THE FOLLOWING PAPERS HAVE BEEN REMOVED ON THE GROUNDS OF CONFIDENTIALITY:

Item 5.1 Future Composition of Court (CT15-16:45)
Item 6.1 Budgets for 2016/17 to 2019/20 (CT15-16:47)
Item 7 Future Strategic Direction of the Business School (CT15-16:50)
Item 14.5 University and the European Union (CT15-16:56.5)
Item 14.7 Development Trust Activity (CT15-16:56.7)

THE FOLLOWING PAPERS HAVE BEEN REDACTED ON THE GROUNDS OF CONFIDENTIALITY:

Item 6.2 Capital Investment Programme for King’s College Campus (CT15-16:48)
There will be a meeting of the UNIVERSITY COURT on Tuesday 28 June 2016 at 9.00am in the Linklater Rooms, Elphinstone Hall.

Mr B Purdon  
Secretary's Office  
Tel: (01224) 273949  
Email: b.purdon@abdn.ac.uk

**BUSINESS**

**DECLARATION OF INTEREST:**
Any member or individual in attendance (including officers) who has a clear interest in a matter on the agenda must declare that interest at the meeting.

**Note:** The papers within each section of the agenda are colour-coded as follows:  
For Discussion: white; Not for Discussion: fawn

**BUSINESS FOR DISCUSSION**

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
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<tbody>
<tr>
<td>9.00am</td>
<td>PRESENTATION: ABERDEEN FUNGAL GROUP AND MEDICAL RESEARCH CENTRE FOR MEDICAL MYCOLOGY</td>
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| 9.30am| MINUTES  
*Note:* An Action Log is enclosed with the Minutes |
| 9.30am| HEALTH AND SAFETY  
3.1 Reports on Accidents and Incidents |
| 9.45am| STANDING REPORTS  
4.1 Report from the Rector  
4.2 Report from the Senior Governor  
4.3 Report from the Principal  
4.4 Report from the President of the Students’ Association |
| 10.00am| GOVERNANCE  
5.1 Future Composition of Court  
*Strictly Confidential*  
5.2 Establishment of an Election Process for Role of Senior Governor |
| 10.30am| Coffee |
| 10.45am| FINANCE AND CAPITAL PLANNING  
10.45am 6.1 Budgets for 2016/17 to 2019/20  
*Strictly Confidential* |
| 11.00am| 6.2 Capital Investment Programme for King’s College Campus  
CT15-16:48 |
| 11.15am| 6.3 Impact of FRS 102  
CT15-16:49 |
7  11.30am  FUTURE STRATEGIC DIRECTION OF THE BUSINESS SCHOOL  CT15-16:50
8  12noon  SOUTH KOREA BRANCH CAMPUS  CT15-16:51
9  12.10pm  REMUNERATION COMMITTEE: SENIOR STAFF PAY  CT15-16:52
10 12.20pm  BUSINESS FOR EXTENDED MEETING OF COURT  CT15-16:53
11 12.30pm  NON-EXECUTIVE MEMBERS MEETING

12.45pm  AT THIS POINT THERE WILL BE A SHORT BREAK AND AN OPPORTUNITY TO TAKE LUNCH.

1.15pm- 1.45pm  COLLABORATION WITH CURTIN UNIVERSITY: DISCUSSION WITH THE VICE-CHANCELLOR OF CURTIN UNIVERSITY

BUSINESS NOT PROPOSED FOR DISCUSSION

MEMBERS ARE REMINDED THAT THEY CAN RAISE THESE ITEMS FOR DISCUSSION AND TO DO SO BY ADVISING THE CLERK ONE CLEAR WORKING DAY IN ADVANCE OF THE MEETING

12  OPERATING BOARD REPORT  CT15-16:54
13  COMPOSITE REPORT FROM COURT COMMITTEES AND JOINT COMMITTEES OF COURT AND SENATE  CT15-16:55
14  ROUTINE BUSINESS NOT PROPOSED FOR DISCUSSION  CT15-16:56
15  DATE OF NEXT MEETING AND MEETINGS FOR 2016/17: Tuesday 4 October 2016 9am to 4pm, preceded by Dinner on Monday 3 October 2016, at 7pm.

Tuesday, 6 December 2016  9.00 – 1.00 pm
Tuesday, 28 March 2017  9.00 – 1.00 pm
Tuesday, 27 June 2017  9.00 – 1.00 pm

Court Lunches 1.00 – 2.00 pm 6 December 2016, 28 March 2017 and 27 June 2017
UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
Minutes of meeting held on 22 March 2016

Present: Ms M Chapman (in the Chair), Principal, Sir Moir Lockhead, Professor A Akisanya, Mr A Arthur, Professor C Black, Professor N Booth, Professor C Brittain, Miss G Clarke, Mr C Duncan, Mr J Hall, Professor P Hannaford, Professor S Heys, Professor J Kilburn, Cllr J Laing, Mr D MacFarlane, Professor P McGeorge, Cllr R McKail, Mrs K McPhail (by teleconference), Ms A Minto (by teleconference), Mr K Murray, Dr N Oren, Mr B Paterson, Mrs J Shirreffs, and Mr D Steyn (by teleconference).

In attendance: Mr C Anucha, Miss M Burgoyne, Mr D Beattie, Mr A Donaldson, Mrs D Dyker, Mr L Forsyth, Mrs C Inglis, Dr H Sveinsdottir (for minutes 177-181 and 209-213), Professor Seth Kunin (for minutes 177-184), Ms S Richardson (for minutes 177-181), Very Rev Professor I Torrance and Mr B Purdon (Clerk)

Apologies for absence were received from Mr D Haywood, Professor N Hutchison and Mr B Pack.

PRESIDENT (ELECT) OF THE STUDENTS’ ASSOCIATION

155 The Rector congratulated Mr C Anucha, President (Elect) of the Students’ Association on his election to the role and welcomed him to the meeting as an observer.

DECLARATIONS OF INTEREST

156 The following declarations of interest were noted:

    Mr A Arthur – Officer of the University of Aberdeen Branch of the University and College Union (UCU).
    Mr B Paterson – Officer of the University of Aberdeen Branch of Unite the Union;

PRESENTATION ON CITY AND REGION DEAL

157 The Court received a presentation on the City and Region Deal from the Principal. The presentation highlighted the key features of the Deal for the City and Region, its objectives and its governance arrangements. Within the Deal there were a number of key areas of focus:

- Oil and Gas;
- Agriculture, Food and Drink;
- BioPharmaceuticals;
- Digital/Big Data; and
- Tourism.

158 The Court noted that the University was engaged in the first four of these areas and was committed to making these a success, working in partnership with Industry and the Robert Gordon University. As part of the Oil and Gas area, a key project would be the establishment of an Oil and Gas Technology Centre, which might be located in the harbour area of Aberdeen. It was anticipated that the University’s academic expertise would have a significant opportunity to contribute to the work of that Centre and to benefit from access to the new facilities it provided. In this context, the University was keeping under review plans for a new Energy building on campus.

159 In further discussion, it was agreed that the Deal was an exciting but vital initiative for the longer term future of the City and Region to which the University, therefore, needed to contribute. As such it also offered the University significant opportunities, including the forging of new or stronger links with industry. In this respect, it was suggested that Court members should
consider how their own networks might be used to support the University's engagement with Industry. It was confirmed that the challenge of climate change facing the Energy sector would be one of the issues to be addressed through the Deal. The importance of the Deal to many of the other issues facing the University, such as its Digital Strategy, was noted. The Court also discussed the need for effective academic engagement with the project.

160 The Court agreed that as the City and Region Deal progressed it should receive, at appropriate points, updates on the University’s engagement with the project.

MINUTES

161 The Minutes of the meeting held on 8 December 2015 were approved.

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

HEALTH AND SAFETY

UPDATE ON ACCIDENTS AND INCIDENTS

163 The Court received and considered a paper (copy filed with the principal copy of the minutes) which provided details of four incidents. The Court also received a report of the Operating Board’s consideration of the incidents which were:

- A technician in the School of Geosciences had suffered hydrofluoric acid contamination to their hand;
- A student with additional support needs had become agitated during an exam;
- A member of staff slipped and fell on entering a building and suffered a fracture to her elbow (the accident had been reportable to the Health and Safety Executive); and
- A staff member was involved in a road traffic collision while on University business.

164 The Court noted the follow up actions, where required, that had been taken to address any lessons learnt from the respective incidents.

165 The Court noted that a second ‘Health and Wellbeing Day’ would be held for staff based at Foresterhill in April. The Court also noted that all members of the Senior Management Team had undertaken a safety leadership course and were now undertaking regular safety tours in areas related to their respective roles.

STANDING REPORTS

REPORT FROM THE RECTOR

166 The Rector congratulated the Sabbatical Officers of the Students’ Association on winning the National Union of Students (Scotland) ‘Sabbatical Officer Team’ of the year award.

REPORT FROM THE SENIOR GOVERNOR

167 The Senior Governor introduced his report to Court (copy filed with the principal copy of the minutes).

168 The report provided Court with an update on the progress of the Higher Education Governance Bill in Parliament and the further lobbying of the Scottish Government that had been undertaken by the Committee of Scottish Chairs in this regard.

REPORT FROM THE PRINCIPAL

169 The Principal introduced his written report (copy filed with the principal copy of the minutes) on recent developments within the University.
170 The Principal noted that the University had recently been ranked 37th in the Times Higher Education Supplement (THES) listing of the top 200 ‘most international universities’. The Principal further reported that the University’s position in another THES survey, on student experience, had been less strong. This was primarily down to the survey’s questions on the Student Union facilities and affordable campus retail facilities. It was noted that achieving a better rating in these would have resulted in the University being amongst the Top 20 universities in the UK. It was noted that the Students’ Association was continuing to develop a business case for a new student union building/facility.

171 In addition to research grant successes noted in the report, the Principal reported further on more recent grant successes in the College of Life Sciences and Medicine that amounted to £2M. The Principal also reported on work to enhance the profile and leadership of equality and diversity across the University and the continuing progress of fundraising being led by the Development Trust. In discussion, it was agreed that the Court would as part of the next update report from the Development Trust receive information on the fees of its investment fund managers.

172 In discussion, it was noted by Councillor McKail that the Principal had recently addressed the Aberdeenshire Council on developments in the University and that this had been very well received.

**REPORT FROM THE PRESIDENT OF THE STUDENTS’ ASSOCIATION**

173 The President of the Students’ Association introduced her written report *(copy filed with the principal copy of the minutes)* on the recent activities of the Aberdeen University Students’ Association (AUSA), which included a range of activities in support of student wellbeing, academic representation for students, and the success of Raising and Giving (RAG) week.

174 The Court noted that following the identification of internal governance issues, AUSA’s Trustee Board had terminated the employment of their Chief Executive. AUSA had also undertaken a review of its democratic structures, moving from seven sabbatical officers to five to enable appropriate support staff to be put in place to provide more effective support to elected officers. AUSA was also in the process of reviewing its constitution, which following consideration by the student community would be brought to a future meeting of the Court for ratification.

175 The Court discussed the cancellation of the Torcher Parade and the reasons for this. It was noted that AUSA and the City Council were committed to working together to ensure the event could take place in 2017.

176 The Court discussed the report’s statistics on student wellbeing and noted that the recent death of a student was a tragic reminder of the importance of pastoral support for students. The Court noted that these were issues that the University Student Support services worked closely with the Students’ Association on and which were now also part of the remit of the Director of Health, Safety and Wellbeing. It was also agreed that the University would consider how it should communicate with Court members regarding such incidents.

**TRANSNATIONAL EDUCATION**

**REPORT ON KOREA BRANCH CAMPUS**

177 The Court received a paper *(copy filed with the principal copy of the minutes)* which provided an update on the proposed Korea Campus Project together with a report on the Operating Board’s earlier consideration of the project, including a copy of a report on the risks and liabilities of the project.

178 The Court noted that in late February the University received a request from the Ministry of Education (MoE) that the financial plan be revised. Key changes requested included (i) that CPD income be excluded from the financial plan as there had been delays to the revision of legislation in Korea relevant to CPD delivery; and (ii) that research funding be excluded from
financial plans in Year 1 of operation as the University would only start applying for research funding upon establishing the campus and applications were likely to take up to one year to be approved.

179 As a result, the University had decided that the financial plan could not on this basis be taken forward and further discussions were therefore held with Korean governmental partners in early March based around more prudent financial scenarios. Following this, Korean local government partners had indicated they would be willing to underwrite the estimated £2.5M shortfall in the most pessimistic of these financial scenarios, through a legally binding agreement, subject to the University approving such a business case by April 2016 to allow Korean partners to meet their timeframe for the project.

180 In discussion, the need for a clear statement of the benefits to the University of the project for consideration by Operating Board was noted. It was also noted that the University had reached a stage with the project where, given the continuing amount of staff time being dedicated to the project, agreement on a viable way forward was essential in order for further staff involvement in the project to be justified.

181 The Court agreed to delegate the final decision on the project to the Operating Board when it next meets on 21 April 2016, provided that the financial plan as set out in the revised paper had not been altered in any significant way and that a legally binding confirmation was received from the Korean government regarding the underwriting of the deficit of £2.5M.

COLLABORATION WITH CURTIN UNIVERSITY

182 The Court received an oral report from Professor Kunin on discussions that had taken place with Curtin University regarding the potential for future institutional collaboration across a number of academic areas. Professor Kunin also declared an interest as he had recently been appointed as Deputy Vice-Chancellor of Curtin University and would take up post from April 2016.

183 The Court noted that discussions were focused around academic collaboration in Subsea Engineering, Health Sciences and Creative Writing. The potential establishment of a Global Energy Institute with Curtin University was also part of discussions, together with trans-national programmes and joint projects and potential new opportunities for student study abroad in Asia.

184 The Court thanked Professor Kunin for the report and for his significant contribution to the University during his time as Vice-Principal.

GOVERNANCE

REPORT ON THE GOVERNANCE BILL

185 The Court received a paper (copy filed with the principal copy of the minutes) which summarised the main proposals of the Higher Education Governance (Scotland) Bill which had been passed by Parliament on 8 March 2016. The paper also summarised to what extent key issues of concern to the Court regarding the Bill, as first introduced to Parliament in 2015, had or had not been addressed through amendments.

186 The Court noted that the Bill had been amended in such a way that it largely addressed the University’s previous concerns regarding: the potential for reclassification as a government body by the Office of National Statistics (ONS) and/or loss of charitable status; restrictions on the overall size of the Senate; and the scope for future Ministerial involvement in the detailed governance of the University through the use of new powers subject only to secondary legislation.

187 The Court noted, however, that the Bill had also been amended to specify that there be election of Senior Governors and, with the exception of removing a section on there being a limit on the numbers of graduate association members, the Bill’s provisions on the composition of
governing bodies, including issues that were of concern to Court such as trade union membership, remained unchanged from the draft Bill as first introduced.

188 The Court noted that the existing statutory role of the Rector was unchanged by the Bill. As a consequence of this, and the introduction of election of Senior Governors, there would, once the resulting Act came into force, be at Aberdeen an election by students of the Rector and an election of the Senior Governor (who would continue to be responsible for the leadership and effectiveness of the Court) by students, staff and members of the Court.

189 In discussion, it was confirmed that the Act would come into force at a date that had yet to be agreed by Scottish Ministers. The current Scottish Government had previously stated that it envisaged there being a four year transitional period for universities to amend their governance arrangements to comply with the Act but that further information on whether that applied to all or only some aspects of the Act had yet to be made available and would need to be confirmed by the next Scottish Government following the Scottish Parliament elections.

190 It was also confirmed that, if requested by a Senior Governor, the Act required the University to give consideration to remuneration for the position but that it would be a matter for the Court to determine whether that was appropriate and at what level.

**REPORT FROM THE WORKING GROUP ON FUTURE COMPOSITION OF COURT**

191 The Court received a paper (copy filed with the principal copy of the minutes) that set out a first report from the Working Group on the Future Composition of the Court. The Group had recently been established by the Governance and Nominations Committee in light of the changes to the composition of governing bodies that would be required by the Higher Education Governance (Scotland) Act.

192 The paper proposed to Court a first set of principles that would form the basis for the development of its future composition and membership, taking into account the expected requirements of the new Bill. These were:

1) That Court should have a majority of members who are independent of any vested interest in the University;
2) That Court should aim to reflect the diversity of the University community of students and staff it governs, and should therefore target a 50:50 gender balance and a greater ethnic and geographical diversity than at present;
3) That the composition of Court should enable the appointment of members who have the requisite mix of skills and experience to allow Court to fulfil its responsibilities for the effective strategic leadership of the institution and oversight of the management of the University; and
4) That a composition that was significantly smaller than at present would be to the benefit of the effectiveness of Court.

193 Subject to Court’s agreement of these principles, the Group further proposed that Court give consideration to a potential composition of 17 members with flexibility for this to be increased in size to 20 if and when the skills and diversity mix of independent members on Court were to require it.

194 The Court noted that in developing the paper, the Group had taken particular note of the current gender imbalance on Court and also of the need for Court to reflect the diversity of the University community which it governs. As such, the Group had noted that as part of any proposals for a new composition of Court, where there were members who were not appointed by the Court itself, further consideration would need to be given as to how the processes for electing or appointing members of Court ensured they supported the principles outlined above.
There followed an extended discussion, the principal points of which were:

- Members expressed differing views on the need for Court to be as small as 17 and the benefits this might bring, although the need to reduce in size to align with the Scottish Code of Good HE Governance recommended maximum of 25 was accepted;
- Some members felt that the breadth of constituency representation that was currently provided for by the Court’s composition was valuable and should be retained;
- It was suggested that a significant reduction of Vice-Principal members would render the Court less able to hold the executive to account;
- Some members highlighted the importance of Senate Assessor representation as the academic voice in the governance of the University and also noted that although the Act required trade union membership of Court, a significant number of staff were not members of trade unions;
- It was noted that Aberdeenshire Council valued their Assessor representation on Court and that they did not consider officer level engagement to be a substitute for Councillor level engagement. The City Council, while valuing their links with the University through Court, recognised both the strong partnership working that existed between senior officers of the University and the Council and the overall need for Court to review its size and composition given the changes necessitated by the Act. In further discussion, it was noted that there would be no reason why the Court could not choose to appoint a Council Member to one of the appointed independent positions should the Court decide to not retain the two Assessors specifically provided for in its current composition.

The Court agreed:

(i) to approve the proposed set of principles as a basis for the development of a future composition of Court, with the exception of Principle (4) above on which there were diverse views. It was agreed, however, that Court needed to align with the requirements of the Scottish Code of Good HE Governance in respect to its size.
(ii) That the Group should develop further proposals taking account of the discussion and any further comments that members wished to contribute directly to the Convener.

FINANCE

UPDATE ON FINANCIAL OUTLOOK AND BUDGETS FOR 2016/17

The Court received a paper (copy filed with the principal copy of the minutes) on the Financial Outlook for 2016/17 and the development of budgets for 2016/17.

The Court noted that a number of factors would impact negatively on the University’s financial position. The Scottish Funding Council had confirmed in late February that, in 2016/17, the University would receive 3.9% less revenue than in 2015, a figure in line with most research-led universities in Scotland. Accompanying this reduction in SFC funding were other budgetary challenges previously intimated to Court, including the increase in USS employer pension contributions, the increase in National Insurance contributions, the Apprenticeship levy and the potential for a national pay award higher than had been budgeted for.

The Court noted a summary of the budget position of Schools following the development of first draft budgets. Work continued on income generation, largely through student recruitment and some growth had been built into the draft 2016/17 School budgets. Progress in delivering savings had also been made, with the Staffing Strategy and Sustainability Plan having delivered savings of £8.6m and the Professional Services Review on target to deliver further savings and cost reductions.
200 Detailed planning was, however, continuing with those Schools who faced very significant deficits that might not be resolved by income generation and may require staff savings through the Court approved JCCRA process. Further discussion with those Schools to determine savings and income growth strategies would continue and would be subject to consultation within the school and, where necessary, regarding the use of approved JCCRA processes. Savings of £2 million were anticipated in 2016/17 which in the first instance would assist in achieving the savings targets already built into the school budgets. The medium term target would be to bring these schools closer to a cost neutral position.

201 In discussion, a number of members noted that a £2M surplus was in effect a ‘break even’ budget and that this would not be sustainable over the longer term or sufficient to meet the investment necessary to deliver the University’s strategic ambitions. The potential for further reductions in public funding beyond 2016/17 was also noted.

202 The issue of national pay bargaining was discussed and it was noted that one future model might be for a Scottish rather than UK system of national bargaining.

203 The Court agreed that it was important that there be clear communication with staff in Schools regarding their financial position and any how any issues were to be addressed.

204 The Court agreed to approve, in principle, a reduction in the University surplus for 2016/17 to an indicative level of £2 million and that further work was completed as follows:-

- The University would consider its position on national pay bargaining;
- Continued refinement of student numbers for international growth and on higher level apprenticeships;
- Complete a review of the schools with significant deficits that may not be resolved by income generation alone and where further staff savings may be required;
- Complete the Professional Services review and identify the associated budget implications;
- Recommend, via the Operating Board, the University budget, the proposed target surplus and the impact upon the 10 year plan; including details of the respective School positions; and
- Complete budgets for the lifespan of University’s strategic plan, caveated by the unknowns of SFC funding.

205 The Court also, agreed, however, that prior to Court approving budgets for 2016/17 the Operating Board should also consider alternative budget proposals, that would deliver a significantly greater surplus which was more consistent with the level necessary to be financially sustainable and what the practical implications of that would be.

**UNIVERSITY BONDS**

206 The Court received a paper which examined the increased use of bond issues and placements by universities, particularly in England, over the past 5 years. The Court also received a report of the Operating Board’s consideration of an earlier version of the paper which had recommended further work be undertaken on the potential use of bonds by the University.

207 In discussion, it was noted that while the University was, relative to many other universities, lowly-gear, its surplus and cash generation was also relatively lower. The need for long-term planning and the necessary rate of return for the use of bonds, which could relate to capital and non-capital projects, was also noted. Given the current challenging environment for public funding of higher education and the wider challenges of income generation in the current economic climate, a number of members were supportive of further consideration being given to the option of bonds as a means of securing investment to generate future income growth.
208 The Court, therefore, endorsed the recommendation of the Operating Board that further work be undertaken on the option of Bonds and that discrete projects should be identified that might be suitable for bond financing including an evaluation of the rate of return on investment.

SFC OUTCOME AGREEMENT 2016/17

209 The Court received a paper which set out the University’s proposed Outcome Agreement to 2016/17 (copy filed with the principal copy of the minutes) for submission to the Scottish Funding Council (SFC).

210 The Court noted that submission of the Outcome Agreement was originally due by 1 March 2016 and that it had previously agreed to delegate approval of the Agreement to the Operating Board. However, the publication, on 19 February, of the latest SFC funding announcements necessitated a reworking of the Outcome Agreement and the University was therefore invited by SFC to delay the submission to take account of these. To accord with the revised timetable for submission to SFC, the Court was now being invited to approve the Agreement.

211 The Court noted that the 2016/17 Outcome Agreement would be the last in the SFC’s current three year cycle (2014-2017), but that SFC guidance had not changed substantially from the previous year. The 2016/17 Agreement did differ from previous years in two key aspects: institutions were being asked to report more specifically on gender and on students who had had experience of care, and this was being reflected in the University’s submission. The Court, therefore, noted that the key changes were:

- Funding for the fourth tranche of additional funded places for widening access had been cut for 2016/17, but additional funded places would be offered for Medicine;
- Funding for the fourth tranche of additional funded places for college articulation had been cut for 2016/17; and
- Funding for additional places under the undergraduate ‘Skills for Growth’ programme had been altered, allowing for 50% funding from SFC but only where universities had secured matched industrial funding.

212 In discussion, it was noted that the University continued to highlight to SFC the low number of postcode areas in the North of Scotland that met the Scottish Government definition of areas that a widening access ‘student’ might be recruited from and the implications this had for the perceived performance of the University in widening access. The Court also noted that the recent Widening Access Commission report for the Scottish Government had recommended that new targets for the number of widening access students be set for 2020 and 2025.

213 The Court approved the Outcome Agreement to 2016/17 for submission to SFC.

REMUNERATION COMMITTEE: SENIOR STAFF PAY POLICY 2016

214 The Court received a paper outlining a recommended Senior Staff Pay Policy from the Remuneration Committee (copy filed with the principal copy of the minutes). The paper also included a proposed amendment to the composition and membership of the committee.

215 The Court approved the recommendation of the Committee that a fund of up to £100k be set aside to recognise, reward and incentivise senior members of staff. The process this year would be focused on addressing gender differentials, providing an opportunity for evidence based exceptional contribution to be recognised and to ensure there was a sufficient resource to address retention cases that may arise. The Court noted that there were 269 professorial and senior non-academic staff (grade 9) that would be eligible for consideration under the policy.

216 The Court noted that in 2015 the Remuneration Committee invited a Student Representative (AUSA President) and a Staff Representative (non-academic staff representative from Court) to meetings of the Committee on an in attendance basis. It was now proposed that these representatives were confirmed as full members of the Committee to further demonstrate the
transparent approach adopted in relation to Senior Staff Pay awards. The proposal had been endorsed, through Convener’s action by the Chair of the Governance and Nominations Committee. The Court approved the proposed amendment to the composition of the Committee to include as members the President of the Students’ Association and a non-executive staff member of Court, which for the remainder of 2016 would be Ms G Clarke and Mr B Paterson respectively.

REPORT ON DIGITAL STRATEGY

217 The Court received a paper and presentation outlining the University’s Digital Strategy (copy filed with the principal copy of the minutes). The paper set out the competitive imperative for the University that it pursue a digital transformation in all aspects of its operation and details of what it intended delivering in each of the following five main strands:

- world class learning and student experience;
- supporting research excellence;
- our people;
- engaging with the world; and
- use of data;

218 In discussion, the Court welcomed the strategy and its ambition while also noting that a digital transformation was in large part about changing the way the University operated as an organisation and was not simply an ‘IT project’. In this regard, the Court discussed the significant degree of additional financial investment in technology and staff, as well as senior management commitment and time, that the achievement of a digital transformation would require. The Court discussed the level of spending being made in other leading universities on digital transformation and how the University would deliver sufficient investment given the current financial constraints on budgets and competing priorities. It was also noted that the University had in its academic staff a range of digital and computing science expertise which it should draw upon as it took the strategy forward. The Court also noted the importance of ensuring that all staff received appropriate training, in particular staff who were not in roles where the use of IT was routine but which would be required to access key University IT systems in the future.

219 The Court agreed that this was a significant strategic issue for the future success of the University and that due to the limited time that had been available it should dedicate further time to considering the implications of the digital strategy for the University and the risks within its implementation.

OPERATING BOARD REPORT

220 The Court received a report summarising items considered at the meetings of the Operating Board held on 25 January and 1 March 2016 (copy filed with the principal copy of the minutes). The principal items of the report that were noted by the Court were:

- Financial planning;
- Student admissions and Project 500;
- The University’s Outcome Agreement with the Scottish Funding Council 2016-17;
- The Athena Swan Action Plan;
- Staffing matters, including the Board’s consideration of reports on the Staff Survey;
- Reports from the Capital Programme Management Committee and a report on the progress on the OneSource project; and
REPORTS FROM COMMITTEES

GOVERNANCE AND NOMINATIONS COMMITTEE

221 The Court noted a report of the principal items of business considered by the Governance and Nominations Committee at its meeting on 25 January 2016 (copy filed with the principal copy of the minutes). In addition the Court approved the following:

222 On the recommendation of the Committee, two nominations for the ‘Benefactor to the University Award’ to be made to Professor D Ogston and Miss M Carlaw.

223 On the recommendation of the Committee, that an externally facilitated review of Court’s effectiveness should be taken forward and that the Committee develop the terms of reference for such a review.

224 The Court also noted that that following the nominations process for two General Council Assessor to Court positions that would be available from 1 October 2016, two nominations had been received from Mrs Shirreffs and Mr Percival. As there were only two nominations for the two positions, an election of General Council members was not required and Mrs Shirreffs and Mr Percival were appointed with effect from 1 October 2016 for a term of four years respectively.

PARTNERSHIP, NEGOTIATING AND CONSULTATIVE COMMITTEE

225 The Court noted a report of the principal items of business considered by the Partnership, Negotiating and Consultative Committee at its meeting on 24 February 2016 (copy filed with the principal copy of the minutes). In addition the Court approved the following:

- Amendments to the Sickness Absence Management Procedure; and
- Mobile Phones and Driving Policy. It was noted, however, that the policy available on the Court Intranet was incorrect in one respect and that the correct version approved by the Committee had included an amendment to clarify that the policy applied “while driving on University business”. The Court noted and approved the Policy as amended.

AUDIT COMMITTEE

226 The Court noted a report of the principal items of business considered by the Audit Committee at its meetings on 21 January 2016 (copy filed with the principal copy of the minutes).

RESEARCH POLICY COMMITTEE

227 The Court noted a report of the principal items of business considered by the Research Policy Committee at its meeting on 8 December 2015 and 4 February 2016 (copy filed with the principal copy of the minutes).

STUDENT AFFAIRS COMMITTEE

228 The Court noted a report of the principal items of business considered by the Student Affairs Committee at its meeting on 15 February 2016 (copy filed with the principal copy of the minutes).

UNIVERSITY COMMITTEE ON TEACHING AND LEARNING

229 The Court noted a report of the principal items of business considered by the University Committee on Teaching and Learning at its meeting on 14 January and 23 February 2016 (copy filed with the principal copy of the minutes).
RESOLUTION TO ESTABLISH A CHAIR IN NAME OF JOHN NISBET

230 The Court received a proposal that it establish a John Nisbet Chair of Education within the School of Education (copy filed with the principal copy of the minutes) and approved a draft Resolution for consultation with the Senate, General Council, and for public display within the University for the statutory period in accordance with the Universities (Scotland) Act 1966.

SENATE REPORT

231 The Court noted a report of the principal items of business considered by the Senate at its meeting of 3 February and 9 March 2016 (copy filed with the principal copy of the minutes).

The Court, on the recommendation of the Senate, approved revisions to the University’s Policy and Procedures on Student Appeals.

232 The Court also noted reports on the Senate’s consideration of:
- the University of Aberdeen Korea Campus Resolution regarding operational and governance arrangements;
- the Senate Effectiveness Review;
- discussions regarding Key Performance Indicators that had been established to support the Strategic Plan. The Court noted that a paper from some Senators had argued that some KPIs were inappropriate and should be removed. The Court noted that the Senate had noted the approval of KPIs was a matter for Court but that it had agreed to establish a Senate Working Group to consider KPIs. This group could make proposals for Senate to consider which, if supported, would be passed to Court for their consideration;
- discussions regarding Academic Line Management; and
- discussion regarding moderation of assessment.

REPORT FROM THE DEVELOPMENT TRUST

233 The Court received a paper detailing the Development Trust’s performance since its last report to Court on 8 December 2015 (copy filed with the principal copy of the minutes).

FINANCIAL MANAGEMENT REPORT

234 The Court noted the Management Accounts and Reports for the period to 31 January 2016 (copy filed with the principal copy of the minutes).

DATE OF NEXT MEETING

235 The Court noted that the next meeting would be held on Tuesday 28 June 2016 at 9am.
UNIVERSITY COURT: LOG OF FOLLOW UP ACTIONS FROM COURT MEETINGS

<table>
<thead>
<tr>
<th>Court Date</th>
<th>Minute Ref</th>
<th>Action Arising</th>
<th>Action By:-</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2015</td>
<td>129</td>
<td>Internationalisation Update</td>
<td>Clerk</td>
<td>Complete: Included in the agenda for the June meeting of Court.</td>
</tr>
<tr>
<td>March 2016</td>
<td>171</td>
<td>Development Trust</td>
<td>Clerk</td>
<td>Complete: Included in the Development Trust Report to June Court</td>
</tr>
<tr>
<td>March 2016</td>
<td>204-205</td>
<td>Financial Outlook and Budgets for 2016/17</td>
<td>Senior Vice-Principal/Director of Finance</td>
<td>Complete: A Budget Paper is included in the June Court papers. A further report on Strategic Priorities and the delivery of greater surpluses is discussed in the Principal’s Report in June Court papers.</td>
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</table>

The Court noted that the programmes offered by the Business School would have a significant contribution to make to international student recruitment in key markets. In this regard, the Court agreed that it should receive a presentation on the Business School and its plans for future development.

It was agreed that the Court would as part of the next update report from the Development Trust receive information on the fees of its investment fund managers.

The Court agreed to approve, in principle, a reduction in the University surplus for 2016/17 to an indicative level of £2 million and that further work was completed as follows:-

- The University would consider its position on national pay bargaining;
- Continued refinement of student numbers for international growth and on higher level apprenticeships;
- Complete a review of the schools with significant deficits that may not be resolved by income generation alone and where further staff savings may be required;
- Complete the Professional Services review and identify the associated budget implications;
- Recommend, via the Operating Board, the University budget, the proposed target surplus and the impact upon the 10 year plan; including details of the respective School positions; and
- Complete budgets for the lifespan of University's strategic plan, caveated by the unknowns of SFC funding.

The Court also, agreed, however, that prior to Court approving budgets for 2016/17 the Operating Board should also consider alternative budget proposals, that would deliver a significantly greater surplus which was more consistent with the level necessary to be financially sustainable and what the practical implications of that would be.

<table>
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<th>Description</th>
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<td>March 2016</td>
<td>219</td>
<td><strong>Digital Strategy</strong></td>
<td><strong>In progress</strong>: Scheduled to be a session at the extended meeting in October.</td>
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<td></td>
<td></td>
<td>The Court agreed that this was a significant strategic issue for the future success of the University and that due to the limited time that had been available it should dedicate further time to considering the implications of the digital strategy for the University and the risks within its implementation.</td>
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List of completed items available on Court Intranet or on request from the Clerk.
CONSIDERATION BY OPERATING BOARD

1.1 In May, the Board received a paper giving an update on four Health and Safety incidents and the actions taken in response to these. The reported incidents were as follows:

- A member of staff slipped and fell on ice at the old Rowett site
- The Meston Building was evacuated due to a strong noxious smell similar to that of gas
- A student caused a release of carbon dioxide in a laboratory
- A fire in the Chaplaincy, which appeared to be a deliberate act.

1.2 In June, the Board received reports of a further two incidents:

- A member of staff working in Malaysia contracted a water borne parasite.
- A fire incident occurred in St Mary’s building that appeared to be a deliberate act.

1.3 The Board noted that the Director of Health, Safety and Wellbeing had identified learning points from the incidents and that further work was ongoing to address the issues raised.

1.4 In June, the Board received a paper reporting the death of a student on campus in March 2016. The Board noted that the death was deemed to be non-suspicious and suicide. It was reported that the incident had been handled very sensitively, sympathetically and professionally and that support continued to be offered to those affected. It was agreed to receive a report from the University’s Mental Health Working Group at the next meeting of the Board on the approach being taken to support student and staff wellbeing in this regard.
UPDATE ON ACCIDENTS AND INCIDENTS

1. EXECUTIVE SUMMARY

1.1 There have been seven incidents since the last report:

- A member of staff slipped and fell on an icy surface at the old Rowett site.
- A student who was found unresponsive in her flat in halls of residence was deemed to have committed suicide.
- The Meston building was evacuated due to strong smell of gas.
- A student mistakenly operated the incorrect valve on a carbon dioxide cylinder that resulted in release of carbon dioxide.
- A fire incident occurred in the Chaplaincy that appeared to be a deliberate act.
- A member of staff working in Malaysia contracted a water borne parasite.
- A fire incident occurred in St Mary's building that appeared to be a deliberate act.

1.2 Further information is available from Naveed Qamar, Director of Health, Safety and Wellbeing (01224 272783, naveed.qamar@abdn.ac.uk).

2. DETAILS

2.1 On 18th February at 9.30 am, a member of staff was assisting with removing small items from inside a building to a skip as part of the office move from the Rowett site to the new Rowett building at Foresterhill. She was using an area that was not a designated pathway. All recognised pathways had been gritted but not the area she was using as shown in the photograph below. As she pushed a trolley along this pathway, she slipped on ice and dislocated her knee. She put her knee back into place as this was an old injury. She made her way back into the building and first aid was administered. She went home to rest and over the weekend the knee was swollen badly and she had to go to A&E. She returned to work 6 working days after the incident.

No one was expected to be in that area but after the incident the area of concern was cordoned off.

2.2 On March 17th, our staff were alerted to concerns around a student and they found her unresponsive in her flat. The emergency services were unable to revive the student and she passed away. The tragic death was deemed to be non-suspicious and a suicide. Our staff did an excellent job of dealing with the incident and supporting the students and families (which is ongoing). A very difficult situation was handled very sensitively, sympathetically and professionally.
2.3 An initial review of the events was carried out involving the Chaplaincy, Aberdeen University Students Association, Campus Services, the School, Human Resources and the Health, Safety and Wellbeing Director. These sections continue to offer relevant support and review the situation with further actions in mind.

2.4 The initial review agreed the following:

**Specific learning points from the incident**

- Students should not be allowed to register without giving an emergency contact number.
- Chain of care should be established for those staff and students affected directly by such an incident.
- Student Resident Associates to make regular neighbourly drop-ins to University managed flats.
- Personal tutor duties on change of personal tutor mid-year to be checked as personal tutors play important role in helping students.
- Review protocols on student deaths, and incorporate relevant actions from this discussion.
- List of useful contact numbers on back of flat doors.

**General Wellbeing**

- Improve awareness of services and supports available to students – multiple communications media to students, staff and schools (Mental Wellbeing Displays held at the Library in the last week of April).
- Registry alerts on students who have had poor exam/assessment results across the board.
- Improve Personal Tutor reach out to students who have had poor exam/assessment results across the board.
- Development of a comprehensive long term strategy on Mental Wellbeing issues at the University. A Working Group with representation from all parts of the University has been established.

2.5 On 23rd March at 7.15 pm, the Meston building was evacuated after a strong smell of gas throughout the Meston building. The smell was thought to be a gas leak but was actually caused by improper use of a flask containing 1,4-dithiane-1-oxide. The contents of the flask were emptied into a bucket filled with water, which almost immediately led to others inside the building reporting a gas leak. This chemical or closely related sulphur compounds are added to natural gas to give it odour for leak detection purposes and are low risk to health. The building was evacuated.

2.6 It would appear that the person responsible, a post doctorate researcher, had acted contrary to the instructions of his supervisor. He had completed a safety induction and a risk assessment when he started his work in July of 2014. Lately, there were some concerns about him starting his work late and finishing late after his supervisor had gone home. However, the supervisor was available to be contacted outside of work hours by email or by phone. He should not have taken the flask without consulting his supervisor. After the incident, the person was asked to complete his remaining written work and if any laboratory work was to be carried out, it was to be carried out on his behalf by someone else.

Other lessons emerging from this incident are as follows:

- Refresh safety induction/instructions and risk assessment periodically for such activity and type of work and keep records. The periodicity of the training determined by the level of risk involved.
- The decision to evacuate the building was a correct one. The process of evacuation was reviewed in respect of using the fire alarm system.
2.7 On April 8th at 1pm, a first year post graduate student, was setting up a carbon dioxide chamber (a routine procedure) in Zoology building. On opening the cylinder she adjusted the black pressure dial to a high enough pressure that the pipe attachment blew off (a fail-safe) and the gas started to leak into the room. In panic she left the room and didn't close the cylinder fearing for her safety. She contacted her supervisor who entered the unit and turned on the extractor, turned off the carbon dioxide and left the room to allow any gas to be removed.

2.8 The cylinder itself had a notice on the regulator that no one should adjust the black pressure dial due to the pressure that it can yield but is correctly set for the use in carbon dioxide chamber.

2.9 The student had received gas safety training, carbon dioxide chamber training and had signed off the risk assessment associated with it.

2.10 The student did not follow the instruction and training. Her supervisors reviewed her suitability to work unsupervised and revoked her access to labs.

2.11 On April 14th, staff at the Chaplaincy noticed smoke in the back part of the centre. Fire and Rescue Services attended and put out a fire in the back hall. They identified two ‘seats’ of fire that appeared to have been deliberate acts. No one was injured or harmed in the incident.

2.12 The Chaplaincy is an open and welcoming environment. However, the security and fire safety of the centre has been upgraded with short term measures and will be further upgraded with other measure to reduce risk without compromising the way the Chaplaincy operates.

2.13 A Research Technician from the School of Biological Sciences was working on the SAFE (Stability of Altered Forest Ecosystem) Project in Kalabakan, Sabah, Malaysia from January to April. A drought in the area led to severe water shortages which resulted in the closure of the field station managed by Imperial College London. The PhD students, research fellows and majority of staff were required to vacate the camp at the request of their respective supervisors and universities. However, our Research Technician remained at the camp to oversee the ongoing research. The Technician was supported by 4 to 5 local camp assistants and one other Researcher from another university who had opted to stay.

2.14 As a result of the drought and closure, there were no working toilets for significant periods of time and inadequate supply of water for cleaning and hygiene purposes. Water was not available during the day, but limited amounts were available in the evening. There was, however, adequate bottled drinking water. As a result of these conditions, our Technician developed stomach complaints and suffered significant weight loss (2 stones in 2 months).

2.15 The project is managed by a team of experienced individuals. Risk assessments were carried out and safe working procedures established. There was a breakdown of communication between staff in Aberdeen and the Research Technician. There should have been a review of the risk assessment as the conditions changed and deteriorated. There should have been more regular contact with our Research Technician and arrangements made for her repatriation as soon as the decision was taken to close the research station. Following this incident, procedures relating to planning and risk assessments of field trips have been reviewed to make them more robust.

2.16 On May 12th, a fire incident in the St Mary’s building resulted in evacuation of the building and Scottish Fire and Rescue Services were called to deal with the fire. The fire was started in the toilet cubicles nearest to the entrance door. There were no injuries. As with the Chaplaincy fire, the fire was deemed to be a deliberate act. The following actions were instituted immediately in response to this second incident:

- All CCTV footage available from around St Mary’s building was handed over to the Police and our Security have worked with the Police to resolve the crime.
- Security patrols of campus were increased.
- Buildings locked down if not being used.
- A general communication was issued to all staff and student with respect to the emergency procedures.
• Heads of Colleges and Schools were asked to follow up on evacuation procedures.

The Police investigation into this and the Chaplaincy incident resulted in an individual being apprehended.

3. RESOURCE IMPLICATIONS

3.1 There are no significant resource implications.

4. RISK MANAGEMENT

4.1 STRA_2016_04 Health and Safety is a relevant risk in the Strategic Risk Register.

5. EQUALITY IMPACT ASSESSMENT

5.1 An equality impact assessment is not required.

6. SUSTAINABILITY & SOCIAL RESPONSIBILITY

6.1 There are no environmental, ethical or social implications or impacts.

7. RECOMMENDED ACTION

7.1 The Court is invited to note the matters set out in the paper.

8. FURTHER INFORMATION

8.1 Further information is available from Naveed Qamar, Director of Health, Safety and Wellbeing (01224 272783, naveed.qamar@abdn.ac.uk).

FOI Status: Open

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UNIVERSITY OF ABERDEEN
UNIVERSITY COURT

REPORT FROM THE SENIOR GOVERNOR

1 SUMMARY

1.1 This paper is a report to Court from the Senior Governor which is for information and discussion. The report includes one item:

- Update from the Committee of Scottish Chairs (CSC): Review of the Scottish Code of Good HE Governance.

1.2 The paper is for information and discussion.

1.3 Further information is available from the Senior Governor, via the Secretary's Office, 01224 273717

2 REVIEW OF THE SCOTTISH CODE OF GOOD HE GOVERNANCE

2.1 The CSC is undertaking an independent review of the Scottish Code of Good HE Governance which will commence in late June 2016. The CSC stated when it first published the Code in 2013 that it would review its operation after three years. The review will also take into account the new HE Governance Act.

2.2 The CSC discussed the process for the review with Scottish Government, the Scottish Funding Council (SFC), trade unions and other stakeholders in late 2015. As part of the agreed process, the CSC has delegated the review to a Steering Group. In addition to lay members appointed by the CSC, the Steering Group includes two members appointed by the Scottish Trades Union Congress (STUC) one by the National Union of Students (NUS) and one by the student associations that are not NUS-affiliated.

2.3 The full membership is as follows:

Lay members
Mr Ian Marchant (Chair) Chair of Wood Group plc and the Maggie’s cancer charity
Mr Keir Bloomer Immediate past Chair of Queen Margaret University Court
Ms Lesley Knox Chair of the V&A at Dundee and Grosvenor Estates plc
Prof Stuart Monro Former Vice-Convener of Court, University of Edinburgh and current member of Court, University of St Andrews University
Prof Ann Smyth Former Court member (General Council Assessor), University of Edinburgh
Mr Tony Strachan Deputy Chair of Court, Heriot Watt University

Union and student members
Ms Vonnie Sandlan President, NUS Scotland
Mr Pat Mathewson President, St Andrews Students Association
Ms Helen Martin Assistant Secretary, STUC
Ms Emma Philips Secretary, UNISON

2.4 The Steering Group held its first meeting on 3 May 2016. It agreed its remit, a programme of evidence gathering (as below) and a timetable for the review. The evidence gathering phase is due to conclude in December 2016 and revisions to the Code will be completed by the Steering Group early in 2017. There will be a public consultation on a draft revised Code before it is finalised and published.
2.5 The remit of the Steering Group is to review and, where appropriate, revise the Scottish Code of Good Higher Education Governance in a manner which:

- incorporates the standards of good practice existing in the Higher Education sector and elsewhere;
- makes proposals that are based on sound evidence;
- considers the viewpoints of all major stakeholders;
- takes account of any relevant changes in the legislative and regulatory context, in particular the Higher Education Governance (Scotland) Act 2016.
- recognises the separate duties and responsibilities of management and governing bodies;
- is sensitive to the diversity of the sector, including the nature of the Small Specialist Institutions;
- takes account of the importance of both the relationships and processes required to achieve good governance; and
- reflects both the inputs and the outputs required of governing bodies and governance.

2.6 The Leadership Foundation for Higher Education has been commissioned to collect evidence for the review in four ways:

- meetings with higher education staff, students, executives and governors at each of the Scottish HEIs;
- meetings with key stakeholder groups (including SFC, Universities and Colleges Union and the Educational Institute of Scotland) at national level;
- an open public consultation;
- a survey of HEI governing body members across Scotland.

2.7 The meetings at higher education institutions are currently being arranged. They will take place early in the summer and in the autumn.

3 **RECOMMENDED ACTION**

3.1 The paper is for information and discussion.

4 **FURTHER INFORMATION**

4.1 Further information is available from the Senior Governor, via the Secretary's Office, 01224 273717.

2 June 2016, V1 (Open)
UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
REPORT FROM THE PRINCIPAL

1. EXECUTIVE SUMMARY

1.1 This paper is a report to Court from the Principal which is for discussion and information.

1.2 The paper reports on a number of matters which may be of interest to members but which might not otherwise feature on the agenda.

1.3 Further information is available from the Principal, ian.diamond@abdn.ac.uk.

2. STRATEGIC PRIORITIES

2.1 As part of my report to Court on 28 June I would like to revisit with Court what our key priorities for action are in delivering the high level objectives set out in our Strategic Plan http://www.abdn.ac.uk/about/strategy-and-governance/strategic-plan-20152020-735.php

2.2 I thought it would be helpful, however, in advance of our meeting to summarise what those key priorities are. The following are high level and broad statements from which a great many subsidiary agendas for action follow. Those subsidiary agendas are important and substantive, but are perhaps at a level of detail beyond the type of discussion I understand Court would like to have. There are, however, four priorities that define the agenda for us as a senior management team and which are interlinked: People, Teaching and Learning, Research, and Digital.

2.3 By People we mean our students, staff and alumni. By Teaching and Learning, we mean how we deliver ever better quality of education and innovation in our approach and the programmes we offer.

2.4 For students we must deliver excellence in their student experience – teaching, support services and facilities. For staff, it means ensuring they can achieve their potential to help deliver that student experience and in improving further our academic performance. Both of these will determine our future success and deliver financial sustainability. Sitting underneath those distinct but related high level priorities are a number of areas and arenas which we are taking forward with vigour: a) on the student and teaching side, improving student retention rates, improving feedback, embedding fully our graduate attributes, growing our numbers of international students, and identifying the courses and programmes that we should be delivering and those areas where valuable staff time can be more effectively directed; and b) for all staff, ensuring the University is a place where they feel their careers can thrive and where they know they will be supported in an environment that values their aspirations, their wellbeing and equality of opportunity. This means continuing to focus fully on ensuring there are fair workloads, that policies around equality and diversity are revitalised; and that we address all aspects of the way that we support the wellbeing of both staff and students. And finally, we are reinvigorating our engagement with our alumni. These are all key issues of focus for us going forward.

2.5 Then there is Research. We do not at any stage influence on what academics research, but we need to ensure that all our focus is on enabling improvements in the quality and strength of our research and in maximising the income we generate from that excellence; particularly in a context where research income growth is ever harder to achieve and with the next Research Excellence Framework on the horizon. Achieving that takes us back to many of the agendas for action that relate to People.

2.6 Finally, and as we discussed at our last meeting of Court, the digital transformation of our University is vital and it permeates through People, Teaching and Learning, and Research. It goes to the heart of what potential students expect and how we engage with them from the moment they search the web to find a course, to if and when they apply, to their first arrival as freshers, to our relationship with them after they graduate. It relates to how we deliver our teaching in the 21st century and how we enable our staff to benefit from the efficiency and
effectiveness that digital solutions can bring to their roles. And it is vital to how we promote the University, engage the wider world with our story and raise our reputation as a global institution in the digital era.

2.7 Underpinning all four of these is of course the prerequisite of ensuring the University operates from a financially solid foundation and achieves the growth in income from which yet more success can be generated.

2.8 An important issue with respect to finance is the multi-year Scottish Government spending review, expected to be announced in the Autumn (although we cannot tell how a recently announced review of enterprise and innovation agencies – which includes the SFC – will impact on this). I will be part of the team negotiating with the Scottish Government in what are likely to be challenging conversations and we will develop our strategic response as we have greater clarity on the position. However, in the meantime we are working to continue to remove all expenditure that does not directly impact on the priorities in 2.3 – 2.5 and believe that, alongside our income growth activities, we can continue to deliver the budget as agreed with Court.

2.9 We are also clear that we cannot address every issue or pursue every opportunity at the same time. We are, and must continue to be, absolutely focused on the issues and opportunities that provide us with the maximum return towards delivering on the priorities I have outlined above and that characterise the Strategy that Court has agreed.

3. **SCOTTISH FUNDING COUNCIL VISIT**

3.1 In April we had our Strategic Dialogue Meeting with representatives of the Scottish Funding Council (SFC) which included sessions with some members of Court, students and staff. The meeting focused on three topics: (i) financial sustainability and our strategic direction; (ii) widening participation; and (ii) the Digital University.

3.2 We have recently received the SFC’s report of that meeting and I am happy to report it is very positive. I hope also that SFC will reflect on some the sector level issues that were raised during our discussions, which if addressed would help us to become more competitive. I’m grateful to those members of Court, and to staff and student colleagues who participated in the discussions with SFC.

4. **HIGHER EDUCATION WHITE PAPER ENGLAND**

4.1 While the White Paper announced by the UK Government in the Queen’s Speech in May will not apply to Scotland, it will have, indirectly, implications for the sector north of the border. There is a great deal in the White Paper but key issues for Scotland to monitor are proposals for a teaching excellence framework, the introduction of differentiated fee caps, the merging of the seven research councils into a new quango called UK Research and Innovation (UKRI), and opening up the sector to new providers. Even where these do not directly apply to Scotland, they will have implications for the nature of the higher education market that we are competing in with English institutions.

5. **MAY FESTIVAL**

5.1 Not only was our annual May Festival blessed by great weather but by thousands of visitors who came to campus to enjoy over 100 events across the themes of *Innovation, Architecture and Design, History and Heritage, Food and Drink*, and *Word*. The Festival is the flagship event in our public engagement programme and while it includes many celebrity figures, a key dimension is to provide a platform for our own academic ‘stars’ to shine and raise awareness of the great work that this University is leading. I’m sure Court would echo my congratulations to the many staff across the University who work so hard to make the Festival the success that it is.
6. **PUBLIC ENGAGEMENT WITH RESEARCH AWARDS**

6.1 Further proof of our growing reputation in public engagement with research came in early June with the news of two national awards from the Association of Research Managers and Administrators.

6.2 The Aberdeen-led *EXPLORATHON (European Researchers’ Night, Scotland)* project, in collaboration with the universities of Glasgow, Strathclyde, St Andrews and the Edinburgh Beltane Public Engagement Network, picked up the Outstanding Collaboration award.

6.3 In addition, the University’s Public Engagement team won the Public Engagement and Advocacy award for its strategy to support academic-led public engagement. Both are well deserved and recognition that the University is among the leaders in the UK in this arena.

7. **UNIVERSITY LEAGUE TABLES**

7.1 A number of rankings and league tables have been published since my last report to Court and in broad terms the University has fared very well. *The Guardian* rankings saw us improve our position to be in the Top 40 in the UK (ranked 39th) and in total 17 subject areas made it into the top 40, including three in the top ten in the UK (General Engineering, Anthropology, and Medicine which were 1st, 1st, and 2nd in Scotland respectively), while 17 of our subject areas made it into the top five in Scotland with Philosophy 2nd in Scotland.

7.2 Similarly, our performance in the *Complete University Guide 2017* resulted in the University with more subjects in the UK Top 10 and Top 20 compared to last year, with 21 subjects improving on their 2016 score and four subjects entering the rankings for the first time.

7.3 These are impressive achievements that are testament to the quality of our teaching and research in these areas.

8. **FELLOWS OF THE ROYAL SOCIETY**

8.1 I was absolutely delighted that Professor Anne Glover (Vice-Principal for External Affairs), Professor Neil Gow (Microbiology) and Professor Jim Prosser (Molecular & Cell Biology) were among 50 new Fellows elected to the Royal Society. As members of Court will know, the Royal Society is the oldest scientific academy in existence and Fellowship is a mark of huge distinction. It is great news for Anne, Neil and Jim but equally good news for the reputation of the University to see the achievements of colleagues being recognised by a body as esteemed as the Royal Society.

9. **RESEARCH**

9.1 As a quick review of the University website news pages will demonstrate, the output of academic colleagues in research continues to result in a diverse range of new contributions to the benefit of the wider world. These are generally the end product of a research grant, of course, and Court may wish to be aware of two significant awards in recent months related to aquaculture and medical imaging.

9.2 The former is a £2.1M award from the Newton Fund for a collaboration between the University and nine research institutes and universities from the UK, India and Bangladesh, to develop a holistic understanding of the role of the environment in controlling disease risk in fish and crustacean aquaculture.

9.3 The latter is a £3.1M European Commission funded project which will be led by the University to address a shortage of scientists who can use special imaging techniques that could speed up and reduce the cost of life-saving drug development.
10. **Alumni Events**

10.1 As I write this, our graduation week is just beginning and I look forward to celebrating the achievements of all our graduates and honorary graduates. As ever, these are not only celebrations of their personal successes, but of the University itself and our staff.

10.2 Members of Court may be interested to know that the University’s New York Alumni Chapter were a visible part of the City’s Tartan Day parade and I’m told, despite the freezing cold conditions, still enjoyed the occasion.

10.3 While in the era of contactless payment, ‘cash’ in our pockets seems to become less and less of a necessity, I was thrilled to find out that the face of an Aberdeen alumnus has been selected to appear on the Royal Bank of Scotland’s new £5 note. Nan Shepherd, was one of the first women to graduate from the University in 1915 having completed a degree in Arts and continued on to have a very successful career, shaping what is now the University’s School of Education and writing 3 novels and a collection of poems, all of which are set in the North East and incorporate the landscape and environment of the region into their fabric. Every so often one is reminded, in unlikely ways such as this, of the achievements and reputation of Aberdeen graduates over the years.

11. **Sporting Success**

11.1 The highlight piece of news from our student sporting community has to be that our women’s powerlifting team are not only champions of Scotland but also of Britain and will represent British Universities at the World University Championships in Minsk. It also means we are, in one sense, the strongest university in the UK.

12. **Recommended Action**

12.1 The paper is for discussion and information

13. **Further Information**

13.1 Further information is available from the Principal [ian.diamond@abdn.ac.uk](mailto:ian.diamond@abdn.ac.uk), 01224 272135

[13 June 2016 [Version 1] [Open]]

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UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
REPORT FROM THE STUDENT PRESIDENT

1 EXECUTIVE SUMMARY

1.1 This paper is a report to Court from the Student President of Aberdeen University Students’ Association which is for discussion and information.

1.2 The paper reports on a number of matters which may be of interest to members but which might not otherwise feature on the agenda.

1.3 Further information is available from the Student President, sapresident@abdn.ac.uk.

2 STUDENT WELLBEING

2.1 As of the 9th June Nightline had received 1209 “calls” (phone calls, instant messages or anonymous emails). The breakdown of calls is shown below. Aberdeen Nightline were also nominated for and won multiple national awards.

2.2 We worked with Samaritans to deliver workshops to students to develop their understanding on how to recognise and support their peers who are struggling with a range of mental health issues. We are looking to repeat these in September.

3 RESTRUCTURE AND REDEVELOPMENT

3.1 The restructure is going well, with the sabbatical officers for 2016/17 elected into their positions. Handover is in full swing and the constitution has been rewritten and updated for ratification by Court. Our trustee board approved a new staffing structure that is being implemented with support from University HR. We’re feeling very confident that AUSA is going to be in a much better position moving forward once the changes have been fully implemented.
4 COMMUNITY

4.1 The Raising and Giving (RAG) campaign has been a huge success this year, with Student Show raising an incredible £102,696.75 and additional fundraising activities including Bookends giving us a record breaking grand total of £121,520 which was disbursed to charities in the North East of Scotland!

4.2 In addition to this our Sports clubs have been incredibly busy over the course of this year. Every year, alongside competing and representing the University, our clubs raise thousands of pounds for charities. This year Megan has been trying to collate their totals, and after hearing back from 15 clubs we’re proud that £14,505 was donated to fantastic causes! We don’t doubt that this number will rise when we hear back from more clubs.

4.3 Unfortunately the Torcher Parade didn’t go ahead this year however Holly, with support from the University and staff at AUSA, held a ‘Torcher Fun Day’, with some of the chosen charities for this year in attendance. The event was a fantastic way of bringing the community together and was received well. Plans are currently being made for the future of Torcher parade, looking at how it can be revived and refreshed.

5 SPACE UTILISATION

5.1 We are currently working with Student Life to brand the bar space at Hillhead as a ‘Union’ however we need to be very careful about the way this is framed and worded so that students understand the difference (and indeed similarities) between an Association and a Union. We are also looking at the space in the Hub as there is drive from the University to provide a ‘Union bar’ there too. I have concerns and reservations about this as, while I understand the hopes that it might mitigate low scores regarding a Union Bar on the National Student Survey, if the offer isn’t appealing or attractive to students then they won’t use the space and it will mar student opinion of the Association therefore impacting on our brand, reputation and the student experience.

5.2 We are still hopefully that Butchart will remain a high priority on the Capital Plan to deliver a Students’ Association building that serves the needs of our students and will vastly improve the student experience at the University of Aberdeen. Our current facilities do not provide all the space our student groups need and we will search for plausible and appropriate spaces as close to campus as possible in the interim period.

6 ADDITIONAL

6.1 The National Union of Students UK elected a new President at the end of April. Malia Bouattia won with a strong manifesto that put grassroots activism and liberation at its heart. While there have been some referendums regarding affiliation to NUS across the UK we don’t anticipate a referendum taking place in the next year.

6.2 AUSA officers have taken a strong stance against the Prevent legislation, as mandated to by our Student Council. We have been trying to broaden the understanding of staff at the University around the wider issues and implications of Prevent, how Prevent is viewed by students and the very real concerns we have about the negative impact the implementation of Prevent may cause.

7 RESOURCE IMPLICATIONS

7.1 No request for resource is made in this paper.

8 RISK MANAGEMENT

8.1 Managing risk related to the restructure and ongoing investigations.

9 EQUALITY IMPACT ASSESSMENT

9.1 Not applicable.
10 sustainability & social responsibility

10.1 Not applicable.

11 recommended action

11.1 The paper is for discussion and information

12 further information

12.1 Further information is available from Genna Clarke, sapresident@abdn.ac.uk, 01224 274250

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ESTABLISHMENT OF AN ELECTION PROCESS FOR ROLE OF SENIOR GOVERNOR

1. **EXECUTIVE SUMMARY**

1.1 This paper invites Court to consider the implications of the Higher Education Governance (Scotland) Act for the future appointment and election of the Senior Governor (or ‘Senior Lay Member’ as referred to by the Act). At its meeting in May 2016, the Governance and Nominations Committee agreed that the Court should be invited to begin to consider the implications of the Act in this regard and, specifically, to agree that the University develop the necessary processes and procedures to comply with the Act’s requirement for future vacancies in the role of Senior Governor to be elected. The Senior Governor has intimated his view that the Court should seek to adhere to the Act as quickly as is practicable and his intention to conclude his current term of office early to help facilitate that.

1.2 This paper summarises the requirements of the Act and the key issues that will need to be considered, including:

- The Act’s requirements for there to be a public advertisement of any vacancy for the position of Senior Governor, then scrutiny of applications against an agreed set of criteria by a committee (including a member of staff and a student) to determine which candidates go forward for election by staff, students and members of Court;
- Whether the committee for this purpose should be the Governance and Nominations Committee and that it should oversee the development of the relevant criteria for the role of Senior Governor and the detailed electoral procedures for agreement by Court;
- The development of a process for Court to adhere to the Act’s requirement that remuneration be provided where requested by the successful candidate;
- The term of office for the role of the Senior Governor and arrangements for reappointment by Court;
- Review of the University’s procedures for the removal of members of Court including the Senior Governor to ensure these adhere to the Act;
- How the Act relates to the respective roles of the Rector and Senior Governor;
- That the University should review governance processes related to the role of Senior Governor for any further implications resulting from the Act.

1.3 The paper also includes a recommendation from the Committee that the Court introduce a formal role of Senior Independent Member (distinct from that of Senior Governor) to serve as an intermediary between members and the Senior Governor if required.

1.4 The Court is invited to:

(i) Consider the implications of the Act’s requirements for the election of future Senior Governors;
(ii) Agree that the University begin to develop the necessary processes and procedures to comply with the Act’s requirement for the election of future Senior Governors;
(iii) Agree to formalise the establishment of a position of Senior Independent Member and that the Governance and Nominations Committee develop a role description for approval by Court.

1.5 Further information is available from Mrs Caroline Inglis, Secretary to the University, c.inglis@abdn.ac.uk or Mr Bruce Purdon, Clerk to the Court, 01224 273949, b.purdon@abdn.ac.uk

2 **BACKGROUND**

2.1 The Higher Education Governance (Scotland) Act was passed by the Scottish Parliament in March 2016. The Act introduces a requirement for the election of Senior Governors on the
governing bodies of universities and a number of quite specific provisions regarding the process to be followed.

2.2 A commencement date for the substantive provisions in the Act has yet to be specified by the Scottish Government. Universities Scotland, expect some aspects of the Act to commence from December 2016 with varying transitional periods of up to four years for differing parts of the legislation. Legal advice to the University has confirmed this timeframe and recommended that the University begin to put in place the procedures necessary for the future appointment of Senior Governors as required by the Act.

3 STRATEGIC CONTEXT

3.1 This paper is not directly relevant to any specific targets within the University’s Strategic Plan.

4 REQUIREMENTS OF THE HIGHER EDUCATION GOVERNANCE ACT

4.1 The requirements of the Act with regard to the appointment and election of Senior Governors are set out at sections A1-A9 of the Act and these are reproduced in full in Appendix 1. The key provisions, however, are summarised as follows.

- open advertisement for the role of chair (specifically the role of the senior lay member of the governing body, as currently exists at all 18 Scottish HEIs (often called the senior governor or vice convenor)). The Act also stipulates some of the process and content of advertisements for the position;
- selection and interview of electoral candidates by a nomination committee (which must include a member of staff and a student) against agreed competency criteria as devised by the governing body/nominations committee. The Act states that where an applicant meets the criteria they must be invited to an interview conducted by the committee and, thereafter, if the committee is satisfied they meet the criteria, the applicant is then entitled to stand in an election for the position. By inference, it is considered this means the committee would be able to prevent a candidate from standing should they not meet the defined criteria;
- where there is only one candidate, an election must be postponed until such time where there is more than one candidate;
- the person elected may not be a student of, or member of staff of, the institution during the period of their appointment as Senior Governor;
- the election franchise is all staff and students of the university and the members of the governing body— with votes carrying equal weighting. The election is by simple majority of the total votes cast;
- an equality monitoring report on the applications, persons interviewed and standing for election during any process is required to be undertaken and made public;
- the Act requires the governing body, on the request of a person appointed as senior lay member, to pay such remuneration and allowances to the person as the governing body considers to be reasonable;
- the Act requires the payment of expenses for candidates attending interview and for election campaign expenses incurred by candidates but only up to a limit that is set by the university;
- the Act includes provision that would enable governing bodies to prescribe grounds for the removal from office of elected senior lay members and other members of Court. The Act gives examples of grounds being inability to exercise the functions of the role or misconduct (whether or not in the capacity of the role/membership of Court);
- the Act sets out the duties of the Senior Governor but then goes on to qualify this for those universities with Rectors. For Aberdeen, this means the Rector continues to have the right to preside at meetings of the governing body and has a deliberative and casting vote, but the Senior Governor has responsibility for the leadership and effectiveness of the governing body. The Act also amends older legislation to specify that where there is a Rector the Senior Governor is the Vice-Chair (currently the Vice-Chair needs to be a person appointed by Court from amongst its membership). This is in essence the position at present bar the fact the Court appoints its Senior Governor rather than he or she being elected. For institutions without a Rector, the Senior Governor would also preside and exercise the casting vote.
4 CRITERIA, ADVERTISEMENT AND REVIEW OF APPLICANTS BY A COMMITTEE

4.1 The current composition of the Governance and Nominations Committee includes a student and a staff member and so is consistent with the requirements of the Act for the membership of a committee with delegated responsibility from Court for oversight of the process. However, the Court may wish to consider whether in light of the Act the ‘nominations’ function of that committee should continue to be combined with a governance role and whether this should be reviewed.

4.2 A key issue will be the definition of the ‘relevant criteria’ that applicants must meet in order to be agreed by the Committee as eligible to stand for election. The relevant criteria are to include the ‘availability, skills and knowledge considered by the committee to be necessary’ to undertake the role of senior governor and command the trust of the governing body, Senate, staff and students. Given that the Committee could determine that an applicant does not meet those criteria and therefore cannot go forward for election, the development of the relevant criteria and their careful application through a process that may be subject to challenge from applicants, will be key.

4.3 An appropriate advertisement of the vacancy that meets the requirements of the Act and agreement of where it will be promoted will be required. A formal interview of all candidates deemed to meet the criteria for election will also be required.

5 ELECTORAL PROCESS

5.1 Beyond the requirements of the Act, the University will need to develop rules for the conduct and regulation of the electoral process, including issues such as campaigning, the level and type of election campaigning expenditure that will be reimbursed, the census date by which the staff, student and governor franchise entitled to vote will be fixed, and the process for determining the outcome of an election where the result involves a tie.

5.2 The University has in place rules and procedures for the election of the Rector by students, for election of General Council Assessors to Court, and for Senate elections. These will be drawn upon as appropriate in developing the process for the election of the Senior Governor.

6 APPOINTMENT AND TENURE

6.1 The Court will need to agree upon the term of office for future Senior Governors. Current practice has generally been for a term of three years, with reappointment for two further periods of three years. An alternative would be for a term of four years with reappointment for one further period of four years. Both would be consistent with the Scottish Code of Good HE Governance.

6.2 The University has on legal advice confirmed that the Act does allow the Court to agree on the reappointment of a Senior Governor who has been duly elected under the process required by the Act without there being a further election. Equally, the Court could choose not to reappoint that individual and to initiate the election process for the resulting vacancy. Further consideration will be given as to how this is incorporated into either the election rules or standing orders of Court.

6.3 The Act confirms that the Court can put in place provision for the resignation or removal of the Senior Governor (and other members of the Court). The Court agreed in December 2015 a procedure for the removal of Court members and this will be reviewed to ensure it is consistent with the requirements of the Act and the role of Senior Governor specifically. The University will also review the terms and conditions of appointment for the role of Senior Governor.

7 REMUNERATION OF THE SENIOR GOVERNOR

7.1 The Act requires the Court, if requested to by the person elected to the role of Senior Governor, to pay such remuneration and allowances as it deems are reasonable and “which are to be commensurate with the nature and amount of work done by the person in the capacity of Senior Lay Member”.

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7.2 This does not require a default position of remuneration although the Court could agree to remunerate the Senior Governor as a matter of course. However, there will need to be a process for agreeing and reviewing the level of remuneration in circumstances where the successful candidate requests remuneration.

8 SENIOR INDEPENDENT GOVERNOR

8.1 In reviewing the implications of the Act, the Governance and Nominations Committee have proposed that the Court should consider formalising a role of Senior Independent Member. The Scottish Code of Good HE Governance recommends that in addition to the position of Senior Governor (Chair) that Courts should appoint one of their independent members to act as an intermediary if Court or Executive members have concerns which contact through the normal channels of the Senior Governor have failed to resolve or for which such contact is inappropriate. In addition, the Senior Independent Governor could lead the Court’s appraisal of the Senior Governor, and lead the Court’s oversight of the process for election of the Senior Governor. The role might also include deputising for the Senior Governor.

8.2 The Court is invited to agree to formalise the establishment of such a position and that the Governance and Nominations Committee should develop a role description for approval by Court.

9 WIDER PROCESSES

9.1 The University will need to undertake a wider review of all its governance procedures to ensure they are compliant with the Act. The Governance and Nominations Committee have noted that in particular this should include review of the role and powers of the position of Senior Governor within the University’s wider governance procedures.

10 ACTIONS TO BE TAKEN FORWARD AND TIMELINE

10.1 Subject to Court agreement, an indicative and ambitious timeline to implement and commence a process for the election of a Senior Governor would be:

- **12 September**
  Governance & Nominations Committee consider Advert and Role/Person Specification against which suitability to go forward to election will be assessed.
  Consider Election Rules and Procedures
  Consider Remuneration Level if requested by candidates

- **4 October**

- **W/C 10 October**
  Issue Advert with three week application deadline

- **Fri 28 October (at latest)**
  Applications Close

- **W/C 7 November**
  Meeting of G&N for screening of candidates against agreed criteria

- **W/C 14 November**
  Interview of Candidates to confirm suitability to stand for election

- **W/C 21 November**
  Election Campaign Period

- **W/C 28 November**
  E/Online Voting over Three days (avoiding examinations period of 2-16th December)
11 RESOURCE IMPLICATIONS

11.1 This paper makes no request for additional resource. The costs of running the election, such as advertising a vacancy, candidate campaign expenses and electronic voting managed either in house or by election management professionals will be met from existing budgets. These are, however, new costs to the University resulting from the Act.

12 RISK MANAGEMENT

12.1 There are reputational risks to the University given that the process is new and is a marked change to the governance of all universities in Scotland and may be the subject of public interest and scrutiny. The role of Senior Governor also, of course, has a significant influence on the governance of the University.

13 EQUALITY IMPACT ASSESSMENT

13.1 Any advertisement for a vacancy and the elections process will be subject to equality impact assessments where required.

14 SUSTAINABILITY AND SOCIAL RESPONSIBILITY

14.1 The election is expected to be conducted primarily through electronic voting and, therefore, will have a minimal paper environmental impact.

15 RECOMMENDED ACTION

15.1 The Court is invited to:

(i) Consider the implications of the Act’s requirements for the election of future Senior Governors;
(ii) Agree that the University begin to develop the necessary processes and procedures to comply with the Act’s requirement for the election of future Senior Governors;
(iii) Agree to formalise the establishment of a position of Senior Independent Member and that the Governance and Nominations Committee develop a role description for approval by Court.

16 FURTHER INFORMATION

16.1 Further information is available from Mrs Caroline Inglis, Secretary to the University, c.inglis@abdn.ac.uk or Mr Bruce Purdon, Clerk to the Committee, 01224 273949, b.purdon@abdn.ac.uk

9 June 2016, V1 (Open)
Appendix 1: Extract from the HE Governance Act as it relates to Role and Election of Senior Governor (Sections A1-A9)

Senior lay member of governing body

A1 Position of senior lay member

(1) The governing body of a higher education institution is to include the position of senior lay member (however the institution chooses to name the position).

(2) The senior lay member of the governing body of a higher education institution has—

(a) the duty to preside at meetings of the governing body,

(b) a deliberative and a casting vote at such meetings,

(c) responsibility for—

(i) the leadership and effectiveness of the governing body,

(ii) ensuring that there is an appropriate balance of authority between the governing body and the principal of the institution.

(3) Another member of the governing body of a higher education institution may be selected by the governing body to exercise any of the functions mentioned in subsection (2) in the absence of the senior lay member or while the position is vacant.

(4) Subsections (2) and (3) are subject to section A2.2

A2 Interaction with role of rector

(1) Subsection (2) applies in the case of a higher education institution at which there is a rector who has functions under section 4 of the 1858 Act and section 5(5) of the 1889 Act (each of which contains provision relating to the role of the rector at an older university).

(2) Paragraphs (a) and (b) of subsection (2) of section A1 and subsection (3) of that section so far as relating to those paragraphs are of no effect in relation to the institution (but see section 5(5) of the 1889 Act (which also contains provision about who is to preside at certain meetings in the absence of the rector)).

(3) In this section—

“the 1858 Act” means the Universities (Scotland) Act 1858,

“the 1889 Act” means the Universities (Scotland) Act 1889.

A3 Relevant criteria and process

(1) Whenever a vacancy arises in the position of senior lay member of the governing body of a higher education institution, the governing body must delegate to a committee the responsibility of—

(a) devising the relevant criteria with respect to the position,
(b) ensuring the efficiency and fairness of the process for filling the position.

(2) The relevant criteria include the availability, skills and knowledge considered by the committee to be necessary or desirable to—

(a) exercise the functions of the senior lay member,

(b) command the trust and respect of—

(i) the other members of the governing body,

(ii) the academic board of the institution,

(iii) the staff and students of the institution.

(2A) Each time the process for filling the position is undertaken, the committee must make publically available a report indicating by way of overview (and without disclosing individual identities or confidential information)—

(a) the number of applicants for the position,

(b) so far as consent to disclosure has been received by the committee from the applicants, the characteristics listed in section 149(7) of the Equality Act 2010 with respect to—

(i) the applicants,

(ii) the applicants invited to an interview for the position,

(iii) the applicants entitled to stand as candidates in an election for the position following such an interview.

(3) The membership of the committee must include at least one person from each of these categories—

(a) the staff of the institution,

(b) the students of the institution.

(4) Rules made by the governing body of the institution may contain provision about the process for filling the position of senior lay member of the governing body (subject to sections A4 to A8).

**A4 Advertisement and application**

(1) A current or upcoming vacancy in the position of senior lay member of the governing body of a higher education institution is to be advertised widely by the governing body, in a manner suitable for bringing the vacancy to the attention of a broad range of persons.

(2) The committee mentioned in section A3(1) is to ensure that the advertisement—

(a) sets out the functions exercisable by the senior lay member of the governing body under section A1(2),
(b) summarises the relevant criteria with respect to the position and states how more information about the relevant criteria can be obtained,

(c) explains—

(i) the process for filling the position,

(ii) how the application form in relation to the position can be obtained,

(iii) that reimbursement is offered of expenses incurred in connection with attending an interview or campaigning in an election for the position,

(iv) that remuneration and allowances are available in connection with the holding of the position.

A5 Interview of certain applicants

(1) If—

(a) an application for the position of senior lay member of the governing body of a higher education institution is made in the correct form in response to an advertisement under section A4(1), and

(b) the application appears to the committee mentioned in section A3(1) to show that the applicant meets the relevant criteria with respect to the position,

the applicant must be invited to an interview conducted by the committee.

(2) If the applicant satisfies the committee at such an interview that the applicant meets the relevant criteria, the applicant is entitled to stand as a candidate in an election for the position.

(3) The governing body of the institution is to offer every applicant for the position reimbursement of reasonable expenses that are incurred by the applicant in attending such an interview.

A6 When election to be arranged

(1) An election for the position of senior lay member of the governing body of a higher education institution must be arranged by the governing body if more than one applicant—

(a) is entitled under section A5(2) to stand as a candidate in the election, and

(b) confirms an intention to stand as a candidate in the election.

(2) If the number of candidates in the election subsequently falls to below two—

(a) the election is to be postponed until the election can be held with more than one candidate standing (and the vacancy must be advertised under section A4(1) again),
(b) the remaining candidate (if there is one) continues to be entitled to stand as a candidate in the election.

(3) The governing body of the institution is to offer every candidate in the election reimbursement of reasonable expenses that are incurred by the candidate in campaigning in the election (up to the limit per candidate that is fixed by the governing body).

**A7 Election franchise and result**

(1) These persons are entitled to vote in an election under section A6 for the position of senior lay member of the governing body of a higher education institution—

(a) the members of the governing body,

(b) the staff of the institution,

(c) the students of the institution.

(2) No individual is entitled to cast more than one vote in the election.

(3) Each vote cast in the election carries equal weight.

(4) The election is won by the candidate who secures a simple majority of the total number of votes cast.

(5) In the event of a tie between two or more candidates for the highest number of votes cast, the election is won by whichever of them is deemed to be the winner in accordance with rules made by the governing body of the institution.

**A8 Appointment and tenure**

(1) The winning candidate in an election under section A6 for the position of senior lay member of the governing body of a higher education institution is to be appointed to the position by the governing body.

(2) An appointment to the position is for the period specified in rules made by the governing body, but the period of such an appointment may be extended in accordance with the rules.

(3) The position cannot be filled otherwise than by an appointment made by virtue of this section.

**A9 Remuneration and conditions**

(1) The governing body of a higher education institution is, on the request of a person appointed to the position of senior lay member of the governing body, to pay such remuneration and allowances to the person as the governing body considers to be reasonable (which are to be commensurate with the nature and amount of the work done by the person in the capacity as senior lay member).
(2) A person appointed to the position may not be a student of, or one of the staff of, the institution during the period of the person’s appointment.

(3) The holding by a person of the position is in all other respects subject to such terms and conditions as are specified by the governing body.

6A Resignation and removal

(1) Rules made by the governing body of a higher education institution may contain provision about the procedure for the resignation or removal of—

(a) the person appointed to the position of senior lay member of the governing body,

(b) the other persons within the membership of the governing body.

(2) Provision as to removal is to (in particular)—

(a) prescribe grounds for removal, for example—

   (i) inability to exercise the senior lay member’s functions or (as the case may be) the functions of membership generally,

   (ii) misconduct (whether or not in the capacity as member),

(b) ensure that removal can be effected only by a resolution based on the grounds and passed by a specified majority of the members of the governing body,

(c) allow the person who is the subject of the resolution, if the resolution is so passed, to seek a review in order to have the resolution reconsidered or quashed.

(3) For the purpose of subsection (2)(b)—

(a) a specified majority may be a majority of any particular size,

(b) the person who is the subject of the resolution does not count in any calculation arising (and the person is not eligible to vote on the resolution).

(4) Provision under subsection (1)(a) need not be the same as provision under subsection (1)(b).

Extract Ends
EXECUTIVE SUMMARY

1.1 This paper provides Court with an outline of the University's proposed programme for major capital investment for development of the King's College Campus over the next 10 years. It describes the University's vision for a world-class, transformative teaching campus and research facilities. It sets out a series of projects which will underpin more effective use of King's College, creating an inspirational setting that will meet the needs of future generations of staff and students. It reflects a careful integration of investment in both physical and digital infrastructure that will maximise benefit and see physical infrastructure integrate fully with our ambitious Digital Strategy.

1.2 The key projects proposed are as follows:
- Relocation of the Law School (including Stack and parts of Kings)
- Science Teaching Hub (Meston)
- Undergraduate Teaching Block (Taylor)
- Premium Postgraduate and Executive Education (New King's)
- Relocation of the Business School (Johnston site)
- Oil and Gas Innovation Hub (new build)
- New Student Union (Butchart)
- Digital Transformation
- Sports Facilities

1.3 All projects proposed have support for digital transformation at their heart, and they reflect the need for facilities that support delivery of an enhanced student experience across the King's campus. They support delivery of premium-fee paying programmes; distributed, technology-enabled and distance learning; improved business efficiency; and, they address the urgent need for improvement and modernisation of teaching and research facilities. Taken together the proposals will transform how we deliver teaching and carry out research in the modern digital age, in both laboratory and non-laboratory settings, both on and off campus, as well as providing academic infrastructure and a student experience fit for a world-class University.

1.4 It should be noted that in some cases the envisaged projects are inter-linked or contingent on developments elsewhere, and that all projects proposed are at an early stage of conception. It is intended that as they are further defined and priorities agreed, robust business cases, outlining a strong rationale and clear expected benefits, will be developed for consideration prior to any final approval. Some of the proposals will require further testing against growth projections and to ensure that capabilities are maintained while projects are sequenced.

1.5 A full prioritisation and proposed sequencing of all the projects has not yet been carried out but the two highest priority projects are:
- *Relocation of the Law School*: which is critical to allow the Law School to fulfil its strategic ambitions and will be a major focus for the fund-raising campaign
- *Science Teaching Hub*: which is critical to the continued success of science and engineering and to addressing the Meston building.

1.6 Once the programme is approved in principle, further work will be undertaken to prioritise all projects appropriately. This will be informed by strategic priorities and business planning, and once complete, a phased capital plan will be prepared to match available income.

1.7 Further information on each of the projects proposed, along with an environment appraisal and a summary of key risks and expected benefits, is available on the Court intranet via the following link: [www.abdn.ac.uk/admin/court/intranet](http://www.abdn.ac.uk/admin/court/intranet).
2 RECOMMENDED ACTION

2.1 Court is asked to:

i. Comment on the portfolio of projects and whether they provide an appropriate range of initiatives to support institutional ambition.

ii. Note the estimated cost of the projects both individually and collectively.

iii. Endorse the further development of these projects as part of a prioritised and sequenced capital programme, informed by cash-flow analysis and business plans.

3 FURTHER INFORMATION

3.1 Further information is available from Professor Jeremy Kilburn, Senior Vice-Principal or from Professor Peter McGeorge (Project Sponsor for Campus East) or Professor Phil Hannaford (Project Sponsor for Campus West).
INTRODUCTION

1.1 This paper provides Court with an overview of the emerging Capital Programme for major investment to transform the King’s College campus into a world-class centre of excellence for the delivery of teaching, learning and research. The proposals put forward are aligned with the overall University Strategy and are underpinned by and integrated with the University’s Digital Strategy and investment in this key initiative. All appendices referred to are available online at: www.abdn.ac.uk/admin/court/intranet.

VISION, AIM AND OBJECTIVES

2.1 Vision: in line with the University’s Strategic Plan (2015-2020), the vision for this Capital Investment Programme is: "to meet the needs of future generations of students we will create a world-class, transformative, digitally-enabled teaching and research campus for the modern age. The facilities developed will meet the highest standards of excellence; delivering a learning experience that embraces innovative pedagogy, flexible and technology rich teaching, and which provides formal and informal learning spaces capable of realising the visionary digital initiatives articulated in the University's Digital Strategy. Through strategic capital investment in the creation of an inspirational teaching and research environment that provides added value and competitive advantage, the University will support improved performance, enhance retention and provide facilities to attract the students of tomorrow."

2.2 Aim: "To realise the University’s vision for the campus through structured investment in physical infrastructure and digital transformation initiatives."

2.3 Objectives: the vision and aims for the campus are underpinned by a set of key objectives, summarised as follows:

I. To support our Digital Strategy in transforming our teaching, learning and student experience by creating modern, flexible, technology-rich teaching and learning spaces; enabling digitally-enhanced teaching locally, nationally and internationally.

II. To deliver these spaces through a combination of flagship new-build developments, and the re-purposing, re-development and modernisation of existing facilities across all of our campuses. The proposals put forward will significantly enhance both the student experience and the teaching experience for staff.

III. To support institutional strategic targets and to grow income through enhanced undergraduate and postgraduate programmes, including premium-fee postgraduate, professional development and executive learning.

IV. To create new, advanced social learning spaces and new sporting facilities for students across the University campus, thereby enhancing the student experience.

V. To improve and enhance how students learn and acquire knowledge, hence enhancing academic performance and results, and improving student progression.

VI. To optimise and expand the use of our Virtual Learning Environment (VLE) to reflect modern pedagogic demands.

VII. To improve significantly the University’s performance in the student satisfaction surveys, which has a significant impact on institutional standings in sector-wide league tables, and strongly influences decision making by prospective students.

VIII. To improve the quality of accommodation occupied by our staff across the historic campus, enhancing the identity and visibility of key income generating Schools (particularly Law and Business), while revitalising the historic heart of the campus.

IX. To support future growth in key science research areas (particularly Geoscience and Engineering) and take advantage of the opportunities presented by the City Deal.
3. **BACKGROUND**

3.1 In December 2013, Court approved proposals for an extensive 10 year capital programme. In the intervening period, that programme has been subject to considerable re-appraisal, in the light of prevailing financial circumstances and following emerging priorities from the planning process introduced in 2015.

3.2 In November 2015, CPMC re-established two Project Boards to bring forward revised proposals for key teaching and research projects to match the vision and objectives described above, mindful of the need to address known deficiencies in existing building stock (notably Meston, St Marys and 23 St Machar Drive), and to support the ambitious growth plans of several Schools.

3.3 In parallel with these projects, AUSA has been working to develop and revise a business case and rationale for investment in a new Students’ Union building.

3.4 While these projects represent the anticipated focus of development on the King’s campus in the short to medium term, a number of other aspirational projects remain under consideration, with associated calls on capital to support them. These include plans for an Interfaith Centre, ambition to support cultural outreach in the King’s Pavilion, the final development and rationalisation of facilities required to support the University’s sports strategy, determination of the future use of Marischal College, and any future developments at Foresterhill.

3.5 This paper highlights, in particular, the need for strategic investment in our King’s Campus. Beyond King’s Campus, we will be mindful of the need to ensure that we meet the needs of our medical and related research and teaching activities at Foresterhill through ongoing investment in maintaining current facilities and the development of longer term planning for future needs.

3.6 This paper provides a high-level summary of the emerging programme of capital priorities, with project concepts provided for the ‘core’ projects, as well as proposals for investment in sport, and brief summaries of other initiatives that will compete for resources alongside them.

4. **TEACHING, LEARNING AND DIGITAL STRATEGIES**

4.1 The programme envisaged will address the future teaching, and learning needs of the institution. Significant staff consultation and debate continues within the HE sector to develop a clear view on what University teaching in particular will look like in 15 years and, consequently, what facilities we should be investing in. There is a strong consensus that teaching requirements are changing and will continue to evolve. Broad themes have emerged around flexibility (including distributed teaching) and enhancing idea flow (by increasing staff-student and student-student interaction using a range of technologies). Close liaison with academic colleagues and resultant proposals in the Capital Programme will ensure that the University manages these changes and avoids, for example, the risk that technology drives pedagogy rather than pedagogy drives the use of technology.

4.2 The proposed Capital Programme will deliver teaching and learning spaces and facilities that meet the requirements of these themes. The envisaged teaching spaces must be capable of supporting new and diverse modes of teaching, including flipped classrooms, interactive group work, self-directed modes of learning, use of multi-media, video-conferencing, lecture capture and collaborative spaces. We will retain elements of our traditional, single-function spaces, such as lecture theatres and computer class-rooms, but a significant proportion will be replaced and re-developed with multifunctional, easily re-configured spaces which are digitally-enabled and capable of serving different needs. Such spaces also give opportunity to diversify how work is done. They enhance the flow of ideas by increasing opportunities for staff and students to interact with each other, either within or across academic disciplines and institutions, thereby enabling greater engagement and academic exploration.

4.3 The teaching and learning spaces and the modes of delivery envisaged form an integral part of the University’s strategy for digital transformation, which in this area is based on pedagogically-
driven use of technology. There will be increasing demand for, and investment needs, including in: multi-media delivery; lecture capture; online courses (including MOOCs and other such initiatives); optimised use of Virtual Learning Environments (VLEs); e-books and tablets; eLab books; enhanced Wi-Fi to enable digital teaching.

4.4 Modern teaching spaces as described are needed for core UG and PGT teaching but also for premium fee PGT programmes and Executive Education. For the latter, provision of high quality teaching space is a fundamental requirement to support growth particularly in the Business and Law Schools, but also in Engineering and Geosciences. Such facilities, through close integration with the Digital Strategy, should provide technology enabled and flexible space, with excellent collective and break-out areas, able to meet the expectations of premium-fee students used to ‘corporate’ facilities.

4.5 The proposed Capital Programme aims to provide such spaces in the form of an Undergraduate Teaching Block and Premium Post-Graduate and Executive Education Space. In aggregate, these teaching spaces will significantly improve our teaching and learning provision, while ensuring an outstanding student learning experience comparable with the best universities, and supporting the achievement of the projected growth targets articulated by the Schools.

4.6 The University will also enhance significantly the teaching and learning environment for laboratory-based students. In doing so, it will build on the themes outlined above by bringing together the laboratory teaching of all science based subjects (including Geosciences, Natural and Computing Sciences, Chemistry, Chemical and Petroleum Engineering and Biological Sciences) in a single Science Teaching Hub.

4.7 The sector has moved towards combining teaching laboratory facilities for reasons of both pedagogy and increased efficiencies. Requirements include group discussion areas, online access, and areas for electronically enabled tutor and student-led discussion. Such facilities are also enabled to support public engagement and school outreach activity. Total laboratory space requirements can be reduced by the appropriate provision of high-quality VLEs, enabling students to perform independently or in groups as part of pre- and post-laboratory learning sessions in powerful multi-purpose, digitally equipped rooms. An excellent example of such facilities is provided by the Bristol ChemLabS Centre, where laboratory space is fully linked to a web-based, interactive Dynamic Laboratory Manual containing video and virtual instrumentation, equipment and e-assessment. Through appropriate design, facilities can be used by multiple groups simultaneously, ensuring large rooms are fully utilised even when occupied by small groups. In 2015 our average utilisation of teaching lab space was 23%. Through improved space management and a more flexible teaching timetable, space utilisation in excess of 50% is possible, as evidenced by benchmarked labs in modern facilities at institutions like Liverpool.

4.8 The new Science Teaching Hub will present a clear and visible statement of the importance Aberdeen affords science-based teaching and learning. By creating a flagship for such activities, it will significantly enhance student recruitment capability and progression metrics across the relevant disciplines, and markedly improve the student experience. With substantial outreach facilities, it will also support widening participation across NE Scotland.

5. **Strategic Context**

5.1 The University’s Strategic Plan provides an ambitious framework for a dynamic, innovative, international University. It highlights institutional commitments to deliver a world leading, digitally transformed staff and student experience, and a first class international research reputation. A world-class teaching campus with technology-led pedagogies is key to these ambitions and it is only by dovetailing these key elements – teaching, learning and research with estate and digital strategy - that the University can meet its strategic ambitions and remain competitive within a global context.
5.2 The University’s commitment to this agenda is reflected in its strategy (considered at Court in March 2016) for digital transformation, which is underpinned by a vision to ‘make digital second nature’. In order to remain at the forefront of teaching delivery internationally, and to maintain a competitive advantage through its learning environment, the University must ensure that it invests appropriately in both its physical and digital infrastructure.

5.3 The plans envisaged will also be key in supporting the University’s ability to improve performance around key strategic drivers, notably student-facing targets which relate to the student experience and teaching and learning. By providing the modern, vibrant learning environment proposed, the University will maintain its position as a top student destination, supporting our ability to recruit the best and the brightest in growing numbers. The increased use of modern pedagogic techniques in digitally-enhanced learning spaces will substantially enhance teaching effectiveness, facilitate distributed, technology-enabled and distance learning, and will allow students to perform to their full potential with improved academic performance and student progression. In combination with first-class social spaces, including a new Student Union Building, and sport facilities, student satisfaction will also substantially improve, and standings across key performance indicators, such as the NSS and associated league tables will rise. All of these drivers are fundamental to the University’s overall Strategic Plan.

5.4 While the focus of many of the projects here is on teaching facilities, it is well-recognised that investment will also be needed to improve existing research facilities and to provide scope for targeted growth, particularly in Geoscience and Engineering. In particular investment will support the University’s ability to contribute to – and benefit from – the Aberdeen City Region Deal. Subsequent support across the science disciplines will be achieved through a programme of longer term redevelopment and rationalisation of the science estate in Meston, St Mary’s, 23 St Machar Drive and Zoology. This longer-term process will be initiated by the plans described here for a single Science Teaching Hub, which will release space to allow further development.

6. PLANNING CONTEXT

6.1 The proposed developments will underpin delivery of the School Plans, which were developed as part of the institutional strategic planning process. The School Plans include target growth projections across a number of key areas, to be achieved by the end of the planning period in 2020. It is envisaged that the projects proposed as part of this 10-Year Capital Programme will significantly enhance the ability of Schools, and indeed the institution, to meet its growth targets.

6.2 Projections from the institutional and School plans have been aggregated to give an overview of the anticipated future size and shape of the University. The table at Appendix A provides key indicators in terms of projected income growth and expansion in student numbers, as reported to Court in December 2015. These projections will be subject to change and refinement over time, but represent stretch targets based on the assumption that all Schools are collectively able to achieve their individual objectives. In aggregate they frame the ambitions of the University.

6.3 Key areas of student growth lie in the Business School (projected growth of over 900 students, including growth of 450 PGT FTE) and Law (growth of 115 FTE, predominantly in Home/EU LLM and PGR numbers). The current School Plans in both these cases identify present buildings and infrastructure as a significant threat to their ability to meet their growth targets, while investment in appropriate digital infrastructure will also be a key enabler of growth, including in on-line delivery where barriers such as UK border agency constraints do not apply.

7. ENVIRONMENT APPRAISAL

7.1. The programme outlined takes account of key drivers within both the internal and external environments, including the condition of the University’s estate (see Appendix B).

8. PROJECTS PROPOSED

8.1 In addition to significant investment in digital infrastructure, seen as an enabling activity across the programme, seven major physical infrastructure projects are proposed to meet the vision and objectives outlined above. In addition, a further proposal regarding further enhancement of sports
facilities is also included. A summary of each proposal is given below, with more detail provided in Appendix C. Estimated costs for each project are given in Section 12.

A. RELOCATION OF THE LAW SCHOOL

It is recognised that the Law School requires much improved accommodation if it is to fulfil its strategic ambitions, including its projections for future growth and ambition to be the leading Law School in Scotland. Redevelopment of the former Special Collections, Stack, Cromwell Tower, James McKay Hall, and potentially the Conference Centre would allow for relocation of the Law School and place it at the historic heart of the campus. The identified spaces would be linked, and would give Law a unique home, accommodating staff, the Law Library, library study spaces, meeting rooms and breakout spaces. These proposals would invigorate spaces that are currently under-utilised, bringing back into front-line use areas currently used for book and journal storage. They would also provide scope for future growth, while also opening Taylor for the redevelopment proposed above. They would also underpin objectives to achieve growth across the School, to improve the student experience, and support income growth. The proposed relocation would be a flagship project as part of the University’s future fund-raising campaign.

B. SCIENCE TEACHING HUB

A multi-functional, inter-disciplinary science-based teaching and learning laboratory facility is proposed for the north-west quarter of campus. A modern teaching laboratory complex, bringing together all science based teaching in one place, is envisaged, comparable with the highest quality facilities on offer nationally and internationally. The facility will provide the world-leading learning environment for science-based students (UG and PGT) on the Old Aberdeen campus which the University currently lacks, equipping graduates with the skills and knowledge required to operate in the foremost research and industrial laboratory environments.

This project will also be essential in supporting the overall capital project objectives, while simultaneously beginning to address known issues associated with the Meston Building. It would also release space in Meston and, alongside the Oil & Gas Innovation Hub, would provide essential opportunities to support the longer-term, redevelopment and rationalisation of the science estate more generally, supporting research across all science disciplines.

C. CREATION OF AN UNDER-GRADUATE TEACHING BLOCK

A new undergraduate teaching hub will be taken forward through re-development of the Taylor Building’s C&D blocks (the site currently occupied by Law). This is a key part of the long-term modernisation process, with the envisaged facility to include digitally enabled teaching spaces, including multi-use seminar and tutorial venues that are capable of serving a range of disciplines. They will be co-located next to communal, collaborative spaces that are now seen as integral to informal learning and which will help to establish a learning environment appropriate for the next generation of students.

These facilities will substantially enhance the standard and utilisation of centrally timetabled teaching accommodation on campus, bringing it up to a level of excellence comparable across the sector. It will also allow for the phasing out of more out-dated facilities elsewhere on campus. The scale, location and nature of the identified spaces make this the optimal solution. This project is contingent on the relocation of Law (see above). This project will be essential in supporting the overall capital programme’s objectives, notably those linked to an improved student experience and supporting improved progression and performance.

D. PREMIUM POSTGRADUATE AND EXECUTIVE EDUCATION SPACE

In order to support the expansion of professional and other premium-fee postgraduate courses, the development of a suite of executive standard, digitally enabled teaching spaces is proposed. It is proposed that these spaces are concentrated on one site in the historic heart of campus, by undertaking a full internal refurbishment of New King’s. These spaces will be underpinned by delivery of the Digital Strategy, and will be built for priority use by Schools offering premium-fee programmes where students expect to learn in high-quality facilities. These include PGT and
executive programmes offered in Business, Law, Geosciences and Engineering. The space will also be available for the delivery of innovative undergraduate teaching, where timetabling allows.

**E. RELOCATION OF THE BUSINESS SCHOOL**

Constrained by its current surroundings, and with limited scope to expand in a building that falls short of the facilities found in world-leading business schools, options for *Relocation of the Business School* are being developed. Relocation will provide the Business School with accommodation that will help it compete in the national and international market, delivering a professional, corporate environment that will support the School achieve its strategic aims and to meet its operational targets and ambitious growth projections. Distributed teaching spaces provided through the digital strategy will be a key factor in helping facilitate this growth.

The two principal options for relocation of the School include: an off-site building, ideally within walking distance of campus, or relocation to a redeveloped or re-build site within the Old Aberdeen campus. The former offers scope for more immediate (and potentially interim) relocation but may place constrains on the possible scale and scope of growth. The latter (potentially on the current Johnston Halls site) provides scope for a more optimised and tailored solution but with a longer timeframe and at a slightly higher cost. Further detailed option appraisal of these options is being undertaken to inform decision-making.

In both cases, a flagship development of this kind will support the student experience, facilitate income generating programmes and student recruitment, and enhance the attractiveness of the School to prospective staff, in turn benefitting the School’s research profile.

**F. OIL AND GAS INNOVATION HUB**

A multi-functional, inter-disciplinary *Oil and Gas Innovation Hub* is proposed to provide high-quality research infrastructure on the King’s College campus and to support world-leading research and innovation, predominantly related to Oil & Gas. This facility will, in particular, be integral to the University’s delivery of commitments under the Oil and Gas strand of the Aberdeen City Region Deal. The facilities envisaged will ensure that the University can exploit the opportunities presented through the emergent Oil & Gas Technology Centre (OGTC) and maximise the investment return from the City Region Deal to the University though the proposed industry focussed ‘Solution Centres’ and ‘Centres of Excellence’ that will support it.

The new facility will facilitate growth in oil and gas sector research mainly in Engineering and Geosciences, while providing flexible space for interaction with external partners and supporting internal collaborations with other science disciplines and with Law and Business. The envisaged facility will offer centralised key analytical laboratories based on function rather than on discipline, flexible ‘research hotels’ which would provide only the immediate office requirements for laboratory users, breakout rooms and synergy spaces to facilitate interaction with external collaborators and stakeholders. Options for the location of the new facility need to be further assessed, but these include: as part of a refurbished Meston building; within the basement of the Zoology building; or in a separate building on a currently unoccupied site.

**G. NEW STUDENT UNION**

In addition to world-class teaching and learning spaces, an outstanding student experience must include excellent social space and extra-curricular facilities. Provision of a *New Student Union* is central to this, as is the need for international-standard sporting facilities (see below).

A two-phase solution is proposed for the development of a new student union. The first phase is for relocation to the Hub; this is a short-to-medium term solution which can be taken forward immediately. It would give AUSA an accessible, identifiable venue that can be branded accordingly, and which will provide a number of the key facilities enshrined in the AUSA vision for its future union building. The second phase is for the subsequent redevelopment of Butchart, as previously approved by Court. The redevelopment of Butchart would give AUSA the full range of facilities it seeks to provide for the student body, and would give Aberdeen a union facility
comparable to any across the UK. It would also impact positively and significantly on Aberdeen’s objective to deliver an outstanding student experience and would address the lack of a student union which continues to detrimentally affect institutional performance in both national and international league tables.

H. DIGITAL TRANSFORMATION

The University has embarked upon an ambitious programme of accelerated digital transformation centred on five main strands:

- World class learning and student experience
- Supporting research excellence
- Our people
- Engaging with the world (web and social media)
- Use of data

Significant work supporting our digital vision is already being delivered via routine recurrent capital spend, supporting ‘business as usual’ developments such as enhanced WiFi, and our current commitment to the Enterprise Replacement Programme, OneSource. The OneSource programme will provide crucial enabling infrastructure in finance, human resources, curriculum management, student records/management and student self-selection of courses (MyCurriculum and MyTimetabling). The University has become an early adopter of the latest generation, cloud-based, 3Rivers student record/management system. This will be delivered within the already allocated OneSource programme budget.

Each of the new build projects described here will have a varying level of digital infrastructure. In the teaching intensive buildings state-of-the-art technology-enabled teaching facilities will be provided, including spaces for distributed learning, flexible digitally-enabled spaces which can be rapidly reconfigured for different learning needs, digital capture of lectures and other teaching outputs, multi-media learning. In new builds the costs have been incorporated into the building’s capital costs. There are, however, other spaces throughout the University’s estate which need to be refurbished for digitally enhanced learning. The cost of rolling out these refurbished spaces during the 10-year capital programme has been included under ‘digital transformation’ in the table at 12.3 below. Other costs included in this section are those related to the other elements of our world class learning and student experience work (e.g., on-line course development, optimised use of the Virtual Learning Environment and development of personalised device interfaces for students), as well as costs associated with the other strands of our digital strategy.

Priorities for our digital transformation are those projects which support income generation, enhancement of the student experience and our reputation (thereby supporting our league table ranking) and improvement in business efficiency. Using these criteria, our digital transformation priorities are web revamp and increased use of social media, on-line course development, first phase of roll out of technology-enhanced teaching spaces, implementation of the student management system and implementation of a comprehensive customer relationship system.

I. SPORTS FACILITIES

The University’s emerging Sports Strategy envisages investment in three key areas: first, further development of the Hillhead Sports Centre, to include two new 3G pitches made using the latest generation of artificial grass; second, the retention and refurbishment of changing facilities in a self-contained element of King’s Pavilion; and third, support over the longer term for the third phase of development to further enhance the excellent facilities at Aberdeen Sports Village.

The planned investment will add further exceptional sporting facilities to those already in place, putting the University at the forefront of sporting provision across the UK. At Hillhead, it will not only significantly enhance both existing facilities and the University’s capacity to host sporting events, but it will enable consolidation on one site in close proximity to the student village, thereby facilitating phase-out of the Balgownie complex.

It is proposed that work on the Hillhead Sports Centre and Kings Pavilion could be taken forward immediately (i.e. starting in 2016/17) as “quick wins” that could be delivered over the short term. The likely capital cost of these initiatives (excluding the third phase of ASV) is approximately
£1.5m-£2m. In parallel, discussions will continue with ASV and the City Council on the likely scope and attributed costs for a further and final phase of development of the site, with the current proposal being for a further (shared) investment of some £7m in pitches and changing facilities.

9. OTHER FACILITIES AND POTENTIAL DEVELOPMENTS

9.1 A number of other projects and areas of potential development have also been identified as part of previous long-term capital planning assessments. Further details are at Appendix D.

10. PLANNED & PREVENTATIVE LONG-TERM MAINTENANCE

10.1 As well as capital funding for new developments and major refurbishments, it is imperative that sufficient recurrent funding is made available to ensure that the long-term maintenance of buildings and digital infrastructure across all of our campuses, and beyond those areas identified in this document, is adequately resourced, supported and maintained. This is an integral part of the strategy to manage the condition of all our facilities.

11. PROGRAMME PRIORITISATION AND SEQUENCING

11.1 A full prioritisation of all the projects has not been carried out but the two highest priority projects are:

- *Relocation of the Law School*: which is critical to allow the Law School to fulfil its strategic ambitions and will be a major focus for the fund-raising campaign
- *Science Teaching Hub*: which is critical to the continued success of science and engineering and to addressing the Meston building.

11.2 Once the programme is approved in principle, further work will be undertaken to prioritise all the projects appropriately. This will be informed by appropriate business planning and, once complete, a phased capital plan will be prepared to match available income.

11.3 Sequencing of the programme will be contingent on three key factors: institutional priorities, which will drive project prioritisation; inter-project dependencies; and budgetary constraints. Sequencing will also need to reflect logical dependencies (i.e., redevelopment of the Taylor Building can only take place after relocation of the Law School). Given these, the following projects could be initiated in the short-term (assuming no budgetary constraints):

- Oil and Gas Innovation Hub (2016/17);
- Science Teaching Hub (2016/17);
- Premium Postgraduate and Executive Education Teaching Space (2016/17);
- Business School Relocation (2016/17 for either option);
- Student Union Facility (2016/17 for either option);
- Law School relocation (2016/17) provided the Stack can be emptied and alternative teaching spaces are provided for the Business School in King’s Quad

11.4 The campus map at Appendix E provides a graphic representation of proposed moves and certain key contingencies.

12. RESOURCE IMPLICATIONS

12.1 The programme will be financed through a number of sources, including land sales, SFC capital funding, fund raising and internal cash generation. At the current time, and pending the completion of the budget process, it is estimated that will be generated from the above sources over the next 10 years.

12.2 This funding will be available to support new investment (excluding the rolling program of long-term maintenance which it is assumed will continue) in physical infrastructure outlined here, but must be considered against competing institutional priorities for new developments elsewhere in the university.
12.3 The table below provides a summary of cost-estimates by project. It should be noted that these are high level, indicative estimates which present integrated estimates for both physical and digital infrastructure. They do not, at this stage take account of potential increases driven by inflation. For capital planning purposes and as part of the eventual sequencing of projects, it is assumed that inflation will accrue at 3% per annum.

<table>
<thead>
<tr>
<th>Project</th>
<th>Indicative Cost Estimate (£millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Relocation of the Law School (inc. Stack and parts of Kings)</td>
<td>14</td>
</tr>
<tr>
<td>B Science Teaching Hub (Meston)</td>
<td>21</td>
</tr>
<tr>
<td>C Undergraduate Teaching Block (Taylor)</td>
<td>8</td>
</tr>
<tr>
<td>D Premium Postgraduate and Executive Education (New King’s)</td>
<td>9</td>
</tr>
<tr>
<td>E Relocation of the Business School (Johnston site)</td>
<td>16</td>
</tr>
<tr>
<td>F Oil and Gas Innovation Hub (new build)</td>
<td>40.0</td>
</tr>
<tr>
<td>G New Student Union (Butchart)</td>
<td>8.5</td>
</tr>
<tr>
<td>H Digital Transformation</td>
<td>13.5</td>
</tr>
<tr>
<td>I Sports Facilities</td>
<td>2</td>
</tr>
<tr>
<td>Meston Redevelopment (part refurbishment / part demolition)</td>
<td>32</td>
</tr>
<tr>
<td>Meston Linked Projects (including demolition of 23 St Machar Dr and St Mary’s, and redevelopment of Zoology teaching labs).</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>173.5</strong></td>
</tr>
</tbody>
</table>

12.4 The table also includes indicative costs for the further re-development and rationalisation of the science estate that are likely in the longer term. Further clarification of these costs is required dependent on solutions chosen in other areas, but they are included here to give an indication of likely costs. It should be noted, however, that the cost estimate placed against Meston refurbishment is based on demolition of the north 1952 wing plus central and east links, and retention of the south and east wings for redevelopment. If, on further investigation, space requirements dictated that Meston should be retained in its entirety (with 23 St Machar Drive and St Mary’s demolished), cost of refurbishing the full building would rise to approximately £53m.

12.5 There is scope for reducing these costs in some cases depending on which option the University pursues e.g. the costs given against the Business School relocation and the new Student Union facility are based on the more expensive solutions under consideration (redevelopment of Johnston site and redevelopment of Butchart).

13. **PROGRAMME BENEFITS & RISKS**

13.1 Detailed analysis of the envisaged programme benefits and its impact on risk management is available at Appendix F.

14. **RECOMMENDED ACTION**

14.1 Court is asked to:

i. Comment on the portfolio of projects and whether they provide an appropriate range of initiatives to support institutional ambition.

ii. Note the estimated cost of the projects both individually and collectively.

iii. Endorse the further development of these projects as part of a prioritised and sequenced capital programme, informed by cash-flow analysis and business plans.

14.2 Court should note that updates on progress of the projects eventually included in the 10 year plan will be brought back to Court at key milestones during the pre-construction phase, including outline and detailed proposals prior to lodging any planning application.

15. **FURTHER INFORMATION**

15.1 Further information is available from Professor Jeremy Kilburn, Senior Vice-Principal or from Professor Peter McGeorge (Project Sponsor for Campus East) or Professor Phil Hannaford (Project Sponsor for Campus West).
UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Impact of FRS 102

CONSIDERATION BY OPERATING BOARD

1.1 In May, the Board received a paper on changes to accounting policy under Financial Reporting Standard (FRS) 102, requiring the restatement of the 2014/15 accounts for comparative purposes.

1.2 The Board noted the assistance of the Audit Committee in the underlying decision-making process. The University’s external auditor was noted to be satisfied with the proposals.

1.3 The University had informed the Scottish Funding Council of the effect of the changes, which led to a report of a £14.3m deficit and reconciliation to the £3.23m historical cost surplus reported under previous accounting regulations.

1.4 The Board agreed the need for proactive analysis and communication of the impact of the changes.
1. **EXECUTIVE SUMMARY**

1.1 With effect from the year ending 31 July 2016 (the current financial year), the University is required to present its financial statements under FRS 102 (new UK GAAP), in line with all higher education entities reporting under the new Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP). The 2014/15 financial statements must be restated for comparative purposes.

1.2 The revised accounting standards change the layout of the primary financial statements, and introduce a number of fundamental changes to accounting treatment. Audit Committee recommended changes to income recognition and fixed asset accounting policies at the meeting in January 2016, all other changes were statutory and must be implemented by the University.

1.3 The existing primary financial statements will be replaced as follows:

<table>
<thead>
<tr>
<th>Current Statement</th>
<th>Replacement</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income &amp; Expenditure Account</td>
<td>Statement of Comprehensive Income</td>
<td>The statement combines the previous Income &amp; Expenditure Account and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Statement of Total Recognised Gains and Losses.</td>
</tr>
<tr>
<td>Statement of Total Recognised Gains &amp; Losses</td>
<td>Not Applicable</td>
<td>This statement has been combined with the Income &amp; Expenditure.</td>
</tr>
<tr>
<td>N/A</td>
<td>Statement of Changes in Reserves</td>
<td>Adopted to demonstrate the movement between reserve categories with the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>revised Balance Sheet.</td>
</tr>
<tr>
<td>Balance Sheet</td>
<td>Statement of Financial Position or Balance Sheet</td>
<td>The presentation of the Balance Sheet remains similar.</td>
</tr>
</tbody>
</table>

1.4 The paper presents the University’s restated financial statements for the year ended 31 July 2015 that report a deficit of £14.3m and a reconciliation to the £3.23m historical cost surplus reported under previous accounting regulations. There are a number of assumptions to be finalised with our external auditors but these are not expected to have a material effect on the restated figures.

1.5 It must be noted that although the reported deficit is considerably worse than the previous figure, this is mainly due to the statutory inclusion of the USS pension liability and presentational changes such as the removal of the release from the revaluation reserve. These changes do not impact upon the University’s cash holdings or liquidity.

**Recommendations**

1.6 Based on the impact analysis of the items discussed below, the following recommendations have been made and the Court are invited to:

- Approve the Audit Committee's recommend revised accounting policies and the subsequent changes to the 1 August 2014 balance sheet and the 2014/15 financial statements, necessary due to the implementation of FRS102 and the new Further and Higher Education SORP.
- Note that management will continue to develop monthly management reports in line with the move to FRS102.
- Note that the University will continue to develop the OneSource finance system in order to prepare the 2015/16 financial statements.
- Note that the University will undertake training sessions and provide guidance on the impact of FRS102 for Court, Operating Board and the Senior Management Team.
2. BACKGROUND

2.1 The first annual financial statements under the new accounting regime will be for the year ending 31 July 2016 with results for the year and the comparative year presented under the SORP 2015 which is based on FRS 102. The University is required to make an explicit and unreserved statement in its first set of financial statements of compliance with the SORP. The date for transition is 1 August 2014, this being the start of the earliest period of comparative information. It is therefore necessary to have a transition balance sheet as at 1 August 2014.

2.2 The Audit Committee has selected its recommended revised accounting policies and the 2014 balance sheet and 2014/15 financial statements have been restated based on the policy choices and other changes implemented by FRS102. The changes are summarised as follows:

<table>
<thead>
<tr>
<th>Policy/Accounting Treatment Change</th>
<th>Statutory/Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of Universities Superannuation Scheme (USS) liability on the balance sheet</td>
<td>Statutory</td>
</tr>
<tr>
<td>Treatment for other Pension Schemes</td>
<td>Statutory</td>
</tr>
<tr>
<td>Holiday Pay Accrual</td>
<td>Statutory</td>
</tr>
<tr>
<td>Income Recognition - Treatment of Exchange Transactions</td>
<td>Statutory</td>
</tr>
<tr>
<td>Income Recognition - Treatment of Non-exchange Transactions</td>
<td>Statutory</td>
</tr>
<tr>
<td>Endowments</td>
<td>Statutory</td>
</tr>
<tr>
<td>Leasing &amp; Service Concessions</td>
<td>Statutory</td>
</tr>
<tr>
<td>Income Recognition Treatment of Revenue Government Grants – Accruals method selected</td>
<td>Policy Choice</td>
</tr>
<tr>
<td>Treatment of Capital Government Grants - Accruals method selected</td>
<td>Policy Choice</td>
</tr>
<tr>
<td>Accounting for Fixed Assets – moved from revaluation model to deemed cost with no further revaluation.</td>
<td>Policy Choice</td>
</tr>
</tbody>
</table>

2.3 The transition to the revised financial standards will be addressed in the relevant reports to Audit Committee outlined in the following timetable:

<table>
<thead>
<tr>
<th>Action</th>
<th>Report Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPMG engaged to support FRS 102 transition</td>
<td>Complete</td>
</tr>
<tr>
<td>FRS102 Gap Analysis and action plan produced</td>
<td>Complete</td>
</tr>
<tr>
<td>Initial training for key Finance section staff</td>
<td>Complete</td>
</tr>
<tr>
<td>Initial Audit Committee Training</td>
<td>Complete</td>
</tr>
<tr>
<td>Initial draft report outlining the main changes resulting from FRS 102 implementation.</td>
<td>Complete - October 2014 (Report 1)</td>
</tr>
<tr>
<td>Identify owners for action plan task</td>
<td>Complete</td>
</tr>
<tr>
<td>Information session for Finance and Research &amp; Innovation staff</td>
<td>Complete</td>
</tr>
<tr>
<td>Impact analysis for key risk areas (income recognition, holiday accrual and pension provision).</td>
<td>Complete</td>
</tr>
<tr>
<td>Report to Audit Committee with invitation to recommend revised accounting policies.</td>
<td>April 2015 (Report 2)</td>
</tr>
<tr>
<td>Selection of new accounting policies</td>
<td>January 2016 (Report 3)</td>
</tr>
<tr>
<td>Written accounting policies completed.</td>
<td>March 2016</td>
</tr>
<tr>
<td>Formation and delivery of appropriate training plans for Audit Committee, Court, Operating Board, Senior Management and Finance and other relevant team sections.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Review of all income streams for August 2014 Balance Sheet restatement.</td>
<td>Complete – subject to external audit</td>
</tr>
<tr>
<td>Adoption of new written accounting policies, restatement of August 2014 Balance Sheet and presentation of restated 2014/15 Financial Statements incorporating all policy changes (USS deficit recognition, holiday accrual etc.).</td>
<td>April 2016 (Report 4)</td>
</tr>
<tr>
<td>Completion of 2015/16 Financial Statements under FRS102</td>
<td>September 2016</td>
</tr>
</tbody>
</table>
3. **STRATEGIC CONTEXT**

3.1 The new accounting treatment is a statutory requirement and must be adopted by the University. The choice of accounting policies has an impact on the University’s annual financial results and on the comparability of the University with other similar institutions.

4. **IMPACT OF CHANGES IN ACCOUNTING POLICIES**

The implementation of FRS 102 has led to key changes in the presentation of the University’s Financial Statements. The movements in the restated transition date balance sheet as at 1 August 2014 is shown in Appendix 1 and the revised financial statements for the year ended 31 July 2015 are shown in Appendix 2.

The adjustments to the restated balance sheet at 1 August 2014 shown at 4.1 below have resulted in a reduction in net assets of £106.1m, this is predominantly presentational due to the transfer of government funded capital grants to deferred income as required following the selection of the accruals model for income recognition. The other significant movements are the recognition of non-government capital grants in Income & Expenditure reserves (£32.7m), the USS pension liability (£14.7m), the transfer of the negative goodwill arising on the acquisition of the Rowett Research Ltd from fixed assets to the income and expenditure reserve (£11m) and the initial holiday pay accrual adjustment (£3.5m).

4.1. **Transitional Balance Sheet Date – 1 August 2014**

The initial transfers at the transition date have a significant effect on the balance sheet and reduce the value of net assets by £106.1m. The summarised changes to the balance sheet at the transition date of 1 August 2014 are as follows:

<table>
<thead>
<tr>
<th>Balance Sheet – 1 August 2014</th>
<th>Old SORP £000</th>
<th>Restatement £000</th>
<th>New SORP £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td>566,704</td>
<td>44,410</td>
<td>611,114</td>
</tr>
<tr>
<td>Endowment Assets</td>
<td>35,024</td>
<td>(35,024)</td>
<td>-</td>
</tr>
<tr>
<td>Current Assets</td>
<td>50,733</td>
<td>1,625</td>
<td>52,358</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>(55,705)</td>
<td>(7,766)</td>
<td>(63,471)</td>
</tr>
<tr>
<td>Net Current Liabilities</td>
<td>(4,972)</td>
<td>(6,141)</td>
<td>(11,113)</td>
</tr>
<tr>
<td>Long Term Liabilities</td>
<td>(65,657)</td>
<td>(94,736)</td>
<td>(160,393)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(31,465)</td>
<td>(14,701)</td>
<td>(46,166)</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>499,634</strong></td>
<td><strong>(106,144)</strong></td>
<td><strong>393,440</strong></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Capital Grants</td>
<td>131,736</td>
<td>(131,736)</td>
<td>-</td>
</tr>
<tr>
<td>Endowments</td>
<td>35,024</td>
<td>-</td>
<td>35,024</td>
</tr>
<tr>
<td>Income &amp; Expenditure Reserves</td>
<td>92,759</td>
<td>25,542</td>
<td>118,301</td>
</tr>
<tr>
<td>Revaluation Reserve</td>
<td>240,115</td>
<td>-</td>
<td>240,115</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>499,634</strong></td>
<td><strong>(106,144)</strong></td>
<td><strong>393,440</strong></td>
</tr>
</tbody>
</table>
The significant changes are:

- Transfer of deferred capital grant balances to Income & Expenditure reserves of £32.7m reflecting the change in treatment of non-government capital grants.
- An increase to Income & Expenditure reserves of £11m due to the recognition of the negative goodwill from the acquisition of the Rowett Research Institute Ltd.
- The transfer of government funded capital grants to long term liabilities (£94.7m) and current liabilities (£4.3m) as a result of selecting the accruals method of income recognition.
- An increase in provisions to account for the initial USS pension liability of £14.7m.
- An increase to current liabilities of £3.5m to account for the opening holiday accrual.
- A subsequent reduction to the Income & Expenditure reserves of £18.2m in respect of the USS liability (£14.7m) and holiday pay accrual (£3.5m).
- Overall the changes result in a reduction of net assets of £106.1m, largely due to the change in classification of deferred capital grants and the recognition of the USS pension liability.

The changes to the 1 August 2014 balance sheet also have a knock on effect to the restated 31 July 2015 balance sheet (Appendix 2), as do the transactions detailed in the restatement of the 2014/15 reported deficit.

4.2. Restated Financial Statements – Financial Year 2014-15

The restated financial statements result in a significant adverse change to the reported surplus/(deficit) figure with the original historic cost surplus of £3.23m being replaced with an overall deficit for the year of £14.3m. The difference in the reported deficit is due a number of changes, including some presentational changes as follows:

- The removal of the release from revaluation reserve from the Income & Expenditure account to the new Statement of Changes in Reserves
- The inclusion of items such as the unrealised gains on investments and assets, and the actuarial loss on pension schemes previously reported in the now obsolete Statement of Total Recognised Gains and losses
- The first time inclusion of the movement on the USS pension liability as well as the timing of the triennial USS valuation.

The restated deficit of £14.264m can be reconciled to the original historical cost surplus of £3.232m as follows:

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historic Cost Surplus</td>
<td></td>
<td>3,273</td>
</tr>
<tr>
<td>Previously via STRGL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of Investment Properties</td>
<td>(178)</td>
<td></td>
</tr>
<tr>
<td>Revaluation of Investment &amp; Endowments</td>
<td>4,713</td>
<td></td>
</tr>
<tr>
<td>Actuarial Loss in Respect of Pension Schemes</td>
<td>(2,578)</td>
<td></td>
</tr>
<tr>
<td>New Endowments Received</td>
<td>117</td>
<td>2,074</td>
</tr>
<tr>
<td>New Items/Changes to Policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to USS Pension Liability</td>
<td>(12,600)</td>
<td></td>
</tr>
<tr>
<td>Movement in Holiday Accrual</td>
<td>(119)</td>
<td></td>
</tr>
<tr>
<td>Reversal of Negative Goodwill Release</td>
<td>(307)</td>
<td></td>
</tr>
<tr>
<td>Reversal of Deferred Capital Grants Released</td>
<td>(1,959)</td>
<td></td>
</tr>
<tr>
<td>Capital Grants Received</td>
<td>1,153</td>
<td>(13,832)</td>
</tr>
<tr>
<td>Items moved to Reserve Statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Release from Revaluation Reserves</td>
<td>(5,779)</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income for the Year</td>
<td></td>
<td>(14,264)</td>
</tr>
</tbody>
</table>
It is worth noting that whilst the University’s financial position looks significantly worse, both in terms of financial strength in the balance sheet and the annual reported surplus/(deficit) figure, many of the changes are presentational and there is no change to the University’s liquidity. The cash balances remain unchanged, despite a restatement due to changes in definitions for cash holdings and endowments. Management must now concentrate on developing a meaningful reporting system in to accurately reflect operational activity and financial strength, for example with a focus on Earnings before Interest, Taxes, Depreciation & Amortisation (EBITDA) that exclude exceptional and non-controllable movements such as the changes in pension liabilities and investment values.

Given the changes to accounting policies and the impact on the reported surplus/deficit due to the implementation of FRS102, guidance and training is required for Court members, Operating Board and the Senior Management Team. This will now be undertaken as the University has recommended accounting policies and the impact of these and the other statutory changes has been modelled.

4.3. Analysis of Impact

The above analysis concentrates on the financial and presentational aspects of the transition however there are wider implications to consider:

- **Management Accounting and Performance Measurement**
  The revised financial statements, especially the Statement of Comprehensive Income, will be more volatile due to the inclusion of investment revaluation and pension provision movements on the face of the accounts and the treatment of non-exchange transactions.

- **Comparability**
  As Universities have the ability to select different accounting policies for income recognition for both revenue and capital government grants and the revaluation of fixed assets, the comparison of annual financial results will become less meaningful.

- **Bank Covenants**
  The University loan facility is dependent on meeting certain financial covenants. Discussions with Barclays will be undertaken to ensure that the University addresses any consequences of FRS 102 in relation to covenants. The calculation of these figures will change significantly due to the accounting changes. Discussion with our lenders will be necessary to reach agreement on recalculation of the figures in order to protect existing borrowing rates.

- **Communications and External User of Financial Statements**
  The University must consider how to manage communication of year-on-year financial results. The changes to the financial statements will lead to volatility in results, with the potential for considerable surpluses on recognition of capital grants, to potentially large deficits with changes to pension provisions.

5. **Resource Implications**

5.1 Compliance with FRS102 will be largely undertaken by the existing finance section, with support from other relevant parts of the University and professional advice as required. The more material changes are disclosure and perception only.

6. **Recommended Action**

6.1 The Court is invited to:

- Approve the Audit Committee’s recommend revised accounting policies and the subsequent changes to the 1 August 2014 balance sheet and the 2014/15 financial statements, necessary due to the implementation of FRS102 and the new Further and Higher Education SORP.
- Note that management will continue to develop monthly management reports in line with the move to FRS102.
• Note that the University will continue to develop the OneSource finance system in order to prepare the 2015/16 financial statements.
• Note that the University will undertake training sessions and provide guidance on the impact of FRS102 for Court, Operating Board and the Senior Management Team.

7. **FURTHER INFORMATION**

7.1 Further information is available from David Beattie david.beattie@abdn.ac.uk or Craig Sherrit c.a.sherrit@abdn.ac.uk

[26/04/16] [version 2] [Open]

<table>
<thead>
<tr>
<th>Board/Committee</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously considered by</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>Further approval required</td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 1 – Restated Balance Sheet – August 2014

<table>
<thead>
<tr>
<th></th>
<th>Old SORP £000</th>
<th>Endowment Assets £000</th>
<th>Negative Goodwill £000</th>
<th>Deferred Capital Grants £000</th>
<th>Pension Liabilities £000</th>
<th>Holiday Accrual £000</th>
<th>New SORP £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td>566,704</td>
<td>33,399</td>
<td>11,011</td>
<td></td>
<td></td>
<td></td>
<td>611,114</td>
</tr>
<tr>
<td>Endowment Assets</td>
<td>35,024</td>
<td>(35,024)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current Assets</td>
<td>50,733</td>
<td>1,625</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,358</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>(55,705)</td>
<td>-</td>
<td>-</td>
<td>(4,308)</td>
<td>-</td>
<td>(3,458)</td>
<td>(63,471)</td>
</tr>
<tr>
<td>Net Current Liabilities</td>
<td>(4,972)</td>
<td>1,625</td>
<td>-</td>
<td>(4,308)</td>
<td>-</td>
<td>(3,458)</td>
<td>(11,113)</td>
</tr>
<tr>
<td>Long Term Liabilities</td>
<td>(65,657)</td>
<td>-</td>
<td>-</td>
<td>(94,736)</td>
<td>-</td>
<td>-</td>
<td>(160,393)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(31,465)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14,701)</td>
<td>-</td>
<td>(46,166)</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>499,634</strong></td>
<td>-</td>
<td>11,011</td>
<td>(99,044)</td>
<td>(14,701)</td>
<td>(3,458)</td>
<td><strong>393,440</strong></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Capital Grants</td>
<td>131,736</td>
<td>-</td>
<td>-</td>
<td>(131,736)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowments</td>
<td>35,024</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,024</td>
</tr>
<tr>
<td>Income &amp; Expenditure Reserves</td>
<td>92,759</td>
<td>-</td>
<td>11,011</td>
<td>32,690</td>
<td>(14,701)</td>
<td>(3,458)</td>
<td>118,301</td>
</tr>
<tr>
<td>Revaluation Reserve</td>
<td>240,115</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>240,115</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td><strong>499,634</strong></td>
<td>-</td>
<td>11,011</td>
<td>(99,044)</td>
<td>(14,701)</td>
<td>(3,458)</td>
<td><strong>393,440</strong></td>
</tr>
</tbody>
</table>

### Consolidated Statement of Comprehensive Income and Expenditure

**Year ended 31 July 2015**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding body grants</td>
<td>80,277</td>
</tr>
<tr>
<td>Tuition fees and educational contracts</td>
<td>47,113</td>
</tr>
<tr>
<td>Research grants and contracts</td>
<td>62,494</td>
</tr>
<tr>
<td>Other income</td>
<td>41,990</td>
</tr>
<tr>
<td>Investment income</td>
<td>838</td>
</tr>
<tr>
<td><strong>Total income before endowments and donations</strong></td>
<td><strong>232,712</strong></td>
</tr>
</tbody>
</table>

| Endowments and donations | 1,050 |

<table>
<thead>
<tr>
<th>Less: Share of income from joint venture</th>
<th>(3,150)</th>
</tr>
</thead>
</table>

| **Total income** | **230,612** |

<table>
<thead>
<tr>
<th>Expenditure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>155,016</td>
</tr>
<tr>
<td>Fundamental restructuring costs</td>
<td>3,481</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>71,287</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18,017</td>
</tr>
<tr>
<td>Interest and other finance costs</td>
<td>3,830</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>251,631</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Deficit)/surplus before other gain/(losses) and share of operating surplus/(deficit) of joint ventures</th>
<th>(20,019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain/(loss) on disposal of fixed assets</td>
<td>4,340</td>
</tr>
<tr>
<td>Gain/(loss) on disposal of non-current investments</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(loss) on investment</td>
<td>4,711</td>
</tr>
<tr>
<td>Share of operational surplus/(deficit) in joint venture</td>
<td>(46)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Surplus/Deficit before tax</strong></th>
<th>(12,014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation</td>
<td>(568)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Surplus/(deficit) for the year</strong></th>
<th>(12,582)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealised surplus on revaluation of fixed assets</td>
<td>(178)</td>
</tr>
<tr>
<td>Actuarial gain in respect of pension schemes</td>
<td>(1,504)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total comprehensive income for the year</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment comprehensive income for the year</td>
<td>2,970</td>
</tr>
<tr>
<td>Restricted comprehensive income for the year</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted comprehensive income for the year</td>
<td>(17,234)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>(14,264)</th>
</tr>
</thead>
</table>
### Appendix 2 – Restated Financial Statements - 31 July 2015 continued

#### Consolidated and University Statement of Changes in Reserves
**Year ended 31 July 2015**

<table>
<thead>
<tr>
<th></th>
<th>Income and expenditure account</th>
<th>Revaluation reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Endowment</strong></td>
<td><strong>Restricted</strong></td>
<td><strong>Unrestricted</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£000</strong></td>
<td><strong>£000</strong></td>
<td><strong>£000</strong></td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 1 August 2014</strong></td>
<td>35,024</td>
<td>-</td>
<td>118,301</td>
</tr>
<tr>
<td>Surplus/(deficit) from the income and expenditure statement</td>
<td>2,970</td>
<td>-</td>
<td>(15,552)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>(1,682)</td>
</tr>
<tr>
<td>Transfers between revaluation and income and expenditure reserve</td>
<td>-</td>
<td>-</td>
<td>5,780</td>
</tr>
<tr>
<td>Release of restricted funds spent in year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>2,970</td>
<td>-</td>
<td>(11,454)</td>
</tr>
<tr>
<td><strong>Balance at 31 July 2015</strong></td>
<td>37,994</td>
<td>-</td>
<td>106,847</td>
</tr>
</tbody>
</table>

**University**

<table>
<thead>
<tr>
<th></th>
<th>Income and expenditure account</th>
<th>Revaluation reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Endowment</strong></td>
<td><strong>Restricted</strong></td>
<td><strong>Unrestricted</strong></td>
</tr>
<tr>
<td></td>
<td><strong>£000</strong></td>
<td><strong>£000</strong></td>
<td><strong>£000</strong></td>
</tr>
<tr>
<td><strong>Balance at 1 August 2014</strong></td>
<td>35,024</td>
<td>-</td>
<td>103,280</td>
</tr>
<tr>
<td>Surplus/(deficit) from the income and expenditure statement</td>
<td>2,970</td>
<td>-</td>
<td>(11,892)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>(1,507)</td>
</tr>
<tr>
<td>Transfers between revaluation and income and expenditure reserve</td>
<td>-</td>
<td>-</td>
<td>5,629</td>
</tr>
<tr>
<td>Release of restricted funds spent in year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>2,970</td>
<td>-</td>
<td>(7,770)</td>
</tr>
<tr>
<td><strong>Balance at 31 July 2015</strong></td>
<td>37,994</td>
<td>-</td>
<td>95,510</td>
</tr>
</tbody>
</table>
## Appendix 2 – Restated Financial Statements - 31 July 2015 continued

### Balance Sheets

#### as at 31 July 2015

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative goodwill arising from the acquisition of RRI Ltd</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>571,822</td>
<td>556,304</td>
</tr>
<tr>
<td>Heritage Assets</td>
<td>277</td>
<td>277</td>
</tr>
<tr>
<td>Investments</td>
<td>43,555</td>
<td>53,922</td>
</tr>
<tr>
<td>Investment in joint venture:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of gross assets</td>
<td>20,478</td>
<td>-</td>
</tr>
<tr>
<td>Share of gross liabilities</td>
<td>(9,815)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>626,317</strong></td>
<td><strong>610,503</strong></td>
</tr>
</tbody>
</table>

#### Current assets

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks</td>
<td>289</td>
<td>289</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>38,181</td>
<td>38,241</td>
</tr>
<tr>
<td>Investments</td>
<td>1,356</td>
<td>1,356</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7,401</td>
<td>5,749</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,227</strong></td>
<td><strong>45,635</strong></td>
</tr>
</tbody>
</table>

Less: Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net current liabilities</strong></td>
<td><strong>(16,562)</strong></td>
<td><strong>(18,156)</strong></td>
</tr>
</tbody>
</table>

#### Total assets less current liabilities

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td><strong>609,755</strong></td>
<td><strong>592,347</strong></td>
</tr>
</tbody>
</table>

Less: Creditors: amounts falling due after more than one year

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension provisions</td>
<td>(61,334)</td>
<td>(61,334)</td>
</tr>
<tr>
<td>Other provisions</td>
<td>(60)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>379,176</strong></td>
<td><strong>361,769</strong></td>
</tr>
</tbody>
</table>

#### Restricted Reserves

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income and expenditure reserve - endowment reserve</td>
<td>37,994</td>
<td>37,994</td>
</tr>
<tr>
<td>Income and expenditure reserve - restricted reserve</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Unrestricted Reserves

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2015 £000</th>
<th>University 2015 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income and expenditure account</td>
<td>106,847</td>
<td>95,510</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>234,335</td>
<td>228,265</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>379,176</strong></td>
<td><strong>361,769</strong></td>
</tr>
</tbody>
</table>
CONSIDERATION BY OPERATING BOARD

1.1 In April, the Board noted that Court had delegated authority to this meeting to make a final decision about the future of the project. In the period between 4 and 20 April, the University’s Korean Partners had sought solutions to the financial risks which had jeopardised the project up to this point. As requested, the Partners had put forward a proposal to underwrite £2.5m over a five year period, and to make payments in advance to cover deficits. Further, the University was no longer required to make a capital investment, either for infrastructure or working capital. A revised agreement between the Partners and the University had not yet been received and further clarity on the legality of the contract was therefore awaited.

1.2 On the basis of the positive negotiations and the strong commitment shown by the local Government partners, the Board approved the recommendation that the University should continue to seek as much legal certainty as possible, returning to the Board for a final decision at its meeting on 10 May 2016.

1.3 In May, the Board received a further progress update and it was agreed to receive at the next meeting a definitive recommendation to either proceed or withdraw from the project. The paper was to include a statement of the underlying intellectual case, the associated risks and an appraisal of the viability of the plan in the context of the South Korean context and the energy sector environment.

1.4 In June, the Board noted a recent visit (17 and 18 May 2016) by a delegation from the Korean Ministry of Education. The visit had provided the opportunity for the University to showcase its strengths and respond to questions.

1.5 The University and the Korean Partners had agreed on the following to ensure the financial sustainability of the Campus:

- As set out in the University’s application to the Korean Ministry of Education, the University of Aberdeen would make a cash contribution to the Campus project. The University would put forward £1.2M over the first two years of operation (2017: £900k; 2018: £300k).
- The Korean Partners had guaranteed that the University would recover its contribution within the first seven years of operation, as opposed to the first ten years as originally planned.
- The Korean Partners would make up to £2.5M available to the University between 2018 and 2022 to ensure sustainability of the Campus. This financial support would be twofold:
  (i) If the Campus did not perform in line with expectations, the Korean Partners would make payments to the University to ensure the University recovered its financial contribution within the first seven years, and
  (ii) Should the worst case scenario materialise, the Korean Partners would cover financial deficits.
- The financial aid would be made available between 1 March and 31 May every year from 2018.
- The partners had discussed exchange rate risks and arrangements would be put in place to ensure that any exchange rate movement had minimal impact on the project and partner financing.
- A new compromise had been reached around the nature of the agreement. Upon the issuing of a formal permit by the Ministry of Education, the University and the Korean Partners would finalise a binding legal agreement around the financial aid from the Korean Partners which would set out the terms and conditions.

1.6 On the basis of the above, Operating Board approved, on behalf of University Court, that the University would formally confirm that it would proceed to establish a campus in South Korea.
UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
KOREA CAMPUS

1. Executive Summary

1.1 At its meeting on 6 June 2016, Operating Board agreed, on behalf of University Court, to approve the establishment of a University of Aberdeen Campus in South Korea. This paper provides Court members with an update on the project since the last meeting of Court, outlines the proposal approved by Operating Board, and advises on the next steps. The report also invites the Court to formally approve a Resolution reflecting the campus governance structure, which was previously considered by Court in December 2015.

1.2 When University Court last considered the project in March 2016, it was noted that the University had revised its business plan to take account of the downturn in the international oil and gas sector and that, if the most pessimistic scenario materialised, the University might face a deficit of £2.5M in the first ten years and would not recover its planned contribution of £1.5M. It was therefore agreed that discussions should be initiated with the Korean partners to seek a solution to the financial risk posed by the remodelling. Court also agreed to delegate the final decision on the project to Operating Board, provided that the financial plan had not been altered in any significant way and that a legally binding confirmation was agreed regarding the underwriting of the estimated £2.5M deficit in the ‘worst case scenario’.

1.3 Negotiations with the partners commenced in March as instructed by Court and were ongoing until the end of May when an agreement was reached on the way forward. The progress of the negotiations was reported to Operating Board on 21 April and 10 May, with a final recommendation made to the Board on 6 June.

1.4 In a separate development from the negotiations with the Korean local governments around the financial risks arising from the project, and as part of the Ministry’s review process of the University’s application to set up a university campus in South Korea, a delegation from the Korean Ministry of Education visited the University on 17-18 May 2016. The delegation consisted of officials from the Ministry, three representatives from the special Evaluation Committee established by the Ministry to evaluate the University’s proposal, a representative from the Korean National Research Council and a representative from the Korea Research Institute of Ships and Ocean Engineering. The purpose of the visit was to carry out an on-site review of the University’s facilities and discuss the proposal to set up a campus in Korea in more detail with all relevant staff. The delegation met with University staff both within central administration and in the Schools of Business and Engineering and had guided tours of various teaching and research facilities on both the Old Aberdeen and Foresterhill Campuses.

1.5 At the end of the visit, the Evaluation Committee announced that the University would be granted a permit to establish and operate a university campus in South Korea and that the permit would be issued upon formal approval of the project by Operating Board on 6 June. The delegation noted that it had been very impressed with the University of Aberdeen and the reception from staff and noted that the Ministry would be open to further discussions in future around diversification of the University Campus in Korea should the oil and gas market not recover or if the needs of the local industry change significantly.

1.6 Representatives from Gyeongsangnam-do Prefecture, Hadong County, Gwangyang Bay Free Economic Zone and KOSORI (Korea Ship and Offshore Research Institute of Busan National University) visited the University at the same time as the Ministry of Education delegation in May, in an effort to reach an agreement to secure financial sustainability of the campus. University officials had a series of meetings with the Partners to discuss the financial model for the Campus and ways in which financial risks could be minimised.
1.7 It was clear from the discussions with the Korean Partners that there is full political commitment to the project from our local government partners. They have made significant long term binding financial and political commitments to the project and they reiterated their strong will to do whatever is necessary to make the Campus successful. Following discussions, an agreement was reached on the way forward, which was submitted to Operating Board on 6 June. The details of the agreement are summarised in section 4 of this paper.

1.8 Operating Board noted that the strategic benefits of establishing a campus in Korea remained strong. As the review process by the Ministry of Education had been successfully completed and an agreement had been reached on a financial contract for the campus which minimises the financial risks to the University, it was noted that the concerns around the financial risks of the project as expressed by Court in March 2016 had now been addressed. The Board therefore approved, on behalf of University Court, the University’s establishment of its first overseas campus in South Korea, with a planned opening date in March 2017.

1.9 As required under the Universities (Scotland) Act 1966, the Senate and the Business Committee received and endorsed the draft Resolution for the proposed campus governance structure. As part of that statutory process, the Resolution has also been made available for public comment with no comments having been received. The Court is, therefore, invited to formally approve the Resolution (Appendix 2) and agree the proposed governance structure for the University of Aberdeen Campus in Korea, more detail of which is set out in Appendix 3.

1.10 Court is invited to:

(i) note the decision made by Operating Board that the University establish its first overseas campus in South Korea, with a planned opening date in March 2017, and
(ii) formally approve the Resolution (Appendix 2) and agree the proposed governance structure for the University of Aberdeen Campus in Korea (Appendix 3).

1.11 Further information is available from Professor Jeremy Kilburn, Senior Vice-Principal (j.kilburn@abdn.ac.uk, ext. 2017), Professor John Paterson, Vice-Principal Internationalisation (j.paterson@abdn.ac.uk, ext.3021), Mr David Beattie, Director of Finance (david.beattie@abdn.ac.uk, ext. 2015) and Dr Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk, ext. 3792).

2 BACKGROUND

2.1 University Court approved in December 2014 that the University would proceed with its plans to establish a campus in South Korea and would submit relevant applications to the Korean Government to get the necessary approvals to establish a campus in-country (see pg 125 of the minute of the Court meeting held in December 2014 at the following link: https://www.abdn.ac.uk/admin/court/intranet/).

2.2 The University submitted a business plan to the Ministry of Trade, Industry and Energy (MOTIE) in February 2015 which was approved by the Ministry in May 2015, thereby releasing approx. £600k of ‘pre-establishment funds’ to the University to prepare the establishment of a Campus.

2.3 The University then submitted an application to the MOE in June 2015. The application was reviewed by a special Evaluation Committee set up by the Ministry of Education and the recent due diligence visit to the University by the Ministry was the last stage of this process.

2.4 According to the University’s financial model, submitted to the MOE, the University intended to invest £1.5M in the project at the outset to supplement approx. £5M invested by the central government and local government partners (prefectural and county levels), which was to be recovered within the first ten years of operation.

2.5 The University reported to University Court in March 2016 that the Ministry of Education had informed the University that some key changes would be required to the financial plan: (i) CPD income was to be excluded as national legislation did not allow foreign universities to deliver CPD programmes in the country; and (ii) research funding was to be excluded from the plan in Year 1, as no funding had yet been secured. The University revised its financial plan to reflect these changes. At the same time, the University applied more prudent assumptions to the plan to reflect
growing concerns that the slump in the oil and gas sector might affect the viability of the campus. The University revised the basic assumptions underlying the financial plan: CPD income was removed fully, student number targets were reduced, and more conservative assumptions were made about research income, assuming income from research activity only from Year 2 onwards. Several scenarios were prepared around the revised business plan and the most pessimistic scenario indicated the University might possibly face a deficit of up to £2.5M in the first ten years of operation and would not recover its planned contribution of £1.5M. A balanced budget could therefore not be achieved by Year 5 as planned without a significant unrecoverable financial contribution.

2.6 Court agreed in March that the University would request formal discussions with the Korean partners to seek a solution to the financial risk posed by the remodelling, and that the final decision on the project would be delegated to Operating Board, provided that the financial plan had not been altered in any significant way and that a legally binding confirmation was received regarding the underwriting of the estimated £2.5M deficit in the 'worst case scenario'.

3 MINISTRY OF EDUCATION APPROVALS PROCESS

3.1 As previously reported to Court, the University submitted an application to the Korean Ministry of Education in June 2015, seeking a permit to establish and operate a campus in Korea (see pgr 1.13 of Court agenda item 9.1 (Report on Branch Campus South Korea) in December 2014 and pgr. 4.3 of Court agenda item 8.1 (Update on Establishment of the Korea Branch Campus) in December 2015 at the following link: https://www.abdn.ac.uk/admin/court/intranet/). The Ministry set up an Evaluation Committee to review the University's application which has met regularly to consider the application and seek further information from the University.

3.2 As part of the Ministry's review process, a delegation from the Korean Ministry of Education visited the University on 17-18 May 2016, consisting of officials from the Ministry, three representatives from the special Evaluation Committee established by the Ministry to evaluate the University's proposal, a representative from the Korean National Research Council and a representative from the Korea Research Institute of Ships and Ocean Engineering. The purpose of the visit was to carry out an on-site inspection of the University’s facilities and interview senior staff across the University regarding the proposed Campus establishment. The delegation met with University staff both within central administration and in the Schools of Business and Engineering and had guided tours of various teaching and research facilities on both the Old Aberdeen and Foresterhill Campuses.

3.3 The visit by the Ministry of Education was very helpful in increasing mutual understanding of the project. The delegation had detailed discussions with staff about the vision and operational plans behind the project, and expressed a willingness to support the University in making the project as successful as possible. The Ministry noted in particular the challenges facing the project at present in relation to the current downturn in the international oil and gas sector and the location of the campus in the southern part of the country. The delegation noted that the Ministry would be open to future discussions with the University about further diversification; for example, should the international market not recover, or if the needs of the international offshore industry changed significantly. In this respect, potential new developments in the area of renewable energy or biomedical engineering were briefly discussed as areas which could be considered further. Should the University be interested in further diversification along these lines, formal discussions would be required with the Ministry of Education to amend the academic portfolio for the campus.

3.4 At the end of the visit, the Evaluation Committee announced that it had completed its review of the University’s application to operate in Korea and that the University would be granted a permit to establish and operate a university campus in South Korea. The Chairman further noted that the delegation had been very impressed with the University of Aberdeen and the reception from staff. The permit will be issued in June 2016 when the University can formally start recruitment to the campus.

4 FINANCIAL AGREEMENT

4.1 Negotiations with the Korean Partners commenced in March to seek solutions to the financial risks facing the project. The progress of the negotiations was reported to Operating Board on 21 April and 10 May (see the following link: https://www.abdn.ac.uk/admin/court/intranet/ to access
the reports to Operating Board (April 2016: agenda item 4.1 (Update on Korea Project); and May 2016: agenda item 2.1 (Korea Campus)). As part of this process, representatives from Gyeongsangnam-do Prefecture, Hadong County, Gwangyang Bay Free Economic Zone and KOSORI visited the University at the same time as the Ministry of Education delegation in May, in an effort to reach an agreement to secure financial sustainability of the campus. University officials had a series of meetings with the Partners to discuss the financial model for the Campus and ways in which financial risks could be minimised.

4.2 An agreement was reached during the visit. The agreement addresses the key concerns of University Court and can be summarised as follows:

4.2.1 To demonstrate its commitment to the Korea Campus project and to honour commitments made in the University’s application to the Ministry of Education, the University of Aberdeen will invest £1.2M in the Campus project.

4.2.2 The University is guaranteed to recover its contribution within the first seven years of operation, as opposed to the first ten years as originally planned.

4.2.3 If the Campus does not perform in line with expectations, the Korean Partners will offer financial aid of up to £2.5M to the University between 2018 and 2020 so that:

(i) the University can recover its financial contribution, and
(ii) financial deficits are covered, should the worst case scenario materialise.

4.2.4 The financial aid will be made available between 1 March and 31 May every year from 2018.

4.2.5 The partners have had discussions around exchange rate risks and arrangements will be put in place to ensure that any exchange rate movement has minimal impact on the project and partner financing.

4.2.6 A new compromise was reached around the binding nature of the agreement. The University and the Korean Partners will finalise a binding legal agreement around the financial aid from the Korean Partners which will set out the terms and conditions.

4.2.7 The following table sets out the payment schedule.

<table>
<thead>
<tr>
<th>(£)</th>
<th>Year 1 (2017)</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UoA</td>
<td>900,000</td>
<td>300,000</td>
<td>-100,000</td>
<td>200,000</td>
<td>-300,000</td>
<td>500,000</td>
<td>-100,000</td>
<td>0</td>
</tr>
<tr>
<td>Korea</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

4.3 The negotiations with the Korean Partners over the past few weeks clearly demonstrated the importance the project has for both the central government and the local governments who are funding the main grant (£5M) to this project. Local government partners have made considerable financial commitments to the project, including:

4.3.1 Local government, along with the central government, are providing the University with funding totalling £5M over the first 5 years as part of the original funding package (including £0.6M pre-establishment funding the University has already received);

4.3.2 Local governments have already committed total funds of 8bn Korean Won (approx. £4.7M) to building of student and staff dormitories on campus which are built specifically for this project at the University’s request and cannot be used for any other purpose; and

4.3.3 As part of the latest negotiations, the local partners have agreed to underwrite potential deficits of up to £2.5M should the campus not perform in line with plans, including a commitment to repaying the University for its contribution.
4.3.4 At the end of the initial five-year funding period, the University may have the option of receiving additional funding for another three years.

4.3.5 Appendix 1 shows progress with development of the Campus. Development of the area around the main teaching/administrative building and research facilities is ongoing, and building of the staff and student dormitories is progressing, with completion estimated in September 2016. The last photograph in Appendix 1 shows an artist’s impression of how the student and staff facilities will look once completed.

5 STRATEGIC RELEVANCE

5.1 Operating Board noted at its meeting on 6 June that the key benefits for establishing the University’s first overseas campus in South Korea previously reported to Court have not changed significantly (see, for example, Court agenda item 9.1 (pgr 2) in December 2014 at the following link: https://www.abdn.ac.uk/admin/court/intranet/), namely:

<table>
<thead>
<tr>
<th>Key spoke in the institutional internationalisation strategy</th>
<th>The Campus has the potential to become a key spoke in the University’s internationalisation strategy in Asia, acting as a focus for our activities in the region. Asia is one of the University’s priority regions where we currently have a limited but growing foothold. The Campus would increase the University’s visibility in Asia, enhance our reputation, increase recruitment to both the Korea campus and the Aberdeen campus from the region, and improve our competitiveness as a research intensive university.</th>
</tr>
</thead>
<tbody>
<tr>
<td>International student numbers</td>
<td>The Campus could increase the University’s international student numbers significantly, with annual recruitment when the Campus is running at full capacity with annual recruitment of 145 postgraduate students per year. As a spoke in Asia it could also significantly increase student recruitment to the Aberdeen Campus.</td>
</tr>
<tr>
<td>Research capacity</td>
<td>The state-of-the-art research facilities on Campus would create a step change in the University’s research in the area of offshore structures and extreme events engineering. The facilities are one of very few in the world and could not be replicated by the University. They include a subsea test bed, subsea test chamber and various other facilities for extreme subsea testing, and present a unique opportunity for international academic and industry research collaboration.</td>
</tr>
<tr>
<td>Industry connections</td>
<td>The project provides the University with a rare opportunity to build strong relations with key industry players in South Korea who remain committed to the project, and has the potential to enhance the University’s industry links and its reputation for student employability.</td>
</tr>
<tr>
<td>Excellent student experience</td>
<td>The University will be teaching in brand new facilities and with access to state-of-the-art laboratories which the University does not currently have access to or can replicate.</td>
</tr>
<tr>
<td>Financial support</td>
<td>The University will receive handsome subsidies to run the facility for at least the first five years – a total of approx. £5M, with further funding for an additional 3 years possible. The University will not own any land of buildings and will rent buildings for a nominal sum.</td>
</tr>
<tr>
<td>Minimal financial risk</td>
<td>In addition to the governmental funding to the project, the additional support negotiated with the Korean governmental partners ensures that the University will recover its financial contribution to the project within the first seven years of operation, and will receive further financial assistance should the project not deliver as planned.</td>
</tr>
<tr>
<td>Delivery against the University Strategic Plan</td>
<td>The project allows the University to deliver on a number of strategic objectives relating to student recruitment, research excellence, international excellence in the area of Energy, and enhancing our reputation as a global university.</td>
</tr>
<tr>
<td>International campus in a stable political environment</td>
<td>The project is being delivered with strong political and financial support from Korean local and central government with the support of a free economic zone authority, in a stable, democratic environment. Support has also been forthcoming from Scottish Development International (SDI), Aberdeen City Council, and the British Ambassador to South Korea.</td>
</tr>
<tr>
<td>CPD activity</td>
<td>The University will be able to engage in CPD activity via third parties and will receive income from such activity. As this income will not be attributable to the campus project budget, it will offer an additional source of income to the University.</td>
</tr>
</tbody>
</table>
Staff internationalisation opportunities  The new campus offers staff new opportunities for teaching and research abroad, thereby supporting the institutional internationalisation strategy.

Alumni relations  The Campus will expand the University’s alumni base in Asia and will create new opportunities for building a vibrant alumni community in the region.

Support of industry partners  Apart from strong political backing to the project, the project has the strong support of key industry partners such as Dana Petroleum, BP, the four largest shipbuilding companies in Korea (Samsung, Hyundai, DSME and Hanjin).

Expansion of the Business School  The campus has increasing potential for the Business School beyond the planned delivery of the MBA in Energy Management on the Campus. Discussions with businesses in Korea indicates that there could be a considerable market for delivery of other Business School programmes directly to business partners in Korea.

Opportunities for diversification  The Ministry of Education has now indicated that interest in further diversification of activities would be viewed favourably by the government, thereby reducing risks relating to the ongoing downturn in the international oil and gas sector.

5.2 It was clear from the University’s discussions with both the Ministry of Education and the Korean Partners in May 2016 that the project continues to be important to the government’s strategic priorities. One of the key priorities for the Korean government is the internationalisation of Korean higher education and the revitalisation of the Korean economy through economic zones. Engagement of international universities in the economic zones is considered critical to the governmental economic development strategy. The engagement of the University of Aberdeen in the Gwangyang Bay economic zone continues, therefore, to be critical to the development of the region in line with the government’s priorities.

5.3 Operating Board noted that the strategic benefits of establishing a campus in Korea remained strong. As the review process by the Ministry of Education had been successfully completed and an agreement had been reached on a financial contract for the campus which minimises the financial risks to the University, it was noted that the concerns around the financial risks of the project expressed by Court in March 2016 had now been addressed. The Board therefore approved, on behalf of University Court, the University’s establishment of its first overseas campus in South Korea, with a planned opening date in March 2017.

6 NEXT STEPS

6.1 The Ministry of Education will issue a permit to the University in June 2016, thereby authorising the University to operate in South Korea. The University will then conclude a legally binding financial agreement with the Korean Partners upon being issued with a permit to operate in South Korea from the Ministry of Education. Once a formal permit has been issued, the University can commence formal recruitment to the project.

6.2 All relevant University sections are now working together with the Campus Chief Operating Officer to put in place relevant processes to prepare the opening of the Campus. This includes activity such as:

- finalising recruitment, registry and finance processes for the Campus
- marketing the Campus in all relevant markets
- finalising academic and administrative staffing arrangements
- implementing the internal governance structure for the Campus
- starting discussions with industry partners around support to the Campus

7 RECOMMENDED ACTION

7.1 Court is invited to:

(i) note the decision made by Operating Board that the University establish its first overseas campus in South Korea, with a planned opening date in March 2017, and

(ii) formally approve the Resolution (Appendix 2) and agree the proposed governance structure for the University of Aberdeen Campus in Korea (Appendix 3)
8. **FURTHER INFORMATION**

Further information is available from Professor Jeremy Kilburn, Senior Vice-Principal ([j.kilburn@abdn.ac.uk](mailto:j.kilburn@abdn.ac.uk), ext. 2017), Professor John Paterson, Vice-Principal Internationalisation ([j.paterson@abdn.ac.uk](mailto:j.paterson@abdn.ac.uk), ext.3021), Mr David Beattie, Director of Finance ([david.beattie@abdn.ac.uk](mailto:david.beattie@abdn.ac.uk), ext. 2015) and Dr Hulda Sveinsdottir, Director of Planning ([hulda.sveinsdottir@abdn.ac.uk](mailto:hulda.sveinsdottir@abdn.ac.uk), ext. 3792).

[10 June 2016] [Open]

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APPENDIX 1

An image of the Gwangyang Bay Free Economic Zone:

A photo of the main teaching building and nearby research facilities from 2015:
An image of the student and staff facilities once completed:
Appendix 2

RESOLUTION NO X OF 2016
[GOVERNANCE STRUCTURE OF THE UNIVERSITY OF ABERDEEN KOREA CAMPUS]

After consultation with the Senatus Academicus, the University Court of the University of Aberdeen, at its meeting on [insert date approved], passed the following Resolution:

1. Under the powers assigned to the University by Ordinance No 144 [Amendment to the Powers of the University Court], and the Court having resolved to establish a University of Aberdeen Korea Branch Campus [the campus], the governance structure of that campus will be as provided for in this Resolution or as may be subsequently amended by Resolution of the University Court.

2. The campus will be governed through whichever committees as may be specified and agreed by the University Court but which will include:
   - The Korea Campus Management Board;
   - The Korea Campus Executive Committee;
   - The Korea Campus Operational Management Committee; and
   - An External Advisory Committee.

3. The aforementioned committees at paragraph 2 will be accountable to the University Court and to all other University of Aberdeen committees as may be required by the University Court.

4. There shall be a President of the campus who shall be appointed by the University Court and who will be responsible to the Senior Vice-Principal.

5. This Resolution shall come into force on the date on which it is passed by the University Court.
Appendix 3

UNIVERSITY OF ABERDEEN
KOREA CAMPUS – GOVERNANCE STRUCTURE

The management and governance structure of the University of Aberdeen Korea campus includes the internal governance structure of the branch and the relationship between the campus and the University in Aberdeen. This is based on information gathered about other international campuses in Korea, in particular Heriot Watt in Dubai, and information and advice received from various parties involved with the Korea project to date.

BRANCH MANAGEMENT STRUCTURE

The University’s business plan rests on the assumption that the University of Aberdeen Korea is a branch campus of the University of Aberdeen and its activities are reported through normal university structures. It is not a separate legal entity to the University or a subsidiary company of the University. The University has under Ordinance No 144 the powers to extend the University through the establishment of campuses whether within or out with UK for the purposes of the delivery of higher education teaching and/or research purposes. It is proposed here that the branch campus is run as an institutional project, i.e. not as a College project or under the jurisdiction of any particular section of the University.

The branch will be headed by a PRESIDENT\(^1\) who will be an internationally renowned academic with research interests in one of the areas of teaching provision. She/he will be based in Korea on at least a semi-permanent basis. The President would be line-managed by the Senior Vice-Principal at the University of Aberdeen.

The President is assisted by a CHIEF OPERATING OFFICER (COO) who is permanently based in Korea and is a high-level manager who will look after day-to-day strategic and financial matters. The COO should be an individual with detailed knowledge of the Korean business and educational sectors and the ability and status required to help the President drive the development of the campus in Korea externally. The COO will be line-managed by the Vice-Principal for Internationalisation in Aberdeen with a dotted reporting line to the President.

Fig.1 University of Aberdeen Korea Campus: Management Structure

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\(^1\) Most international universities in Korea use the title 'President' which mirrors the structure at the home campus. However, Heriot Watt in Malaysia, for example, uses the title 'Provost, CEO and VP' for the head of campus.
INTERNAL GOVERNANCE STRUCTURE

The branch campus will have an internal governance structure to ensure there is efficient branch management, appropriate reporting and monitoring to the University and liaison with partners in Korea. The key purpose of these committees is to ensure that the campus is competently managed and in accordance with the strategies of the University of Aberdeen. These committees will report to University of Aberdeen committees with the exception of the External Advisory Committee. Routine financial and administrative management of the campus is handled through the campus President and the Campus Operational Management Committee.

The University of Aberdeen Korea Campus will have four key committees*:

- Korea Campus Management Board
- Korea Campus Executive Committee
- Korea Campus Operational Management Committee
- External Advisory committee

*All committee members listed are staff of the University of Aberdeen Korea Campus, unless marked as ‘UoA’.

Korea Campus Management Board

Remit: A University of Aberdeen board responsible for overseeing the University’s overseas campus in Korea including its long term strategic development teaching, research and infrastructure; monitoring the financial viability and management of the campus; and overseeing the University’s risk management of the campus and the institutional exit strategy. Meets annually. Chaired by the Principal with the following membership:

University Principal, UoA
Senior Vice-Principal, UoA
President, Korea Campus
University Secretary, UoA
Lay member of University Court, UoA

Korea Campus Executive Committee

Remit: Provide operational and financial overview of the campus to ensure financial viability, appropriate academic structures and academic delivery, appropriate business development and compliance with the University’s governance frameworks. Reports to the University Management Group and the Korea Campus Management Board.

Meets three times a year. Chaired by the Senior Vice-Principal with the following membership:

Senior Vice-Principal, UoA
President
Chief Operating Officer
Vice-Principal Internationalisation, UoA
Director of Finance, UoA
Head of the School of Engineering, UoA
Head of the Business School, UoA
Director of Academic Affairs, UoA
Director of Student Life, UoA
Director of HR, UoA
Director of External Relations, UoA
Director of IT Services, UoA
Director of R&I, UoA
University Secretary, UoA
Korea Campus Operational Management Committee

Remit: Manage the operational running of the branch campus, monitor teaching and research activity, and report to the campus Executive Committee and other University committees as required (e.g. University Committee on TL, Research Policy Committee, School Executive Committees). Reports to the Executive Committee.

Meets fortnightly. Chaired by the President with the following membership:

President
Chief Operating Officer
Head of the School of Engineering, UoA
Academic lead for Korea campus academic staff, Engineering
Head of the Business School, UoA
Academic lead for Korea campus academic staff, Business
Accountant
Campus Administrator
Marketing and Industry Liaison Manager
IT Officer
Student Recruitment and Admissions Officer
Student representative MBA cohort
Student representative MSc cohort

Other UoA staff to be in attendance by video conference as required to ensure appropriate adherence with University policies and procedures.

External Advisory Committee

Remit: Consider and propose academic programmes and training offered by the campus to ensure that the academic curriculum meets the needs of the regional market and industry partners to support the campus mission to provide industry-relevant education; support industry connections; develop new business opportunities. Reports to the Executive Governance Committee.

Meets twice annually.

Chaired by President with the following membership:

President
Chief Operating Officer (COO)
Accountant
Campus Administrator
Marketing and industry liaison manager
KOSORI representative
Representative from Gyeongsangnam-do Prefecture
Representative from GFEZ
Representatives from key industrial partners (at present: Hyundai, Samsung, Daewoo Shipbuilding and Marine Engineering Co Ltd (DSME) and Hanjin)

The branch committees have an internal reporting structure as follows:

Fig.2 Internal branch committee reporting structure
RELATIONSHIP BETWEEN THE CAMPUS AND THE UNIVERSITY OF ABERDEEN

In terms of committee governance, the Korea Executive Committee will report three times a year to the University of Aberdeen’s University Management Group and from there to the Operating Board. It will also report to the University’s Korea Management Board on an annual basis. The University Court will receive reports via the Operating Board as appropriate and, notwithstanding that reporting route, will receive a report on the project at least annually. The campus will be subject to the same requirements of internal audit as other parts of the University.

**Academic Governance:** Responsibility for the academic provision delivered on the Korea campus will reside within the relevant School(s) and will be subject to the same academic governance, quality assurance, policies and procedures as operate in Aberdeen. The Korea Campus Operational Management Committee will report to the Korea Campus Executive Committee but will also report to the University’s Committee on Teaching and Learning (UCTL) the Research Policy Committee, and School Executive Committees as required.

The President will report regularly on matters relevant to the campus to the University Senior Vice-Principal and will also be responsible for ensuring there is appropriate reporting through the Korea Campus Operational Management Committee to other University committees.

The Chief Operating Officer will be under the direct line-management of the VP for Internationalisation but there will be a dotted reporting line between the COO and the President.

**Student Representation:** It is proposed that on the Korea Campus Operational Management Committee there will be a student representative from each of the two degree cohorts. This is in addition to existing student representation within the University of Aberdeen’s wider committee structure.

Fig.3 University of Aberdeen Korea Campus: Reporting structures from the Korea campus to University committees

Revised March 2016
1. **EXECUTIVE SUMMARY**

1.1 At its meeting on 22 March 2016, the University Court approved the Senior Staff Pay Policy and the proposed budget of £100k, recommended by the Remuneration Committee. The Remuneration Committee met on 31 May 2016 to consider this year’s recommendations.

1.2 The Remuneration Committee noted that the AUSA President, Genna Clarke, and the Staff representative to Court, Brian Paterson, were now formal members of the Remuneration Committee.

1.3 The Remuneration Committee discussed the gender pay gap and noted the negative variance for the institution of 10.4% between the median male professorial salary (£78,038) compared to the median female professorial salary (£71,319). These figures relate to non-Clinical Professorial staff. The Committee also noted that, when controlled by length of service, the gender pay gap was removed except for tenure in the role for 5 – 10 years, where a gap of 2.3% existed.

1.4 The Remuneration Committee approved recommendations for 27 consolidated salary awards. This total included a recommendation to uplift six salaries to redress the gender pay gap for those staff in post for 5 – 10 years. The total cost of the recommendations amounted to £89k (including salary on-costs).

1.5 The University Court is invited to note the recommendations.

1.6 Further information can be obtained from Mrs Debbie Dyker, Director of Human Resources, dj.dyker@abdn.ac.uk, telephone 01224 273732.

2. **BACKGROUND**

2.1 Over the past few years, the Remuneration Committee has adopted a range of pragmatic approaches to the review of senior staff pay. Between 2009 and 2012, the university adopted and implemented a policy of;

- Honouring any contractual pay awards – consolidated and non-consolidated
- No consolidated increases outside the level that was being budgeted for based on the national pay award
- Due to the constrained financial circumstances, it was recommended to consider only exceptional cases for non-consolidated increases (i.e. no consolidated increases) as part of the review of professorial and senior staff salaries.

2.2 From 2013 the Remuneration Committee has adopted a slightly different approach where a fund was created to recognise, reward and incentivise senior staff. The senior staff pay policy was advertised and invited applications from professorial/Grade 9 members of staff as part of the annual exercise for salary uplifts and non-consolidated increases to be considered by the Remuneration Committee. In 2015 a fund (0.5%) of the wage bill was set aside for this purpose.
2.3 At the Court meeting in March the Senior Staff Pay Policy for 2016 was approved. Specifically the policy that had been agreed for this year was 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
- Exceptional performance/contribution
- Equal pay considerations

3. STRATEGIC CONTEXT

3.1 The University’s Strategic Plan 2015 - 2020 sets out the strategic goal within the People Strategy to “attract and retain ambitious staff and students to our international institute”. A Pay Policy for Senior Staff that recognises and rewards contribution and incentivises future excellences will support the University in achieving its strategic ambitions. In addition, a second goal is our commitment to “foster a positive culture wherein our people are engaged, committed to our future, and champions of equality and diversity”. A pay policy that supports consideration of gender pay differentials is an important component of our equality agenda.

4. OTHER CONTEXT

4.1 From 2016/17 there are several significant and challenging pay bill additions which HEIs will have to fund. The increase to the salary bill from April 2016 with the uplift in employers’ pension contribution for USS (2%) and also an uplift in employers’ national insurance contribution (3.4%). A further additional cost is the introduction of an Apprenticeship Levy of 0.5% pay bill levy paid by all employers with pay bills of more than £3m. There is the opportunity to recover the cost of the levy dependent on our ability to create employment/training opportunities for apprentices (approximate cost is £0.6m from 2017).

4.2 The 2016-2017 JNCHES pay negotiations have progressed with the employers offering a final pay offer of 1.1%. The UCU are in dispute over the pay offer and the other Campus Trade Unions, Unite and Unison are currently consulting with their members on the matter.

5 SUMMARY OF REMUNERATION COMMITTEE

5.1 The Remuneration Committee received a brief report on salary analysis including gender pay gap. The report included detailed information on the Aberdeen environment, including the relative cost of living compared to benchmark institutions; average salaries in the UK; and the number of staff on salaries over £100k. In addition, information in relation to salary trends of the Principal, Senior Vice Principal and University Secretary was presented to the Committee.

5.2 The information presented on gender pay gap demonstrated that there was no significant pay gap for staff grades 1 – 8 however for all Grade 9 staff (professorial and non-professorial) there was a median pay gap of 8.6%. It should be noted that the Senior Management Team and Clinical Professors were excluded from the analysis.

5.3 The Remuneration Committee considered comparative information broken down by length of service for male and female median salaries for the professorial staff. Whilst there were significant positive and negative variations between average male and female professorial salaries in each category, overall there was a negative variance for the institution of 10.4% between the median male professorial salary (£78,040) compared to the median female professorial salary (£69,956). These figures relate to non-Clinical Professorial staff.
5.4 Whilst positive action taken in the recent promotion exercises and recruitment activity to make an impact on those staff with under 5 years’ service, further work was still required for staff with 5 – 10 years in post. The figures for the gender pay gap presented were:

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<td>Over 10 Yrs</td>
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5.5 The Committee noted the gender pay gap at 5 – 10 years in posts and considered a recommendation to uplift those female staff in this cohort whose salaries fell below the median. It was agreed that six individuals would receive 2.3% uplift to their salaries to redress the pay gap.

5.6 The Committee received a brief report on the current situation with regard to national collective bargaining and its likely implications for the pay of senior staff. The Committee then considered all recommendations received from the Principal, Heads of College and the University Secretary against the terms of the Senior Staff Pay Policy that had been agreed at the Court meeting on 22 March 2016. Specifically the policy that had been agreed for this year was 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
- Exceptional performance/contribution
- Equal pay considerations

5.7 The Remuneration Committee noted that the pay policy had been advertised and applications had been received. The recommendations contained a combination of applications from staff and proposals from Heads of College/University Secretary. The Heads of College, in consultation with the Senior Vice Principal and Principal, gave detailed consideration against the agreed initial criteria, to all nominations to ensure consistency and transparency in the decision-making process. The proposals submitted for consideration included 27 consolidated awards and 0 non-consolidated awards. The 27 awards included the six individual’s referenced in section 5.5 above.

5.8 The total cost of awards amounted to £89k (including salary on-costs) which remained within the approved budget of £100k.

5.9 The Remuneration Committee noted the responsibility allowances for Vice Principals, Heads of School and College Executive positions and noted that the allowances would be reviewed.

5.10 The Remuneration Committee considered the Principal’s remuneration package. The Convenor advised that the Principal had been appraised; the appraisal process received input from Court members including independent members, student representative, the Rector and members of the remuneration committee. It was unanimously a positive appraisal and it was agreed the Principal had attained the eligibility to receive a bonus. The Committee discussed the matter at length and took account of the fact that the Principal had not taken his contractual bonus for the last five years. The Committee noted reservations expressed by the Student President, however on balance agreed that the Principal should be awarded his contractual bonus to reflect his performance and contribution over the last five years.

6 RESOURCE IMPLICATIONS

6.1 The Remuneration Committee had an approved budget of £100k to work within. The total cost, including salary on-costs, of the approved awards is £89k.
7. **RISK MANAGEMENT**

7.1 No areas of significant risk have been identified in relation to this proposal. However, a failure to appropriately recognise and reward senior members of staff could impact upon the retention of key individuals. There is also a need for the committee to continue to monitor the gender pay gap.

8. **EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact Assessment is not required. However, as with previous years, the Remuneration Committee will continue to monitor the gender gap in Senior Staff Pay.

9. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

9.1 There are no environmental, ethical or social implications arising from this paper.

10. **RECOMMENDED ACTION**

10.1 The University Court is invited to note the outcomes of the 2016 Remuneration Committee.

11. **FURTHER INFORMATION**

11.1 Further information can be obtained from Mrs Debbie Dyker, Director of Human Resources, [d.j.dyker@abdn.ac.uk](mailto:d.j.dyker@abdn.ac.uk), tel 01224 273732.

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1 SUMMARY

1.1 This paper sets out a suggested focus for Court’s extended meeting on Tuesday 4 October while also inviting members to submit proposals for further potential items for inclusion on the agenda.

1.2 The paper is for discussion.

1.3 Further information is available from Mr Bruce Purdon, Clerk to the Court, Tel: 01224 273949, b.purdon@abdn.ac.uk

2 Business for Discussion at the October Meeting

2.1 The October meeting is intended to provide Court with additional time to consider particular areas of strategy and longer term issues in more depth than a shorter meeting permits. Potential items of business that have been proposed include the following:

- Progression of the University’s Strategy and Priorities
- The City Deal
- The Outcome of the Scottish Government Spending Review and Implications for Financial Strategy
- The Digital Strategy
- A briefing on the implications of the UK Government’s Prevent/Counter-Terrorism Strategy for the University
- Equality and Diversity in the University
- Staff Engagement Strategy, including Wellbeing in the University

2.2 Members are, however, invited to consider and suggest further areas or issues that the Court might benefit from discussing at the extended meeting.

3 RESOURCE IMPLICATIONS

3.1 Not applicable.

4 RISK MANAGEMENT

4.1 Not applicable.

5 EQUALITY IMPACT ASSESSMENT

5.1 Not applicable

6 SUSTAINABILITY & SOCIAL RESPONSIBILITY

6.1 Not applicable.

7 RECOMMENDED ACTION

7.1 The Court is invited to discuss the paper.
8 **FURTHER INFORMATION**

Further information is available from Mr Bruce Purdon, Policy Adviser and Clerk to the Court, Tel: 01224 273949, b.purdon@abdn.ac.uk

Mr B Purdon  
6 June 2016, V1 (Open)

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UNIVERSITY OF ABERDEEN
UNIVERSITY COURT

REPORT FROM THE OPERATING BOARD

1. EXECUTIVE SUMMARY

1.1 This report summarises items considered at the meetings of the Operating Board held on 21 April, 10 May and 6 June 2016, including updates on:

- Financial planning;
- Student admissions and Project 500;
- Risk Management;
- PREVENT;
- Staffing matters;
- Reports from the Capital Programme Management Committee;
- Progress of the OneSource project;
- The City Deal;
- Professional Services Review.

1.2 The Board received a copy of the University’s new risk management reporting template for comment and review prior to its submission to Court. The new template is attached at Appendix A.

1.3 The following items were also presented to the Board and papers on these matters are included elsewhere on today’s agenda along with a summary of the Board’s discussion of these:

- Health and Safety: Update on Accidents and Incidents;
- Internationalisation: Korea Project Updates;
- Financial Planning: Budgets; and the Impact of FRS 102.

1.4 All the papers referred to in the report are available on request from the Clerk to the Operating Board.

1.5 Court is invited to note the items discussed by the Operating Board at its recent meetings, including the new risk management reporting template.

1.6 Further information is available from Mrs Ruth MacLure, Clerk to the Operating Board (telephone 01224 273239; email r.m.maclure@abdn.ac.uk).

For Information

FINANCIAL PLANNING

2. MONTHLY MANAGEMENT REPORTS

2.1 The Board received and noted Monthly Management Reports (MMRs) for February, March and April 2016.

2.2 In June, the Board noted that the University expected to achieve its target surplus of £3m in the current year. Exceptional items were noted, including voluntary severance and early retirement costs, as well as impairment in respect of shares.
STUDENT RECRUITMENT

3. UPDATE ON STUDENT ADMISSIONS

3.1 In May and June, the Board received updates on admission statistics for September 2016 entry and the recruitment cycle for 2017/18 (OB15:61 and 71).

3.2 In June, key points were noted as follows:

- **Undergraduate** Home fees numbers were higher than the previous year in all areas, including more conditional firm and unconditional firm offer-holders. The University was on target to achieve a slightly larger cohort size than last year (when it undershot against target). Controlled subjects were also up. Undergraduate numbers from the Rest of the United Kingdom (RUK) were down, as were International.

- **International PGT** The University continued to see increased applications and offers to International Postgraduate Taught (PGT) applicants, compared to the previous year. In addition, cleared numbers were beginning to increase for 2016/17 entry compared to previous reports.

4. UNDERGRADUATE RECRUITMENT 2017

4.1 In May, the Board received and approved a report on proposed changes to policy in respect of Undergraduate student recruitment, particularly in the RUK market (OB15:52).

4.2 The Board noted the intention to introduce a new step to the admissions process, an interview, to allow the University to make unconditional or differential conditional offers to RUK applicants who had not yet achieved their A levels. The Board welcomed this approach and expected it to be of particular value in recruiting Home students under the Widening Access agenda. The Board welcomed increased activity to build strong links with potential students to encourage them to choose Aberdeen.

5. PROJECT 500

5.1 In June, the Board received an update on Project 500, the initiative to increase the international student population by 500 in 2016/17 (OB15:72). The Board noted that since the paper was written, the target 10,000 leads had been generated.

STRATEGIC PLANNING

6. RISK MANAGEMENT

6.1 In June, the Board received a copy of the University’s new risk management reporting template for comment and review prior to its submission to Court (OB15:74). **The new template is attached at Appendix A.**

6.2 The Board noted that the strategic risk register now contained ten key risks which would replace the previous risk register which contained 23 corporate risks. The framework had been developed in discussion with the University’s internal auditors (PricewaterhouseCoopers, PwC) and through extensive collaboration with risk owners and managers. In future, six-monthly reports were to be submitted to University Management Group, Audit Committee and Court (via Operating Board), using the attached report template. Operating Board and Court would receive the report template along with a summary of the ten risks. The Board approved the report.

7. PREVENT

7.1 In May, the Operating Board received a presentation on Prevent from a representative of Police Scotland and the University’s Prevent Coordinators. The Board noted that the Counter-Terrorism and Security Act 2015 placed a duty on universities to “Have due regard to the need to prevent people from being drawn into terrorism”.
7.2 The Board noted that systems were already in place for safeguarding and web-filtering. The University acknowledged the need for improvement in some areas, such as the administration of room bookings for speakers and events. The Aberdeen University Student Association (AUSA) President declared the student body’s opposition to Prevent on the grounds that it promulgated stereotypes and damaged trust. The University Secretary acknowledged AUSA’s position but confirmed the University’s statutory responsibilities under the legislation.

**STAFFING MATTERS**

8. **STAFFING UPDATES**

8.1 In May and June, the Board received updates on staffing matters (OB15:58 and OB15:73).

8.2 The Board noted reports of activities in respect of:
   - Pay Negotiations and Industrial Action
   - Introduction of a Professional Services Excellence Awards Scheme
   - Update on wellbeing activities
   - Update on Staff Development activities
   - A Nine Day Fortnight Scheme
   - Digital HR Publications
   - Ongoing employee engagement activities
   - Athena Swan updates

8.3 Members of the Board expressed enthusiasm for the proposed Professional Services Excellence Awards which were expected to have a positive impact on staff morale and motivation. The AUSA President reported the popularity of recent Teaching Awards and the Board extended its congratulations to those in receipt of awards.

8.4 In June, the Board noted that the University had experienced very little impact from industrial action so far. Other items of note were: the progress of the University’s mentoring scheme; the reaccreditation of the University as an Institute of Leadership and Management training centre; and the submission of appeals in respect of unsuccessful Athena SWAN submissions by the Schools of Engineering and Psychology.

**PROJECT UPDATES**

9. **CAPITAL PROGRAMME MANAGEMENT COMMITTEE**

9.1 The Board received and considered reports from the Capital Programme Management Committee (CPMC) meetings of 12 April and 24 May 2016 (OB15:64 and OB15:70).

9.2 The Board noted details of recent developments in institutional Capital Projects and the emerging ten year Capital Programme.

9.3 The Board noted that the University had concluded the required buildings decommissioning programme at Rowett North and all activity had been relocated to Foresterhill. It was expected that servitudes (providing protection for wider estate interests) would be in place shortly. The Contractor had until the end of June to conclude the transaction. Financial settlement was expected within the current financial year.

10. **ONESOURCE DEVELOPMENT**

10.1 In April, the Board received a paper on Student Management System Options (OB15:51) which set out six options for the next phase of the Student Lifecycle Project within OneSource, with a recommendation to approve Option One: Deployment of the new Unit4 Student Management System (Three Rivers) as an Early Adopter, on the grounds of time, quality and cost. The University acknowledged that, while this was not a low risk option, there were benefits to having an established relationship with the provider.
10.2 The Board was generally supportive of the proposal, with one member expressing reservations about the decision to become an Early Adopter, when statistically 60-80% of IT Projects were over time and over budget. Concerns were expressed about the potential reputational damage to the University if the project did not progress as planned.

10.3 The Board agreed that the success of this project required cultural change and the appointment of a dedicated team within the University to drive it forward. On that basis, and acknowledging the caveats expressed at 10.2 above, the Board approved proceeding with Option One.

10.4 In June, the Vice Principal for Digital Strategy was in attendance to update the Board on the OneSource Programme and reported that the necessary Contract Change Note had been signed. The Board noted that the Programme Board had considered key risks relating to business continuity and the impact of possible supplier insolvency. This was a generic risk attributable to all cloud hosted services and the Programme Board was satisfied that appropriate mitigating actions were in place.

11. **CITY DEAL**

11.1 In June, the Operating Board received an oral update from the Principal on the City Deal.

11.2 The Board noted that the most rapid progress was to be seen in the Oil and Gas strand of the City Deal. Recruitment was underway for key positions in the Oil and Gas Technology Centre, with four underpinning solution centres to carry out research in industry-led areas and up to four centres of excellence led jointly by the two local universities, University of Aberdeen and the Robert Gordon University. Progress was reported to be less advanced in the Food and Drink and Biopharmaceutical strands.

11.3 The Board noted the importance of academic engagement in the City Deal and promotion of the University’s key skillsets to the external audience.

12. **PROFESSIONAL SERVICES REVIEW**

12.1 At its June meeting, the Board received, for information, a report on the outcome of the Professional Services’ Review (OB15:75).

12.2 The report concluded by indicating that good progress had been made towards the achievement of the £3m staff savings target required by the Review and also outlined the level of additional financial investment that was proposed to help support the academic community in the achievement of targets within individual School plans.

13. **RECOMMENDED ACTION**

13.1 Court is invited to note the items discussed by the Operating Board at its recent meetings, including the new risk management reporting template.

14. **FURTHER INFORMATION**

14.1 Further information is available from Mrs Ruth MacLure, Clerk to the Operating Board (telephone 01224 273239; email r.m.maclure@abdn.ac.uk)

14 June 2016 Version 1 (Open)
1. **Executive Summary**

1.1. The following provides University Court with a copy of the University's new risk management reporting template (appendix 1) and a summary of the current status of key risks (appendix 2), for comment and review.

1.2. In future, this reporting template will be used to report regularly on risk management to Audit Committee and Court (via Operating Board). The new template was reviewed and approved by the Audit Committee at its meeting in April 2016 and is now being presented to Court as the first such regular report.

1.3. Work commenced in summer 2015 to refresh the University's approach to risk management in an effort to simplify and streamline processes. The strategic risk register now contains ten key risks which will replace the previous risk register which contained 23 corporate risks. The framework was developed in discussion with the University's internal auditors (PricewaterhouseCoopers, PwC) and through extensive collaboration with risk owners and managers. The Audit Committee has received regular reports on progress in implementing the new risk framework.

1.4. In future, Court (via Operating Board) will receive a six-monthly report on risk management, using the attached report template, along with a summary of the ten risks, their current scores and the scoring matrix, i.e. not the full register. University Management Group (UMG) will review the full risk register as part of the reporting cycle, and the Audit Committee will receive a special report on all risks rated red or amber as well as risks which have changed substantially. Members who want to view the full risk register and more detailed historical information on risks management will be able to access it on the Court members’ intranet. However, should there be a sudden change in risk ratings, these will be reported to the Audit Committee.

1.5. The visualisation of the risk register has not been changed substantially in the new framework. Further work will commence in the summer to connect the risk register with the strategic plan, i.e. to link Key Performance Indicators (KPIs) with Key Risk Indicators (KRI), and to define risk appetite and risk thresholds, and visualisation methods for Audit Committee and Court may therefore continue to develop.

1.6. Existing underpinning area-specific risk registers, e.g. for Teaching and Learning, Research, Finance etc., are currently undergoing review by risk owners to support the management of the ten institutional risks. They will be monitored by appropriate University committees. College risks registers will be discontinued as Schools will now be monitoring risks relevant to their disciplines. Schools will report to their School Executive and, when appropriate, to central committees.

1.7. Court is invited to review and consider the attached strategic risk report.

1.8. Further information is available from Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk; extn 3792) or Anne Buckle, Head of Strategic Planning (a.buckle@abdn.ac.uk; extn 3943).

2. **Background**

2.1. At its meeting in October 2015, the Audit Committee endorsed a proposal for a revised framework for risk management, to create a more efficient process for identifying, monitoring and mitigating institutional risks and to determine risk appetite. In particular, it was agreed that it would be advantageous to simplify the framework so as to reduce bureaucracy, avoid duplication between registers, encourage more day-to-day engagement with risk management, and simplify reporting mechanisms to Court and other senior committees. The framework was developed in discussion with the University’s internal auditors (PricewaterhouseCoopers, PwC).
2.2 The new institutional risk framework includes ten principal corporate risks which will replace the previous risk register, which contained 23 corporate risks.

2.3 The Planning Office is responsible for developing and managing the new risk framework. Work has been ongoing over the past few months to develop the ten strategic risks in liaison with risk owners and risk managers, along with a template for reporting to key committees, and a reporting schedule which shows change over time.

2.4 Underpinning risk registers, used to monitor risks in specific areas, such as teaching and learning, research, finance, estate, Internationalisation, IT and so forth, are being moved to the new risk register template. A reporting mechanism is being implemented whereby such registers are submitted to relevant university committees for regular review and monitoring.

3. **STRATEGIC CONTEXT**

3.1 The University’s Risk Management Framework and specifically the Strategic Risk Register, is a tool to assist management of the risks associated with achievement of aims in the University Strategic Plan.

4. **THE NEW RISK FRAMEWORK AND REPORTING MECHANISMS**

4.1 The new risk management framework has grouped strategic institutional risks into ten high level risk areas, thereby significantly streamlining the current risk framework. The ten high level risk areas, listed in alphabetical order, are:

1. Equality and diversity
2. Financial sustainability
3. Governance and core business risks
4. Health and safety
5. Infrastructure sustainability
6. Internationalisation
7. Research performance and impact
8. Staff recruitment and retention
9. Student experience
10. Student recruitment

4.2 In future, institutional risks will be considered by Audit Committee (via UMG) and Court (via Operating board) at six-monthly intervals (June and December). The risks will be presented in a user-friendly format as per the attached report (appendix 1), to allow an easy overview of the risks and their management. The reports will contain the following details for each of the risk areas being reported on:

- Name of risk area
- Owner and manager
- Review period
- Overall scores for risk area (impact, likelihood and combined)
- Individual risks flagged as over threshold, along with proposed mitigating actions and a self-assessment of past mitigating actions and their effectiveness. As is currently the case, this will be supplemented with a visual representation of the ten risk areas’ current scores.

4.3 In line with the approach taken for reporting of KPIs and targets to Court (as agreed at the Court meeting on 8 December 2015), copies of the risk management template for each of the 10 areas will be made available on the Court intranet for those who wish to view the details of each risk, giving the following additional details on each risk area:

- Background scores and scores over time
- Description of initial risk assessment
- Description of current control activities
- List of current actions
4.4 The attached report is the first report to University Court using the new strategic risk framework. The next report to Court is due in December 2016.

5. **RESOURCE IMPLICATIONS**

5.1 There are no direct resource implications. It is expected that in the medium to long-term, the streamlined nature of the revised approach being taken will represent a reduction in resource necessary to manage risk at an institutional level.

6. **EQUALITY IMPACT ASSESSMENT**

6.1 An Equality Impact Assessment is not required for this paper.

7. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

7.1 Sustainability is covered under one of ten institutional risks: Infrastructure Sustainability. There are no social responsibility impacts in this paper.

8. **RECOMMENDED ACTION**

8.1 University Court is invited to review and consider the attached new strategic risk report.

9. **FURTHER INFORMATION**

9.1 Further information is available from Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk; ext. 3792) or Anne Buckle, Head of Strategic Planning (a.buckle@abdn.ac.uk; ext. 3943).

Hulda Sveinsdottir  
Director of Strategic Planning

[13/06/2016] [Version 2] [Open]

<table>
<thead>
<tr>
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<th>Date</th>
</tr>
</thead>
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<tr>
<td>Previously considered by</td>
<td></td>
</tr>
<tr>
<td>UMG</td>
<td>28 March 2016</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>21 April 2016</td>
</tr>
<tr>
<td>Operating Board</td>
<td>6 June 2016</td>
</tr>
<tr>
<td>Further approval required</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
</tr>
</tbody>
</table>
1. **EXECUTIVE SUMMARY**

1.1 This paper provides a first report to University Court on the University's new ten high-level strategic risks. As this is the first report on the new institutional strategic risk register, the report does not include previous scores. An update report on the strategic risk register will be submitted to Court at six-monthly intervals, with the next report due in December 2016.

1.2 Further information can be obtained from Dr Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk; ext 3792) and Anne Buckle, Head of Planning (a.buckle@abdn.ac.uk; ext.3943.)

2. **BACKGROUND**

2.1 In January 2016, UMG and the University’s Audit Committee agreed a change of approach to risk management across the University and the creation of ten, high-level strategic risks to form the basis of routine reporting. These risks are designed to reflect the ten areas of the University’s business considered most critical, and are aligned to the University’s Strategic Plan 2015-2020.

2.2 Audit Committee (via UMG) and University Court (via Operating Board) receive a brief report and update on these risks every six months. This is the first such update.

2.3 Paragraph 4, below, gives the latest scores on the ten strategic risks and highlights any underpinning risks of particular concern.

2.4 Appendix 2 gives a summary of the ten strategic risks and their current scores, along with a copy of the scoring matrix and tolerance thresholds.

3. **STRATEGIC CONTEXT**

3.1 The University’s ten strategic risks facilitate active monitoring of the risks to the University achieving the targets in its Strategic Plan.

4. **STRATEGIC RISKS**

4.1 Table 1, below, gives the ten strategic risks (in alphabetical order), the previous and current net scores for each risk and highlights any underpinning risks with scores over agreed tolerance thresholds.

<table>
<thead>
<tr>
<th>Strategic risk</th>
<th>Previous score</th>
<th>Current Score</th>
<th>Risks over threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equality and diversity</td>
<td>n/a</td>
<td>8</td>
<td>None</td>
</tr>
<tr>
<td>Financial sustainability</td>
<td>n/a</td>
<td>18</td>
<td>None</td>
</tr>
<tr>
<td>Governance and Core Business Risks</td>
<td>n/a</td>
<td>9</td>
<td>None</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>n/a</td>
<td>12</td>
<td>None</td>
</tr>
<tr>
<td>Infrastructure Sustainability</td>
<td>n/a</td>
<td>16</td>
<td>None</td>
</tr>
<tr>
<td>Internationalisation</td>
<td>n/a</td>
<td>20</td>
<td>None</td>
</tr>
<tr>
<td>Research Performance and Impact</td>
<td>n/a</td>
<td>12</td>
<td>None</td>
</tr>
<tr>
<td>Staff Recruitment and Retention</td>
<td>n/a</td>
<td>12</td>
<td>None</td>
</tr>
<tr>
<td>Student Experience</td>
<td>n/a</td>
<td>12</td>
<td>None</td>
</tr>
<tr>
<td>Student Recruitment</td>
<td>n/a</td>
<td>18</td>
<td>None</td>
</tr>
</tbody>
</table>
4.2 For future reports, a table will be presented to provide a brief narrative for each risk marked as being over the tolerance threshold in Table 1, along with a note of new mitigating actions introduced to manage the risk. This will be based on the format shown in Table 2, below.

Table 2: Management of high-scoring risks

<table>
<thead>
<tr>
<th>Name of Risk</th>
<th>Reason for rise in score</th>
<th>Mitigating actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Name of risk]</td>
<td>[Very brief, ie 1 line, explanation for rise in score]</td>
<td>[Very brief note of any new mitigating actions]</td>
</tr>
<tr>
<td>[Name of risk]</td>
<td>[Very brief, ie 1 line, explanation for rise in score]</td>
<td>[Very brief note of any new mitigating actions]</td>
</tr>
<tr>
<td>[Name of risk]</td>
<td>[Very brief, ie 1 line, explanation for rise in score]</td>
<td>[Very brief note of any new mitigating actions]</td>
</tr>
</tbody>
</table>

5. **RECOMMENDED ACTION**

University Court is invited to discuss and approve the risk report.

6. **FURTHER INFORMATION**

Further information can be obtained from Dr Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk; ext. 3792) or Anne Buckle, Head of Strategic Planning (a.buckle@abdn.ac.uk; ext. 3943).

Hulda Sveinsdottir  
Planning  
13 June 2016

| Open |

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<td>STRA_2016-01</td>
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<td>STRA_2016-09</td>
<td>Student Experience</td>
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<td>STRA_2016-10</td>
<td>Student Recruitment</td>
</tr>
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## Impact and Likelihood

<table>
<thead>
<tr>
<th>People</th>
<th>Reputation</th>
<th>Business Process &amp; Systems</th>
<th>Measurement of Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Injuries or ailments not requiring medical treatment.</td>
<td>Scrutiny required by internal committees or internal audit to prevent escalation.</td>
<td>Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.</td>
<td>Negligible</td>
</tr>
<tr>
<td>Minor Injury or First Aid Treatment Case.</td>
<td>Scrutiny required by external committees or ACT Auditor General's Office, or Inquest, etc.</td>
<td>Policy procedural rule occasionally not met or services do not fully meet needs.</td>
<td>&lt;£10k</td>
</tr>
<tr>
<td>Serious Injury causing hospitalisation or multiple medical treatment cases.</td>
<td>Intense public, political and media scrutiny. Eg. front page headlines, TV, etc.</td>
<td>One or more key accountability requirements not met. Inconvenient but not student welfare threatening.</td>
<td>Almost Certain</td>
</tr>
<tr>
<td>Life threatening injury or multiple serious injuries causing hospitalisation.</td>
<td>Consistent National Media and Or Inquiry</td>
<td>Strategies not consistent with Government’s agenda. Trends show service is degraded.</td>
<td>Likely</td>
</tr>
<tr>
<td>Death or multiple life threatening injuries.</td>
<td>Government or Commission of inquiry or adverse national media.</td>
<td>Widespread Systems failures and client complaints</td>
<td>Possible</td>
</tr>
<tr>
<td>Multiple Deaths and Serious Injury</td>
<td>Critical system failure, bad policy advice or ongoing non-compliance. Business severely affected.</td>
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<td></td>
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## Financial

<p>| Almost Certain | Likely | Possible | Low | Unlikely | Remote |</p>
<table>
<thead>
<tr>
<th>Has occurred or probable in the near future</th>
<th>Possible in the next 12 months</th>
<th>Possible in the next 1-2 years</th>
<th>Possible in the medium term (2-5 years)</th>
<th>Possible in the long term (5-10 years)</th>
<th>Unlikely in the foreseeable future</th>
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<tbody>
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<td>&gt;£15m</td>
<td>&gt;£15m</td>
<td>&gt;£15m</td>
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## Likelihood

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<th>Significant</th>
<th>Highly Significant</th>
<th>Major</th>
<th>Severe</th>
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<td>6</td>
</tr>
</tbody>
</table>

## Risk Background

Used for gross and net risk scoring

## Impact

### People

- **Injuries or ailments not requiring medical treatment.**
- **Minor injury or First Aid Treatment Case.**
- **Serious Injury causing hospitalisation or multiple medical treatment cases.**
- **Life threatening injury or multiple serious injuries causing hospitalisation.**
- **Death or multiple life threatening injuries.**
- **Multiple Deaths and Serious Injury.**

### Reputation

- **Internal Review**
- **Scrutiny required by external committees or ACT Auditor General’s Office, or Inquest, etc.**
- **Consistent National Media and Or Inquiry**
- **Government or Commission of inquiry or adverse national media.**

### Business Process & Systems

- **Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.**
- **Policy procedural rule occasionally not met or services do not fully meet needs.**
- **Strategies not consistent with Government’s agenda. Trends show service is degraded.**
- **Widespread Systems failures and client complaints**
- **Critical system failure, bad policy advice or ongoing non-compliance. Business severely affected.**

## Measurement of Impact

<table>
<thead>
<tr>
<th>Impact</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negligible</td>
<td>Measurable</td>
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<tr>
<td>Significant</td>
<td>Highly Significant</td>
</tr>
<tr>
<td>Major</td>
<td>Severe</td>
</tr>
<tr>
<td>Almost Certain</td>
<td>Has occurred or probable in the near future</td>
</tr>
<tr>
<td>Likely</td>
<td>Possible in the next 12 months</td>
</tr>
<tr>
<td>Possible</td>
<td>Possible in the next 1-2 years</td>
</tr>
<tr>
<td>Low</td>
<td>Possible in the medium term (2-5 years)</td>
</tr>
<tr>
<td>Unlikely</td>
<td>Possible in the long term (5-10 years)</td>
</tr>
<tr>
<td>Remote</td>
<td>Unlikely in the foreseeable future</td>
</tr>
</tbody>
</table>
SUMMARY

This paper brings together reports to Court from sub-committees that have met recently. The unconfirmed minutes of all meetings are available at www.abdn.ac.uk/admin/court/intranet.

This report will be treated as routine business and is not proposed for discussion unless members request otherwise and notify the Clerk one clear day in advance of the meeting.

For Approval

The following Committee reports are included for approval:

13.1 Governance and Nominations Committee

For Information

The following Committee reports are included for information:

13.2 Audit Committee
13.3 Partnership, Negotiating & Consultative Committee
13.4 Research Policy Committee
13.5 Student Experience Committee
13.6 University Committee on Teaching and Learning

Further Information

Further information is available from Mr Bruce Purdon, Clerk to the Court, Tel.: 01224 273949 or b.purdon@abdn.ac.uk
UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
GOVERNANCE AND NOMINATIONS COMMITTEE

1. EXECUTIVE SUMMARY

1.1 This paper reports on issues from the most recent meeting of the Governance and Nominations Committee held on 10 May 2016. The unconfirmed minutes of the meeting are available online at: www.abdn.ac.uk/admin/court/intranet. The paper includes the following items for approval:

(1) The Committee recommends that Court approve the attached terms of reference for the externally facilitated review of effectiveness. It is proposed that the focus of the review be on how the Court ‘adds value’. Section 2 and Appendix A refers;
(2) The Committee recommends to Court the reappointment of Mrs McPhail and Mr Hall for further terms of office of up to three years following the conclusion of their current terms on 31 July 2016 and 30 September 2016 respectively. Section 3 refers.
(3) The Court is invited to approve a policy on gender balance for sub-committees of Court with a view to beginning implementation from 2016/17. The Court is further invited to agree that the Senate should be invited to agree that a policy on gender balance also apply to joint committees of the Court and Senate and with implementation commencing as soon as practicable thereafter. Section 4 refers.

1.2 The paper also reports, for information, on the Committee’s consideration of the following:

- Notification of a vacancy on the Operating Board for an independent member of Court with effect from 1 October 2016 and an invitation to members to make nominations for consideration to the Clerk.
- An update on the HE Governance Act.
- The Committee’s consideration of the future composition of Court and implementation of the HE Governance Act’s proposals for the election of the Senior Governor. Note: These are the subject of separate papers on today’s agenda.
- The Committee’s consideration of issues arising from the EU referendum and endorsement of the University having a neutral position. Note: This is also the subject of a separate paper on today’s agenda.
- The issue of the 2016 Governor Self Appraisal Questionnaire.

1.3 Further information may be obtained from Bruce Purdon, Clerk to the Court, Tel. 01224 273949 or email: b.purdon@abdn.ac.uk.

For Approval

2 Externally Facilitated Effectiveness Review of Court

2.1 The Committee received a paper which invited it to consider the scope of an externally facilitated effectiveness review following Court’s recent agreement to undertake such an exercise. The paper also set out potential options for the appointment of an external facilitator.

2.2 The Committee considered information on the potential areas of focus based on the Leadership Foundation for Higher Education’s Framework for Effectiveness Reviews and examples from the sector. It agreed that in broad terms the review should consider either:

1. Working relationships and boardroom behaviour;
2. The outcomes of an effective governing body and how the Court ‘adds value’.

2.3 In discussion, it was suggested that as part of the review, consideration should be given to how the Court agenda was structured and prioritised relative to the time available at meetings.

2.4 Recommendation: The Committee subsequently received by circulation a draft terms of reference which focuses on how the Court ‘adds value’. The Committee agreed to recommend that Court approve the terms of reference which are attached as Appendix A.
2.5 The Committee also considered potential options for external facilitation and questioned the level of cost incurred by other institutions. The Committee agreed that the option of using the University’s auditors should be considered. The Committee agreed to delegate authority to the Convener, Senior Governor and Principal to review a short-list of providers and approve the appointment with a view to fieldwork commencing later in the summer. The review is expected to take between 3-6 months depending on whether the process requires the facilitator observing a meeting of Court.

3 REAPPOINTMENT OF COURT MEMBERS

3.1 **RECOMMENDATION:** The Committee agreed to recommend to Court the reappointment of Mrs McPhail and Mr Hall for further terms of office of up to three years following the conclusion of their current terms on 31 July 2016 and 30 September 2016 respectively. The Committee noted that both members were in their second term of three years and had not, therefore, reached the recommended maximum period of service under the Scottish Code of Good HE Governance of three terms of three years.

3.2 The Committee also received and considered a report on the current terms of office of Court members, together with the current skills mix of Court members and information on the gender balance of Court.

4 POLICY ON GENDER BALANCE FOR COMMITTEES OF COURT AND JOINT COMMITTEES OF COURT AND SENATE

4.1 The Committee received a paper on the membership and gender profile of committees of Court and joint committees of Court and Senate for 2016/17.

4.2 The Committee discussed whether the Court should adopt a policy of gender balance on its committees and noted the potential issues that would need to be addressed with regard to implementing such a policy given the current composition and number of ex officio positions on committees. A copy of the paper which sets out the issues that would require to be addressed is attached as Appendix B.

The Committee noted that adopting the policy for joint committees of Court and Senate, in addition to committees of Court, would require agreement by the Senate and potentially the amendment of both the composition and current membership of all committees. The Committee recognised that in light of these issues, it would not be possible to implement a policy with immediate effect but the necessary issues could begin to be addressed from the start of academic year 2016/17.

**Recommendation:** The Committee recommends that Court agrees to:

(a) Approve the Policy for sub-committees of Court with a view to beginning implementation from 2016/17;
(b) Agree that the Senate should be invited to agree that the policy apply to joint committees of the Court and Senate and with implementation commencing as soon as practicable thereafter.

5 VACANCY ON OPERATING BOARD FROM 1 OCTOBER 2016 FOR INDEPENDENT MEMBER

5.1 The Committee noted that a vacancy would arise on the Operating Board with effect from 1 October 2016 for an independent member following the conclusion of Mr Arthur’s term of office. The Committee agreed that this vacancy should be notified to Court members and nominations invited, with the caveat that should the Court agree to reduce in size, the composition of the Operating Board might also be subject to review.

6 UPDATE ON HE GOVERNANCE ACT

6.1 The Committee received a paper which provided an update on the progress of the Higher Education (Scotland) Governance Act. The Committee noted that a commencement date for the majority of the provisions within the legislation had yet to be set by the Scottish Government but that following the conclusion of the Scottish Parliament elections meetings between Scottish Government officials, Universities Scotland and other stakeholders would be held to discuss the transitional arrangements.
7 FUTURE COMPOSITION OF COURT AND IMPLEMENTATION OF HE GOVERNANCE ACT

Note by Clerk: The recommendations of the Committee with regard to the future size of Court and implementation of a process for the election of Senior Governor are enclosed as separate papers on today’s agenda.

7.1 The Committee received a paper recommending a revised proposal for the future composition of Court. The paper considered the feedback that had been received from Court following its discussion in March 2016 of an initial proposal from the Working Group for a Court of 17 members and the agreement of a set of guiding principles for a new composition of Court.

7.2 The Committee agreed that the revised proposal, Option 1B for a Court of 17 members (with flexibility to rise to 20 members but only if required), should be recommended to Court. Option 1B required a minimum of 2 independent members to be graduates of the University and set out a number of mechanisms that could be put in place to ensure that the General Council was involved in the appointments process for those members.

7.3 The Committee also considered the issue of Senate representation and it was agreed that as part of the proposals to be considered by Court, it should be invited to consider the establishment of a formal joint committee of Court and Senate members, with reporting back to Court, to ensure there were formal lines of communication between both bodies.

7.4 The Committee also suggested that consideration could be given to agreeing a protocol with the two local Councils which required the University to notify them of any vacancies for independent members on Court to encourage them to put forward candidates.

7.5 The Committee noted that the University had received advice on the commencement of the Higher Education Governance Act, in particular with regard to the appointments process for the role of Senior Governor. The Committee received a paper indicating potential timelines for the agreement by Court of a specification and electoral process for the election of a Senior Governor, and for the process of agreeing with the Privy Council a revised Ordinance for a new composition of Court.

7.6 Following discussion, the Committee agreed that the University should begin to consider the necessary mechanisms for an electoral process for the Senior Governor to adhere with the Act and that Court should, at its meeting in June, be invited to endorse this and consider any issues that would inform the development of an electoral process. The Committee suggested that as part of this process, consideration be given to the criteria for appointment of the Senior Governor, and to the role and powers of that office within the broader governance procedures of the University. The Committee also noted that the role of a Senior Independent Governor separate to that of the Senior Governor was recommended as good practice by the Scottish Code of Good HE Governance and that consideration should be given to formalising such a position.

7.7 The Committee also agreed that in terms of the Higher Education Governance Act generally, the University should identify all areas of governance procedure and practice that might require to be updated as a consequence of the legislation.

8 INSTITUTIONAL POSITION ON THE EU REFERENDUM

Note by Clerk: An updated paper on issues for the University and higher education arising from the referendum is enclosed as a separate item on today’s agenda.

8.1 The Committee received a paper regarding the University’s position on the upcoming referendum on the UK’s membership to the European Union (EU).

8.2 The paper summarised the guidance that Universities UK (UUK) and the Scottish Charity Regulator respectively had issued for charities regarding the legal position for charities with regard to campaigning activity in the referendum. It also noted that UUK had taken a decision to campaign on the positive benefits of EU membership for universities and that the Principal had in a personal capacity and, in common with many other Vice-Chancellors, publicly supported the UUK campaign, which the legal advice confirmed was appropriate.

8.3 The Committee noted that the University had in recent times taken a neutral position regarding referenda, as was most recently the case in the Scottish Independence Referendum. The Committee endorsed that the University should have a neutral position regarding the EU referendum.
8.4 The Committee discussed the information provided in the paper on the implications for the University of the UK leaving the EU. In discussion, it was suggested that the analysis should also give consideration to the wider context outwith higher education, in particular the opportunities arising from the financial contribution currently made by the UK to the EU that might be redistributed. It was also suggested that the analysis should confirm whether the University could recruit more EU students if the current Scottish Funding Council cap on numbers was lifted.

8.5 The Committee agreed that while respecting the University’s neutral position on EU membership, the University should consider compiling a high-level fact sheet to ensure staff and stakeholders were aware of the University’s current links with the EU.

9 GOVERNOR SELF APPRAISAL QUESTIONNAIRE

9.1 The Committee received a paper on the conduct of the 2016 annual governor self-appraisal exercise.

9.2 The Committee noted that the University would, normally seek to conclude the questionnaire process by late summer so that responses could be reported to the Governance and Nominations Committee in September. This informed the University’s corporate governance statement published in the annual financial statements and helped to meet the Scottish Funding Council’s requirement for an annual internal process for reviewing effectiveness. The Committee also however, noted that an external effectiveness review of Court might involve the use of a questionnaire, and that the Court’s existing questionnaire included areas that were related to effectiveness. The Committee noted that the University would, therefore, if possible combine the two questionnaires to fulfil both purposes but that should the timeframe of the external effectiveness review not permit this, the existing University questionnaire would be issued to meet the reporting requirement of September 2016.

10. RESOURCE IMPLICATIONS

10.1 There are no immediate resource implications arising from recommendations in this paper.

11. RISK MANAGEMENT

11.1 There are no risk issues arising from recommendations within this paper.

12. EQUALITY IMPACT ASSESSMENT

12.1 Not required.

13. SUSTAINABILITY & SOCIAL RESPONSIBILITY

13.1 There are no matters regarding sustainability or social responsibility arising from the recommendations in this paper.

14 RECOMMENDED ACTION

14.1 The Court is invited to approve the following:

(1) The Committee recommends that Court approve the attached terms of reference for the externally facilitated review of effectiveness. It is proposed that the focus of the review be on how the Court ‘adds value’. Section 2 and Appendix 1 refers;

(2) The Committee recommends to Court the reappointment of Mrs McPhail and Mr Hall for further terms of office of up to three years following the conclusion of their current terms on 31 July 2016 and 30 September 2016 respectively. Section 3 refers.

(3) The Court is invited to approve a policy on gender balance for sub-committees of Court with a view to beginning implementation from 2016/17. The Court is further invited to agree that the Senate should be invited to agree that a policy on gender balance also apply to joint committees of the Court and Senate and with implementation commencing as soon as practicable thereafter. Section 4 refers.
15. **FURTHER INFORMATION**

15.1 Further information is available from Bruce Purdon, Clerk to the Governance and Nominations Committee, Tel. 01224 273949 or email: b.purdon@abdn.ac.uk.

[6 June 2016] [version1] [OPEN]

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<td>n/a</td>
</tr>
<tr>
<td>Further approval required</td>
<td>n/a</td>
<td>n/a</td>
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</table>
TERMS OF REFERENCE FOR EXTERNALLY FACILITATED REVIEW OF COURT EFFECTIVENESS

The Court has over the past three years considered in depth a range of governance issues in response to the new Scottish Code of Good HE Governance. These reviews have focused on ‘compliance’ or ‘processes and procedures’ and a consideration of the size and composition of Court which is now being revisited separately in light of the HE Governance Act. Given the extent of these past reviews and the ongoing review of the size of Court, the scope of the Court effectiveness review should be restricted to focus on the outcomes of an effective governing body and the ‘value added’.

The overall objective of the review is to evaluate against governance best practice the effectiveness of the Court as a governing body and to make any recommendations for improvement. The review will focus on the outcomes of effectiveness and how the Court ‘adds value’. Specific issues for consideration may include:

- The effectiveness of Court in meeting its responsibilities for strategy and monitoring institutional performance.
- The distinction between governance and management in the operation of the Court and the need for constructive challenge by the governing body is understood and accepted by both members and the executive, and is undertaken both appropriately and effectively.
- The engagement of Court and its members with the wider University community of staff and students.
EXECUTIVE SUMMARY

1.1 This paper invites the Committee to consider if the Court should adopt a policy of there being a gender balance within its sub-committees. The paper sets out the issues that would need to be considered in implementing such a policy, together with the consequences that might have for the current membership of committees if the Court agreed changes were required to come into effect by next academic year 2016/17.

1.2 It should be noted that this paper only considers the implications of adopting a policy of gender balance for committees of Court and joint committees of Court and Senate. The Senate would need to also consider the implications of such a policy for the joint committees and whether to adopt a similar policy for its direct sub-committees.

1.3 The Committee is invited to:

1) Consider whether the University Court should adopt a policy of gender balance on committees of Court and the implications of doing this for the approval of committee memberships for 2016/17;
2) Notwithstanding any further decision to require gender balance within committees of Court, that the University should in the meantime proceed with the notification of any vacancies to Court members as usual;
3) Note that changes to the composition and membership of joint committees of Court and Senate would also require consideration by Senate.

1.4 Further Information is available from Mrs Caroline Inglis, Secretary to the University or Mr Bruce Purdon, Clerk to the Court.

BACKGROUND

2.1 A list of committee memberships for committees of Court and joint committees of Court-Senate, with current or expected vacancies for 2016/17, is attached at Appendix 1. A list of the current committee commitments of Court members is also attached at Appendix 2.

2.2 The following are committees of Court:

Audit
Governance and Nominations
Operating Board
Remuneration Committee

2.3 The following are joint committees of Court and Senate:

Research Policy Committee
Student Experience Committee
University Committee on Teaching & Learning

2.4 There are also sub-committees of Senate which lie out-with the scope of this paper.

2.5 Changes to the composition of a committee of Court require approval by Court. The membership of Court committees is approved annually by Court. Changes to membership in year are approved as they arise.
Changes to the composition of a committee of Court and Senate require the approval of both Senate and Court. Court representation on joint committees is approved annually by Court and changes in year approved as they arise, while the representation of Senate is approved separately through Senate processes.

3 Gender Balance on Committees of Court and Joint Committees of Senate: Issues for Discussion

3.1 The Membership Pool

3.1.1 Many of the committee compositions require members to be members of Court. This is good practice and allows members across the Court to bring their particular experience and skills to the benefit of relevant committees.

3.1.2 The Court itself, however, is not gender balanced – eight of the 28 members are women – and this limits the degree to which it can enable gender balance on its sub-committees. To achieve gender balance on committees through that pool of members, would likely require existing female members of Court to take on membership of more committees placing a greater burden on them. This may not be appropriate and is arguably not in the best interests of supporting women in senior roles.

3.1.3 The achievement of gender balance on committees is, therefore, linked to the wider issue of the gender balance of Court or Senate.

3.2 Ex Officio Members

3.2.1 As Appendix 1 shows, the composition of most committees includes some form of ex officio membership eg Vice-Principal for a specific area, a Senate Assessor, Rector, President of the Students’ Association. In some cases, the proportion of ex officio memberships on a committee is more than 50% of the composition. The achievement of gender balance is, therefore, linked to the wider issue of the diversity of appointments to those senior roles. As a consequence, there is a limit to the extent that gender balance within committees with significant ex officio members can be achieved through reprofiling the remainder of the composition of the committee that Court or Senate appoints.

3.2.2 Using the current composition and membership of the Operating Board (11 members) as an example:

<table>
<thead>
<tr>
<th>Composition</th>
<th>Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Independent Members</td>
<td>Mr B Pack (Convener) (Male)</td>
</tr>
<tr>
<td></td>
<td>Mr A Arthur (Male)</td>
</tr>
<tr>
<td></td>
<td>Ms A Minto (Female)</td>
</tr>
<tr>
<td></td>
<td>Mr J Hall (Male)</td>
</tr>
<tr>
<td>Three Senate Assessors (one from each College)</td>
<td>Professor S Heys (Male)</td>
</tr>
<tr>
<td></td>
<td>Professor N Hutchison (Male)</td>
</tr>
<tr>
<td></td>
<td>Dr N Oren (Male)</td>
</tr>
<tr>
<td>Ex Officio</td>
<td>Ms G Clarke (Female)</td>
</tr>
<tr>
<td>President of the Students’ Association</td>
<td>Professor Sir I Diamond (Male)</td>
</tr>
<tr>
<td>Principal</td>
<td></td>
</tr>
</tbody>
</table>

Within the 28 members, there are of thirteen independent members, of whom five are female and of the six Senate Assessors (who are elected by Senate), one is female and five male. For the purposes of this example the thirteen independents are defined as: 7 co-opted members, 4 General Council and two Local Council Assessors.
3.2.3 Excluding the Convener, the balance of males to females is 7:3. There are four ex officio positions (and arguably the Senate Assessors are similar as there is one from each College). To achieve a gender balance would require the replacement of two male members either from the independent members of Court and/or the Senate Assessors (drawn from a pool of six, two from each of the three Colleges, with currently only one female).

3.2.4 It is also the case that some of the ex officio members will change each year eg President of the Students’ Association. In this example, in 2016/17 the next President of the Students’ Association is male, so the balance on Operating Board of male to female would become 8:2 and so three of the male independent members and/or Senate Assessors would require to be replaced.

3.3 Existing Members

3.3.1 To achieve an immediate transition to gender balance on a number of the committees would require some existing members to be replaced. This could result in the loss of continuity and experience to the relevant committee. In making appointments to achieve gender balance, a further issue that the Governance and Nominations Committee would also need to consider is whether the person appointed had the relevant skill set for the role eg Audit/Finance.

3.4 Number of Members on Committee

3.4.1 Several committees have an ‘odd’ number of members. This is helpful should a vote be required but makes ‘gender balance’ impossible unless it was agreed that the policy did not include the Convener.

3.5 Co-opting Additional Members

3.5.1 Committees could be permitted to co-opt additional non-court members to help manage gender balance. However this might not be appropriate for all committees, for example, the Operating Board was established around the principle that it would be a smaller body than Court, comprised of members of Court who could then contribute to Court meetings regarding the Operating Board view of issues.

3.6 Timeframe for Making Changes in the Composition and Membership of Committees

3.6.1 As noted above, the approval process for appointing the membership of Court committees would normally involve the notification to Court of any vacancies around this point in the year, with nominations considered by this committee in September and recommendations approved by Court in October for the year ahead. To achieve gender balance for 2016/17, however, it would be necessary for Court to agree the policy of gender balance, to agree to remove some members from committees and then invite nominations from members, potentially restricted by gender, before receiving recommendations from this Committee on new appointments.

3.6.2 If changes to the composition of a committee were required to help achieve gender balance, this would require the change in composition to be approved by the relevant committee and by Court.

3.6.3 It should be noted that changes to composition and membership of joint committees of Court and Senate would also require Senate approval.

3.6.4 The June meeting of Court would be the first opportunity to consider adopting a policy of gender balance (although further discussion at Senate would be required to go beyond Court committees). It would then require consideration by this Committee of, for example, which memberships required to be changed and to then invite nominations to fill any vacancies created for specific purposes of gender balance. The Committee could do so in September but it would not have at that point received the nominations for consideration in time to make recommendations for approval to the October meeting of Court.
4 **STRATEGIC CONTEXT**

4.1 Fostering a positive University culture and being champions of equality and diversity is a Strategic goal within the University's Strategic Plan.

5 **RESOURCE IMPLICATIONS**

5.1 There are no immediate resource implications arising from this paper.

6 **RISK MANAGEMENT**

6.1 There are no immediate implications for risk management resulting from this paper.

7 **EQUALITY IMPACT ASSESSMENT**

7.1 An assessment has not been prepared at this stage.

8 **SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

8.1 Not applicable.

9 **RECOMMENDED ACTION**

9.1 The Committee is invited to:

1) Consider whether the University Court should adopt a policy of gender balance on committees of Court and the implications of doing this for the approval of committee memberships for 2016/17;

2) Notwithstanding any further decision to require gender balance within committees of Court, that the University should in the meantime proceed with the notification of any vacancies to Court members as usual;

3) Note that changes to the composition and membership of joint committees of Court and Senate would also require consideration by Senate.

10 **Further Information**

10.1 Further Information is available from Mrs Caroline Inglis, Secretary to the University or Mr Bruce Purdon, Clerk to the Court.

Mr Bruce Purdon  
Clerk to the Governance & Nominations Committee  
26 April (V1) (Open)

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## MEMBERSHIP OF COURT COMMITTEES AND JOINT COURT-SENATE COMMITTEES

<table>
<thead>
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<th>Court Committee</th>
<th>Composition</th>
<th>Membership</th>
<th>Male:Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>Two independent members of Court (including Convener) Two external members appointed by Court on the advice of the Governance &amp; Nominations Committee in consultation with the two lay members. <em>NB Committee may also co-opt additional members.</em></td>
<td>Mr K Murray (Convener) Mr D MacFarlane</td>
<td>5:2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr A R McNiven Prof Sir Lewis Ritchie Ms L McFarlan Ms M McNeill Mr P Milne</td>
<td></td>
</tr>
<tr>
<td>Governance and Nominizations</td>
<td>Four independent members, one of whom to be Convener (The Convener not to be Senior Governor or Convener of Operating Board) Principal A Senate Assessor The President of the Students' Association</td>
<td>Mr J Hall (Convener) Mr B Pack Sir Moir Lockhead Mrs J Shirreffs Principal Professor A Akisanya Ms G Clarke Mr C Anucha</td>
<td>6:1</td>
</tr>
<tr>
<td>Operating Board</td>
<td>Four independent members of Court, including the Convener, appointed by Court on the recommendation of the Governance &amp; Nominations Committee (<em>independent being defined as external to, and not employed or remunerated by the University</em>). The Convener of the Board to be an independent member of Court but not being the vice-Chair of Court. Three Senate Assessors to Court, one from each College, to be agreed by the Senate Assessors on Court.</td>
<td>Mr B Pack Ms A Minto Mr J Hall Dr N Oren Professor N Hutchison Professor S Heys</td>
<td>8:2 with one vacancy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr A Arthur <em>Vacancy</em> from 01.10.16</td>
<td></td>
</tr>
</tbody>
</table>

The Principal, Senior Vice-Principal, the University Secretary and the President of the Students' Association are ex officio.
<table>
<thead>
<tr>
<th>Court Committee</th>
<th>Composition</th>
<th>Membership</th>
<th>Male:Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration Committee</td>
<td>Senior Governor (Convener)</td>
<td>Sir Moir Lockhead</td>
<td>6:1</td>
</tr>
<tr>
<td></td>
<td>Four independent members</td>
<td>Mr B Pack</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs K McPhail</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr C Duncan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mr D Steyn</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A non-executive staff member of Court</td>
<td>Mr B Paterson</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The President of the Students’ Association</td>
<td>Ms G Clarke</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Mr C Anucha</td>
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<tr>
<td>Research Policy Committee</td>
<td>Vice-Principal for Research &amp; Knowledge Exchange (Convener)</td>
<td>Professor B MacGregor*</td>
<td>9:6 with 1 vacancy</td>
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<tr>
<td></td>
<td>An Independent Member</td>
<td>Mrs K McPhail</td>
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<tr>
<td></td>
<td>Two nominees from each College</td>
<td>Professor B Hayes, CASS</td>
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<td>Professor P Schell, CASS</td>
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<td>Professor M Zanda, CLSM</td>
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<td>Professor C de Bari, CLSM</td>
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<td></td>
<td>Professor G Coghill CoPS</td>
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<td>Ex Officiis:</td>
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<td>Vacancy CoPS</td>
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<td></td>
<td>Directors of Research one per College</td>
<td>Professor M Brown</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Professor M Campbell</td>
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<tr>
<td></td>
<td></td>
<td>Dr R Neilson</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Head of College of Arts &amp; Social Sciences</td>
<td>Professor M Ross</td>
<td></td>
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<tr>
<td></td>
<td>Head of College of Life Sciences &amp; Medicine</td>
<td>Professor P Hannaford</td>
<td></td>
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<tr>
<td></td>
<td>Head of College of Physical Sciences*</td>
<td>Professor B MacGregor</td>
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<tr>
<td>Co-opted</td>
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<td>Professor P Morgan</td>
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<td></td>
<td>Director of Rowett Institute</td>
<td>Ms D Bruxvoort</td>
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<tr>
<td></td>
<td>University Librarian</td>
<td>Dr K Skeldon</td>
<td></td>
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<td></td>
<td>Head of Public Engagement with Research,</td>
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### Court-Senate Committee Composition

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<tr>
<td>Student Experience Committee</td>
<td>Independent Member of Court (Convener)</td>
<td>Mrs J Shirreffs</td>
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<tr>
<td></td>
<td>Rector (ex officio)</td>
<td>Rector (Ms M Chapman)</td>
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<tr>
<td></td>
<td>Rector’s Assessor (ex officio)</td>
<td>Rector’s Assessor (Mr D Haywood)</td>
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<tr>
<td></td>
<td>Vice-Principal (Learning &amp; Teaching)</td>
<td>Professor P McGeorge</td>
</tr>
<tr>
<td></td>
<td>University Secretary</td>
<td>Mrs C Inglis</td>
</tr>
<tr>
<td></td>
<td>One academic member of staff with an interest in the Undergraduate Student Experience nominated from each College</td>
<td>Professor R Wells</td>
</tr>
<tr>
<td></td>
<td>One academic member of staff with an interest in the Postgraduate Student Experience nominated from each College</td>
<td>Professor J Morrison/Dr A Arnason</td>
</tr>
<tr>
<td></td>
<td>Director of Academic Affairs</td>
<td>Professor S Davies</td>
</tr>
<tr>
<td></td>
<td>Director of Student Life</td>
<td>Professor B Connolly</td>
</tr>
<tr>
<td></td>
<td>Equality and Diversity Adviser</td>
<td>Professor J Masthoff</td>
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<tr>
<td></td>
<td>University Librarian (or nominee)</td>
<td>Professor B Naphy</td>
</tr>
<tr>
<td></td>
<td>Head of Student Support</td>
<td>Dr G Mackintosh</td>
</tr>
<tr>
<td></td>
<td>University Chaplain</td>
<td>Mr L Forsyth</td>
</tr>
<tr>
<td></td>
<td>President of the Students’ Association and student sabbatical officers</td>
<td>Ms J Chalmers</td>
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### University Committee on Teaching & Learning

<table>
<thead>
<tr>
<th>Committee</th>
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<tbody>
<tr>
<td>Vice-Principal (Learning &amp; Teaching (Convener)</td>
<td>Professor P McGeorge</td>
<td>8:3</td>
</tr>
<tr>
<td>One nominee nominated by the University Court</td>
<td>Mr C Duncan</td>
<td></td>
</tr>
<tr>
<td>President of the Students’ Association (or nominee)</td>
<td>Ms G Clarke/Mr C Anucha</td>
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<tr>
<td>SA President for Education and Employability</td>
<td>Mr L Fuller</td>
<td></td>
</tr>
<tr>
<td>College Directors of Teaching and Learning x 3</td>
<td>Professor S Davies*</td>
<td></td>
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<tr>
<td></td>
<td>Dr A Arnarsen</td>
<td></td>
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<tr>
<td></td>
<td>Professor R Wells</td>
<td></td>
</tr>
<tr>
<td>Heads of Graduate Schools x 3</td>
<td>Professor B Connolly*</td>
<td></td>
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<tr>
<td></td>
<td>Professor J Masthoff</td>
<td></td>
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<tr>
<td></td>
<td>Professor W Naphy</td>
<td></td>
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<tr>
<td>Court-Senate Committee</td>
<td>Composition</td>
<td>Membership</td>
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<tr>
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<tr>
<td>Conveners of the UG and PG Committees*</td>
<td>Professor S Davies &amp; Professor B Connolly</td>
<td></td>
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<tr>
<td>Convener of the Quality Assurance Committee</td>
<td>Professor K Shennan</td>
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<tr>
<td>Member</td>
<td>Committee (Usual number of meetings per year)</td>
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<tr>
<td>Ms M Chapman</td>
<td>Court (4); Student Experience (4)</td>
<td></td>
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<tr>
<td>Sir Moir Lockhead</td>
<td>Court (4); Remuneration Committee (2); Governance &amp; Nominations Committee (3)</td>
<td></td>
</tr>
<tr>
<td>Mr D Haywood</td>
<td>Court (4); Student Experience (4)</td>
<td></td>
</tr>
<tr>
<td>Mr A Arthur – retires 1 October 2016</td>
<td>Court (4); Operating Board (7); (Also a member of Business Committee of General Council)</td>
<td></td>
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<tr>
<td>Professor N Booth</td>
<td>Court (4); (Also a member of Business Committee of General Council)</td>
<td></td>
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<tr>
<td>Mr C Duncan</td>
<td>Court (4); Teaching &amp; Learning (5); Remuneration Committee (2); (Also a member of Business Committee of General Council)</td>
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<tr>
<td>Mrs J Shirreffs</td>
<td>Court (4); Student Experience (4); Governance &amp; Nominations Committee (3); (Also a member of Business Committee of General Council)</td>
<td></td>
</tr>
<tr>
<td>Mr J Hall</td>
<td>Court (4); Operating Board (7); Governance &amp; Nominations Committee (3)</td>
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<tr>
<td>Mr D MacFarlane</td>
<td>Court (4); Audit Committee (5);</td>
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<tr>
<td>Mrs K McPhail</td>
<td>Court (4); Research Policy Committee (4); Remuneration Committee (2)</td>
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<tr>
<td>Mrs A Minto</td>
<td>Court (4); Operating Board (7) (Also a member of Development Trust)</td>
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<tr>
<td>Mr K Murray</td>
<td>Court (4); Audit Committee (5)</td>
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<td>Mr B Pack</td>
<td>Court (4); Operating Board (7); Remuneration Committee (2); Governance &amp; Nominations Committee (3)</td>
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<tr>
<td>Mr D Steyn</td>
<td>Court (4); Remuneration Committee (2)</td>
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<tr>
<td>Mr I Percival (joins 1 October 2016)</td>
<td>Court (4) Also a member of Business Committee of General Council</td>
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<tr>
<td>Cllr J Laing</td>
<td>Court (4)</td>
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<tr>
<td>Cllr R McKail</td>
<td>Court (4)</td>
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EXECUTIVE SUMMARY

1.1 This paper reports on business considered at the most recent meetings of the Audit Committee held on 21 April and 2 June 2016. The paper is for information. The unconfirmed minutes of these meetings are available at www.abdn.ac.uk/admin/court/intranet.

1.2 The Audit Committee received four Internal Audit Reports, as detailed at 2 below. One report was graded “Critical Risk” overall by the Internal Auditor, while the other three were “Medium Risk”.

1.3 The Committee received a briefing on the details of a whistleblowing matter relating to the appointment process for a senior academic managerial post within the College of Life Sciences and Medicine.

1.4 The Committee received and approved an update report on Risk Management, including the proposed framework for reporting to Court via the Operating Board.

1.5 The Committee continued to receive update reports on the implementation of previous Internal Audit recommendations.

1.6 In June, the Committee received an update on the OneSource programme.

1.7 The Committee received and approved the Internal Audit Risk Assessment and Annual Plan for 2016/17.

1.8 Also in June, the Committee received Interim Audit Findings from the University’s External Auditors, KPMG.

1.9 Further information may be obtained from Mrs Ruth MacLure, Clerk to the Audit Committee (01224) 273239 or r.m.maclure@abdn.ac.uk.

For Information

2. INTERNAL AUDIT REPORTS

The Audit Committee received and approved Internal Audit Reports, as follows:

2.1 Internal Audit Review of AUSA Corporate and Financial Governance

2.1.1 The Committee noted that the review of Aberdeen University Students’ Association (AUSA) had been carried out at the University’s invitation, following receipt of a whistleblowing claim from five Sabbatical Officers, as reported to Court in March 2016.

2.1.2 The review had noted a number of serious failures in the corporate and financial governance of AUSA and had resulted in an overall rating of “Critical Risk”, containing two Critical, five High and two Medium Risk findings.

2.1.3 The Critical findings concerned AUSA’s failure to follow its Constitution and significant exceptions in staff expenses. The High Risk findings concerned: a lack of understanding of conditions of disbursement amongst Trustees; conflicting roles and responsibilities between the CEO and Sabbatical Officers; a lack of robust and enforced financial controls; the Trustees’ response to questions by the Office of the Scottish Charity Regulator (OSCR); and inadequate procedures for staff and officer induction and training.
2.1.4 The Students’ Association and University had fully accepted the findings of the review and had provided implementation dates for the action points raised.

2.1.5 The Committee approved the report in April and received an update in June, when it noted that progress had been made towards implementation of the findings and that legal processes were underway in respect of the reported fraudulent activity. The University was meeting regularly with the Interim Chief Executive Officer and new conditions of grant were being negotiated.

2.2 Internal Audit Review of the Student Retention Taskforce

The report had received an overall rating of “Medium Risk” and contained one High, and one Medium Risk finding. The High Risk finding concerned the need for a strategy and implementation plan for the activities of the Student Retention Task Force. The Medium Risk finding concerned reduced personal contact with a student’s School at Registration, which was likely to lead to an increased risk of the student withdrawing from the University.

2.3 Internal Audit Review of Internationalisation Strategy and Governance

The report had received an overall rating of Medium Risk and contained three Medium Risk recommendations. These concerned: a lack of Internationalisation sub-strategies / implementation plans and Key Performance Indicators (KPIs); the monitoring and design of KPIs in respect of Alumni; and the development of an implementation plan for the International Centre for students.

2.4 Internal Audit Review of Equality and Diversity: Athena SWAN

The Committee noted that the report had received an overall rating of Medium Risk and contained two Medium and one Low Risk recommendations. The Medium Risk findings concerned the unsuccessful application to renew the University’s Athena SWAN Bronze award and the need to monitor progress against the action plan.

3. WHISTLEBLOWING MATTER

3.1 At its June meeting, the Committee received a report of an investigation carried out under the University’s Policy and Procedure on Public Interest Disclosure (Whistleblowing).

3.2 The complaint related to the appointment process for a senior academic managerial post within the College of Life Sciences and Medicine. It included a number of allegations, made against one specific individual. Following conclusion of the investigation, none of the allegations made were upheld. A report on the investigation had been shared with both the complainant and the subject of the complaint. The report included a number of recommendations relating to institutional recruitment processes, and implementation of these points was reported to be in progress.

4. RISK MANAGEMENT

4.1 The Committee received an update report on Risk Management and noted that this was the first report to the Committee on the University’s ten high-level strategic risks, aligned to the University’s Strategic Plan 2015-2020. The Committee noted the intention to provide an update at six-monthly intervals, with the first report to Court due in June 2016.

4.2 The Committee noted that the scoring of individual risks had been reached through workshops and discussions with Risk Managers and that the net scores reflected the assessment of risk following mitigating actions. Further work was underway to determine the institutional risk appetite.

4.3 The Committee commended the new approach to risk and approved the report for presentation to the Operating Board, subject to minor amendments.
5. **IMPLEMENTATION OF PREVIOUS INTERNAL AUDIT RECOMMENDATIONS**

5.1 The Committee continued to receive reports to monitor progress of the implementation of previous Internal Audit recommendations, with particular reference to “High Risk” reports.

5.2 In April, the Committee received an update on the University's response to the Cyber Security Maturity Assessment by PwC and noted that the University had drawn up a Cyber Audit Action Plan (CAAP) to address the Auditor’s findings.

5.3 In June, the University Librarian was in attendance to update the Committee on progress towards implementation of the findings in the Internal Review of Freedom of Information (FOI) Governance and Procedures. The Committee noted that implementation was expected to be delayed pending recruitment of a new Data Protection Officer, and it was agreed that the Internal Auditor should meet with the new post holder to agree a timeline for implementation.

5.4 The Committee received an Internal Audit Implementation Report from University management, pending a formal follow-up review by PwC in 2016/17. It outlined progress towards implementation of recommendations made in the 2014/15 and 2015/16 Internal Audit Programmes, with an indication of percentage completion. The Committee noted that the University Secretary was generally satisfied with the level of implementation of recommendations.

6. **ONESOURCE PROGRAMME**

6.1 The Committee received an update on the OneSource Programme, and noted that the key core objectives had been delivered in the MyCurriculum and MyTimetable strands of the Student Lifecycle project. Testing of the integrated Finance and HR/Payroll platform was on-going with no major issues having been identified.

6.2 Noting that the University was proceeding as an Early Adopter for the Student Management System, the Committee discussed the risks around cloud-based systems and the contractual terms of the University’s agreement with Unit 4, requiring payment in advance. The Committee also expressed concern at the ongoing quality issues, requiring escalation to senior management within Unit 4.

6.3 The Committee agreed to invite the Project Sponsor and Director of IT Services to attend its next meeting to address the above questions in person.

7. **INTERNAL AUDIT RISK ASSESSMENT AND ANNUAL PLAN FOR 2016/17**

7.1 The Committee received an Internal Audit Risk Assessment and Plan for 2016/17 from PwC. In June, the Committee noted that since its meeting on 21 April 2016, the Plan had been refined in response to feedback from the Committee and University management.

7.2 The Committee agreed that the current level of resource for Internal Audit Services (of 160 days per annum) was appropriate and approved the Plan.

8. **KPMG INTERIM AUDIT FINDINGS**

8.1 The Committee received Interim Audit Findings from KPMG (the University's External Auditor). The paper provided the Committee with an update on significant risks and other focus areas and the results of control framework testing.

8.2 The Auditor had made four recommendations in respect of: bank reconciliations; new research grants and contracts verification; grant monitoring against budget; and purchasing invoice authorisation. The Committee noted that the University was working to address the points raised, with a focus on high risk grants and contracts.

9. **RESOURCE IMPLICATIONS**

9.1 There are no immediate resource implications arising from the content of this paper.
10. **RISK MANAGEMENT**

10.1 Risk Management is considered within the context of each Internal Audit Review. The Committee has a standing responsibility to monitor Risk management arrangements and section 4 above details its recent consideration of a new approach to risk management and reporting.

11. **EQUALITY IMPACT ASSESSMENT**

11.1 Not applicable.

12. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

12.1 There are no environmental, ethical or social implications or impacts of this paper.

13. **RECOMMENDED ACTION**

13.1 The Court is invited to note the report of business considered at the most recent meetings of the Audit Committee held on 21 April and 2 June 2016.

14. **FURTHER INFORMATION**

14.1 Further information may be obtained from Mrs Ruth MacLure, Clerk to the Audit Committee (01224) 273239 or r.m.maclure@abdn.ac.uk

14 June 2016 [version 1] [Open]
1. **EXECUTIVE SUMMARY**

1.1 This paper reports on issues arising from the most recent meeting of the Partnership Negotiating and Consultative Committee held on 12 May 2016. The draft minutes of the meeting are available at www.abdn.ac.uk/admin/court/intranet.

1.2 Further information is available from the Clerk to the Committee, Catherine Cook, HR Specialist Services Partner, email: c.cook@abdn.ac.uk telephone (01224) 273413 or Mrs Debbie Dyker, Director of Human Resources, d.j.dyker@abdn.ac.uk tel 01224 273732.

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**For Information**

2. **PRESENTATION ON THE PREVENT (COUNTER TERRORISM) DUTY**

2.1 The Committee received a presentation from Angus Donaldson, Director of Estates, on the Prevent (Counter-Terrorism) Duty and what the University is doing in response to the guidance.

3. **PROFESSIONAL SERVICES REVIEW**

3.1 The Committee noted the oral update on the Professional Services Review.

3.2 There was a meeting on 20 May with the Unions to go through the final recommendations and communication to staff would follow.

4. **NINE DAY FORTNIGHT UPDATE**

4.1 The Committee received a paper on the outcome of the trial of Nine Day Fortnight for Support and Academic Related staff. This had been piloted initially in the Library, CASS College Office, IT Services and External Relations. It was agreed that the guidance and procedures for the scheme would be reviewed prior to formalising implementation of the scheme.

5. **CAPABILITY FIGURES**

5.1 The Committee received a report on the number of staff in the Capability Procedure and it was noted that the numbers were reducing.

6. **WORKLOAD MODELLING UPDATE**

6.1 The Committee received an update on the Workload modelling data and noted that further information was being collated.

7. **ZERO HOURS CONTRACTS**

7.1 The Committee noted the paper on the use of zero hours contracts and were pleased to note that the number of zero hours contracts had reduced significantly over the last 12 months.

8. **RESOURCE IMPLICATIONS**

8.1 There are no resource implications arising directly from this paper.

9. **RISK MANAGEMENT**

9.1 There are no risks arising directly from this paper.
10. **Equality Impact Assessment**

10.1 An Equality Impact Assessment is not required.

11. **Sustainability & Social Responsibility**

11.1 There are no issues relating to sustainability or social responsibility arising directly from this paper.

12. **Recommended Action**

12.1 The University Court is invited to note the report from the Partnership Negotiating and Consultative Committee.

13. **Further Information**

13.1 Further information may be obtained from Catherine Cook, Clerk to the Partnership Negotiating and Consultative Committee, (01224) 273564 or c.cook@abdn.ac.uk or Mrs Debbie Dyker, Director of Human Resources, d.j.dyker@abdn.ac.uk, tel 01224 273732.

9 June 2016
FOI Status: Open

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UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
RESEARCH POLICY COMMITTEE

1. EXECUTIVE SUMMARY

1.1 This paper provides a summary of the key items considered by the University's Research Policy Committee at meetings which took place on 22nd March and 3rd June 2016. This report is for information only.

1.2 Additional information is available from the minutes of the meetings, available online at www.abdn.ac.uk/admin/court/intranet.

1.3 Further information may be obtained in the first instance from Marlis Barraclough (Senior Policy Advisor; Research & Innovation), Clerk to the University Research Policy Committee, tel: (01224) 273787 or email m.barraclough@abdn.ac.uk.

For Information

2 RESEARCH APPLICATIONS AND AWARDS

2.1 The Committee received the figures for research applications and awards up to the end of the third quarter of this financial year (RPC 15:38). Overall, the value of applications (£115.7m) at this point in 2015/16 was lower than that of 2014/15 (£183.4m), even after adjustment for the large application for the RINH block grant of £41m in 2014/15.

2.2 The value of awards over the first three quarters of 2015/16 had reduced by 11% compared to 2014/15 awards at this point in the financial year (£41.7m compared to £46.8m). The awards figure included the first tranche of the block grant from RESAS - £7.6m which is lower than the amount applied for. The grant will have to be re-negotiated on an annual basis. The Rowett settlement contributed to this reduction, but the underlying trend was for a decline in awards. The Committee noted the information provided around staff numbers. When shown as applications and awards per FTE member of staff, the value is similar to that of 2014/15 For Life Sciences and Medicine, an increase of awards per FTE was noted.

2.3 It was noted that, while Life Sciences and Medicine was showing signs of improvement, performance elsewhere remained below expectation. The enhanced peer review and intention to submit process appeared to be working and would be rolled out across all areas. It was agreed that it was important to gain better understanding of the underlying issues for the decline. It was agreed that detailed reasons should be explored through consultation with academic staff, and through focus groups.

The Committee noted that a number of action points in the draft operational plan related to the Framework of Academic Expectations. The FAE will define individual targets which can then be aggregated at school level and institutional level.

2.4 The analysis of RCUK success rates showed that focused support had proved successful for NERC, where the cap on institutional bids had been increased, and for BBSRC, where the University of Aberdeen had recently been successful in strategic calls. The draft Operational Plan for research included actions for enhanced horizon scanning and early intervention in bid development to increase quality of applications.

3 RESEARCH INCOME

3.1 The Committee noted the research income report for the third quarter of the academic year 2015/16. Overall, the University of Aberdeen was around £500k (0.7%) behind target. Indirect cost contribution, which will affect School budgets, was ahead of target.
3.2 The Committee noted that RCUK performance for 2015/16 was likely to exceed targets, but that income from public sources would not meet targets. UK industry funding remained very challenging, particularly from the oil and gas sector.

4 INNOVATION AND KNOWLEDGE TRANSFER

4.1 The Committee noted that the University had received an award of £25,000 for being short-listed in the final ten of the BBSRC’s Excellence with Impact competition.

4.2 It received an update on the City Deal, a regional initiative with Aberdeen City and Aberdeenshire, the Robert Gordon University, Scottish Enterprise and Opportunity North East (ONE). The City Deal provides opportunities for industrial engagement through projects that address industry needs and seeks to contribute to the economic development of the region through new job and company creation. The City Deal Oil and Gas Technology Centre (OGTC) has been incorporated and has identified some initial priorities for the oil and gas sector. The University and RGU are working together to work towards those priorities.

4.3 The Committee noted that the number of disclosures was slightly down compared to previous years. Licensing activity has increased during 2015/16, and the University expected to complete at least another two before the end of the year. The University had achieved two start-ups this year, out of 11 required over the planning period. The number of start-ups from students had been significantly enhanced by the enterprise campus and ABventure Zone.

5 HORIZON SCANNING – RCUK PRIORITIES AND GLOBAL CHALLENGES FUND

5.1 The Committee received a report on RCUK strategic priorities and the new Global Challenges Fund (GFC). It noted that the GFC had been created by budget re-allocation from DFID to RCUK and had retained its objectives around overseas development. GFC and Newton Funding required excellent research that addresses the challenges faced by developing countries.

5.2 The strategic priorities for RCUK, and those for GFC and Newton funding include some areas of excellence at the University of Aberdeen, and scoping meetings are currently taking place to develop our institutional response to the calls for proposals. There was a need to share information quickly and to adopt a proactive approach.

6 LORD STERN REVIEW OF RESEARCH EXCELLENCE

6.1 The funding councils have committed to another assessment exercise and that it is likely to take place in 2020 or 2021. Following the publication of a report on the cost of the REF in July 2015 which estimated that the total cost of the exercise was £246m to the sector (£232m to institutions), the government set up a review of the Research Excellence Framework chaired by Lord Nicholas Stern. The aim of the review is to ensure that future research funding is allocated more efficiently, offers greater rewards for excellent research and reduces the administrative burden on institutions. The review will also draw on views expressed by stakeholders to the recent Green Paper on Higher Education. UMG considered and approved an institutional response to the Stern Review at its meeting on 14th March 2016. The outcome of the review is expected later this year.

7 WHITE PAPER ON HIGHER EDUCATION: SUCCESS AS A KNOWLEDGE ECONOMY: TEACHING EXCELLENCE, SOCIAL MOBILITY AND STUDENT CHOICE

7.1 The Government published a White Paper on higher education on 16 May 2016. In the main, the paper deals with teaching related and regulatory issues, but it does set out how the Government intends to implement the recommendations on research in the Green Paper on Higher Education and the Nurse Review of Research Councils.

7.2 The paper emphasises the Government’s continued commitment to the Haldane principle, but will create a new body, UK Research & Innovation (UKRI), which will incorporate the seven research councils, Innovate UK and the research functions currently performed by HEFCE.
(including the REF). The part of HEFCE transferred to the new body will be named Research England and will disburse the QR grant to English institutions. The funding streams to Research England and the other research councils will be hypothecated to protect the dual support system. UKRI’s emphasis is very much on cross disciplinarity of research and impact. The Board of the new organisation will be appointed by the Secretary of State and will have an appropriate balance of research and business expertise.

8 PROFESSIONAL SERVICES REVIEW

8.1 The Committee received the Final Report of the Professional Services Review, which included recommendations for the establishment of the Grants Academy, a single Graduate School for Postgraduate Research Students and proposals to change membership and remit of the Research Policy Committee.

9 RESOURCE IMPLICATIONS

9.1 Not applicable.

10 RISK MANAGEMENT

10.1 The Committee received and discussed the Strategic Risk Register for Research at both meetings. The Risk Register is an agenda item for Court today.

11 EQUALITY IMPACT ASSESSMENT

11.1 Not applicable.

12 SUSTAINABILITY & SOCIAL RESPONSIBILITY

12.1 Not applicable.

13 RECOMMENDED ACTION

13.1 Court is invited to note the information provided.

14 FURTHER INFORMATION

14.1 Further information is available from Marlis Barraclough (Senior Policy Advisor; Research & Innovation), Clerk to the University Research Policy Committee, tel: (01224) 273787 or email m.barraclough@abdn.ac.uk.

Marlis Barraclough
Clerk to the University Research Policy Committee
8 June 2016 (Open)

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UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

STUDENT EXPERIENCE COMMITTEE

1. EXECUTIVE SUMMARY

1.1 This paper provides a short update for information on the main items of business considered by the Student Experience Committee (SEC) at its meeting on 9 May 2016. These focus on: i) University’s Prevent Strategy; ii) student retention; iii) Student Association staffing and democratic review; and iv) progress with a Students’ Union.

1.2 The unconfirmed minutes of the meeting are available at www.abdn.ac.uk/admin/court/intranet.

1.3 This paper is for information. No action is required.

1.4 Further Information may be obtained from Emma Forster, tel: (01224) 273950 or email e.forster@abdn.ac.uk.

For Information

2. UNIVERSITY’S PREVENT STRATEGY

2.1 The Committee received a presentation from Mr A Donaldson, Director of Estates and University Prevent Co-ordinator, on Prevent. This was a duty placed on the University by the Counter Terrorism & Security Act 2015 and the UK Government’s associated Prevent strategy, which required higher education institutions to take appropriate measures to prevent people being drawn into terrorism.

2.2 The University’s Prevent strategy included enhanced central processes for managing events that involved external speakers. Ensuring that there was co-ordinated oversight of events taking place on campus was a key part of the University’s commitment to the welfare of all its students and staff.

2.3 While acknowledging that new processes were part of a wider duty of care and that Prevent was a legal obligation placed on the University, members of the Committee expressed concerns that the process could be perceived as targeting particular groups and stressed that this would need to be carefully managed to provide reassurance that this was not the intention.

3. STUDENT RETENTION

3.1 The Committee received and considered a report from the University’s Student Retention Taskforce. This group had been formed as part of the Strategic Plan implementation, as retention was an important performance indicator, to identify and address issues surrounding student non-continuation across the University. Current initiatives emerging from the Taskforce included enhancing data collection and analysis, and reviewing the student withdrawal process with a view to enabling more effective recording of reasons for withdrawal.

3.2 The Committee also discussed the possibility of a link between increased mental health issues being experienced by students and retention.

4. STUDENT ASSOCIATION STAFFING AND DEMOCRATIC REVIEW

4.1 The Committee received and considered a report from the President of AUSA.

4.2 It noted that following a democratic review, AUSA had re-structured and from 2016/17 would have five sabbatical officers (who had now been elected). Other democratic structures were currently being finalised.
4.3 The Committee discussed the significant legal issues that AUSA had faced this year in relation to misappropriation of funds by the previous CEO. With support from the University, AUSA was working with Pinsent Masons to recoup these funds, and also with the police as criminal proceedings had been implemented.

5. STUDENTS’ UNION

5.1 The Committee discussed the project to develop a new Students’ Union, noting the importance of this to support the student experience, and the continued negative reputational impact of not having such a facility. Work was ongoing to identify suitable space in the short to medium term.

6. DIRECTORATES OF ACADEMIC AFFAIRS AND STUDENT LIFE, AND THE ABERDEEN UNIVERSITY STUDENTS’ ASSOCIATION

6.1 The Committee noted the regular update reports of the Directorates of Student Life and Academic Affairs, and also that of AUSA.

7. RESOURCE IMPLICATIONS

7.1 Not applicable

8. RISK MANAGEMENT

8.1 Not applicable

9. EQUALITY IMPACT ASSESSMENT

9.1 Not applicable

10. SUSTAINABILITY & SOCIAL RESPONSIBILITY

10.1 There are no environmental, ethical or social implications or impacts of this paper.

11. RECOMMENDED ACTION

11.1 The Court is invited to note the business discussed at the May 2016 meeting of the Student Experience Committee.

12. FURTHER INFORMATION

12.1 Further Information, including copies of the reports mentioned above, may be obtained from Emma Forster tel: (01224) 273950 or email e.forster@abdn.ac.uk

Emma Forster
Clerk to the Student Experience Committee, 6 June 2016 (Open)

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1. **Executive Summary**

1.1 This paper provides a short update for information on the main items of business considered by the University Committee on Teaching & Learning at the meeting held on 11 May 2016, which may be of interest to the University Court. These focus on changes to regulations, a readmission to study policy, term dates for 2017/18 and annual programme review. The draft Minutes of the meeting are available at www.abdn.ac.uk/admin/court/intranet.

1.2 This paper is for information. No action is required.

1.3 Further information may be obtained from Rachael Bernard, Deputy Academic Registrar (01224) 273388 or r.bernard@abdn.ac.uk

**For Information**

2. **Changes to General and Supplementary Regulations**

2.1 The Committee approved and agreed to forward to Senate the draft Resolution ‘Changes in Regulations for Various Degrees’.

3. **Readmission to Study Policy**

3.1 The Committee approved and agreed to forward to Senate, a Readmission to Study Policy. Readmission to study applications are considered by the Academic Admissions Selector for the area of study that the student wishes to return to and will include consultation with the relevant Students Progress Committee (SPC) Convenor where there are any academic concerns to consider. Most readmission to study applications are routine, with students returning after only a short break in study, but others can be more problematic.

3.2 The absence of a policy statement can lead to the assumption that readmission is a student’s right and, despite there being clear academic reasons why they should not be allowed readmission, they do not accept an adverse decision and appeal. Anecdotal evidence suggests the University is far more lenient than other similar Institutions and, whilst every case will be considered on its own merit, making it clear who is not eligible for readmission will allow staff time to be better spent dealing with students who have a higher chance of success. In addition, the complexity of some readmission applications is such that without a written policy there could be inconsistencies in the decisions made by different selectors.

3.3 The Committee noted that the Policy also makes it clear which Degree Regulations, i.e. those in position at a student’s initial entry or those in place at re-entry to study, that a readmitted student will be subject to which will make it easier for Registry and Academic staff in determining such issues as student progression.

4. **Term Dates**

4.1 The Committee approved the Term Dates for Academic Year 2017/18. The dates of term are available at http://www.abdn.ac.uk/infohub/study/term-dates-201415-631.php
5. **ANNUAL PROGRAMME REVIEW**

5.1 The Committee received an update from the Quality Assurance Committee (QAC) on the Annual Discipline Summary Course and Programme Review process which is based on the already established Annual Course Review piloted during 2014/15. On the recommendation of QAC, UCTL approved that the Annual Programme Review process becomes an established report to QAC as part of the University’s internal quality assurance processes.

5.2 The Committee also agreed that a review of the Internal Teaching Review (ITR) process be undertaken, with a view to making it less bureaucratic and more focused on quality enhancement, with Annual Programme Reviews becoming a core aspect of any revised ITR process.

6. **RESOURCE IMPLICATIONS**

6.1 There are no direct resource implications associated with this paper.

7. **RISK MANAGEMENT**

7.1 There are no risk management implications associated with this paper

8. **EQUALITY IMPACT ASSESSMENT**

8.1 Not applicable.

9. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

9.1 Not applicable.

10. **RECOMMENDED ACTION**

10.1 The Court is invited to note the contents of this report.

11. **FURTHER INFORMATION**

11.1 Further information may be obtained from Professor Peter McGeorge (01224) 272248 or mcgeorge@abdn.ac.uk or Dr Rachael Bernard (01224) 273388 or r.bernard@abdn.ac.uk.

[8 June 2016] [version 1] [Open]

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UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

ROUTINE BUSINESS REPORT

SUMMARY

This report brings together items of business that are to be considered as routine business for approval or for information.

This report will be treated as routine business and is not proposed for discussion unless members request otherwise and notify the Clerk one clear day in advance of the meeting.

For Approval

The items which are for approval are:

14.1 AUSA Constitution CT15-16:56.1
14.2 Corporate Parenting Plan CT15-16:56.2
14.3 Resolution on John Nisbet Chair CT15-16:56.3
14.4 Senate Report CT15-16:56.4

For Information

The items which are for information are:

14.5 University and the European Union CT15-16:56.5
14.6 Vacation Powers CT15-16:56.6
14.7 Report from the Development Trust CT15-16:56.7
14.8 Planning: Performance Against KPIs CT15-16:56.8
14.9 Financial Management Report (Separately enclosed)

Further Information

Further information is available from Mr Bruce Purdon, Clerk to the Court, Tel. 01224 273949 or b.purdon@abdn.ac.uk
Constitution

of

Aberdeen University Students’ Association
(An Unincorporated Association)

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Constitution of
Aberdeen University Students’ Association

BACKGROUND

A. Aberdeen University Students’ Association (the “Association”) is a students’ association within the meaning of the Education Act 1994. The Association is devoted to the educational interests and welfare of its Members.

B. The Association will seek at all times to:

(i) ensure that the diversity of its membership is recognised and that equal access is available to all Members of whatever origin or orientation;

(ii) pursue its aims and objectives independent of any political party or religious group; and

(iii) pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

C. This constitution of the Association (the "Constitution") has been structured to give the Board of Trustees reasonable authority to manage the affairs of the Association in a professional manner. The Members enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees. The Board of Trustees will give the utmost consideration to the views of Members.

D. Under the Education Act, the University of Aberdeen has a statutory duty to ensure that the Association operates in a fair and democratic manner and is held to proper account for its finances. The Association therefore works alongside the University of Aberdeen in ensuring that the affairs of the Association are properly conducted and that the educational and welfare needs of the Association’s Members are met.

Definitions and Interpretation

1. The meanings of any defined terms used in this Constitution are set out in the glossary in Clause 104. If any dispute arises in relation to the interpretation of this Constitution or any of the Bye-Laws, it shall be resolved by the Board of trustees through the President.

Name

2. There shall be a students’ association in the name of Aberdeen University Students’ Association (and in this Constitution it is called “the Association”).
Objects

3. The purposes of the Association shall be:

3.1 the prevention and relief of poverty of students
3.2 the advancement of citizenship and community development
3.3 the advancement of education
3.4 the advancement of the arts, heritage, culture and science
3.5 the advancement of health among students
3.6 the organisation of recreational activities for students who have need of them by reason of financial hardship or other disadvantage
3.7 the promotion of religious and racial harmony
3.8 the promotion of equality and diversity; and
3.9 the promotion of charitable fundraising activities.

Powers

4. To further its objects, but not to further any other purpose, the Association may:

4.1 provide services and facilities for Members;
4.2 establish, support, promote and operate a network of student activities for Members;
4.3 support any Raising And Giving (RAG) or similar fundraising activities carried out by its Members for charitable causes, including the provision of administrative support, banking facilities and acting as a holding trustee of any funds raised;
4.4 alone or with other organisations:
   4.4.1 carry out campaigning activities;
   4.4.2 seek to influence public opinion; and
   4.4.3 make representations to and seek to influence governmental and other bodies and institutions

regarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to the activities which a Scottish charity may properly undertake and provided that the Association complies with the Education Act and any guidance published by the Office of the Scottish Charity Regulator;

4.5 write, make, commission, print, publish or distribute materials or information or assist in these activities;
4.6 promote, initiate, develop or carry out education and training and arrange, provide or assist with exhibitions, lectures, meetings, seminars, displays or classes;
4.7 promote, encourage, carry out or commission research, surveys, studies or other work and publish the useful results;

4.8 provide or appoint others to provide advice, guidance, representation and advocacy;

4.9 co-operate with other charities and bodies and exchange information and advice with them;

4.10 become a member, affiliate or associate of other charities and bodies;

4.11 support, set up or amalgamate with other charities with objects identical or similar to the Association’s objects, and act as or appoint trustees, agents, nominees or delegates to control and manage such charities;

4.12 incorporate and transfer all its assets to a charitable limited liability legal entity, and dissolve at any time following such incorporation and transfer if the Trustees consider it appropriate to do so;

4.13 raise funds and invite and receive contributions from any person provided that the Association shall not carry out any taxable trading activities in raising funds;

4.14 set aside funds for special purposes or as reserves against future expenditure;

4.15 invest and deal with the Association’s money not immediately required for its objects in or upon any investments, securities, or property;

4.16 delegate the management of investments to an appropriately experienced and qualified financial expert provided that:

   4.16.1 the investment policy is set down in writing for the financial expert by the Trustees;

   4.16.2 every transaction is reported promptly to the Trustees;

   4.16.3 the performance of the investment is reviewed regularly by the Trustees;

   4.16.4 the Trustees are entitled to cancel the delegation at any time;

   4.16.5 the investment policy and the delegation arrangements are reviewed at least once a year;

   4.16.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and

   4.16.7 the financial expert may not do anything outside the powers of the Trustees;

4.17 open and operate banking accounts and other facilities for banking and draw, accept, endorse, negotiate, discount, issue or execute negotiable instruments such as promissory notes or bills of exchange;

4.18 trade in the course of carrying out any of its objects;

4.19 establish or acquire subsidiary companies to carry on any taxable trade;
4.20 subject to Clause 5 (Limitation on private benefits), employ and pay employees and professionals or other advisors;

4.21 grant pensions and retirement benefits to employees of the Association and to their dependants and subscribe to funds or schemes for providing pensions and retirement benefits for employees of the Association and their dependants;

4.22 pay out of the funds of the Association the cost of any premium in respect of any indemnity insurance to cover the liability of the Trustees (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Association provided that no such insurance shall extend to:

4.22.1 any claim arising from any liability incurred by the Trustees to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising);

4.22.2 any liability incurred by the Trustees in defending any criminal proceedings in which the Trustees are convicted of an offence arising out of any fraud or dishonesty, or wilful or reckless misconduct; or

4.22.3 any liability incurred by the Trustees to the Association that arises out of any conduct which the Trustees knew (or must reasonably be assumed to have known) was not in the interests of the Association or in the case of which they did not care whether it was in the best interests of the Association or not; and

4.23 do all such other lawful things as shall further the Association’s objects.

4.24 The Association may exercise the following additional powers but only with the prior consent of the University of Aberdeen:

4.24.1 purchase or acquire all or any of the property, assets, liabilities and engagements of any charity with objects similar to the Association’s objects;

4.24.2 purchase, lease, hire or receive property of any kind including land, buildings and equipment and maintain and equip it for use above the value of £15,000.00;

4.24.3 sell, manage, lease, mortgage, exchange, dispose of or deal with all or any of its property;

4.24.4 make grants or loans of money and give guarantees;

4.24.5 enter into a significant investment or create a partnership or other similar arrangement with any other entity.

5. **Limitation on private benefits**

5.1 The income and property of the Association shall be applied solely towards the promotion of its objects.

5.2 Except as provided below no part of the income and property of the Association may be paid or transferred directly or indirectly by way of dividend, bonus or
otherwise by way of profit to any Member of the Association. This shall not prevent any payment in good faith by the Association of:

5.2.1 any payments made to any Member in their capacity as a beneficiary of the Association;

5.2.2 reasonable and proper remuneration to any Member for any goods or services supplied to the Association provided that if such Member is a Trustee Clause 5.3 shall apply;

5.3 Except as provided below no Trustee may sell goods, services or any interest in land to the Association; be employed by, or receive any remuneration from, the Association; or receive any other financial benefit from the Association. This shall not prevent any payment in good faith by the Association of:

5.3.1 any payments made to any Trustee or Connected Person in their capacity as a beneficiary of the Association;

5.3.2 reasonable and proper out of pocket expenses of the Trustees;

5.3.3 reasonable and proper remuneration to any Sabbatical Trustee or Connected Person for any goods or services supplied to the Association on the instructions of the Trustees provided that:

(a) for the avoidance of doubt, the authorisation under this provision shall extend to the remuneration of Sabbatical Trustees and Connected Persons under contracts of employment with the Association;

(b) subject to Clause (a), the authorisation under this provision shall not extend to the service of acting as Trustee;

(c) if the person being remunerated is a Trustee the procedure described in Clause 96 (Conflicts of Interest) must be followed in considering the appointment of the Trustee and in relation to any other decisions regarding the remuneration authorised by this provision;

(d) if the person being remunerated is a Connected Person the procedure described in Clause 96 (Conflicts of Interest) must be followed by the relevant Trustee in relation to any decisions regarding such Connected Person;

(e) this provision shall not apply to one half or more of the Trustees in any financial year (and for these purposes such provisions shall be treated as applying to a Trustee if they apply to a person who is a Connected Person in relation to that Trustee); and

(f) at all times the provisions of the Education Act are complied with;

5.3.4 reasonable and proper premiums in respect of indemnity insurance effected in accordance with Clause 4.22; and

5.3.5 any payments made to any Trustee or officer under the indemnity provisions set out at Clause 102;

5.4 In Clauses 5.2 and 5.3, references to the Association shall be read as references to the Association and/or any Subsidiary Company.
Incorporation

6. The Members at a general meeting or by Referendum may authorise the Trustees to transfer the assets and liabilities of the Association to a limited liability entity established for exclusively charitable purposes with the same or similar objects, and to dissolve the Association at any time following the transfer if it is considered appropriate to do so.

Dissolution

7. Prior to any decision being made regarding dissolution the Trustees of the Association must seek consent from the Office of the Scottish Charity Regulator within the statutory notice period. The Trustees must also notify the University Court within a reasonable time period prior to a vote or decision to dissolve. If any property remains after the Association has been wound up or dissolved and all debts and liabilities have been satisfied, it shall not be paid to or distributed among the Members of the Association. It shall instead be given or transferred to some other charitable institution or institutions having charitable purposes similar to those of the Association and which prohibits the distribution of its or their income and property among its or their members to an extent at least as great as this Constitution imposes upon the Association. The institution or institutions which are to benefit shall be chosen by the Trustees of the Association at or before the time of winding up or dissolution.

Amendments to the Constitution

8. The Trustees and the University of Aberdeen shall review this Constitution at intervals of not more than five years, with effect from the date that this Constitution comes into effect.

9. No amendment of this Constitution shall be made which would have the effect of the Association ceasing to be a charity.

10. Clause 3 (Objects) may not be amended without the prior written consent of the Office of the Scottish Charity Regulator.

11. Nominal consequential amendments due to a change in the Bye-Laws (for example, the number or heading names of clauses in the Constitution) may be made by the Trustee board through the President.

12. Amendments to the Constitution which are not covered by clause 11 may be effected by:

12.1 a resolution of the Members passed at a general meeting by at least 75% of those present and voting; or

12.2 a resolution passed by a 75% majority of the Members voting in a Referendum provided that at least 10% of Members cast a vote in the Referendum; or

12.3 a resolution passed by the Board of Trustees provided the Court of the University of Aberdeen approved the amendments (as required for the purposes of compliance with Section 22 of the Education Act), the Trustees ensure that Office of the Scottish Charity Regulator is notified in accordance with statutory timescales, and that no change shall be contrary to the Education Act, the Charities Act or the Bribery Act, as each may be amended from time to time.
Membership

Members

13. The Members of the Association shall be as follows:

13.1 each and every Student who has not exercised their right under the Education Act to opt out by notifying the University of Aberdeen or the Association of their wish not to be a Member of the Association; and

13.2 the Sabbatical Officers of the Association.

14. Membership shall not be transferable and shall cease on death. A Member shall automatically cease to be a Member of the Association if:

14.1 they are a member by virtue of being a Student and they cease to be a Student. For the avoidance of doubt, this will include the situation where a Member’s Student status with the University of Aberdeen is revoked by the University of Aberdeen;

14.2 they are a member by virtue of being a Sabbatical Officer and they cease to be a Sabbatical Officer;

14.3 they opt out of membership by giving written notice to the Association in accordance with the Bye-Laws; or

14.4 a decision is made to remove them from membership of the Association in accordance with the Code of Conduct.

15. Members of the Association shall be entitled to the benefits set out in the Code of Conduct.

Associate Members

16. The Association retains the right to offer reciprocal membership to students from other students’ associations. The Trustees shall determine the form of application for associate membership, and associate membership shall be subject to such rights and obligations as the Trustees consider appropriate.

17. Associate members shall not be Members for the purposes of this Constitution and shall not be entitled to vote on any matter.

Code of Conduct

18. The Trustee Board will establish and monitor a “code of conduct” that all Members shall be required to adhere to, including when Members are involved in activities or at events that are administered or organised by the Association. The Code of Conduct may include a range of sanctions for breach of the Code of Conduct by a Member, including the suspension or removal of any or all of the rights and privileges of membership, including the holding of office.

Referenda

19. A Referendum may be called on any issue by:

19.1 a resolution of the Trustees;
19.2  a majority vote of the Student Council; or

19.3  a Secure Petition signed by at least 125 Members, this includes a Referendum to pass a motion of no confidence in an Elected Officer 59.2.

20.  Subject to Clauses 12 and 59.2, a resolution may only be passed by Referendum if at least 10% Members cast a vote in the Referendum and a 75% majority of the votes cast are in favour of the resolution.

21.  Referenda shall be conducted in accordance with this Constitution and the Bye-Laws.

22.  Subject to Clause 68, the Members may set Policy by Referenda. Policy set by Referenda may overturn Policy set either by the Members in general meeting or by the Student Council.

**General Meetings**

**Annual General Meeting**

23.  The Association shall hold an annual general meeting once in each calendar year. Not more than 18 months shall pass between the date of one annual general meeting and the next. The annual general meeting shall be held at such time and place as the Trustees shall think suitable to allow the maximum number of Members to attend.

**Other General Meetings**

24.  The Trustees may call a general meeting at any time. The Trustees shall call a general meeting on receiving a requisition to that effect, signed, including individual names and student numbers by at least 125 Members having the right to attend and vote at general meetings.

**Length of Notice**

25.  A general meeting shall be called by at least 7 clear days’ written notice.

**Contents of Notice**

26.  Every notice calling a general meeting shall specify the place, day and time of the meeting and the general nature of the business to be transacted. If the meeting is an annual general meeting, the notice must say so and the business to be transacted shall include:

26.1  ratification of minutes of previous AGM;

26.2  receiving the report of the Trustees on the Association’s activities since the previous AGM;

26.3  receiving the accounts of the Association for the previous financial year;

26.4  appointment of the auditors;

26.5  approving the list of affiliations of the Association; and

26.6  open questions to the Trustees by the Members.
Service of Notice

27. Notice of general meetings shall be given to every Member and to the Trustees and the University of Aberdeen.

Quorum

28. No business shall be transacted at any general meeting unless a quorum is present. 250 Members entitled to vote upon the business to be transacted, each being a Member (but excluding Trustees), shall be a quorum.

29. If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Trustees may determine. At the reconvened meeting the quorum will be 125 Members.
Chair

30. The Chair of Student Council or in their absence the Deputy Chair shall preside as chair of the meeting. In the absence of the Chair of Student Council and the Deputy Chair, the Members present and entitled to vote shall choose one of their number to be chair.

Attendance

31. A Trustee may, even if not a Member, attend and speak at any general meeting.

32. Each affiliated Sports Club or Student Society shall be expected to send at least two representatives from their committee to a general meeting. Any Sports Club or Student Society which fails to register its presence at a general meeting without adequate explanation may have their affiliation revoked. Any Sports Club or Student Society who fails to register their presence at three consecutive general meetings may automatically have their affiliation revoked.

Votes of Members at General Meetings

33. Every Member has the right to attend general meetings and the right to vote. Where appropriate a resolution put to the vote of a general meeting shall be decided on with each Member having one vote. The form of voting shall be determined and communicated in advance and may be by a show of hands, a paper ballot, or via electronic means.

34. Every resolution put to the vote of a general meeting shall be decided by a simple majority of the votes cast unless this Constitution provides otherwise.

35. In order to vote, particularly in the case of paper ballots, Members may be required to produce proof of student status to receive ballot papers.

Trustees

Appointment of Trustees

36. The Trustees shall be made up of the following persons:

36.1 not more than 5 Sabbatical Trustees, elected in accordance with Clauses 37 and 38;

36.2 4 Student Trustees, appointed in accordance with Clause 43;

36.3 1 University Nominated Trustee appointed in accordance with Clause 47;

36.4 3 External Trustees, appointed in accordance with Clause 51.

Sabbatical Trustees and Officers

37. The Sabbatical Officers shall be elected by secret ballot by the Members of the Association at an election to be held in accordance with the Bye-Laws.

38. Up to 5 Sabbatical Officers shall be elected in accordance with Clause 37 to posts specified in the Bye-Laws and each of these Sabbatical Officers shall also hold office as a Sabbatical Trustee until they cease to be a Sabbatical Officer in accordance with Clause 59 or ceases to be a Sabbatical Trustee in accordance with Clauses 55 or 56. If a Sabbatical Officer ceases to be a Sabbatical Trustee they are deemed to
have resigned their position as a Sabbatical Officer. Likewise if they cease to be a Sabbatical Officer they are deemed to have resigned their position as a Sabbatical Trustee.

39. The Sabbatical Officers shall remain in office for a term of one year commencing in accordance with the Bye-Laws. The term of office may be shorter or longer on a transitional basis to coincide with an alteration of the year start or end. Subject to a transitional change in the year of office, a Sabbatical Officer may be re-elected for a maximum further term of one year by the Members of the Association at an election to be held in accordance with the Bye-Laws. For the avoidance of doubt, a Sabbatical Officer's terms of office may be either consecutive or non-consecutive.

40. Each Sabbatical Officer must be a Student or a Sabbatical Officer at the time of their election. In accordance with Clause 13, each Sabbatical Officer shall become a Member of the Association on commencement of their appointment or re-appointment as a Sabbatical Officer. Such membership shall cease when the Sabbatical Officer ceases to be a Sabbatical Officer.

41. The Sabbatical Officers shall be deemed to be “major association office holders” for the purposes of Section 22 of the Education Act.

42. At the same time as commencing the term of office as a Sabbatical Officer, the Sabbatical Officer will enter into a contract of employment with the Association for a term to be determined by this Constitution. The duties of each Sabbatical Trustee shall be as set out in the Bye-Laws.

**Student Trustees**

43. Up to 4 Student Trustees shall be appointed by a simple majority vote of the Appointments Committee and provided that the appointment of each Student Trustee is ratified by a simple majority vote of the Student Council. For the avoidance of doubt, such appointment shall not take effect until it has been ratified by the Student Council.

44. Student Trustees should be appointed with a mind to ensure the diversity of skills and people on the Board of Trustees.

45. Each Student Trustee must be a Student at the time of their appointment and shall continue to be a Student for the duration of their term as a Student Trustee.

46. Unless their appointment is terminated in accordance with clauses 55, 56 or 57, Student Trustees shall remain in office for a term of up to two years and shall be able to serve a maximum of two terms either consecutive or non-consecutive. Any second term must be ratified by a simple majority vote of the Student Council.

**University Nominated Trustee**

47. Up to 1 University Nominated Trustee shall be appointed at the request of the University of Aberdeen following a simple majority vote of the Appointments Committee.

48. The University Nominated Trustee should be appointed with a mind to ensure access to strategic decision makers at the University of Aberdeen.

49. The University Nominated Trustee shall remain the University Nominated Trustee while they continue to hold the nomination of the University of Aberdeen.
50. Unless their appointment is terminated in accordance with Clauses 55, 56 or 58 the University Nominated Trustee may remain in office for a term of up to four years and shall be able to serve a maximum of two consecutive terms either consecutive or non-consecutive. Any second term must be ratified by a simple majority vote of the Appointments Committee.

External Trustees

51. Up to 3 External Trustees shall be appointed by a simple majority vote of the Appointments Committee provided that the appointment of each External Trustee is ratified by a simple majority vote of the Student Council. For the avoidance of doubt, such an appointment shall not take effect until it has been ratified by the Student Council.

52. External Trustees should be appointed with a mind to ensure the diversity of skills and people on the Board of Trustees to include but not limited to strategic and financial insight, commercial experience, and other skills as necessary to further the strategic aims of the association.

53. Unless their appointment is terminated in accordance with Clauses 55, 56 or 57 External Trustees shall remain in office for a term of up to four years.

54. External Trustees may serve a maximum of two terms which may either be consecutive or non-consecutive. Any second term must be ratified by a simple majority vote of the Student Council.

Disqualification, Resignation and Removal of Trustees

55. A Trustee immediately ceases to hold office if:

55.1 they become prohibited by law from being a charity trustee;

55.2 in the case of a Sabbatical Trustee, they cease to be a Sabbatical Officer or resign as an employee of the Association;

55.3 in the case of a Student Trustee, they cease to be a Member or Student;

55.4 in the case of a Sabbatical Trustee or a Student Trustee, they are removed from membership of the Association in accordance with the Code of Conduct;

55.5 they resign by notice to the Association (but only if at least four Trustees will remain in office when the notice of resignation is to take effect and then only on the expiry of the notice or such other date as is agreed with the Trustees);

55.6 they fail to attend three consecutive meetings of the Trustees and in the opinion of the Trustees there are no mitigating circumstances for that failure and the Trustees therefore resolve that they be removed for this reason; or

55.7 they are removed from office under Clauses 56 or 57.

Removal of Trustees by the Members or the Student Council

56. A Trustee shall immediately cease to hold office if:

56.1 a motion of no confidence in the Trustee is passed by a two thirds majority of the Members voting in a Referendum, provided that at least 10% of Members cast a
vote in the Referendum. Such a motion shall only be triggered by a Secure Petition of no confidence signed by at least 125 Members; or

56.2 a motion of no confidence in the Trustee is passed by a two thirds majority in a vote of the Student Council.

Removal of Trustees by the Board

57. A Student Trustee or External Trustee shall immediately cease to hold office if a majority resolution of no confidence is passed by the Trustees. For the avoidance of doubt, the Trustee concerned and any Trustee who has a conflict of interest in relation to the matter shall not vote on this resolution and the quorum shall be adjusted accordingly in accordance with Clause 88.

Removal of Trustees by the University

58. The University Nominated Trustee shall immediately cease to hold office if the Board of Trustees receives notification in writing that the individual no longer holds the nomination of the University of Aberdeen.

Removal of Elected Officers

59. An Elected Officer shall immediately cease to hold office if they:

59.1 resign or die;

59.2 are removed from office as an Elected Officer by:

59.2.1 a motion of no confidence in the Elected Officer passed by a two thirds majority of the Members voting in a Referendum, provided that at least 10% of Members cast a vote in the Referendum. Such a motion shall only be triggered by a Secure Petition of no confidence signed by at least 125 Members; or

59.2.2 a motion of no confidence in the Elected Officer passed by a two thirds majority in a vote of the Student Council. Such a motion shall only be triggered by a Secure Petition of no confidence signed by at least 125 Members;

provided that, in the case of a Sabbatical Officer, the Association first carries out any steps it is required to take under the Sabbatical Officer’s contract of employment and/or the applicable disciplinary procedure.

Replacement of Trustees

60. If a Sabbatical Trustee resigns, is disqualified or removed from office at any time prior to the commencement of the Academic Year, the vacancy that results shall be filled via an election held in line with the Bye-Laws no later than the fourth week of the Academic Year. Should there be no candidate when nominations close, the post shall remain unelected for the Academic Year.

61. If a Sabbatical Trustee resigns, is disqualified or removed from office after the commencement of the Academic Year the vacancy shall remain vacant for the Academic Year.

62. If a Student Trustee resigns, is disqualified or removed from office, an additional Student Trustee may be appointed to the vacancy in accordance with Clause 43.
63. If the University Nominated Trustee resigns, is disqualified or removed from office, a replacement University Nominated Trustee shall be appointed to the vacancy in accordance with Clause 47.

64. If an External Trustee resigns, is disqualified or removed from office, an additional External Trustee shall be appointed to the vacancy in accordance with Clause 51.

Powers of the Trustees

65. The Board of Trustees shall be responsible for the management and administration of the Association and (subject to the Education Act, this Constitution and the Bye-Laws) may exercise all the powers of the Association. A meeting of the Trustees at which a quorum is present may exercise all powers exercisable by the Trustees.

66. No alteration of this Constitution or the Bye-Laws shall invalidate any prior act of the Trustees which would have been valid if that alteration had not been made.

67. The Board’s powers under Clause 65 shall include but not be limited to responsibility for:

67.1 the governance of the Association;
67.2 the budget of the Association; and
67.3 the strategy of the Association.

68. The Board of Trustees may override any decision or Policy made by the Members in general meeting or Referendum or by the Student Council which the Trustees consider (in their absolute discretion):

68.1 has or may have significant financial implications for the Association;
68.2 is or may be in breach of, contrary to or otherwise inconsistent with charity or education law or any other legal requirements (including ultra vires);
68.3 is not or may not be in the best interests of the Association or all or any of its charitable objects; or
68.4 will or may otherwise affect the discharge of any or all of the responsibilities referred to in Clause 67.

69. All acts carried out by a meeting of Trustees, or of a committee of the Trustees, shall be valid, even if it is later discovered that any Trustee who participated in the vote:

69.1 was not properly appointed;
69.2 was disqualified from holding office;
69.3 had vacated office; or
69.4 was not entitled to vote.

Delegation of Trustees’ powers
70. The Trustees may, by power of attorney or otherwise, appoint any person to be the agent of the Association for such purposes and on such conditions as they determine.

71. The Trustees may delegate any of their powers or functions to any committee or the implementation of any of their resolutions and day-to-day management of the affairs of the Association to any person or committee in accordance with the conditions set out in this Constitution.

**Delegation to committees**

72. In the case of delegation to committees:

72.1 The resolution making that delegation shall specify those who shall serve or be asked to serve on such committee (though the resolution may allow the committee to make co-options up to a specified number);

72.2 subject to Clause 75, the composition of any such committee shall be entirely in the discretion of the Trustees and may comprise such of their number (if any) as the resolution may specify;

72.3 the deliberations of any such committee shall be reported regularly to the Trustees and any resolution passed or decision taken by any such committee shall be reported to the Trustees in a timely fashion and for that purpose every committee shall appoint a secretary;

72.4 all delegations under this Clause shall be revocable at any time; and

72.5 the Trustees may make such regulations and impose such terms and conditions and give such mandates to any such committee or committees as they may from time to time think fit.

73. The Trustees shall establish the following committees (which is a non-exhaustive list) in accordance with their powers under Clauses 71 and 72:

73.1 Executive Committee (as further described in Clause 77);

73.2 Appointments Committee;

73.3 Finance, Resource and HR Committee;

**Delegation of day-to-day management powers to Chief Executive Officer**

74. In the case of delegation of the day-to-day management of the Association to the Chief Executive:

74.1 the delegated power shall be to manage the Association by implementing the policy and strategy adopted by and within a budget approved by the Trustees and if applicable to advise the Trustees in relation to such policy, strategy and budget;

74.2 the Trustees shall provide the Chief Executive Officer with a description of their role and the extent of their authority;

74.3 the Chief Executive Officer shall report regularly to the Trustees on the activities undertaken in managing the Association and provide them regularly with management accounts sufficient to explain the financial position of the Association; and
74.4 the Trustees shall provide the Chief Executive Officer with a performance management structure to aid their work plan and development, this structure shall be led on behalf of the Trustees by the Chair and Depute Chair.

Bank Account

75. For the avoidance of doubt, the Trustees may (in accordance with Clauses [72] and [73]) delegate all financial matters to any committee provided that such committee shall include at least two Trustees. The Trustees may empower such a committee to resolve upon the operation of any bank account according to such mandate as it shall think fit provided that the signature of at least one Trustee shall be required for cheques above a certain amount as set out in the Bye-Laws and provided always that no committee shall incur expenditure on behalf of the Association except in accordance with a budget which has been approved by the Trustees.
**Proceedings of Committees**

76. The meetings and proceedings of any committee shall be governed by the provisions of this Constitution regulating the meetings and proceedings of the Trustees so far as the same are applicable and are not superseded by any Bye-Laws made by the Trustees and the Student Council.

**The Executive Committee**

77. Unless the Trustees determine otherwise, the Executive Committee shall include:

77.1 the Sabbatical Officers; and

77.2 the Voluntary Officers

78. The Executive Committee shall meet in accordance with the Bye-Laws. The Executive Committee’s responsibility shall not include the duties of the Trustees as set out in Clause 65 but shall include representation and campaigning work and the implementation of Policy as long as these responsibilities have not been delegated to another committee or person.

79. The Chief Executive Officer and the Association’s senior management team may attend meetings of the Executive Committee at the request of the Executive Committee.

**Bye-Laws**

80. The Trustees and the Student Council shall have the power from time to time to jointly make, repeal or amend Bye-Laws as to the management of the Association and its working practices provided that such Bye-Laws shall not be inconsistent with this Constitution. Bye-Laws can be amended at Student Council by a resolution passed by a 75% majority of the Members present at the meeting; these changes must be ratified by the Trustee board. Bye-Laws will be made publicly available on the AUSA website.

**Proceedings of Trustees**

81. Subject to the provisions of this Constitution and the Bye-Laws, the Trustees may regulate their proceedings as they think fit.

**Trustees’ meetings**

82. The Trustees shall hold a minimum of four meetings in any Academic Year.

83. Two Trustees may, and the Chief Executive Officer at the request of two Trustees shall, call a meeting of the Trustees.

84. Guests or observers can attend meetings of the Trustees at the discretion of the Chair.
Length of notice

85. A Trustees’ meeting shall be called by at least 7 clear days’ notice unless either:

85.1 all the Trustees agree to shorter notice; or

85.2 urgent circumstances require shorter notice.

Contents of notice

86. Every notice calling a Trustees’ meeting shall specify the place, day and time of the meeting and the general particulars of all business to be considered at such meeting.

Service of notice

87. Notice of Trustees’ meetings shall be sent to each Trustee by post or by electronic communication.

Quorum

88. The quorum for Trustees’ meetings shall be five and such quorum must include at least two Sabbatical Trustees, one Student Trustee and either one External Trustee or the University Nominated Trustee. Where the resolution or issue under discussion concerns a matter in respect of which some or all of the Trustees have a conflict of interest, the quorum shall be adapted to ensure that there is a balance of student representation.

Chair and Deputy Chair

89. The President shall be the Chair of the Trustees.

90. The University Nominated Trustee shall be the Depute Chair of the Trustees however the Trustee Board may at any time remove them from this position by a two thirds majority vote and elect an alternative External Trustee to act as Depute Chair. The role of the Depute Chair will be to support the Chair across all activity with particular reference to the performance management and professional development of the Chief Executive Officer on behalf of the Board of Trustees.

91. In the absence of the Chair and the Deputy Chair, another Trustee present, elected amongst themselves, shall preside as chair of the meeting.

Decision making by Trustees at meetings

92. Questions arising at a meeting shall, unless otherwise stated be decided by a majority of votes. In the case of an equality of votes, the Chair shall be entitled to a casting vote in addition to any other vote they may have.
Virtual meetings

93. A Trustees’ meeting may be held by telephone or by televisual or other electronic or virtual means in which all participants may communicate simultaneously with all other participants.

Trustee decisions without a meeting

94. The Trustees may take a unanimous decision without a Trustees’ meeting by indicating to each other by any means, including without limitation by electronic communication, that they share a common view on a matter. Such a decision may, but need not, take the form of a resolution in writing, where each Trustee has indicated agreement in writing.

95. A Trustees’ resolution which is made in accordance with Clause 94 shall be as valid and effectual as if it had been passed at a meeting of the Trustees duly convened and held, provided the following conditions are complied with:

Conflicts of Interest

96. Whenever a matter is to be discussed at a meeting or decided in accordance with Clause 94 and a Trustee has a Personal Interest in respect of that matter then they must:

96.1 declare their interest to the Trustees;

96.2 remain only for such part of the meeting as in the view of the other Trustees is necessary to inform the debate;

96.3 not be counted in the quorum for that part of the meeting or decision-making process; and

96.4 withdraw during the vote and have no vote on the matter.

97. If any question arises as to whether a Trustee has a Personal Interest, the question shall be decided by a majority decision of the other Trustees.

Student Council

98. The Student Council shall have the authority to:

98.1 represent the voice of the Students;

98.2 subject to Clause 68, set the Policy of the Association and refer Policy to Referenda of the Members or to the Members in a general meeting (in accordance with the Bye-Laws);

98.3 make, revoke and amend the Bye-Laws jointly with the Trustees in accordance with Clause 80; and

98.4 receive updates from the Trustees;

99. The composition and proceedings of the Student Council shall be set out in the Bye-Laws. No Member may hold more than one seat on the Student Council at any one time.

Accounts and Reports
100. The Trustees shall comply with the requirements of the Education Act and the Charities and Trustee Investment (Scotland) Act 2005 as to keeping financial records, the audit or examinations of accounts.

101. The Members of the Association have the right to ask the Trustees questions in writing about the content of any documents referred to in Clause 100.

Indemnity

102. Without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee shall and every other officer or auditor of the Association may be indemnified out of the assets of the Association against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Association, and against all costs, charges, losses, expenses or liabilities incurred by him or her in the execution and discharge of their duties or in relation thereto.

Trustees’ Indemnity Insurance

103. The Trustees shall have power to resolve pursuant to Clause 4.22 to effect trustees’ indemnity insurance, despite their interest in such policy.

Glossary

104. In this Constitution, the following terms shall have the following meanings:

104.1 “Academic Year” means the period between the start of the University undergraduate learning week one to the final official undergraduate learning or assessment week. Each Academic Year is for the time being divided into [two semesters];

104.2 “Appointments Committee” means the committee set up in accordance with clause 73.2 which will include the Student President, one other Sabbatical Trustee, two members of Student Council and either at least one External Trustee or the University Nominated Trustee;

104.3 “Board of Trustees” or “Trustees” or “Board” means the Board of Trustees of the Association

104.4 "Bribery Act" means the Bribery Act 2010;

104.5 "Bye-Laws" means the bye-laws setting out the working practices of the Association made from time to time;

104.6 “Chair” means The Chair of the Trustee Board from time to time, who shall be the President;

104.7 "Charities Act" means the Charities, Trustees and Investment (Scotland) Act 2005;

104.8 “Chief Executive Officer” or “CEO” means the Chief Executive Officer or lead staff member of the association who is appointed and performance managed by the Board of Trustees;
104.9 “Clear Days” means in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect, for the avoidance of doubt, all seven days of the week are considered;

104.10 "Code of Conduct" means the code of conduct of the Association established pursuant to clause 18 and as amended from time to time;

104.11 “Connected Person” means (a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of a Trustee; or (b) any other person in a relationship with a Trustee which may reasonably be regarded as equivalent to such a relationship; (c) any company or firm of which a Trustee is a paid director, partner or employee, or shareholder holding more than 1% of the capital or (d) any other person, legal or natural defined as a “Connected Person” in terms of the Companies Act 2006 or in terms of the Charities Act;

104.12 “Education Act” means the Education Act 1994;

104.13 “Elected Officer” means any student elected to an AUSA position by cross campus ballot or by a constituent group election in accordance with AUSA bye-laws.

104.14 “in writing” means written, printed or transmitted writing including by electronic communication;

104.15 "Member" means a member of the Association as defined in clause 13;

104.16 “Personal Interest” means a financial interest or an interest that does not arise in the ordinary course of being a Member or a Trustee (for example, being a member of a club or society);

104.17 “Policy” means representative and campaigning policy set by Referenda, General Meeting or the Student Council;

104.18 “President” or “Student President” means the president of the Association, as elected by the Members in accordance with the Bye-Laws;

104.19 “Sabbatical Officer” or “Sabbatical Trustee” means the individuals elected in accordance with clause 37 of this Constitution, and of section 22 of the Education Act, each of whom is a major office holder of the Association;

104.20 “Secure Petition” means a written request to the Association containing valid student details either in writing or online;

104.21 “Student” means an individual who is formally registered for an approved programme of study provided by the University of Aberdeen. For the avoidance of doubt, the University of Aberdeen shall determine whether or not an individual has student status;

104.22 "Student Council" means the Student body elected by and from students constituted in accordance with this Constitution and the Bye-Laws of the Association;

104.23 “Student Trustee” means a Trustee elected in accordance with clause 43 who is a Student and for the avoidance of doubt shall not, for the purposes of Section 22 of the Education Act, be a major association office holder;
104.24 "Subsidiary Company" means any company in which the Association holds more than 50% of the shares, controls more than 50% of the voting rights attached to the shares or has the right to appoint a majority of the board of the company;

104.25 "Trustee” or “Trustees” means the Sabbatical Trustees, the Student Trustees, the University Nominated Trustee and the External Trustees;

104.26 “University” or “University of Aberdeen” means the University of Aberdeen Court and the University of Aberdeen as established by Act of Parliament 1860;

104.27 "University Nominated Trustee" means the Trustee appointed in accordance with clause 47;

104.28 “Volunteer Officers” means Members that have been elected to specific positions and that make up the Executive Committee but who are not Sabbatical Officers.

105. Words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine and vice versa, each shall include gender neutral terminologies.

106. Any reference to a statute, statutory provision or subordinate legislation ("legislation") shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which (either with or without modification) re-enacts, consolidates or enacts in rewritten form any such legislation.
EXECUTIVE SUMMARY

The purpose of this paper is to ask the Court to approve the University’s draft Corporate Parenting Plan.

In April 2015 Part 9 of The Children and Young People (Scotland) Act 2014 came into effect. As a consequence of this Act post 16 education bodies, for the purpose of Education (Further and Higher Education (Scotland) Act 2005), became Corporate Parents. The University, as a Corporate Parent, has a statutory duty to publish and review an action plan which details how it will fulfil its obligations to support care experienced applicants and students.

The first section in the Corporate Parenting Plan (available at www.abdn.ac.uk/admin/court/intranet) provides an executive summary which details the background and development of both the document and the University’s efforts to support care experienced students.

Section 1.1 of the Corporate Parenting Plan details how the University will act to raise the aspirations of care experienced people and how they will support this group through pre-entry outreach activities.

Section 1.2 of the Corporate Parenting Plan details the actions that the University will take to support care experienced students throughout the application process, the process of moving to University and the induction process.

Section 1.3 of the Corporate Parenting Plan details the actions that the University will take to support care experienced students with accommodation.

Section 1.4 of the Corporate Parenting Plan details the actions that the University will take to support the Health and Well-being of care experienced students.

Section 1.5 of the Corporate Parenting Plan details the actions that the University will take to support care experienced students in their education.

Section 1.6 of the Corporate Parenting Plan details how the University aims to work with its local and regional partners to better support care experienced students.

Section 1.7 of the Corporate Parenting Plan details the monitoring and reporting process.

Section 2 of the Corporate Parenting Plan is a copy of the Further and Higher Education Regional Corporate Parenting Framework that has been developed in partnership with Robert Gordon University and North East Scotland College.

Section 3 of the Corporate Parenting Plan describes the reporting process in more detail. This section contains a basic flowchart which shows how the reporting process will work.

The Court is invited to approve the plan.

Further information is available from Professor Peter McGeorge, VP Learning and Teaching (Email: mcgeorge@abdn.ac.uk, Ext. 2248) or Chris Sojka, Widening Participation Officer, (Email: c.sojka@abdn.ac.uk, Ext 3107)
2. BACKGROUND AND STRATEGIC CONTEXT

2.1 The University, as a new Corporate Parent, has to publish and annually review a Corporate Parenting plan. The plan details how the University will support care experienced individuals through-out their student journey from the pre-application to the post-studies stages.

2.2 In March 2015 the University was awarded the Buttle UK Quality Mark for Care Leavers in recognition of its commitment to young people in and leaving care. In order to gain this accreditation the University had to submit an action plan. The aims of the Buttle Trust scheme – to improve the support, advice and educational experience of care experienced individuals – are similar to those of the Corporate Parenting Plan. As such the actions detailed with the Buttle UK Quality Mark plan and the Corporate Parenting plan are very similar.

2.3 The Widening Participation Team consulted with the Centre for Excellence for Looked After Children in Scotland (CELCIS) whilst developing this document. CELCIS have been commissioned by the Scottish Government to write the guidance documents for The Children and Young People (Scotland) Act 2014. CELSIS has also been commissioned to advise organisations on how to meet their statutory obligations. CELCIS were very pleased with the University's plan. CELCIS stated in their feedback that parts of the University's plan are excellent.

2.4 The draft Corporate Parenting Plan has been written by the Student Recruitment and Admission’s Services Widening Participation Section. The departments, services and organisations that are mentioned within the plan have been consulted with and asked for their feedback.

2.5 The draft Corporate Parenting Plan was previously submitted to University Management Group for approval. The University Management Group asked that the role of Personal Tutors be included in the plan. Personal Tutors are now mentioned in section 1.5.2 of the plan.

3. OTHER CONTEXT

3.1 The University, as part of its Funding agreement, must report back to the Scottish Funding Council on its effort to support care experienced students and applicants.

3.2 Students who have experience of being in care are mentioned several times within the Commission for Widening Access’s recently published final report. Care experienced young people are a category of students that have a very high profile at the moment in regards to Widening Participation across the Higher and Further education sectors.

3.3 The University is currently working in partnership with North East Scotland College and Robert Gordon University in order to develop a regional approach to supporting care experienced students and applicants. This innovative approach is the first of its kind in Scotland and was highlighted by CELCIS as an example of good practice.

4. RESOURCE IMPLICATIONS

4.1 No specific funding needs have been identified as part of this plan. It is proposed that all of the actions specified within the plan will be adopted by the University’s academic schools, services and departments as part of their core functions.

4.2 The Student Recruitment and Admission Service’s Widening Participation Team will manage the annual review of the Corporate Parenting Plan. This team will also work in conjunction with the relevant departments across the University in order to comply with any obligation to report on the plan to the Scottish Government or other relevant bodies.
5 **RISK MANAGEMENT**

5.1 The publication of the Corporate Parenting plan will mitigate the risk of the University not meeting its statutory obligations.

6. **EQUALITY IMPACT ASSESSMENT**

6.1 An Equality Impact Assessment is not required.

7. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

7.1 The University will be able to meet its statutory obligation to put a plan in place to support care experienced applicants and students. The other positive social implications of the Corporate Parenting plan are around widening access to the University.

8. **RECOMMENDED ACTION**

8.1 The Court is invited to approve the plan.

9. **FURTHER INFORMATION**

9.1 Further information is available from Professor Peter McGeorge, VP for Teaching and Learning (email: mcgeorge@abdn.ac.uk; ext. 2248) or Chris Sojka, Widening Participation Officer (email. c.sojka@abdn.ac.uk; ext. 3107)

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[21 April 2016] [Version 2] [Foi status: open]

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EXECUTIVE SUMMARY

1.1 Professor John Nisbet was a distinguished academic within the School of Education. In honour of his achievements it was proposed that the John Nisbet Chair of Education be established. In March, the University Court approved a recommendation to establish the John Nisbet Chair of Education and that the statutory process to formalise this through a Resolution (Appendix 1) with consultation of the Senate, General Council, and public display within the University for the statutory period, be undertaken.

1.2 That process has been undertaken and no comments or suggested amendments to the draft Resolution have been received. The Court is, therefore, invited to formally approve the Resolution.

Further information is available from Mrs Debbie Dyker Director of Human Resources (tel : 01224 273732, email : d.j.dyker@abdn.ac.uk)

BACKGROUND

2.1 One of Scotland’s most distinguished educational researchers, Professor John Nisbet (1923–2012) made an immense contribution to the field of education nationally and internationally. Following a period teaching in a secondary school in Fife and a Master’s degree at Edinburgh University, he was appointed as an Assistant Lecturer in the Education Department at the University of Aberdeen in 1949, later becoming the holder of the first Chair of Education at the University. He was known for his studies of the effects of family environment on intelligence, the subject of his PhD thesis, which challenged the generally held view in the early 1950s, that intelligence was fixed and genetically determined. Other areas of his research included learning strategies and thinking skills, the transition to secondary education, and the impact of research on policy and practice. He was also a pioneer in the field of professional training for teachers in higher education, establishing a course for new lecturers at Aberdeen. He remained at Aberdeen for the rest of his career. He lectured in the United States, Australia, New Zealand and South Africa and collaborated in research programmes in Norway and the Netherlands.

2.2 The list of his achievements is impressive: Editor of the British Journal of Educational Psychology; Chair of the Scottish Council for Research in Education; first President of the British Educational Research Association (BERA); Chair of the Education Research Board of the Social Science Research Council. In addition, he served on many national committees and was awarded an OBE for his services to education. He was awarded the rare honour of honorary life membership of BERA in 2005.

PROPOSAL

3.1 It is proposed that a Chair in Education is established in honour of John’s prestigious academic career. It is anticipated that such a prestigious Chair would support recruitment of high calibre staff to the School of Education.

RESOURCE IMPLICATIONS

4.1 There are no resource implications.

RISK MANAGEMENT

5.1 No areas of risk have been identified.
6. **EQUALITY IMPACT ASSESSMENT**

6.1 An Equality Impact Assessment is not required.

7. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

7.1 No issues have been identified.

8. **RECOMMENDED ACTION**

8.1 The Court is invited to formally approve the Resolution as set out at Appendix 1.

9. **FURTHER INFORMATION**

9.1 Further information is available from Mrs Debbie Dyker Director of Human Resources (tel: 01224 273732, email: d.j.dyker@abdn.ac.uk)

FOI Status: Open

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UNIVERSITY OF ABERDEEN

DRAFT RESOLUTION No (    ) OF 2016
[THE JOHN NISBET CHAIR OF EDUCATION]

After consultation with the Senatus Academicus, the University Court of the University of Aberdeen at its meeting on (        ) passed the following Resolution:

1. There shall be in the University of Aberdeen a Chair in Education to be called The John Nisbet Chair of Education and the incumbent shall be a Professor in the College of Arts and Social Sciences.

2. The patronage of the Chair shall be vested in and exercised by the University Court of the University of Aberdeen.

3. The conditions of appointment to the Chair shall be determined by the University Court in accordance with its powers exercisable under the provisions of the Universities (Scotland) Act 1966.

4. This Resolution shall come into force on the date on which it is passed by the University Court.
UNIVERSITY OF ABERDEEN
UNIVERSITY COURT
REPORT FROM SENATUS ACADEMICUS

1. EXECUTIVE SUMMARY

1.1 This paper provides details of the main items of business considered by the Senate at its meetings on 4 May 2016 and 8 June 2016 of relevance to the University Court. The report focuses on, (i) changes to General and Supplementary Regulations for 2016/17, (ii) the establishment of a “John Nisbet Chair of Education”, (iii) Academic Line Management, (iv) an update on the Collective Agreement, (v) amendment to Senate Standing Orders, (vi) proposals to increase marking time, (vii) introduction of an online ‘Professional Skills Course’ for all level one undergraduate students, (viii) the Professional Services Review, and (ix) an update from the institutional Retention Task Force.

1.2 This paper includes one item for routine approval and eight items for information.

1.3 Further information may be obtained from Dr Gillian Mackintosh (g.mackintosh@abdn.ac.uk or extension 2045).

2. ITEM FOR ROUTINE APPROVAL

CHANGES TO GENERAL AND SUPPLEMENTARY REGULATIONS

2.1 The Court is asked to approve, on the recommendation of the Senate, the draft Resolution, ‘Changes to Regulations for Various Degrees’ (Appendix I, available at www.abdn.ac.uk/admin/court/intranet), which enacts the changes in Degree Regulations recommended by the Quality Assurance Committee for introduction with effect from start of session 2016/2017.

2.2 This Resolution enacts the changes in Degree Regulations recommended by the Quality Assurance Committee (QAC). The majority of these changes reflect (i) typographical amendments to text previously approved or (ii) introductions, amendments and withdrawals of degree programmes, which will be reflected in the relevant supplementary regulations as detailed.

2.3 Key changes included in the regulatory changes are noted as follows:

(i) The addition of a note to regulation 3 to the ‘General Regulations for First Degrees’ to specify that in terms of Regulation 3 regarding requirements for graduation, students will not be prevented from graduating where they have not completed zero credit rated Professional Development courses in Academic Writing and/or Professional Skills.

(ii) The amendment of regulation 4.3 to the ‘General Regulations to First Degrees’ to reflect that students will not normally register for more than 75 credit points in either half session. This change is made to enable Schools to permit students to register for up to 75 credits, an increase of 15 credit points, or, normally, one extra course, in either or both half sessions. This change is made following a significant number of requests approved to students’ curriculum during the September and January registration periods. At their recent meeting, Heads of School agreed that this change would be facilitated by School Offices on an ‘as required’ basis.

(iii) The amendment of regulation 6 to the ‘General Regulations to First Degrees’ to reflect that, in exceptional circumstances, a Head of School may waive the requirements of entry to a course prescribed for the degree programme on which a candidate is registered. This change would, for example, allow the progression of a student with a full complement of credit points to programme year two of a different degree programme than that undertaken in their first year, undertaking courses at level one and two concurrently.
2.4 The Court is further asked, in accordance with the provisions of Section 6(2) of the Universities (Scotland) Act 1966, to approve the Resolution forthwith in order that the amended provisions may be applied with effect from the start of the new academic year.

3 ITEMS FOR INFORMATION

The Court is invited to note the following items of information from the Senate:

JOHN NISBET CHAIR OF EDUCATION

3.1 On the recommendation of the University Court, the Senate, for its part, approved the draft Resolution regarding the establishment of a “John Nisbet Chair of Education”.

ACADEMIC LINE MANAGEMENT

3.2 The Senate, at its May meeting, received a paper updating members on the implementation of the new academic line management structure across Schools. A request was made that the paper should be resubmitted to address concerns raised in the motion considered by Senate in February 2016 regarding this matter. Following discussion and a vote, it was agreed that there was no need for the paper to be resubmitted.

UPDATE ON COLLECTIVE AGREEMENT

3.3 The Senate received an update at its meeting on 4 May 2016 on the actions being taken to address concerns raised at the Senate Business Committee regarding the recent Collective Agreement and specifically the clauses relating to Intellectual Property Rights and Confidentiality. Senate was advised that a Working Group had been established by the Joint Negotiating and Consultative Committee to take forward the review of these clauses as a matter of urgency and the development of a new Policy on Intellectual Property Rights.

3.4 At the meeting on 8 June 2016, Senate received an update on progress made by the Intellectual Property Working Group established to review the Intellectual Property Policy which was approved in 2008 and sought comment regarding the proposed sections for inclusion in the Policy on Intellectual Property. In particular, the Senate noted that the Group had agreed that an amendment to the 2008 Policy should include statements around (i) ownership and use of scholarly works, (ii) ownership and use of teaching materials, and (iii) confidentiality.

SENATE STANDING ORDERS

3.5 The Senate, at its meeting in May 2016, approved amendments to the Senate Standing Orders which were proposed to address changes arising from the recent Senate Effectiveness Review. In particular, the changes addressed:

- The addition of the role of the Senate Business Committee in setting the Senate agenda and agreeing whether matters are for discussion and approval or discussion to provide an academic view;
- The timelines for submission of papers and the way in which they should be presented;
- The audio-recording of meetings;
- The introduction of an informal Q & A session;
- The requirement for a vote on matters for approval;
- The role of the University Secretary in providing a summary of the outcome at the end of the discussion of each agenda item;
- Update to replace ‘show of hands’ with ‘vote’;
- The amendment of ‘Chairman’ to ‘Convenor’ throughout;
- Addition of clarity around actions to be taken where an item is submitted less than 10 working days ahead and is deemed insufficiently urgent to be discussed at the meeting.

3.6 At its meeting in June 2016, the Senate approved further revisions to the Standing Orders to enhance the clarity regarding the procedures for voting in situations where an amendment has been proposed.
PROPOSAL TO INCREASE MARKING TIME

3.7 At its June meeting, the Senate received a paper setting out proposals to increase marking time in the second half-session examination diet and some associated amendments to the structure of the academic year. In discussion, a motion was proposed to also increase marking time in the first half-session by moving the deadline to end of first week of teaching in second half-session. It was further suggested that consideration be given to reducing the Easter vacation by a week as a means to gain an extra week of marking in the first half-session but avoiding the deadline for return of marks being after the start of teaching in the second half-session. Following discussion and a vote, the Senate approved both the changes to the marking time in the second half-session and the proposed increase in marking time in the first half-session. In regard to the latter, it was agreed that consideration should be given to the feasibility of the suggested change to the length of the Easter vacation with a paper being brought back in November.

INTRODUCTION OF AN ONLINE “PROFESSIONAL SKILLS COURSE” FOR ALL LEVEL ONE UNDERGRADUATE STUDENTS

3.8 In June, the Senate approved proposals for the introduction of an online “Professional Skills course.” This non-credit bearing course will be prescribed for all level one undergraduate students and has three sections covering (i) Developing Graduate Attributes; (ii) Health, Safety & Wellbeing; and (iii) Equality & Diversity. The course will be delivered entirely online and will take around three hours to complete.

PROFESSIONAL SERVICES REVIEW

3.9 At its June meeting, the Senate received an update on the outcome of the Professional Services Review. A motion was raised regarding the proposals around centralisation of PgT admissions and the separation of PgT and PgR oversight with the creation of a single Graduate School with responsibility solely for PgR. In response, assurance was given that the centralisation of PgT admissions would not lose the linkage with Schools and the academic involvement in this process. Furthermore, it was stressed that it would be critical for the new Graduate School to work very closely with Schools and for support to be provided to those wishing to make the transition from PgT to PgR. Following discussion and a vote, it was agreed that two Senate representatives should work closely with the Vice-Principal (Teaching & Learning) and the Vice-Principal (Research) to move forward with these aspects of the Review.

INSTITUTIONAL RETENTION TASK FORCE

3.10 At its May meeting, the Senate received a paper updating members on the work of the Institutional Retention Task Force. The Group, which includes membership from all Schools together with members of Professional Services and the Students’ Association, is undertaking a range of activities including (i) extraction and analysis of non-continuation data, (ii) redesign of the withdrawal form, webpages and email communications, (iii) review of the communication strategy for incoming students and (iv) promoting awareness of at risk attributes. Following discussion, the Senate approved, following a vote, the actions being taken forward by the Task Force.

4 RESOURCE IMPLICATIONS

4.1 There are no immediate resource implications arising from this paper.

5 RISK MANAGEMENT

5.1 Not applicable.

6 EQUALITY IMPACT ASSESSMENT

6.1 Not applicable.
7. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

7.1 Not applicable.

8. **RECOMMENDED ACTION**

8.1 The Court is asked to approve the Resolution on ‘Changes to Regulations for Various Degrees’ in section 2 and to note the information included in section 3.

9. **FURTHER INFORMATION**

9.1 Further information is available from Dr Gillian Mackintosh (g.mackintosh@abdn.ac.uk or extension 2045).

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[9 June 2016 2016] [version 1] [Open]

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SUMMARY

1.1 This paper is to advise Court of the standard delegated powers that will be used should any urgent business arise during the summer.

1.2 This paper is for information. Further information is available from Mr Bruce Purdon, Clerk to the Court, b.purdon@abdn.ac.uk. Tel: 01224 273949.

VACATION POWERS

2.1 During the vacation period between this meeting and its next meeting on 4 October 2016 matters requiring decision during that time will be taken under the standing delegated authority procedures for decisions required between meetings as previously approved by Court, being:

(i) that routine decisions required to be taken between meetings be delegated to a small group consisting of the Senior Governor, the Principal and the Senior Vice-Principal, subject to any such decisions being reported to the next meeting of Court.

(ii) that decisions on financial or estates matters that would otherwise require Court approval, but which for reasons of urgency cannot be deferred to the next meeting of Court, should be delegated to a small group consisting of the Senior Governor, the Convenor of the Operating Board, the Principal and Senior Vice-Principal or three of the four should one be unavailable.

(iii) that decisions on matters related to governance that would otherwise require Court approval, but which for reasons of urgency cannot be reserved to the next meeting of Court, should be delegated to a small group consisting of the Senior Governor, Convenor of the Governance & Nominations Committee and the Principal.

3 STRATEGIC CONTEXT

3.1 Not applicable.

4 RESOURCE IMPLICATIONS

4.1 Not applicable.

5 RISK MANAGEMENT

5.1 Not applicable

6 EQUALITY IMPACT ASSESSMENT

6.1 Not applicable

7 SUSTAINABILITY & SOCIAL RESPONSIBILITY

7.1 Not applicable
8 **RECOMMENDED ACTION**

8.1 The paper is for information.

9 **FURTHER INFORMATION**

9.1 Further information is available from Mr Bruce Purdon, Clerk to the Court, b.purdon@abdn.ac.uk, Tel: 01224 273949.

Mr Bruce Purdon  
Policy Adviser and Clerk to the Court  
6 June 2016 [version1] [Open]

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1. EXECUTIVE SUMMARY

1.1 This paper is to outline to University Court progress made in the first two quarters of 2015/16 against the targets and KPIs underpinning the new University's Strategic Plan 2015-2020.

1.2 Performance against each of the agreed five high-level KPIs is shown on the two RAG chart included as Appendix A. Paragraph 4 gives details on how these RAG charts have been derived.

1.3 As this is the first report against the new Strategic Plan, these RAG charts do not yet include tracking of changes over time but this will be included from the next report.

1.4 A brief narrative summary of performance to date is given at paragraphs 5 and 6, below.

1.5 More detailed progress charts for all KPIs can be found on the Court intranet at https://www.abdn.ac.uk/admin/court/intranet/. Examples of the type of charts to be found on the Court intranet are included as Appendix B.

1.6 Court are invited to discuss the progress made in the first two quarters of the new Strategic Plan and to note the RAG ratings for the five high-level KPIs.

1.7 Further information is available from Professor Jeremy Kilburn, Senior Vice-Principal (j.kilburn@abdn.ac.uk) or Dr Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk).

2. STRATEGIC CONTEXT

2.1 Active monitoring of performance at both School and institutional level against the full range of targets and KPIs which underpin the University's Strategic Plan is key to delivery of the University's ambitions. This quarterly report is designed to give a high-level summary of this detailed monitoring.

3. REPORTING CYCLE

3.1 Reports on performance against the Strategic Plan are made to University Management Group (UMG) and Court on a quarterly basis. These reports are compiled during the month following the end of each quarter and made available to UMG and Court at the beginning of the following month, as follows:

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<td>May</td>
</tr>
<tr>
<td>3</td>
<td>April, May, June</td>
<td>August</td>
</tr>
<tr>
<td>4</td>
<td>July, August, September</td>
<td>November</td>
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3.2 Quarterly reports will be posted on to the Court intranet as soon as they have been discussed at UMG, and will then be included in Court papers for distribution.
4. **FORMAT OF QUARTERLY REPORTING**

4.1 Appendix A contains two RAG charts, along with a guide to thresholds used in the creation of these charts.

4.2 RAG chart 1 gives an update on performance data under each KPI as at the end of quarter 2 of the current academic year and is in keeping with the example reporting documentation presented to University Court in December 2015.

4.3 While monitoring of performance data is an important component in ensuring delivery of the University's Strategic Plan, many of the indicators being monitored via this process are 'lagging' indicators (indicators which evidence past, rather than future, performance).

4.4 In order to ensure that members of both UMG and University Court are provided with information which will help to predict future performance, and give early warning signs of under-delivery, an additional system of quarterly monitoring has now been instituted in relation to interventions being implemented at School level.

4.5 Assessing both performance data and activities in parallel and tracking progress over time on both, will allow for more detailed analysis of the correlation between activities undertaken and changes in performance data, and will help the University build up genuine business intelligence around effective interventions.

4.6 This system of activity monitoring will be in full operation from the summer; in order to establish a baseline from which to track progress, an initial assessment of activities undertaken over the first two quarters of the academic year has been made, and the results of this are presented in RAG chart form as the second part of Appendix A.

4.7 Page 3 of Appendix A explains the thresholds used for determination of RAG ratings for both RAG charts, at both individual target and overall KPI level.

4.8 Going forward, both of the RAG charts shown in Appendix A will be routinely reported on a quarterly basis to both UMG and Court.

5. **QUARTERLY PERFORMANCE UPDATE**

5.1 All five of the priority KPIs for reporting to University Court are showing as either Green or Amber-Green, as highlighted at Appendix A (RAG chart 1).

5.2 The brief commentary included underneath each KPI at Appendix A highlights any areas of concern. These areas have been reported in detail to UMG, and mitigating actions have been put in place.

6. **QUARTERLY ACTIVITY UPDATE**

6.1 All five of the priority KPIs for reporting to University Court are showing as Amber-Green, as highlighted at Appendix A (RAG chart 2).

6.2 The brief commentary included underneath each KPI at Appendix A highlights any areas of concern. These areas will be reported in detail to UMG, and mitigating actions put in place.

7. **RESOURCE IMPLICATIONS**

7.1 Failure to achieve against the targets set for the Strategic Plan 2015-2020 will have a detrimental effect on the University’s resource base.
8. **RISK MANAGEMENT**

8.1 Monitoring of performance against the Strategic Plan is undertaken alongside monitoring of risk management procedures, and the University's new Strategic Risk Register has been developed to align more closely with the Strategic Plan and its KPIs. Separate reports on risk management are made to Court.

9. **EQUALITY IMPACT ASSESSMENT**

9.1 An Equality Impact Assessment is not required for this paper.

10. **SUSTAINABILITY & SOCIAL RESPONSIBILITY**

10.1 There are no environmental, ethical or social implications or impacts contained in this paper.

11. **RECOMMENDED ACTION**

11.1 Court are invited to note the progress made in first two quarters of the new Strategic Plan and to note the RAG ratings for the five high-level KPIs.

12. **FURTHER INFORMATION**

12.1 Further information is available from Professor Jeremy Kilburn, Senior Vice-Principal (j.kilburn@abdn.ac.uk) or Dr Hulda Sveinsdottir, Director of Planning (hulda.sveinsdottir@abdn.ac.uk).

Anne Buckle
Head of Strategic Planning

[08 June 2016] [version 2] [Open]

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RAG Chart: Performance Data, as at 12 May 2016

Institutional Profile and International Market Position

- **G**
  - Enhance the reputation and standing of the University globally
  - Percentage of non-UK students and percentage of international income both on target

Student Experience and Teaching and Learning

- **AG**
  - Provide all of our students with an excellent and flexible educational experience
  - Home/EU PGR numbers are slightly down against target; all other targets on track

Research

- **AG**
  - Improve our research performance and standing in terms of income, outputs and impact
  - Consultancy income per FTE is down against target; all other targets are on track

Staff and Human Resources (inc. Equality and Diversity)

- **AG**
  - Foster and nurture a high-performance, caring culture which actively promotes and fosters and inclusive culture, supporting staff and students to reach their potential
  - Athena SWAN and Equality and Diversity training are both currently rated amber-green

Financial Health

- **G**
  - Deliver financial sustainability to invest in improved academic performance, our estate, facilities and infrastructure and our excellent professional services
  - Projected surplus on track

**Key:**
- **[KPI]**
  - [KPI descriptor]
  - [Brief narrative on any key factors driving current performance level]
Appendix A: RAG ratings (priority KPIs)

RAG Chart: School activity, as at 12 May 2016

**Institutional Profile and International Market Position**

AG

Enhance the reputation and standing of the University globally
International income currently amber at institutional level; all other targets under this KPI currently amber-green or green

**Student Experience and Teaching and Learning**

AG

Provide all of our students with an excellent and flexible educational experience
Graduate destinations, digital engagement and degree outcomes currently amber at institutional level; all other targets under this KPI currently amber-green or green

**Research**

AG

Improve our research performance and standing in terms of income, outputs and impact
Citations and consultancy income currently amber at institutional level; all other targets under this KPI currently amber-green

**Financial Health**

AG

Deliver financial sustainability to invest in improved academic performance, our estate, facilities and infrastructure and our excellent professional services
Activities against surplus generation currently rated amber-green

**Staff and Human Resources (inc. Equality and Diversity)**

AG

Foster and nurture a high-performance, caring culture which actively promotes and fosters and inclusive culture, supporting staff and students to reach their potential
Activities against all targets under this KPI currently rated amber-green

**Key:**

[KPI]

Current

Previous

[KPI descriptor]

[Brief narrative on any key factors driving current performance level]
## Metrics per KPI

### Institutional Profile and International Market Position

| 1. | League table rankings | 3. | International income |
| 2. | Non-UK student numbers | 4. | Overseas campuses |

### Student Experience and Teaching and Learning

| 1. | Home/EU student numbers | 4. | Student satisfaction |
| 2. | RUK student numbers | 5. | Graduation destinations |
| 3. | Non-continuation rates | 6. | Student achievement |

### Research

| 1. | Grant income | 4. | Impact case studies |
| 2. | Citations | 5. | PGR students per FTE |
| 3. | Outputs for REF |

### Financial Health

| 1. | Surplus generation |

### Staff and Human Resources (inc. Equality and Diversity)

| 1. | Athena SWAN awards | 2. | Staff equality and diversity training |

## Guide to RAG rating and thresholds

### Individual metrics:

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<td>Performance against milestone target is at 85-99%</td>
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<td>Amber (A)</td>
<td>Performance against milestone target is at 70-84%</td>
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<tr>
<td>Red (R)</td>
<td>Performance against milestone target is at 0-69%</td>
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<tr>
<td>Blue (B)</td>
<td>Full target achieved</td>
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### Aggregated KPIs performance:

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<td>Majority of targets are rated green or blue; none rated red</td>
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<td>Amber-Green (AG)</td>
<td>Majority of targets are rated amber/green, green or blue; no more than one rated red</td>
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<tr>
<td>Amber (A)</td>
<td>Majority of targets are rated amber or better</td>
</tr>
<tr>
<td>Red (R)</td>
<td>Majority of targets are rated red</td>
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Example of additional reporting for Court:
KPI2 The Student Experience and Teaching and Learning

% of Milestone Targets Met: Quarter 2 2015/16

- 2.01 Home/EU UG
- 2.02 Home/EU PGT
- 2.03 Home/EU PGR
- 2.04 RUK UG
- 2.05 RUK PGT
- 2.06 Retention
- 2.07 NSS: teaching
- 2.08 NSS: assessment
- 2.09 Employability
- 2.11 Outcomes: 1sts
- 2.12 Outcomes: 2:is

% of Targets Met