Present: Sir Moir Lockhead (in the Chair), Principal, Mr A Arthur, Dr C Black, Professor N Booth, Ms E Beever, Mr C Duncan, Professor P Hannafoord, Professor S Heys, Mr G Hunter, Professor N Hutchison, Cllr J Laing, Professor S Logan, Mr D MacFarlane, Cllr R McKail, Mrs K McPhail (by teleconference), Mr K Murray, Mr B Pack, Mr B Paterson, Mrs J Shirreffs and Mr D Steyn (by teleconference).

In attendance: Ms I Bews, Mrs E Bowie (for Minutes 102-105), Mr A Donaldson, Mrs D Dyker, Professor N Hailes (for Minutes 102-105), Mrs C Inglis, Mr M McCorkell, Ms T Merrick, Ms J Sewel, Ms H Sveinsdottir (for Minutes 119-125), Rev Professor I Torrance and Mr B Purdon (Clerk).

Apologies for absence were received from Dr C Brittain, Mr J Hall, Professor P McGeorge and Professor J Skakle.

RETIRING MEMBERS

76 The Senior Governor noted that it was Mr Graham Hunter and Professor Stephen Logan’s last meeting of Court as Rector’s Assessor and Senior Vice-Principal respectively. The Principal paid tribute to the service that both Mr Hunter and Professor Logan had given to the Court and the University over a significant number of years.

ELECTION OF THE RECTOR

77 The Court noted that Ms Maggie Chapman had been elected as Rector with effect from 1 January 2015.

PRESENTATION ON UK REVIEW OF EFFICIENCIES IN HIGHER EDUCATION

78 The Principal delivered a presentation on Universities UK (UUK) and Universities Scotland’s reviews of efficiency, effectiveness and value for money in higher education. The presentation highlighted the national political and funding context within which the reviews had been undertaken and the key findings from the reviews to date, with the second phase of the UUK review due to report in early 2015. The Principal highlighted a number of the main areas and approaches to generating efficiencies in higher education, and examples of initiatives at the University which had delivered efficiencies in these areas.

MINUTES

79 The Minutes of the meeting held on 30 September 2014 were approved.

80 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

81 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 IT support staff had twisted her back while carrying some data tapes;
• A technician in the School of Medical Sciences had tripped while descending a flight of stairs and sprained her ankle.

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

• A pepper spray device had been left in the Butchart Centre and had caused slight injuries to a member of University staff when it discharged as he picked it up to move it;
• A fire in a chemistry laboratory in the Meston Building caused damage to the laboratory and its contents. The Court noted that no one was injured. Investigations into the cause of the fire were continuing and the University would identify any lessons to be learnt from the incident;
• A fire in a kitchen at a student flat at Hillhead Halls of Residence caused damage to a cooker and to the kitchen. The Court noted that no one was injured and the cause of the fire had been identified and students were being reminded of the risk of fires when cooking.

UPDATE ON HEALTH AND SAFETY CULTURE

83 The Court received and noted a paper which provided an update on progress with actions which were part of the University’s health and safety culture programme (copy filed with the principal copy of the minutes). The Court also received a report on the Operating Board’s consideration of the report.

84 The Court noted that since the last meeting:

• The University had made an appointment to the post of Director of Health, Safety and Wellbeing;
• The Health and Safety Laboratory (HSL) had run four health and safety culture focus groups during November 2014,
• The HSL would train four members of University staff as focus facilitators so that they could then run further focus groups;
• A health and safety culture workshop for the Senior Management Team would run during January 2015.

STANDING REPORTS

REPORT FROM THE SENIOR GOVERNOR

85 The Senior Governor reported on the publication by the Committee of Scottish Chairs (CSC) of a review of compliance with the Scottish Code of Good HE Governance. The Senior Governor also noted that the CSC had discussed the Scottish Government’s proposals for legislation on HE Governance which the Court would consider separately on the agenda. The Senior Governor noted, however, that the CSC viewed the legislation as unnecessary given the introduction of the Scottish Code of Good HE Governance and had noted that the Scottish Government’s proposals did not appear to help improve the international competitiveness of universities. In discussion, it was suggested that efforts to lobby the new Cabinet Secretary for Education should be made and it was noted that the Principal was seeking an introductory meeting with her.

REPORT FROM THE PRINCIPAL

86 The Principal introduced his written report (copy filed with the principal copy of the minutes) on recent developments within the University.
The Principal reported that following an international recruitment search for a successor to Professor Logan as Senior Vice-Principal, the University had appointed Professor Jeremy Kilburn, currently Vice-Principal, of Queen Mary University, with effect from 1 March 2015.

The Principal reminded Court that the results of the Research Excellence Framework would be received on 16 December 2014. The Court noted that the University would be reviewing in detail the results and their implications for the future shape and strategy of the institution.

The Principal noted that following the Scottish Government Cabinet reshuffle there was a new Cabinet Secretary for Education. The Scottish Government had also recently advised the Scottish Funding Council of a reduction in funding of £21M in 2015/16 and further information on which funding streams to universities would be affected was awaited.

The Principal noted that since the last meeting the University was now in a position to confirm that the 2014/15 student admissions numbers were very encouraging, with strong performance in Home/EU undergraduate numbers, an increase in RUK undergraduate numbers, and in Postgraduate taught numbers.

The Principal highlighted that his written report provided more information on the monitoring that had been undertaken of the progress of students affected by the accommodation shortage in September 2014 but that no significant issues had been reported to date.

The Court noted that the Principal’s written report had highlighted the success of Mr Paterson in being awarded ‘Technician of the Year’ by the Royal Society of Chemistry. The Court recorded its congratulations to Mr Paterson.

REPORT FROM THE RECTOR’S ASSESSOR

Mr Hunter highlighted how important that he and the previous two Rectors considered the development of a performance space to be for the University and requested that this continued to be noted by Court as the capital plan was taken forward.

Mr Hunter repeated his appreciation of the installation of information plaques outside key buildings to explain the history of the individuals after whom the buildings were named. It was agreed that the suggestion of a plaque regarding Ms Mary Esslemont should be taken forward.

DEVELOPMENT OF THE STRATEGIC PLAN, 2015-2020

The Court received a paper (copy filed with the principal copy of the minutes) which gave an update on the development of the University’s new Strategic Plan (2015-2020) following the Court Strategy Day on 30 September 2014. The Court also received a report on the Operating Board’s consideration of the update.

The Court noted that following the Court’s Strategy Day in September, an intensive period of consultation with University staff had taken place. This had included a series of open meetings and facilitated workshops, augmented by a number of digital communication channels. A number of common themes had begun to emerge from these consultation processes, and these would be explored further before further consultation takes place, which would include the University’s student community and key external stakeholders.

The Court also noted that in parallel to the development of the Strategic Plan a marketing consultancy had commenced a brand development exercise on behalf of the University.

The Court discussed the timeframe for the development of the Plan. It was confirmed that a draft Plan would be presented to Court for discussion in March 2015, followed by a final draft Plan with supporting key performance indicators being presented to Court for its approval on 30 June 2015.
SCOTTISH GOVERNMENT CONSULTATION ON HIGHER EDUCATION GOVERNANCE LEGISLATION

99 The Court received and considered a Scottish Government consultation paper on a Higher Education Governance Bill and a draft response to the consultation from the University (copy filed with the principal copy of the minutes).

100 In discussion, it was noted that the Students’ Association would make its own response to the consultation and while broadly in agreement with the proposed overall response before Court, it was expected to differ with regard to some of the proposals in relation to staff and student representation and gender balance on boards.

101 The Court approved the proposed response to the consultation.

REPORT FROM DEVELOPMENT TRUST

102 The Court received and considered a paper (copy filed with the principal copy of the minutes) which reported on the Development Trust’s performance in fundraising since the last report to Court on 30 September 2014. The paper reported on plans being developed to support the University’s 10 year capital plan through philanthropy and a range of events and future initiatives that were being undertaken to develop further alumni and stakeholder engagement with the University. The paper also reported on work to develop a major new fundraising campaign which was being carried out in partnership with a fundraising consultancy.

103 The Court discussed the recent performance of the Trust and noted that, working with the University, it had exceeded its fundraising target to be achieved by 2015. In discussion, it was noted that fundraising for the Rowett Institute of Nutrition and Health was continuing both in terms of the new building and academic activities within the Institute. In response to a question regarding disbursement of funds from the Trust, it was noted that a funding application from Gaudie had been referred for further information but would be reconsidered once received.

104 The Court discussed the future focus of the fundraising campaign. It was noted that the approach involved responding to the priorities and interests of potential donors as well as promoting University priorities. The Energy building would be a key project and the fundraising plan for the building had moved into a new phase following the recent public announcement of the project. It was also noted that the Trust would continue to work closely with NHS Grampian to support projects of mutual interest. The Court noted that the Trust’s approach included fundraising at all levels of donor, from major gifts to regular giving.

105 The Court discussed the expected timeframe for the launch of the new fundraising campaign. While recognising that appropriate preparations, capacity building and scoping of a new campaign had to be undertaken, the Court also noted that the University would launch a new Strategic Plan in 2015 and had a capital plan which included projects that could be brought forward should additional funding become available. In this context, the Court noted the importance of the fundraising campaign aligning with the University’s strategic priorities. The Court agreed that it should receive a report at its next meeting which set out a plan for the launch of the next fundraising campaign.

ESTATES AND CAPITAL

ACCOMMODATION STRATEGY

106 The University Court received and considered a paper setting out a revised Student Residences Strategy (copy filed with the principal copy of the minutes). The Court also received a report on the Operating Board’s consideration of the Strategy and noted that it had recommended its approval by Court.
The Court noted that the Strategy had been reviewed following increased demand for student accommodation experienced in September 2014, rising demand resulting from the increased cost of the private rental market and further demand expected from the anticipated growth in the University’s student population through to 2019. The Strategy also sought to provide affordable accommodation for students with partners and/or a family, and for returning students when required.

The Court discussed a number of aspects of the Strategy, including the estimation of build costs, the breakage clauses of agreements with private providers, the assumptions underlying the anticipated growth in student numbers and that the Strategy needed to be flexible enough to respond to changing conditions in the local housing market. The Court was also assured that the level of rents proposed for some of the new accommodation would be the subject of further discussion with the Students’ Association.

The Court approved the Strategy and the following proposals within it:

- That detailed consideration would be given to taking forward the proposed development of 199 bed spaces at Hillhead;
- That work continues on the proposed development at Dunbar (as approved by the October 2014 meeting of Operating Board), for the construction of a 193 bed residence focussed on Postgraduate and family type accommodation;
- That potential partnerships with external accommodation partners continue to be explored;
- That the University provides an explicit commitment to retaining control over the pastoral arrangements available in any new residential complex which houses its students;
- That the development of a partnership model is explored with Robert Gordon University, North East Scotland College and external accommodation providers to establish a City-wide Student Accommodation Strategy.

**Ten Year Capital Plan**

The Court received and considered a paper outlining updates to the University's 10 Year Capital Plan (copy filed with the principal copy of the minutes). The Court also received a report on the Operating Board’s consideration of the Capital Plan.

The Court noted that the updated plan included a number of revisions as follows:

- Updated spend profiles and timing of the projects;
- A reduced profile of fundraising, maintaining the overall amount but delaying receipt of funds based on current analysis of the timeframe for the campaign;
- A reduced surplus in 2014/15 to £2M and proposed reduction in 2015/16 to £5M. The Court was reminded it had previously approved a surplus of £7.2M for 2015/16, and this revised target would be confirmed as part of the budget setting cycle). The plan included a reduction in cash generated from surpluses in the early years of the plan in recognition of the slower recovery in income growth projections;
- Reflection of the approved £400k budget to develop the proposal for accommodation at Dunbar. The earlier plan had included a budget of £7.5M to complete the project, but this had not been included in the revised plan with the development of the detailed proposal to be brought forward at a later date;
- Introduction of a proposed budget of £500k to develop proposals for 200 additional undergraduate beds at Hillhead in line with the accommodation strategy being considered separately by Court. The development of the detailed proposal would be brought forward at a later date;
- Delay in the refurbishment of Johnston and Crombie student accommodation buildings as these buildings were required due to the current pressures on student accommodation;
- Introduction of a proposed budget of £2.5M to acquire affordable housing to address accommodation needs of early career research staff and students with families;
• Delays the Taylor bridge link site to a later stage of the plan;
• Bringing forward spend on New King's to ensure it was available before the proposed demolition of Meston and to maintain the required lecture theatres and teaching facilities;
• Reduced budget for the Edward Wright & Taylor buildings, recognising the work already done on these buildings through the capital programme.

112 In discussion, the Court considered potential issues around the University becoming a de facto provider of affordable housing. It was noted, however, that for certain categories of University staff affordable housing was a significant issue and a potential barrier to the University recruiting and retaining early career researchers and postgraduate students with families.

113 The Court noted that the revised Plan resulted in a delay to the modernisation of the Business School and Law School facilities and that these were key areas for growth within the Internationalisation Strategy. It was also noted, however, that the University intended to keep the phasing of projects under review to bring projects forward wherever possible. The Court also discussed the reasons for the delay in the timeframe for the completion of the Student Union centre and agreed the University should, if possible, seek to bring the project closer to the original timetable.

114 The Court noted that the Plan highlighted the need to grow income given rising costs and the need for the Capital Plan and the Development Trust fundraising campaign to be closely aligned.

115 The Court agreed to:
• Approve a budget of £0.5M to develop plans for 200 undergraduate beds at Hillhead, with the detailed plans being brought forward at a later date with funding options;
• Approve a budget of £2.5M to acquire local affordable housing to meet the accommodation needs of early career researchers and students with families;
• Note the updated 10 year plan and give formal approval for the continued delivery of the capital programme following the routine review and revision to cash flow profiles;
• Note the proposed reduction of target surplus in 2015/16 to £5M, to be confirmed as part of the annual budget setting process.
• Note the request from Court to accelerate if possible the delivery of the Student Union Centre.

CORPORATE RISK REGISTER

116 The Court received and considered a paper on the annual review of the University's Corporate Risk Register and a report on changes made to the University's Risk Management Policy and Procedures (copy filed with the principal copy of the minutes). The Court also received a report on the Operating Board's consideration of the Risk Register.

117 The Court noted that the Audit Committee's remit now included Risk Management and that it was reviewing regularly reports on risk and had agreed to dedicate a specific meeting to consider Risk Management issues. The Committee had also received and approved the Internal Audit Review of Risk Management and the Court noted a report on progress with the implementation of the recommendations of that review.

118 The Court approved the Corporate Risk Register and the University's Risk Appetite as defined in the paper.
TRANSMATIONAL EDUCATION

REPORT ON BRANCH CAMPUS SOUTH KOREA

119. The Court received and considered a paper proposing the establishment of a University branch campus in Gwangyang Bay Area Free Economic Zone 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 project and noted that it had recommended approval.

120. The Court noted that the branch campus would be a wholly owned subsidiary of the University of Aberdeen in Korea, but established with the support of KOSORI (The Korean Ship and Offshore Research Institute), the Gwangyang Bay Free Economic Zone (GFEZ), Hadong District and Gwangyang Prefecture. The paper set out in detail the teaching and research activities that the campus would focus on, with recruitment of students commencing from September 2016. At full capacity, the campus would have a population of 75 full-time equivalent (FTE) PGT students (MSc and MBA) and 60 FTE PhD students. In addition, it would deliver short Continuing Professional Development (CPD) courses to meet local industry demand. Teaching would be delivered by 12 FTE teaching staff through a combination of staff based permanently in Korea and flying faculty, including industry professionals, local, UK and international staff, and would be supported by 13 administrative staff based predominantly in Korea but with costs incurred in the UK billed back to the campus.

121. The Court noted the proposal did not require the University to lease or construct premises in Korea as it would have full use of teaching, research and administration facilities owned by KOSORI, including highly specialised state-of-the-art offshore research facilities. The facilities would be rent free for the first four years but the campus would be operating at an arms-length distance thereafter.

122. The Court noted the supporting business plan and that the University would receive funding totalling £700K to support the establishment of the campus and £0.5M per annum for four years from the central Korean Government. In addition to this, the local governments of Gyeongsangnam-do and Hadong-gun will provide a further £0.5M per annum for four years, offering a total funding package of 7.2 billion Korean Won (KRW) over the four years (approx. £4.9M). The project was forecast to meet all costs in full from the fee income generated and funding provided by the Korean government, with losses incurred in early years recovered as student numbers increased and government funding continued. The Court noted the project was expected to break even financially by Year 4.

123. The paper also set out the findings of the due diligence, risk analysis and market research that had been undertaken, together with an exit strategy if required.

124. In discussion, the Court welcomed the proposal. It was suggested that the guarantee required of the University as part of the proposal should be capped rather than being open ended and it was agreed this would be taken forward. It was further agreed that the Court should receive a report on the progress of the project within the first year of its operation.

125. The Court approved the proposal to establish a University campus in the Gwangyang Bay Area Free Economic Zone in Hadong district in South Korea.

ANNUAL ACCOUNTS AND AUDIT REPORTS

126. The Court received the University Group Consolidated Accounts (copy filed with the principal copy of the minutes) for the year to 31 July 2014, which had been considered and approved by the Audit Committee. The Court also received a commentary from the Finance Director which highlighted key audit and accounting issues, and the External Auditor's Report which provided an unqualified audit opinion and which included the Management Letter (copies filed with the principal copy of the minutes).
The Court noted the key points arising from the results included in which were: a historical cost surplus of £11.4m for the year ended 31 July 2014 which was in line with the SFC financial forecast submitted in June 2014; the operating deficit before revaluation reserve release of £6.1m, was £4.6m and included impairments of £1.6m in relation to asset and share revaluations; the management accounts to 31 July 2014 reflected the historic cost surplus of £11.4m, delivering an underlying surplus close to the target of £5m plus exceptional items, having mitigated a significant shortfall in tuition fees in year.

The Court approved the Annual Accounts for the year ended 31 July 2014.

The Court also noted the External Auditor’s Report and Management Letter (copy filed with the principal copy of the minutes)

AUDIT COMMITTEE ANNUAL REPORT

The Court received and approved the Audit Committee’s Annual Report for 2013-14, which would be included in the annual financial reports to the Scottish Funding Council (copy filed with the principal copy of the minutes).

The Court also noted that the Committee was satisfied with the work of the internal and external auditors.

INTERNAL AUDITOR’S ANNUAL REPORT FOR 2013-14

The Court received and approved the Internal Auditor’s Report for 2013-14 (copy filed with the principal copy of the minutes) which would be included in the annual financial reports to the Scottish Funding Council.

OPERATING BOARD REPORT

The Court received a report from the Operating Board meeting on 15 October and 25 November 2014 (copy filed with the principal copy of the minutes), the principal items were:

Financial Planning
- Sales of Shares in Spin-Out Companies
- Insurance Update
- Investment Committee Quarterly Report
- Strategic Business Venture Group Report
- Student Population Update
- Monthly Management Reports

Accommodation
- Update on Student Accommodation (See Minutes 106-109)

Transnational Education
- Medical Campus Sri Lanka

Capital Projects
- Report from Advisory Group on Capital Expenditure
- OneSource Programme Update

College of Arts and Social Sciences
- College of Arts and Social Sciences Report

League Tables
- Update on League Table Performance

Staffing
- Update on Universities Superannuation Scheme Consultation
REPORTS FROM COMMITTEES

AUDIT COMMITTEE

134 The Court noted a report of the principal items of business considered by the Audit Committee at its meetings of 3 October and 4 November 2014 (copy filed with the principal copy of the minutes). In addition, the Court approved the following:

EXTERNAL AUDIT CONTRACT

135 The Court approved a recommendation from the Audit Committee that KPMG be re-appointed as External Auditor to the University, with effect from 1 January 2015, for a period of three years with the option for extension for two further one year periods. The Court noted that the recommendation followed an External Audit Tendering exercise, carried out through APUC (Advanced Procurement for Universities and Colleges).

PARTNERSHIP, NEGOTIATING AND CONSULTATIVE COMMITTEE

136 The Court noted a report of the principal items of business considered by the Partnership, Negotiating and Consultative Committee at its meeting of 19 November 2014 (copy filed with the principal copy of the minutes).

STUDENT AFFAIRS COMMITTEE

137 The Court noted a report of the principal items of business considered by the Student Affairs Committee at its meeting of 20 October 2014 (copy filed with the principal copy of the minutes).

UNIVERSITY COMMITTEE ON TEACHING AND LEARNING

138 The Court noted a report of the principal items of business considered by the University Committee on Teaching and Learning at its meeting of 22 October 2014 (copy filed with the principal copy of the minutes).

ROUTINE BUSINESS

ANNUAL SUSTAINABILITY ASSURANCE REPORT

139 The Court received and approved an Annual Sustainability Assurance Report, which was part of a voluntary reporting scheme being conducted by the Financial Sustainability Strategy Group (FSSG) (copy filed with the principal copy of the minutes). The Court noted that the Return had been reviewed and endorsed by the Operating Board.

REVISIONS TO STANDING ORDERS

140 The Court received and approved proposed revisions to the Court’s formal Standing Orders (copy filed with the principal copy of the minutes), which in accordance with Standing Orders, had been first moved at the previous meeting of Court.

OUTCOME AGREEMENT WITH SFC 2015/2016

141 The Court received an update on the development of the University’s 2015/2016 Outcome Agreement with the Scottish Funding Council (SFC) (copy filed with the principal copy of the minutes).

142 The paper outlined a proposed timeframe and approval process for the further development of the Outcome Agreement which was required to be submitted to the SFC by 4 March 2015. The Court agreed the proposed approval process which included it delegating authority to the Operating Board to approve the final submission of the Outcome Agreement to SFC.
INTERNATIONALISATION POLICY

The Court received and approved a draft staffing Policy on Internationalisation (copy filed with the principal copy of the minutes), which set out the key principles which would be applied whenever members of University staff undertook work overseas for periods between 4 weeks and 5 years.

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 5 November 2014. In addition, the Court considered the following items of business referred to it:

Reaccreditation of the University of the Highlands and Islands

The Court, on the recommendation of Senate, approved the reaccreditation of the University of the Highlands and Islands (UHI) to deliver research degrees, for a period of a further 5 years.

DRAFT ORDINANCE FOR EXTENSION OF UNIVERSITY POWERS AND UPDATE ON COMPOSITION OF COURT ORDINANCE

The Court received a paper which proposed a draft Ordinance to extend the University’s powers to allow the establishment of any University of Aberdeen campus overseas (copy filed with the principal copy of the minutes).

The Court approved the draft Ordinance [Amendment to the Powers of the University Court] for further consultation with the Senate and the General Council, and public display within the University for the statutory period.

The Court also noted an update on the development of an Ordinance to implement the changes to the size and composition of Court approved by Court in July 2014.

ABERDEEN UNIVERSITY STUDENTS’ ASSOCIATION (AUSA) PARTNERSHIP/RELATIONSHIP AGREEMENT

The Court received and endorsed a report on the ongoing discussions between the University and AUSA in relation to the development of a Partnership/Relationship Agreement (copy filed with the principal copy of the minutes).

UPDATE ON USS CONSULTATION

The Court received and noted an update on the current position in respect of the Universities Superannuation Scheme (USS) Consultation and the related Industrial Action by the University and College Union (UCU) (copy filed with the principal copy of the minutes).

ANNUAL REPORT ON REDUNDANCY ACTIVITIES

The Court noted a report on the management of redundancy activities undertaken by Human Resources for the period 1 December 2013 to 30 November 2014 (copy filed with the principal copy of the minutes).

FINANCIAL MANAGEMENT REPORT

The Court noted the Management Accounts and Reports for the period to 31 October 2014 (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 24 March 2015 at 9.00am.

I confirm that these Minutes were approved by Court as an accurate record of the meeting to which they relate.

[Signature]

Senior Governor

Date Approved
24.03.2015