

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

MINUTES OF MEETING HELD REMOTELY VIA MICROSOFT TEAMS ON 15 MAY 2020

Present: Esther Robertson (In the Chair), Colette Backwell, Eleanor Bentley, George Boyne, Nuala Booth, Colin Duncan, Jenny Fernandes, Dariya Koleva, David MacFarlane, Iain Mackay, Gary McRae, Lyndsay Menzies, Martin Mills, Anne Minto, Brian Paterson, Iain Percival, Joachim Schaper, Jenny Shirreffs, Diane Skåtun, David Steyn, Lindsay Tibbetts, Neil Vargesson, Cecilia Wallback and David Watts.

Apologies: Maggie Chapman

In attendance: David Beattie, Marion Campbell, Steve Cannon, Owen Cox, Rob Donelson, Debbie Dyker, Karl Leydecker, Alan Speight, Ruth Taylor, Iain Torrance KCVO, Richard Wells and Bruce Purdon (Clerk).

WELCOME AND INTRODUCTIONS

105 The Court welcomed Colette Backwell (Independent Member) and Diane Skåtun (Senate Assessor) to their first meetings respectively. The Court also welcomed Owen Cox, who was observing the meeting prior to succeeding Brian Paterson on 1 August 2020 as one of the two Trade Union Nominated Members of Court.

DECLARATIONS OF INTEREST

106 Lindsay Tibbetts declared an interest in minutes 123-125 as Deputy Dean of the Business School. Jenny Fernandes, Iain Mackay, Lyndsay Menzies, Martin Mills, Iain Percival and Jenny Shirreffs all noted an interest in minutes 129.

MINUTES

107 The minutes of the meeting held on 10 December 2019 were approved.

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

REPORT FROM THE SENIOR GOVERNOR

109 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 December 2019. This had included a recent meeting of the Committee of Scottish Chairs with the Minister for Further Education, Higher Education & Science to discuss the issues facing the higher education sector as a result of Covid-19.

110 In discussion, the Court noted that one of the most significant impacts of Covid-19 would be on the future sustainability of the Universities Superannuation Scheme (USS). Discussions at a national level were taking place and the Court noted that it would be vital for the sector, the Scottish Funding Council and government, to be clear on the scale of the issue facing universities from pension liabilities. The Senior Governor agreed to continue to highlight this through the Committee of Scottish Chairs and other networks.

111 The Senior Governor advised Court that the Office of the Scottish Charity Regulator (OSCR) had intimated informally that it hoped to be in a position to conclude its report on the payments to the former Principal by late May.

REPORT FROM THE PRINCIPAL

112 The Principal provided an oral report in which he highlighted and commended the extensive actions that the University community had taken to respond to the immediate issues caused by the pandemic and which were further detailed in the briefing paper provided as a separate report to Court.

- 113 The Principal emphasised that as a result of Covid-19, the University's focus was on three major priorities and that it faced three major uncertainties. The priorities were:
- to protect the health and wellbeing of staff and students and that activities would be resumed on the Old Aberdeen, Foresterhill and Doha campuses only when it was safe to do so.
 - to protect jobs and thereby protect the University's capacity to recover when the external environment improved.
 - to protect the University's financial sustainability.
- 114 The three major uncertainties facing the University were:
- when it would be possible to resume conventional activity on campus.
 - when students would be able to return to campus from across the world.
 - how many students would register (or re-register) for academic year 2020/2021.
- 115 The Principal, while acknowledging there were major challenges and uncertainties facing universities, noted also that the University could take confidence from the fact that historically demand for higher education increased in a recession and from Aberdeen's strong market position and recent record of success in student recruitment.

BRIEFING ON RESPONSE TO COVID-19

- 116 The Court received and noted a paper (*copy filed with the principal copy of the minutes*) which provided information on the University's response to Covid-19 and issues arising from it.
- 117 The Court recorded its significant thanks and appreciation for how the management team and the entire University community had responded to the immediate crisis resulting from Covid-19 and the ongoing work to plan for the phased return of staff and students to campus and to address the strategic implications of the pandemic for the institution.

REPORT FROM THE COURT EMERGENCY POWERS GROUP

- 118 The Court received a report of the meeting of the Court Emergency Powers Group held on 23 April 2020 (*copy filed with the principal copy of the minutes*). Further to the communication of the Group's decisions that had been circulated to Court on 28 April, the report provided additional information including the minutes and papers from its meeting of 23 April; the Group's terms of reference and composition; the Court's procedure for making decisions between meetings under which the Group had been convened; and the Court's schedule of items business reserved to it for decision.
- 119 The Court noted that the Group had been convened in accordance with the Court's agreed procedure for taking decisions between meetings of Court in order to consider an urgent Covid-19 financial forecast (FFU) required to be submitted to the Scottish Funding Council (SFC) by 24 April. As had been reported to Court by circulation on 28 April, the Group had agreed to:
1. Approve the submission of the FFU to the SFC;
 2. Note the current budget position which showed a forecast underlying surplus of £2 Million for 2019/20 and a forecast deficit of £24.1 Million for 2020/21;
 3. Note that in approving (1), the Group was endorsing that there be a pay freeze in 2020/21, a delay in contractual increments (subject to consultation with Trade Unions on the latter), and the reduction of cash balances to £4.8 Million by July 2021;
 4. Note the further budget work which would be undertaken;

5. Approve that the construction of the Science Teaching Hub proceeds (when Government advice allows) but subject to confirming that there was no 'force majeure' option in the contract;
 6. Approve that works on the King's Transformation projects are paused until the overall financial position is clearer;
 7. To report these decisions to the forthcoming meeting of Court in May 2020.
- 120 The Court discussed the communication of the Group's decisions and it was noted that the intention had been for Court to receive the communication first, prior to any wider discussion within the University community.
- 121 While it was considered that there might be further issues arising between meetings of Court due to Covid-19 which the Group might be required to consider, the Court noted that matters of future financial strategy, such as those under consideration separately on the meeting's agenda, would require consideration by the full Court and that the decisions reached by the Group on 23 April could be amended by Court. In discussion, additions to the schedule of matters reserved for decision by the full Court were proposed to add more detail on decisions related to borrowing, use of bond finance and asset sales. It was agreed that these should be brought back to Court for formal consideration.
- 122 The Court noted the report of the Emergency Powers Group and agreed to consider at its next meeting the additions to the schedule of matters reserved to Court for decision.

COVID-19 FINANCIAL IMPACT

- 123 The Court received and considered a paper (*copy filed with the principal copy of the minutes*) which modelled the impact of Covid-19 on the University's financial position. The report outlined the steps the University had taken to date in the current financial year (2019/20) to protect its financial position in anticipation of the expected negative impact of Covid-19 on 2020/21. It also outlined the scenario planning that had been undertaken with regard to the possible negative impact of Covid-19 on the University's income over the next three years and the options that were available to manage this, should any of those scenarios materialise. The paper also set out the key decision points during 2020/21 where, depending on student registrations, further action might be required to maintain operating cash requirements.
- 124 The Court considered the paper in detail and the principal points of the discussion were noted as follows:
- That the Court's overriding fiduciary responsibility (collectively and individually) was to ensure the University was financially sustainable. The discussion before Court was regarding the means by which that objective was achieved in the current context of Covid-19 and that needed to consider a range of scenarios and options given both the potential magnitude of the crisis and the uncertainties regarding when it would end;
 - That while it was necessary to model and plan for a negative impact of Covid-19 and the options available to reduce costs if required, the University was also taking a range of steps to try to ensure that any negative impact on student fee income was minimised, in particular moving towards blended learning for the beginning of academic year 2020/21 and significantly increasing the number of programmes available for students to commence in January 2021. The operational and financial commitment required to deliver this new approach was discussed, as was the importance of maintaining staff morale, if the University was to minimise the extent to which the risks of reduced fee income were realised;
 - The timing of when key decisions, if required, should be taken to ensure the financial sustainability of the University in 2020/21, in particular whether those decisions should be taken now or whether they could be deferred until there was greater clarity on the effect of mitigating actions on the impact of Covid-19 on student numbers and fee income later in the year;
 - The possible use of the bond for purposes other than that which Court had agreed it should be directed towards and whether it would be appropriate to vary this towards other capital or digital projects or, as recommended in the paper, making it available, if

necessary, as a short-term revolving credit facility. A number of members highlighted that the bond had been undertaken on the basis that it would support income generation. The potential negative impact that a change in use could have on the University's credibility with lenders was also highlighted;

- The potential implications that the impact of Covid-19 could have for student demand and the future size, shape and funding of the higher education sector in Scotland and as a result for the University.

125 Following discussion, the Court:

1. Noted the latest scenario planning and agreed it should receive further updated scenario planning at its next meeting;
2. Noted the impact of the reduction in income on the University's cash flow and options available to manage this;
3. Noted that the £10M borrowed as part of the bond financing, and set aside to repay the Barclays loan, could be refinanced to support operating expenditure, if required, and that this was an option which could be considered further by the Court;
4. Agreed that construction of the Science Teaching Hub should continue and that Court would receive an options appraisal of how this would be funded, including whether the £50M bond could be re-directed towards funding the Science Teaching Hub;
5. Noted, that as part of that options appraisal, Court would be invited to give further consideration to the use of the bond;
6. Agreed that the setting up of a credit facility via the Government's Business Interruption Loan Scheme up to £20 Million should be explored further;
7. Approved the revised system for re-budgeting and reporting to Court at key points during the year, while noting that Court could be convened more frequently if required;
8. Agreed that the schedule of P&RC meetings would be reviewed and additional meetings arranged where appropriate;
9. Noted the further work that was being done to examine all sources of income to the University;
10. Noted that a further report would be presented to Court in June.

POLICY AND RESOURCES COMMITTEE REPORT

- 126 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 of 21 February, 3 March and 6 May 2020.
- 127 The report included the Committee's discussion of institutional partnerships with universities in China. In discussion, while acknowledging the opportunities of such partnerships, the Court also noted that there were risks if an institution became overly reliant on one country or region.
- 128 The Court also noted that the Committee had approved the renaming of the Strategic Business Ventures Group, one of its sub-committees, as the Start Up and Spin Out Group, with a revised remit and composition.

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

GOVERNANCE & NOMINATIONS COMMITTEE

- 129 The Court noted a report (*copy filed with the principal copy of the minutes*) from the Governance & Nominations Committee on the key items of business discussed at its meetings held on 19 February and 5 May 2020. In addition, on the recommendation of the Committee, the Court approved the following:
1. To retain the current expenses and accommodation policy for Court members but to introduce the publication of members' expenses on the University's website;
 2. Amendments to the process for the appointment of the Senior Independent Member of Court. The process would now require members of Court to vote, by circulation and in confidence, for who their preferred candidate for the role would be.

3. To note the Committee's decision to postpone the election of staff members to Court due to the disruption caused by Covid-19 and approve its recommendation to extend the periods of appointment of Jenny Fernandes (Elected Non-Academic Staff Member of Court) and of Martin Mills (Elected Academic Staff Member of Court) for a period 3 months from 31 July 2020 to 31 October 2020 to ensure elected staff representation was maintained in the interim;
4. To approve the reappointment of Iain Mackay (w.e.f 01.08.20), Lyndsay Menzies (w.e.f 01.08.20) and Iain Percival (w.e.f 01.10.20) as independent members of Court for a further period of three years and the reappointment of Jenny Shirreffs as an independent member of Court for a further period of one year (w.e.f 01.10.20)

AUDIT & RISK COMMITTEE

- 130 The Court noted a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by the Audit & Risk Committee at its meetings on 16 January and 16 April 2020.

RESEARCH POLICY COMMITTEE

- 131 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 27 November 2019.

STUDENT EXPERIENCE COMMITTEE

- 132 The Court noted a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by the Student Experience Committee at its meeting on 28 January 2020.

UNIVERSITY COMMITTEE ON TEACHING & LEARNING

- 133 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 15 January and 26 February 2020.

ROUTINE BUSINESS FOR APPROVAL

REQUEST FOR REPATRIATION FROM THE MUSEUM COLLECTION

- 134 The Court received a paper (*copy filed with the principal copy of the minutes*) which outlined the claim by the Tasmanian Aboriginal Centre for the return of Tasmanian Aboriginal ancestral remains held within University's museum collections and summarised the consideration of the matter by the University's Advisory Group on Collections Deaccessioning and Repatriation.
- 135 The Court approved the recommendation of the Advisory Group that the University transfer the Tasmanian Aboriginal ancestral remains to the Tasmanian Aboriginal Centre, without any conditions. The Court also noted that the University was considering further potential items that might be eligible for repatriation.

ROUTINE BUSINESS FOR INFORMATION

COVID-19 RISK REGISTER

- 136 The Court noted a summary of the University's Covid-19 risk register (*copy filed with the principal copy of the minutes*) which provided an at-a-glance overview of the key strategic risks facing the University as a result of the pandemic. Underlying the strategic summary was a comprehensive risk register which had been developed to manage the University's response to the Coronavirus pandemic and was divided into two main documents: a main register of live risks currently under active management; and a register of completed and time-limited risks. The Court noted that the full risk register had been considered by the Audit and Risk Management Committee on 16 April 2020 and, following on from recommendations made at that meeting, adjustments had been made and incorporated in the report to Court.

BUSINESS APPROVED BY CIRCULATION

- 137 The Court noted a report (*copy filed with the principal copy of the minutes*) on the items of business which it had approved by circulation following the cancellation of the March 2020 meeting of Court due to the onset of the Covid-19 pandemic. The Court noted that it had:
1. *SFC/OSCR Reviews of Payments to the Former Principal*: approved the Working Group's proposed Terms of Reference and noted the draft minutes of its first meeting.
 2. *SFC Outcome Agreement 2020/21*: Approved the document for submission to the SFC subject to the changes proposed by members noted in the paper being included;
 3. *Gender Pay Gap Report*: approved the document;
 4. *Year-on Response to the Enhancement-Led Institutional Review (ELIR)*: approved the document;
 5. *Governance and Nominations Committee*: approved amendments to the rules for the election of the two elected staff members of Court;
 6. *Equal Pay Audit*: Approved the document subject to suggested amendments being incorporated.

UPDATE ON RECRUITMENT OF CHIEF OPERATING OFFICER/UNIVERSITY SECRETARY

- 138 The Court noted a report (*copy filed with the principal copy of the minutes*) which provided an update on the progress of the recruitment to the post of Chief Operating Officer/University Secretary which had reached the shortlisting of applicants stage. The report noted that the nature of the next stage of the process was under review by the shortlisting panel, given it was unlikely that the selection process would be able to take place on campus in the short term even with easing of the lockdown. Any substantive changes would be agreed with the Governance and Nominations Committee.

SENATE REPORT

- 139 The Court noted a report (*copy filed with the principal copy of the minutes*) on the principal items of business considered by Senate at its meeting on 5 February 2020.

DATE OF NEXT MEETING

- 140 The Court noted that the next scheduled meeting would be on Tuesday, 30 June 2020.

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: 30 June 2020