirmed that the University was considering with its external partner how to approach health and safety management in the construction of the second phase of the Qatar Campus and that this would be reported to both the Audit Committee and Court. It was also noted that the issue had been discussed at Senate.

OUTCOME AGREEMENT WITH SFC 2020/21

- 98 The Court noted a paper (*copy filed with the principal copy of the minutes*) on the development of the 2020/21 Outcome Agreement with the Scottish Funding Council, which would be brought to Court for approval at its March 2020 meeting.

STRATEGIC DIALOGUE WITH SFC 2019 NEXT STEPS

- 99 The Court noted a paper (*copy filed with the principal copy of the minutes*) on the University's strategic dialogue meeting with the Scottish Funding Council. The paper included the Council's official note of the meeting and details of the resulting actions being taken forward by the University.

STRATEGIC INVESTMENT RECRUITMENT CAMPAIGN

- 100 The Court noted an update (*copy filed with the principal copy of the minutes*) on the Strategic Investment Recruitment Campaign.

ANNUAL REPORT ON REDUNDANCY ACTIVITIES

- 101 The Court noted an update (*copy filed with the principal copy of the minutes*) on the management of redundancy activities undertaken by Human Resources for the period from 1 December 2018 to 30 November 2019.

DEVELOPMENT TRUST AND ALUMNI RELATIONS UPDATE

- 102 The Court noted an update (*copy filed with the principal copy of the minutes*) on the performance of the University's Development Trust to year-end 2018-19, and progress in the first part of 2019-20.

HEALTH, WELLBEING & SAFETY UPDATE

- 103 The Court noted an update (*copy filed with the principal copy of the minutes*) on Health, Wellbeing and Safety matters.

DATE OF NEXT MEETING

- 104 The Court noted that the next scheduled meeting would be on Tuesday, 24 March 2020.

- 105 REPORT FROM THE REMUNERATION COMMITTEE: CONFIDENTIAL MINUTE

Note by Clerk: Circulated separately to Court Members.

Note by Clerk: Due to Covid-19 restrictions a signed copy of the minutes could not be arranged. These are, however, confirmed by the Clerk as the agreed record of the meeting.

Date: 15 May 2020