UNIVERSITY OF ABERDEEN
OPERATING BOARD

MINUTES OF MEETING HELD ON 11 SEPTEMBER 2018

Present: Ms A Minto (Chair), Principal, Professor N Booth, Professor M Delibegovic, Professor P Hannaford, Mrs C Inglis, Ms L Menzies, Mr L Ogubie, Dr D Watts; with Mr D Beattie and Mr B Purdon (Clerk).

Apologies for absence were received from Mr J Hall.

The following were in attendance for specific agenda items:

Ms T White (Minute 11), Mr B Paterson (Minute 6.3.1), Professor J Paterson (Minute 7.1), Professor R Wells (Minute 7), Dr S Hill (Minute 7), Dr H Sveinsdottir (Minute 9) and Mr N Qamar (Minute 10).

1 DECLARATION OF INTEREST

1.1 No declarations of interest in the agenda were made.

2 REMIT AND COMPOSITION

2.1 The Board received and considered its Remit and Composition. It was agreed that references to “Convener” should be replaced with “Chair.” **Action: Clerk**

2.2 The Chair advised that she had been reflecting on the skills mix of the Board and that it could benefit from the input of an independent member of Court with professional finance experience. Accordingly, Mr D MacFarlane had been invited to be co-opted to the Board as an additional independent member.

3 MINUTES

3.1 The Minutes of the meeting held on 4 June 2018 were approved.

4 MATTERS ARISING

4.1 MATTERS ARISING ACTION LOG

4.1.1 It was noted that all outstanding items were covered within the agenda.

4.2 UPDATE ON NATIONAL DECOMMISSIONING CENTRE

4.2.1 The Board received and noted an update on the progress of the collaboration with the Oil and Gas Technology Centre to develop the new National Decommissioning Centre (NDC). It was also noted that it was expected the collaboration would be promoted as part of Offshore Europe 2019.

5 PRINCIPAL’S INTRODUCTION

5.1 The Chair warmly welcomed Professor Boyne to his first meeting since his appointment as Principal and invited him to address the Board on his ambition and priorities for the University.

5.2 The Principal reported that in his first few weeks since appointment he had focused on engaging with the Schools in the first stage of a dialogue around developing the University’s next strategy. In those discussions, he had emphasised the importance of the University’s founding mission of 1495: being open to all; the pursuit of truth; and service to others.
5.3 The Principal discussed with the Board the key topics and issues he had identified thus far in the development of a new strategy for the University’s future. These included:

- The Planning timeframe: the usual cycle of a five year plan looked insufficient and a strategy that ran to 2030 or beyond should be considered.
- Institutional size versus quality.
- Investing in academic strengths where there was potential to be genuinely world-leading.
- Academic Size and Shape.
- Location: was there a strategic need to continue to develop overseas campuses and if so this needed to be considered over a long-term timeframe.
- Infrastructure: Investment in the Estate and how this supported and enabled the academic strategy.
- Generating the level of investment required to enable the University to make a step-change in its competitive position over the long-term.

5.4 In discussion, the importance of investment in marketing as well as in staff and the estate was emphasised, as was the engagement with staff beyond Head of School level to ensure new ideas and initiatives had an opportunity to be considered.

5.5 The Principal also discussed his priorities for the forthcoming year. A key issue was Brexit, where significant assessment of the key risks of Brexit to the University had been undertaken and the priority now would be to take forward actions to mitigate and if possible remove those risks. Building upon current growth in international student recruitment, in particular the expansion of English language programmes and an international foundation programme would be another priority, together with the ELIR submission, maximising the REF submission and the delivery of the investment in new staff agreed by Court. Finally, the Principal highlighted financial sustainability would remain a key issue. In this regard, it was noted that considerable progress had been made in achieving savings and the focus now had to be on income growth.

5.6 The Board also discussed with the Principal the Teaching Excellence Framework, investment in student facilities and the importance of staff morale to the success of the University.

6 FINANCE

6.1 DRAFT OUTTURN – YEAR ENDED 31 JULY 2018

6.1.1 The Board received and considered an update regarding the draft outturn for the year ended 31 July 2018. This reported an underlying deficit of £3.7M and a FRS102 surplus of £6.6M. The Board also noted that these financial results were subject to change, following both External Audit review and incorporation of the results of the University’s joint venture, Aberdeen Sports Village (ASV) and the University’s subsidiary, Rowett Research Institute Limited.

6.1.2 The Board noted that the underlying position, while a deficit, was significantly improved upon the position forecast earlier in the year. The cash position had also improved, increasing by £3.1M from £26.4M in 2017 to £29.5M. This would be beneficial to the cashflow, in particular for the Science Teaching Hub.

6.2 USS UPDATE

6.2.1 The Board received and noted an update on the 31 March 2017 valuation and the position following the establishment of the Joint Expert Panel (JEP). The JEP was expected to report in late September but meanwhile USS had been obliged by the Pensions Regulator to present a credible plan for completing the process as soon as is reasonably possible. USS had, therefore, commenced a consultation on cost sharing to increase contributions to the scheme. The Board noted with concern the potential financial implications of these in future years and that they went beyond the contingency available to the University. It was also noted, however,
that there were indications that the basis of the valuation of USS might be revised and reduce the level of changes required to the scheme.

6.3  UASLAS UPDATE

[Note by Clerk: Mr Paterson joined the meeting for the discussion of this item but was not present when the Board considered its recommendation to Court.

6.3.1 The Board received an update on the conclusion of the UASLAS consultation on proposed changes to the Scheme. The Board also received a joint communication from the local branches of UNISON and UNITE which expressed their support for the proposed changes but that their preference was for the proposed RPI Cap to be set at 3% rather than 2.5%.

6.3.2 The Board noted that the outcome of the consultation had been a clear preference to retain a defined benefit scheme at a lower accrual rate. The paper invited the Board to recommend to Court that from 1 January 2019:

1. The University retains a defined benefit scheme with an accrual rate of 1/100ths and an employee contribution rate of 8%;
2. Inflation increase capped at CPI up to 3.0% OR Inflation increase capped at CPI up to 2.5%, but this would be revisited if CPI was above this cap for a significant period of time (over 1 year)
3. The retirement age be linked to the state pension age with protection for employees who are seeking to retire in the next year, subject to checks this has no age discrimination issues.

6.3.3 Following discussion the Board approved recommendation 1 and that recommendation 2 be capped at 3%. With regard to recommendation 3, the Board was cognisant of the need for legal advice on this point and that it would not breach age discrimination rules for other members of the scheme. Subject to there being no such issues the recommendation could be progressed to Court.  

Action: DB

6.3.4 The Board also noted that separate consideration would be given to the existence of a significant number of employees who were not members of UASLAS but who were eligible to be and whether a separate scheme might be provided for these staff.  

Action: DB

6.4  SPIN-OUT COMPANY DEVELOPMENT FUND UPDATE

6.4.1 The Board received and considered an update on the potential development of an investor fund to support early stage of spin-outs and start-ups arising from the University of Aberdeen.

6.4.2 The paper detailed developments since consideration of a fund had commenced nationally and locally (such as Opportunity North East ONE) which offered new opportunities for leveraging support for spin-out and knowledge exchange activities

6.4.3 The Board noted that the University would in this context focus its efforts on identifying new opportunities to generate a pipeline of ideas with the potential for commercial or industrial application and able to attract external funding and investment. This included using £100k of new funding from SFC for 18/19 to enhance this pipeline of commercialisation opportunities. The University would also continue to work with ONE and others to explore the demand for and attractiveness of a stand-alone investment fund and keep this under review. In this regard, members of the Board highlighted a number of opportunities and examples from other sectors and other universities which might be pursued. It was agreed that this should be considered further by a small group and might form part of the agenda for the Court’s strategy day.  

Action: DB

6.5  UPDATE ON CURRENT POSITION WITH SOFTWARE DEVELOPER

6.5.1 The Board received and endorsed a paper detailing the terms of an agreement that had been reached with an external IT systems supplier.
7 TRANSNATIONAL EDUCATION

7.1 STRICTLY CONFIDENTIAL: KOREA CAMPUS UPDATE

7.1.1 The Board received and discussed two detailed papers on recent developments relating to the Korea Campus.

7.1.2 REDACTED

7.1.3 REDACTED

7.2 QATAR CAMPUS UPDATE

7.2.1 The Board received and noted an update on recent developments in the University of Aberdeen Campus, Qatar.

7.3 PROPOSED TNE PROJECT IN SRI LANKA

7.3.1 The Board received and noted an update on the development of the partnership with the International Institute of Health Sciences (IIHS) to deliver medical education in Sri Lanka.

[Note by Clerk: Professor Wells, Professor Paterson and Dr Hill left at this point.]

8 STUDENT ADMISSIONS

8.1 ADMISSIONS FOR SEPTEMBER 2018/19

8.1.1 The Board received and considered the latest statistics in relation to admissions for September 2018 entry. REDACTED

8.1.2 The Board welcomed the positive performance as a platform to build upon towards the University’s ambition for greater income growth. At this stage it was not possible to estimate the budgetary impact but it was anticipated this would be available to report to Court and the Board by October. Action: DB

8.2 ON-CAMPUS 2019/20 PGT AND INTERNATIONAL UG TUITION FEE SETTING

8.2.1 The Board received and considered a paper setting out proposed 2019/20 on-campus UG international fees and fees for PGT, including the proposed PGT fee bands.

8.2.2 REDACTED

[Note by Clerk: Dr Hulda Sveinsdottir joined the meeting at this point.]

9 STRATEGIC PLANNING

9.1 BRITAIN’S EXIT FROM THE EUROPEAN UNION – MITIGATIONS

9.1.1 REDACTED

[Note by Clerk: Dr Sveinsdottir left and Mr Naveed Qamar joined the meeting at this point.]
10 HEALTH AND SAFETY

10.1 STRICTLY CONFIDENTIAL: HEALTH, WELLBEING AND SAFETY UPDATE

10.1.1 REDACTED

10.1.2 REDACTED

10.1.3 The Board also received and noted a summary of the annual safety statistics for the academic year 2017/18. These reported a reduction in accidents and an increase in near miss reporting, both of which were welcome.

10.1.4 In further discussion, the Board was assured that damaged windows in the Sir Duncan Rice Library had been secured and made safe pending the arrival of replacements.

[Note by Clerk: Mr Qamar left the meeting at this point and Ms White joined the meeting at this point]

11 PEOPLE

11.1 POLICY ON EMPLOYMENT (IMMIGRATION) AND POLICY ON RECRUITMENT AND SELECTION

11.1.1 The Board received and approved a revised Policy on Employment (Immigration) which had been updated in preparation for an audit from UK Visas and Immigration and the associated Recruitment and Selection Policy

11.2 DISCIPLINARY PROCEDURE AND POLICY AND PROCEDURE FOR HANDLING AN APPEAL

11.2.1 The Board received and approved a revised Disciplinary Procedure and Policy and Procedure for Handling an Appeal, both of which had been updated to reflect the abolition of the College structure.

11.3 REWARD STRATEGY WORKING GROUP UPDATE

11.3.1 The Board received a paper detailing recommendations from the Reward Strategy Working Group (Financial and Non-Financial Benefits subgroup). This proposed:

(i) the procurement of new providers of employee benefits and for the staff counselling service;
(ii) The introduction of a car lease salary sacrifice scheme and a Corporate Travel Club for discounted bus travel.

11.3.2 In discussion, the Board noted that at present staff use of the employee benefits scheme was low and that it cost £11.4k p.a to operate. One member noted his view that given this low uptake, the scheme should be discontinued and the expenditure directed to supporting other staff benefits. It was noted, however, that there was evidence that the scheme would be more popular if it operated differently and an example of this was provided in the paper. The Board also discussed the car lease salary sacrifice scheme and whether it was appropriate to encourage car usage and that this benefit would be to the advantage of higher paid staff rather than all staff. The Board noted also, however, that both proposals followed feedback from the staff survey.

11.3.3 The Board, with the exception of Dr Watts, agreed to approve the proposals in the paper.

11.4 SAFEGUARDING POLICY

11.4.1 The Board received and approved the Safeguarding Policy which responded to new guidance from the Charities Regulator and ensured that appropriate processes were in place to support all students, staff and other stakeholders of the University.
11.5 **BRITISH SIGN LANGUAGE ACTION PLAN**

11.5.1 The Board received and approved a British Sign Language (BSL) Action Plan which was a legislative requirement to have in place.

11.6 **STUDENT COMMUNICATION POLICY**

11.6.1 The Board received and approved a proposed Student Communication Policy and associated framework/guidelines.

11.7 **IMMIGRATION UPDATE: FEES AND SALARY ADVANCE**

11.7.1 The Board received an update on current immigration fees for staff and the University’s approach for the payment of visa fees for Tier 2 sponsorship route, Indefinite Leave to Remain (ILS) and Settled Status for EU/EEA staff.

11.7.2 The Board approved the continuation of the current approach in relation to payment of Tier 2 fees (initial and extensions). The Board also approved the continued offering of a salary advance to staff for ILR applications including their dependents who require it (repayable over up to a two-year period) and that the option for a salary advance be extended to those EU/EEA employees applying for settled status and requiring financial assistance (repayable over a two-year period).

11.8 **PAY NEGOTIATIONS 2018/19**

11.8.1 The Board received and noted an update on the national pay negotiations 2018/19. UCEA had made a final offer to the trade unions of a £425 increase (up to a 2.76% uplift) on the lower spinal points of the national pay spine (points 2 to 15) and a 2% uplift on spinal points 16 and above. This offer was rejected and the trade unions concerned were balloting members on industrial action. The University had meantime implemented the pay offer with effect from 1 August 2018.

12 **COMMITTEE REPORTS**

12.1 **CAPITAL PROGRAMME MANAGEMENT COMMITTEE**

12.1.1 The Board received and noted an update on key points covered at the last meeting of the Capital Programme Management Committee, held on 21 August 2018. In discussion, it was noted that proposals for the re-development of the Hillhead Sports Centre had been received by the Development Trust. These had come in at a cost which was significantly more than previously intimated and further work was therefore being undertaken to review the costing proposals.

12.2 **DIGITAL STRATEGY COMMITTEE**

12.2.1 The Board received and noted an update on outcomes from the last meeting of the Digital Strategy Committee, held on 13 August 2018.

13 **UPDATE ON ENHANCEMENT-LED INSTITUTIONAL REVIEW (ELIR)**

13.1 The Board received and noted an update on the University's current preparations for the QAA visit in the Autumn as part of the process of enhancement-led institutional review (ELIR).

14 **SCHEDULE OF MEETINGS**


14.2 **Note by Clerk**: Following receipt of three apologies and following consultation between the Principal and the Chair, the Operating Board meeting on 16 October 2018 was removed from diaries. It was proposed to carry forward October business to the November meeting.
Although no urgent business was expected, it was agreed that any such items were to be conducted by circulation in the first instance.

BP/mg
17.09.18