UNIVERSITY OF ABERDEEN

OPERATING BOARD

MINUTES OF MEETING HELD ON 4 JUNE 2018

Present: Ms A Minto (Chair), Professor N Booth, Professor M Delibegovic, Principal (via teleconference call), Professor N Haites (vice Professor Hannaford), Professor P Hannaford (from Minute 70.2.6), Ms L Menzies (via teleconference call), Dr D Watts, Mrs C Inglis and Mr L Ogubie; with Mr D Beattie and Ms R MacLure (Clerk).

Apologies for absence were received from Mr J Hall.

The following were in attendance for specific agenda items:
Dr E Rattray (Director of Research & Innovation, Minute 69), Dr H Sveinsdottir (Director of Planning, Minute 72), Mr A Donaldson (Director of Estates & Facilities, Minute 72.3 and 72.4), Professor R Wells (Vice-Principal for Internationalisation, Minute 73), Professor John Paterson (former Vice-Principal for Internationalisation, Minute 73) and Dr Stephen Hill (Transnational Manager, Minute 73).

66 DECLARATION AND FORMAL BUSINESS

67 MINUTES

67.1 The Minutes of the Meeting held on 8 May 2018 were approved.

68 MATTERS ARISING

68.1 MATTERS ARISING ACTION LOG

68.1.1 Internal Audit report on HR / Payroll (Minute 56.1.2 of 8/5/18 refers)

The Board noted that the University Secretary had discussed the Internal Audit Report of HR / Payroll with the Convener of the Audit Committee, who had expressed the view that OneSource was now in the past and he did not wish to revisit the internal audit report that had been considered in detail by the Audit Committee.

68.2 STUDENT OCCUPATION REPORT UPDATE (oral, from the Principal)

68.2.1 The Board received an oral update on the Student Occupation Report. The Board noted that the Principal had received a report from the group, led by the Director of Health, Safety & Wellbeing, which had been tasked with investigation of an incident which occurred on 14 March 2018, in which a member of staff had been injured. The Principal was meeting with a number of people to discuss issues raised within the report, proposing solutions to move forward. A small group, including the Vice-Principal for People, an independent Member of Court, the President of the Aberdeen University Students’ Association, and representatives of campus Trades’ Unions was meeting to develop a Lessons Learned report for Court on 27 June.

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

69 NATIONAL CENTRE OF EXCELLENCE FOR DECOMMISSIONING

69.1 The Board received a presentation from Dr Liz Rattray on the collaboration with the Oil and Gas Technology Centre (OGTC) to develop the new National Centre of Excellence for Decommissioning.

69.2 The Board agreed that this was an appropriate subject for a presentation at a future Court dinner, to celebrate this prestigious opportunity. Action: CI

69.3 The Board noted that the Scottish Government had granted an additional £1.9m to the OGTC which would feed into this project. The University was committed to making in-kind
contributions through charging reduced rates for Estates costs and some elements of staffing the Centre, however, there would be a net gain to the University overall.

69.4 The Board noted that the Centre was to be located at Newburgh, in the former Oceanlab premises. Oceanlab 2 was currently unoccupied and commercial activities based in Oceanlab 1 were to become part of the Centre.

69.5 The Board noted that research income through the Centre would contribute towards the University’s Research Excellence Framework submission. A key aspect of the work of the Centre was the demonstration of environmental impact. The Board agreed the importance of taking every opportunity to promote the work of the NCED.

[Note by Clerk: Dr Rattray left and Professor Richard Wells, Professor John Paterson and Dr Stephen Hill joined the meeting at this point.]

70 TRANSNATIONAL EDUCATION

70.1 UPDATE ON STRATEGIC ALLIANCES

70.1.1 The Board received and noted an update on the status of the University’s principal strategic alliances, namely its own direct strategic alliance with Curtin University in Perth, Western Australia and its membership of the Aurora Universities Network.

70.2 STRICTLY CONFIDENTIAL: KOREA CAMPUS UPDATE

70.2.1 The Board received and discussed an update on recent developments relating to the proposed campus in Hadong, South Korea.

Note by Clerk: Minutes redacted on grounds of commercial confidentiality

70.2.2

70.2.3

70.2.4

70.2.5

[Note by Clerk: Professor Phil Hannaford joined the meeting at this point.]

70.2.6 Action: SH

70.3 STRICTLY CONFIDENTIAL: QATAR CAMPUS UPDATE

70.3.1 The Board received and noted a positive update on recent developments in the University of Aberdeen Campus, Qatar.

70.4 STRICTLY CONFIDENTIAL: PROPOSED TNE PROJECT IN SRI LANKA

70.4.1 The Board received and noted an update on the University’s proposed Transnational Education project in Sri Lanka.
70.5 STRICTLY CONFIDENTIAL: STUDENT RECRUITMENT AGENTS

70.5.1 The Board received and considered a paper on the University’s global network of recruitment agents, who worked to support the University’s international recruitment activity.

70.5.2 The Board discussed the value of introducing a tiered approach to commission payments to the University’s agents overseas, noting that this might introduce unnecessary complexity without tangible benefit.

70.5.3 The Board noted that the paper did not itemise the full extent of the University’s use of agents overseas, but focussed on priority areas. The Board agreed the need for the strategic positioning of agents.

Action: RW

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

71 STUDENT ADMISSIONS

71.1 STRICTLY CONFIDENTIAL: ADMISSIONS FOR SEPTEMBER 2018/19

71.1.1 The Board received and considered a paper setting out the latest statistics in relation to admissions for September 2018 entry.

71.1.2 The Board noted that the University expected to meet the Undergraduate (UG) Home fees target, but was unlikely to meet the rest of the United Kingdom (rUK) target. International UG recruitment was reported to be challenging, but had improved since the last report, and was slightly ahead on firm acceptances overall. Postgraduate taught (PGT) UK and EU figures had flattened out since the last report although applications and offers were now up. International PGT continued to show a significant increase in applications and offers. However the targets were noted to be challenging and therefore conversion activities were a priority. Postgraduate Research (PGR) indicators were down on the previous year.

71.1.3 The Board noted a report that the incoming Principal, Professor Boyne, had stated an intention to appoint a Vice-Principal with responsibility for student recruitment. There was a consensus that international student recruitment, from all areas, was critical to the University’s success and needed further emphasis in the coming 12 months.

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

72 STRATEGIC PLANNING

72.1 STRICTLY CONFIDENTIAL: BRITAIN’S EXIT FROM THE EUROPEAN UNION – MITIGATIONS

72.1.1 The Board received and considered an overview of activities being undertaken to mitigate the impact of Britain’s exit from the European Union (EU). The Group noted that Working Groups had been set up to take forward the recommendations made in the paper relating to Scottish, European and international recruitment post-Brexit, a Scottish / UK political engagement plan had been prepared, and EU research income was being monitored closely with support provided to staff in preparing applications.

72.1.2 The Board noted that the opportunity was being taken to engage alumni through the Business Committee of the General Council.

72.1.3 The Vice-Principal for Development offered to put the Director of Planning in touch with the forthcoming secretary to the Science Committee to Parliament, who was expected to be a valuable contact.

Action: NH / HS

72.1.4 The Principal reported that a recent government paper appeared positive, and the Principal remained confident the University would retain access to EU funding as long as it was based on excellence rather than geography. He also reported that the new Home Secretary’s comments on talent and on international students were very positive.
72.1.5 Emphasising the importance of networking and political engagement, the Board asked to receive further updates on Brexit preparations from the Director of Planning, going forward.

Action: HS / Clerk

72.2 RISK MANAGEMENT UPDATE

72.2.1 The Board received and considered an update on institutional risk management, with a particular focus on the Strategic Risk Register. The Board noted that changes had been made to the University's Risk Management Framework, which was available on request from the Planning Directorate.

72.2.2 The Board noted that Strategic, School- and Directorate-level Risk Registers were monitored at regular intervals between the formal six-monthly reports to Operating Board.

72.2.3 The Board approved the proposal to tailor and align tolerance thresholds for reporting, to risk appetite ratings applied to each strategic risk, and approved the Strategic Risk Register. Under the revised arrangements, the tolerance threshold of Net Score 18 would be abolished, with a unique tolerance threshold applied to each individual risk instead. The Board noted that this took account of the differences in each risk, variances in attitude to risks of differing nature, and the varying levels of threat the University was willing to accept in the pursuit of its different objectives.

[Note by Clerk: Dr Sveinsdottir and Professor Haites left and Mr Angus Donaldson joined the meeting at this point.]

72.3 CAMPUS DEVELOPMENT WORKING GROUP - STRATEGIC VISION

72.3.1 The Board received and considered a paper which set out the vision, developed by the Campus Development Working Group, for transformational development of the King's College Campus, underpinned by additional borrowing.

72.3.2 The Chair stated that the paper was much-improved since the version last received by the Development Trust, and approved the identified priorities, but noted that affordability was an issue.

72.3.3 A member of the Board raised the importance of developing a “student union” as an aid to student recruitment. It was noted that creation of such a facility was not within the top three priorities but fitted within the project funding structure set out in Appendix 3 of the document. In the meantime, the University was working to progress enhanced facilities on the whole of the ground floor of the Hub for the start of the next academic session. The Board noted that clear signage was a priority.

72.3.4 The Board noted that the Chair was to raise the issue of fundraising for sports facilities at Hillhead (minute 59.1.2 of 8/5/18 refers) at a forthcoming meeting of the Development Trust Board of Trustees.

72.3.5 The Board noted that the University’s plans for development of the campus were predicated on the acquisition of a Bond, which in turn was dependant on achieving a break-even budget position. Court had agreed in principle to borrowing a minimum of £50m, but identification of a revenue stream or revenue streams to fund the costs of financing the bond was key.

72.4 STRICTLY CONFIDENTIAL: BUSINESS SCHOOL

72.4.1 The Board received and considered a paper on the outcomes of a series of discussions to review options for the interim relocation of the Business School.

72.4.2 The Board noted a typographical error at 4.4 in the paper: Education currently occupied three floors of the MacRobert Building and not four as stated.

72.4.3 The Board endorsed the proposed vision for an interim, partial relocation of the Business School, while noting that a separate exercise was being undertaken to address and prioritise the Business School’s additional teaching needs. The Board understood and acknowledged
the importance of the Business School in terms of its status and income generation within the University and the need for suitable premises to reflect this.

[Note by Clerk: Mr Donaldson left the meeting at this point.]

73 FINANCE

73.1 STRICTLY CONFIDENTIAL: BUDGETS FOR 2018/19 TO 2020/21

73.1.1 The Board received and considered a paper on draft three year budgets for the University for 2018/19, 2019/20 and 2020/21. 73.1.1 Professor Hannaford was in attendance and presented the Budget paper to the Board members.

73.1.2 The Board noted that on current projections, the University expected to fall short of the agreed break-even position for 2019/20, in the sum of approximately £4.5m. Minute redacted on grounds of confidentiality.

73.1.3 A full and frank discussion ensued, in which the Chair reported having heard justification for the revisitation of the concept of compulsory redundancy, in the context of the reshaping of academic areas to align with the University’s priorities and market forces it was considered necessary that the University should have the ability to make people redundant if their skills did not align with the needs of the business. At the same time, performance management should be undertaken in respect of members of staff who were not meeting agreed expectations, with the option to terminate their contracts if required. This view was supported by all Board members.

73.1.4 Following supportive commentary by Board members, the Chair indicated her intention to discuss with the Senior Governor the opening up of this subject again at the next Court meeting. It was agreed that it would be helpful to have the in-coming Principal in attendance at the next meeting of Court if this was possible, given his current work commitments at Cardiff University, in particular for the discussion of budgets. This was to be explored. Action: CI

73.1.5 While recognising the short timeframe, it was agreed that the University should model the effects of undertaking the aforementioned measures to achieve a break-even position by 2019-20, and to present the revised budget paper to Court at its meeting on 27 June. It was agreed that the revised draft budget papers would be shared in detail with Professor Boyne prior to being sent to Court as it was deemed extremely important that he be fully briefed and have an opportunity to comment and input in the budget as he would have to own the final outcomes. Action: PH / CI / DB

73.2 STRICTLY CONFIDENTIAL: INSTITUTIONAL 10 YEAR CASH FLOW PROJECTION

73.2.1 The Board noted a paper on the Institutional 10-year Cash Flow Projection, which would require to be updated to reflect revised budgets (Minute 73.1 above refers). Action: DB

73.3 USS PENSION SCHEME UPDATE

73.3.1 The Board received an oral update on the USS Pension Scheme.

73.4 MONTHLY MANAGEMENT REPORTS TO APRIL 2018

73.4.1 The Board received and noted the Monthly Management Reports for the period to April 2018.
HEALTH AND SAFETY

HEALTH, WELLBEING AND SAFETY UPDATE

The Board received and noted reports on the following incidents and subsequent actions taken:

- Fire evacuation drills carried out in March and April
- A technician suffered a fractured bone in her foot.

STRICTLY CONFIDENTIAL: SPIN-OUT INVESTMENT FUND (Minute 56.1.1 of 8/05/18 refers)

Due to the late running of the meeting, the Board agreed to receive an update on the support for the early stage of spin-outs and start-ups arising from the University of Aberdeen at its next meeting. Action: Clerk

SCHEDULE OF MEETINGS

It was noted that meetings of the Operating Board had been scheduled for Session 2018/19 as follows:

- Tuesday, 11 September 2018
- Tuesday, 16 October 2018
- Tuesday, 13 November 2018
- Friday, 1 February 2019
- Tuesday, 5 March 2019
- Tuesday, 2 April 2019, if required
- Tuesday, 7 May 2019
- Tuesday, 4 June 2019

All meetings would be held in the Court Room, University Office, from 10.00 am – 1.00 pm.

It was noted also that meetings of the Board had been provisionally scheduled for Session 2019/20 as follows:

- Tuesday, 10 September 2019
- Tuesday, 8 October 2019
- Tuesday, 12 November 2019
- Tuesday, 28 January 2020
- Tuesday, 3 March 2020
- Tuesday, 7 April 2020, if required
- Tuesday, 5 May 2020
- Tuesday, 9 June 2020

All meetings would be held in the Court Room, University Office, from 10.00 am – 1.00 pm.

RMac/mg
07/06/18, updated 11/06/18