UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on Tuesday 24 March 2015

Present: Ms M Chapman (Rector) in the Chair, Principal, Sir Moir Lockhead, Mr A Arthur, Dr C Black, Professor N Booth, Dr C Brittain, Ms E Beever, Mr C Duncan, Professor P Hannaford, Professor S Heys, Professor N Hutchison (Minutes 154 to 181), Professor J Kilburn, Cllr J Laing, Mr D MacFarlane, Professor P McGeorge, Cllr R McKall, Mrs K McPhall (by teleconference for Minutes 154 to 196), Dr N Oren, Mr B Pack, Mr B Paterson, Mrs J Shirreffs (Minutes 154 to 181), Professor J Skakle, Mr D Steyn.

In attendance: Mrs E Bowie (for Minutes 193 to 196), Ms G Clarke (for Minutes 154 to 192), Mr A Donaldson, Mrs D Dyker, Professor M Greaves, Professor N Haines (for Minutes 193 to 196), Ms A Harper (Trustee of Development Trust for Minutes 193 to 196), Mrs C Inglis, Professor S Kunin (for Minutes 188 to 192), Professor B MacGregor, Mr M McCorkell, Ms T Merrick, Ms S Richardson, Professor M Ross, Ms J Sewel, Professor J Simpson (Trustee of Development Trust for Minutes 193 to 196), Very Rev Professor I Torrance and Mr B Purdon (Clerk). Mr J Cash, Mr P Hills and Ms F Kirk from Marts & Lundy Consultants were also in attendance for Minutes 193 to 196.

Apologies for absence were received from Mr J Hall and Mr K Murray.

WELCOME TO NEW MEMBERS

154 The Rector welcomed Professor Kilburn to his first meeting of Court as Senior Vice-Principal, Dr Oren to his first meeting of Court as a Senate Assessor and Ms Clarke who was attending Court as President-Elect of the Students' Association.

DECLARATION OF INTERESTS

155 The following declarations of interest were noted:

- Mr A Arthur - Registered Part-Time Student and Officer of the University of Aberdeen Branch of the University and College Union (UCU);
- Mr C Duncan – Member of the Scottish Dental Practice Board;
- Mr B Paterson – Officer of the University of Aberdeen Branch of Unite the Union;
- Mr D Steyn – Applicant to the LLM Programme

MINUTES

156 The Minutes of the meeting held on 9 December 2014 were approved.

157 It was noted, as a matter arising, that the creation of a performance space was part of the University's Capital Plan.

158 The Court also noted the updated Action Log (copy filed with the principal copy of the minutes).

HEALTH AND SAFETY

REPORTS ON ACCIDENTS AND INCIDENTS

159 The Court received and considered a paper (copy filed with the principal copy of the minutes) which provided details of two accidents which were reportable to the Health and Safety Executive. The Court also received a report on the Operating Board’s consideration of the report. The Court noted that the incidents were:
• A member of the Portering staff fractured his finger whilst opening a cardboard recycling container;
• An undergraduate student sustained ligament damage and facial injuries after falling off his bicycle.

160 The Court also received details of two further incidents which were not reportable to the Health and Safety Executive but which are being brought to the attention of the Court:

• A false fire alarm in the Students’ Association Surf Club’s store;
• A minor fire that occurred on campus on 10th February 2015.

STANDING REPORTS

REPORT FROM THE RECTOR

161 The Rector thanked the University for the welcome she had received since her election as Rector and for the Installation Ceremony that had taken place the previous day.

162 The Rector informed Court that she expected to confirm the appointment of her Assessor in the near future.

REPORT FROM THE SENIOR GOVERNOR

163 The Senior Governor noted the appointment of Ms Anne Minto to the Court as an Independent Member which would enhance the mix of skills and experience on Court and improve its gender balance.

164 The Senior Governor updated Court on the progress of discussions between representatives of the Scottish Committee of University Chairs and the Scottish Government regarding prospective legislation on higher education governance.

REPORT FROM THE PRINCIPAL

165 The Principal introduced his written report (copy filed with the principal copy of the minutes) on recent developments within the University.

166 The Court noted that Ms Sue Richardson, had been appointed Acting Director of Finance following Ms Irene Bevs’ appointment to Kingston University. The Court recorded its appreciation of the outstanding service that Ms Bevs had given to the Court as Director of Finance, and latterly as Director of Finance & IT Services.

167 The Principal reported on potential changes to higher education in the UK which might take place depending on the outcome of UK General Election. The Principal also highlighted a number of significant challenges to the external funding environment for teaching and research in Europe, the UK and Scotland. In addition, the Principal reported on the financial implications of changes to the USS pension scheme and increased National Insurance costs.

168 The Principal reported on recent press coverage regarding a report by the General Dental Council on the University’s Dental School which had been undertaken in Spring 2014. It was noted that the issues raised in the reports had been addressed by the School a number of months previously and that no complaints from the patients involved had been received.

169 In further discussion of the Principal’s Report, the involvement of the University in the ‘City Deal’ bid was welcomed. The Court also congratulated the University on the success of its International Women’s Day Conference.
STRATEGIC PLAN: WHITE PAPER

The Court received and discussed a paper which included a Strategic Plan White Paper together with a supporting draft set of Key Performance Indicators and targets (copy filed with the principal copy of the minutes).

The paper built on the initial discussion by Court in September 2014 of the development of a new Strategic Plan. Following that discussion, an extensive process of consultation with the University community had taken place to inform the development of the White Paper. The document outlined the University’s proposed Vision, Mission and Values, and its Goals and Objectives across key areas of activity. The White Paper was intended to inform the further development of the Strategic Plan, which would be presented to Court in June 2015.

The Court considered the White Paper in detail and there followed an extensive discussion, the main points of which were noted as follows:

- That the Plan should be structured to emphasise the theme of People;
- The level of aspiration within the document was welcomed and it was suggested that further consideration should be given to current levels of activity to ensure that sufficient resource was directed towards the achievement of the proposed strategic priorities;
- That there should be fewer, but more focused, KPIs and targets, with a clearer baseline against which to measure progress. Collectively, the KPIs and targets needed to reflect the broad areas of strategic priority and it was suggested that internationalisation should be embedded in these;
- That the budget required to support the Strategic Plan would be developed and considered by the Operating Board prior to the final draft Strategic Plan being received by Court;
- That the broad strategic approach remained that of being a full spectrum University but with an increasing level of focus on areas of strength;
- It was noted that health and wellbeing would be included within the supporting operational plans;
- That the supporting operational plans would require partnership with the Students’ Association particularly with regard to a number of areas related to the student experience;
- That regular review of progress against the Strategic Objectives would be undertaken and reported to Court;
- That the Operating Board would continue to have a key role in monitoring the supporting operational plans with Court receiving reports thereon via the Board;
- That Research Themes would continue although they would be reviewed and, if necessary, revised during the lifetime of the Plan;
- That consideration should be given to ensuring that an accessible short set of key messages regarding the Strategic Plan be developed and made available to staff.

The Court endorsed the White Paper and agreed the University’s Vision, Mission, Values and Goals and Objectives, subject to the Court’s comments and feedback being incorporated in the final drafting of the Strategic Plan for approval in June 2015.

The Court agreed it should receive a report on the achievement of the objectives of the current Strategic Plan.

The Court approved the timescales for the development of implementation plans for all areas of the University and for the production and communication of the full Strategic Plan. It was further noted that the University would communicate to the community the key points arising from the Court’s discussion of the White Paper to help inform the further consultation process with staff, students and stakeholders.
REF RESULTS

176 The Court received and noted a paper (copy filed with the principal copy of the minutes) which provided an analysis of the outcome of the REF 2014 for the University of Aberdeen. The Court also received a report on the Operating Board’s consideration of the update.

177 The Court noted that the summary of the results was as follows:

- 76% of University research was either internationally excellent or world class;
- 85% of the University’s non-academic impact is either internationally excellent or world class;
- 71% of University research outputs, such as journal articles, books and conference proceedings are either internationally excellent or world class.

178 The Court noted that of 25 submissions to research subject areas or units of assessment (UoA):

- One was top in the UK (UoA 6: Agriculture, Veterinary and Food Science);
- Three were in the top quartile (UoAs 4: Psychology, Psychiatry and Neuroscience; 16: Architecture, Built Environment and Planning; 29: English Language and Literature)
- Seven were above sector average quality profile; Nine were above the median.

179 The Court noted that the quality profile of the University of Aberdeen had improved since the last research assessment exercise in 2008: 76% of the research submitted was rated either internationally excellent or world leading compared to 54% in 2008, while maintaining a similar submission rate. It was also noted, however, that the overall UK sector quality profiles had shown greater improvement, which reflected the very competitive environment of UK research. As a result, despite an improved performance on 2008, the University was ranked 46th in the UK compared to 38th in 2008.

180 In discussion, the importance of the University’s future research strategy being outward facing in terms of its competitive position with other UK universities was noted. The approach taken by the University of seeking results which maximised income from REF rather than reputation was discussed. It was noted that one of the priorities would be to ensure that more junior staff who had achieved the 3* rating continued to develop and progress to 4* research performance in the next REF.

181 The Court noted that analysis of the results and discussions with academic areas were ongoing and that the ‘lessons learned’ would inform the planning for the next REF.

STAFFING STRATEGY

182 The Court received a paper (copy filed with the principal copy of the minutes) which outlined the strategic context within which the University would require to continue to invest in areas of excellence over the course of the next strategic plan in order to grow its position as a world leading university. The paper highlighted the current and forthcoming financial challenges which would need to be addressed in order to provide a financially sustainable basis from which the University could, over the coming years, achieve the surpluses necessary to invest in excellence and in the ten year capital plan. The paper set out proposals for staff restructuring through voluntary and, if necessary, compulsory measures to generate the savings required to provide a financially sustainable basis upon which future investment and the success of the University would depend.

183 The Court noted that the Scottish Funding Council (SFC) funding letter for 2015/16 resulted in an overall reduction in the University’s income. In 2015/16 the University would also have to manage significant increases in staffing costs as a consequence of changes to national insurance and USS employer contributions from April 2016 (the total cost of that increase being £3m per annum on core funded staff). In addition, the University had to meet the annual cost of living salary uplift and annual pay grade increments which were estimated to total £3.5m in 2015/16 for core funded staff.
The Court noted that a large proportion of the University’s finances were committed to staffing costs: a total of 59.5% of overall budget against a sector benchmark of 54.5%. University management had reviewed a number of options to reduce its cost base and had over recent years made significant efficiency savings to protect staffing budgets. It was noted that the University was taking steps to make further short-term savings in the current financial year to deliver the budgeted £2m surplus (this surplus target having previously been reduced to provide £3.5m contingency funding to the College of Arts and Social Sciences). However, it was highlighted that such savings would not address the underlying cost issues or the significant increases in staffing costs and reductions in income that would occur in 2015/16.

Given this context, the Court was being invited to approve expenditure of up to £8.4m to reduce staff numbers by 150 (full time equivalent) over academic years 2014/15 and 2015/16. The cost of implementing this would impact on the historical cost surplus achieved and reduce the cash available in 2014/2015 and 2015/16. It would, however, deliver recurrent annual staff savings in the region of £10.5m and greater financial sustainability in the long term. If approved, the University would need to review the impact on the delivery of the capital programme and bring forward revisions to the 10 year capital plan to the next meeting of Court.

The Court considered the proposals in detail and there followed an extensive discussion, the main points of which were noted as follows:

- It was agreed that the current and forthcoming financial challenges needed to be addressed in order to ensure the necessary long-term financial sustainability which would underpin the achievement of the University’s strategic ambitions;
- It was noted that there were a number of factors which had resulted in the paper being circulated late but that the Court considered this to have been unhelpful given the importance of the paper;
- A number of members felt that further information on the proposals and, in particular, the future shape of the University which the proposals were intended to facilitate, should have been provided. The Court was assured that the University had given consideration to the issue of where staffing reductions were necessary and to where future investment in growth should be focused;
- A number of members noted that issues regarding the detailed criteria for any reductions in staffing were a matter for management to determine and implement rather than Court;
- The Court was assured that consideration had been given to the impact of staff reductions on the student experience and that managing any such impact would be a priority. It was also noted that the equality impact of any further proposals would be considered and be the subject of further consultation with trade unions. A detailed risk assessment of the proposals would also be provided;
- The extent to which other options to reduce costs and to address the financial challenges had been considered was raised and Court was assured that management had considered these at length before bringing forward the proposals;
- The operation of a previous voluntary severance scheme in 2010 and how effective that had been was discussed. It was noted that a set of financial pressures particular to that time had necessitated the scheme and that it had been successful in addressing these;
- The advantages and disadvantages of deferring a decision on the proposals to the next meeting were discussed. It was agreed, however, that it was likely to result in a period of uncertainty for staff and that such a delay would result in a period of restructuring continuing well into academic year 2015/16 which would not be in the best interests of staff or students.

Following discussion, the Court agreed:

- To approve expenditure of up to £8.4m for the commencement of an immediate voluntary severance scheme;
- That any further proposals for savings from staff restructuring beyond a voluntary severance scheme would need to be considered and approved by Court before being taken further;
- Any such further proposals should include an appropriate level of supporting information, including an appraisal of alternative savings options.

TRANSNATIONAL EDUCATION: UPDATE ON BRANCH CAMPUS SOUTH KOREA

188 The Court received and considered an update on the project to establish a branch University campus in the Gwangyang Free Economic Zone (GFEZ) in Hadong District in South Korea (copy filed with the principal copy of the minutes). The Court also received a report on the Operating Board’s consideration of the update.

189 It was noted that some changes to the business plan had been required since the last report to Court. The University had been asked to pay a nominal rent by the GFEZ authorities. This was due to Korean national regulations not permitting the rent free use of such facilities by international partners. In discussion, it was confirmed that the University had received written assurances that this would remain at a nominal level.

190 The Court noted that some adjustments had also been made to the student recruitment targets associated with the project in response to advice received from the Korean partners and that the PhD model to be used had been revised from a 4 to a 3-year model to bring it into line with normal practice in Aberdeen and to make the degree more attractive to Korean students. The projected research funding had been increased. The resulting overall financial projection for the project, and the return on investment figures remained unchanged.

191 The Court noted that the business plan was formally submitted to the Korean Ministry of Trade and Industry on 12 February 2015, following an informal review by the Ministry on the draft plan. A formal decision was expected following which preparation of the application to the Korean Ministry of Education would commence.

192 The Court noted that regular updates to the Operating Board would be provided on the project as it progressed or if the financial assumptions behind the plan changed.

PRESENTATION ON FUNDRAISING

193 The Court received a presentation from the consultants Marts & Lundy on the work they had undertaken to review and assess the Development Trust’s fundraising capacity and the potential for a major new philanthropic campaign in support of the University. The Court also received a paper which provided details of the Development Trust’s performance since the last report to Court (copy filed with the principal copy of the minutes).

194 The presentation outlined the key recommendations arising from the review which included:
- recommendations on additional development staffing requirements;
- improved communications between the Development Trust and Court;
- consideration of the restructuring of the Development Trust and its status as a separate entity to the University;

195 The presentation reported on the development of a draft Case for Support and Campaign Priorities across two key themes of the Student Experience and World-Changing Research. It also outlined an analysis of the current and future fundraising capacity of the University, based on which it was suggested that a future fundraising campaign target of £150M to £175M be considered with an end date of 2022. The presentation outlined a number of steps that would be necessary to facilitate a successful campaign. This included a two year ‘silent phase’ prior to a launch in 2017/18 with the aim of securing 80% of the campaign target together with two major ‘showpiece’ gifts prior to the campaign being publicly launched.
In discussion, the Court welcomed the presentation and it was noted that the campaign would need the appropriate level of resource if it were to be successful. The role of the Principal in the leadership of the campaign would also be vital. It was agreed that the recommendation regarding a review of the status of the Development Trust as a separate entity to the University should be taken forward.

COURT EFFECTIVENESS REVIEW

The Court received and considered a paper on the potential scope and timing of an externally facilitated review of Court effectiveness (copy filed with the principal copy of the minutes).

The Court noted that it was a requirement of the Scottish Code of Good HE Governance that governing bodies keep their effectiveness under annual review and that, normally not less than every five years, an externally facilitated evaluation of their effectiveness should be undertaken. Due to a number of recent national reviews of university governance it had been agreed in 2012 to defer an externally facilitated effectiveness review until the requirements of these national reviews were confirmed. The Court was reminded that it had also recently completed a significant review of its compliance with the Scottish Code of Good HE Governance following its introduction.

The Court noted that legislation on university governance in Scotland was expected in the course of 2015 and that changes within the Court’s own governance arrangements had recently taken place. Following discussion, it was agreed that due to these two factors, an externally facilitated review should be deferred for a short period and the matter considered further by Court in September 2015. It was noted, however, that as part of the process of informing the corporate governance statement in the annual financial report, an annual evaluation of Court’s governance arrangements would continue supported by a questionnaire of all members.

REMUNERATION COMMITTEE

The Court received and considered a paper from the Remuneration Committee which sought approval of the Senior Staff Pay Policy for 2015 (copy filed with the principal copy of the minutes).

The Remuneration Committee had agreed to recommend to Court that the following principles should be taken into account when considering nominations and/or applications for salary uplifts for individuals at Grade 9 level:

- Retention cases
- Increased responsibility
- Exceptional performance
- Outstanding REF submission
- Activities undertaken to enhance the Student Experience
- Equal pay considerations

The Remuneration Committee proposed that a fund of up to £100k be set aside to recognise, reward and incentivise senior members of staff in respect of the 2015 Senior Staff Pay Policy. The general principles of this policy would be promoted to all Grade 9 Senior Staff with an invitation to submit applications via Heads of Colleges for consideration by the Remuneration Committee. The promotion of the scheme would make clear that applications would only be approved where they met some of the exceptional circumstances outlined in the Senior Staff Pay Policy.

In discussion, it was noted that competition between universities to recruit leading staff prior to the next research assessment exercise was taking place and that the retention of such staff at Aberdeen formed part of the context for the proposed policy.

The Court approved the Senior Staff Pay Policy for 2015
OPERATING BOARD REPORT

205 The Court received a report from the Operating Board meetings held on 26 January 2015 and 3 March 2015 (copy filed with the principal copy of the minutes).

PROCUREMENT STRATEGY

206 The Court, on the recommendation of the Board approved a revised Procurement Strategy for 2015-2020.

207 The other principal items of the report that were noted by Court were:

- Consideration of a revised Operating Board remit and a revised remit for the Capital Programme Monitoring Committee;
- Update on the Health and Safety Culture Survey;
- Investment Performance of University Endowments;
- Cash Investments Update;
- Budget Planning Assumptions 2015/16 to 2017/2018;
- SFC Funding Allocations for 2015/16;
- Update to the University’s Financial Regulations;
- Monthly Management Reports;
- Update on the Accommodation Strategy;
- Report from the Capital Programme Monitoring Committee;
- Update on the OneSource Programme;
- Update on International Student Recruitment;
- Update on Student Admissions;
- Update on Universities Superannuation Scheme (USS) Reforms;
- Proposal for Medical Campus in Sri Lanka.

REPORTS FROM COMMITTEES

GOVERNANCE AND NOMINATIONS COMMITTEE

208 The Court noted a report of the principal items of business considered by the Governance and Nominations Committee at its meetings of 28 January 2015 (copy filed with the principal copy of the minutes). In addition, the Court approved the following:

Recruitment and Appointment of an Independent Member

209 The Court, on the recommendation of the Governance and Nominations Committee, approved the appointment of Ms Anne Minto as an Independent member for a term of three years from 1 August 2015 to 31 July 2018.

'Ex Officio' Vice-Principal Membership of Court

210 The Court, on the recommendation of the Governance and Nominations Committee approved, the appointment of Professor Kilburn, Senior Vice-Principal, as a member of Court ex officio, with immediate effect (concurrent with his current term of office as Senior Vice-Principal).

211 The Court, on the recommendation of the Governance and Nominations Committee, approved the reappointment of Professor Hannaford, Vice-Principal for Research, as an ex officio member of Court (concurrent with his current term of office as Vice-Principal for Research) to 31 July 2017.

PARTNERSHIP, NEGOTIATING AND CONSULTATIVE COMMITTEE

212 The Court noted a report of the principal items of business considered by the Partnership, Negotiating and Consultative Committee at its meeting of 26 February 2015 (copy filed with the principal copy of the minutes). In addition, the Court approved the following:
Policy on Shared Parental Leave

213 The Court, on the recommendation of the Partnership, Negotiating and Consultative Committee approved a draft policy on Shared Parental Leave and a proposal to enhance shared parental pay in line with Occupation Maternity pay.

AUDIT COMMITTEE

214 The Court noted a report of the principal items of business considered by the Audit Committee at its meeting of 20 January 2015 (copy filed with the principal copy of the minutes).

RESEARCH POLICY COMMITTEE

215 The Court noted a report of the principal items of business considered by the Research Policy Committee at its meeting of 9 December 2014 (copy filed with the principal copy of the minutes).

STUDENT AFFAIRS COMMITTEE

216 The Court noted a report of the principal items of business considered by the Student Affairs Committee at its meeting of 16 February 2015 (copy filed with the principal copy of the minutes).

UNIVERSITY COMMITTEE ON TEACHING AND LEARNING

217 The Court noted a report of the principal items of business considered by the University Committee on Teaching and Learning at its meeting of 21 January 2015 (copy filed with the principal copy of the minutes).

ROUTINE BUSINESS

WHISTLEBLOWING POLICY

218 The Court received and approved a revised Whistleblowing Policy (copy filed with the principal copy of the minutes).

INFORMATION SECURITY POLICY

219 The Court received and approved a revised Information Security Policy (copy filed with the principal copy of the minutes).

Draft Ordinance No 144 [EXTENSION OF UNIVERSITY POWERS]

220 The Court received Draft Ordinance No 144 [Extension of University Powers] (copy filed with the principal copy of the minutes) and noted that it had, in accordance with the Universities (Sc) Act 1966, been forwarded to the Senate and the General Council for comment, and publicly displayed within the University for the statutory period, and that following this process no representations had been received.

221 The Court approved the draft Ordinance for submission to the Privy Council for formal approval.

ENHANCEMENT-LED INSTITUTIONAL REVIEW (ELIR)

222 The Court received and approved the year-on response to the Enhancement Led Institutional Review report which was due to be submitted to the Quality Assurance Agency and Scottish Funding Council in March 2015 (copy filed with the principal copy of the minutes).
AUSA RELATIONSHIP AGREEMENT

The Court received and approved a Relationship Agreement between the University and the Aberdeen University Students' Association (AUSA) (copy filed with the principal copy of the minutes).

SENATE REPORT

The Court noted a report (copy filed with the principal copy of the minutes) of the principal items of business considered by the Senate at its meeting on 4 February 2015. In addition, the Court approved the following items of business referred to it:

DRAFT RESOLUTION NO 277 OF 2015 [CHANGES IN REGULATIONS FOR VARIOUS DEGREES]

The Court, noting that the draft Resolution No 277 of 2015 [Changes to Regulations for Various Degrees] had been recommended by the Senate and had been considered by the Business Committee of the General Council, and with no amendments having been received following public display for the statutory period, formally approved the Resolution.

DRAFT RESOLUTION NO 278 OF 2015 [SUPPLEMENTARY REGULATIONS FOR THE DEGREES OF MASTER OF ARTS (MA)]

The Court, noting that the draft Resolution No 278 of 2015 [Supplementary Regulations for the Degrees of Master of Arts (MA)] had been recommended by the Senate and had been considered by the Business Committee of the General Council, and with no amendments having been received following public display for the statutory period, formally approved the Resolution.

OUTCOME AGREEMENT WITH SCOTTISH FUNDING COUNCIL 2015/16

The Court noted the final Outcome Agreement for 2015/2016 as submitted to the Scottish Funding Council, the final draft of which had as agreed by Court been approved by the Operating Board under authority delegated to it by Court (copy filed with the principal copy of the minutes) The Court also received a report on the Operating Board's consideration of the Agreement.

UNIVERSITIES' ACCOUNTS COMPARISONS

The Court received and noted a paper which provided a summary outcome of the Annual Accounts 2014, comparing the University's performance with the Scottish Sector and selected competitors in the UK Sector (copy filed with the principal copy of the minutes). The Court also received a report on the Operating Board's consideration of the comparisons.

The Court discussed the University's staff costs relative to income, the proportion of non-EU students, and the proportion of Research Council funding relative to total research income.

FINANCIAL MANAGEMENT REPORT

The Court noted the Management Accounts and Reports for the period to 31 January 2015 (copy filed with the principal copy of the minutes).

DATE OF NEXT MEETING

The Court noted that the next meeting would be held on Tuesday 30 June 2015 at 9.00am.

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Maggie Keppie ........................................ 80 June 2015
Date Approved