UNIVERSITY OF ABERDEEN
OPERATING BOARD
MINUTES OF MEETING HELD ON 4 JUNE 2019

Present: Anne Minto (Chair), George Boyne, Karl Leydecker, David MacFarlane, Lyndsay Menzies, Lawson Ogubie, Rachel Shanks and David Watts; with David Beattie, Debbie Dyker and Ruth MacLure (Clerk).

Apologies for absence were received from Nuala Booth, James Hall and Caroline Inglis.

The following were in attendance for specific agenda items:
Alan Speight (Minute 68) and Richard Wells (Minute 69).

63 DECLARATION AND FORMAL BUSINESS
63.1 There were no declarations of interest.

64 MINUTES
64.1 The Minutes of the Meetings held on 5 March and 13 May 2019 were approved.

65 MATTERS ARISING
65.1 MATTERS ARISING ACTION LOG
65.1.1 Head of Business School
The Board noted that the University hoped to make an announcement in the next few days concerning the appointment of a new Head of the Business School.

65.1.2 Director of Marketing and Student Recruitment
The Board noted that the preferred candidate for the position of Director of Marketing and Student Recruitment had withdrawn. The University was considering reconfiguration of the post prior to readvertising the position.

65.1.3 Director of Advancement
The Board noted the University’s intention to keep Alumni Relations and the administration of the Development Trust together under a single Directorship, which was currently out to advert.

65.1.4 It was noted that all other outstanding items in the Action Log were covered within the agenda.

66 PRINCIPAL’S INTRODUCTION
66.1 Strategic Development
The Principal provided an update on the process to develop the University’s next Strategic Plan. He reported a pleasing level of engagement by the University community. The Board noted that a Court Strategy away day was to be held on 3 July, the day after the formal Court meeting.

66.2 Investment in Strategic Posts
The Board noted that over 1000 applications had been received in response to the advertisement of 60 academic posts (50 strategic posts and 10 vacancies).

66.3 Investment in the Estate
66.3.1 The Board noted progress to draw up outline requirements for Estates developments at King’s College and the MacRobert building, for consideration by the end of July. In the short-term, improvement works were planned this summer to the foyer of the MacRobert to enhance the visibility of the Business School.
66.3.2 Lyndsay Menzies asked the Board to note that she was a member of the Programme Board for these developments and reported that one of the issues was the absence of a defined budget for the two projects. David Beattie responded that without a clear idea of requirements, it was not yet possible to allocate budgets. The Board noted that Professor Alan Speight was now chairing both Programme Boards and envisaged bringing together the two workstreams once ideas were more fully developed.

66.3.3 The Board registered its concern, highlighting the importance of providing high quality facilities for the Business School while also ensuring appropriate accommodation for other Schools. It was agreed to return to the September meeting of Operating Board with an update on progress.

66.4 Revenue Position

66.4.1 The Board noted that there was a £7m uplift in tuition fee income this year (Minute 68.1.2 refers), putting the University on track to meet the Court target of a £3m deficit. Universities’ Superannuation Scheme (USS) obligations prevented the University from reaching a breakeven position in the current year (Minute 67.2.2 refers).

66.4.2 The Board queried whether the lowering of tuition fees in England had a knock-on effect for Scotland. The Principal responded that the possible reduction in English Undergraduate fees from £9250 to £7500 in 2021/22 was expected to cost the University around £250k in rest of United Kingdom income in that year, however he did not predict a linked reduction in Scottish Funding Council funding. It was noted that the University was already reviewing its currently policy of charging only three years of fees for four year degrees, which would allow some mitigation of a drop in fee levels.

67 FINANCE

67.1 INVESTMENT OF PRIVATE PLACEMENT (BOND) FUNDS

67.1.1 The Operating Board received and noted an update on the development of the Investment Strategy, and onward investment of funds from the private placement (bond) proceeds. A fully annotated version of the chart at 3.3.6 of the paper was tabled. The strategy was to maximise interest returns until the cash was required for investment, or repayment of existing debt, whilst spreading the risk across a number of banks.

67.1.2 The Board noted Mr MacFarlane’s support to the Finance team in developing this strategy.

67.2 UNIVERSITY REVENUE BUDGETS

67.2.1 The Operating Board received and considered a paper which brought forward detailed budgets for 2019/20 to 2021/22.

67.2.2 The Board noted that the budgets had been drawn up including assumptions around main risk areas such as tuition fee income and staff costs including pensions. The Senior Vice-Principal had chaired the School budget meetings and was confident that School plans for growth in student numbers were owned and were achievable.

67.2.3 In discussion, ownership of budgets by Schools was agreed to be critical. It was agreed that links to the paper on Student Population Growth (Minute 68.2 refers) could be made clearer.

67.2.4 The Board expressed concern that vacant posts were not being filled in order to save costs.

67.2.5 The Board discussed the challenging financial circumstances of a number of Schools where ongoing significant deficits were anticipated and requested a report to a future meeting (in around six months’ time) comparing the current position of each School to benchmarks, including a Senior Management commentary.

67.2.6 It was agreed to provide a further appendix for the information of Court showing the breakdown of online / Aberdeen campus / Qatar campus students in the Business School (Minutes 66.3.3 and 68 refer).
67.2.7 It was agreed to be important to acknowledge areas of financial under-performance, with an indication of the way forward, to reassure Court that the University was addressing the issues and that there was full buy-in by Schools.  
Action: KL / DB

67.2.8 The Board agreed that the business contained within was of sufficient importance to warrant a paper of this length (14 pages plus appendices), while reiterating the need to present succinct documents with accompanying Powerpoint presentations where appropriate.  
Action: SMT

67.2.9 The Board approved the budgets for presentation to Court (with a Powerpoint presentation of the headlines), subject to the updates required to reflect data within the April Monthly Management Reports (Minute 67.4 refers) and changes discussed above.  
Action: DB

67.3 UNIVERSITY CASH FLOW PROJECTION

67.3.1 The Operating Board received and considered an update to the University’s cash flow projection. The plan had been reviewed and updated to ensure that it remained relevant to the University's strategic priorities and accurately reflected the most up-to-date information. The paper was discussed in conjunction with the budget papers (Minute 67.2 above).

67.3.2 The Board approved the budgets for presentation to Court (with a Powerpoint presentation of the headlines), subject to the updates required to reflect data within the April Monthly Management Reports (Minute 67.4 refers) and changes discussed above.  
Action: DB

67.4 MONTHLY MANAGEMENT REPORTS

The Board received and noted Monthly Management Reports to April 2019.

[Note by Clerk: Professor Alan Speight, Vice-Principal for Student Recruitment, joined the meeting at this point.]

68 STUDENT RECRUITMENT [This section, 68.1 to 68.3 as highlighted in yellow to be redacted from the public version of the minute.]

68.1 STRICTLY CONFIDENTIAL: ADMISSIONS UPDATE

68.1.1 The Operating Board received an update on Student Admissions statistics. The paper summarised actual performance in relation to January 2019 entrants, and forecasts performance in relation to:

- September 2019 Undergraduate (UG) entrants (on-campus only)
- September 2019 and January 2020 Postgraduate Taught (PGT) entrants (on-campus only)
- Postgraduate Research (PGR) entrants 2018/19 and 2019/20
- Off-campus teaching, including Transnational Education (TNE)
- Online provision
68.2 STRICTLY CONFIDENTIAL STUDENT POPULATION GROWTH STRATEGY

68.2.1 The Operating Board received a paper which set out the trajectory for growth and rebalancing of the University’s student population. This paper was considered in parallel with Exposures and Opportunities for Student Recruitment (Minute 68.3 below refers), and with reference to School Budgets (Minute 67.2 above refers).

68.3 STRICTLY CONFIDENTIAL STUDENT RECRUITMENT: EXPOSURES AND OPPORTUNITIES

68.3.1 The Operating Board received and considered a paper which summarised the approach to be taken to achieve the University’s aspirations for growth and analysis around its optimum size.

68.3.4 The Chair was provided with further detail on recruitment activities in North America (Minute 53.1.3 of 5/03/19 refers).

68.4 MARKETING OF CITY REGION AS A DESTINATION OF CHOICE

68.4.1 The Operating Board received and noted an update on the marketing of the city, region and Scotland, including a booklet produced by Aberdeen Chamber of Commerce: Aberdeen? Absolutely.

[Note by Clerk: Alan Speight left and Professor Richard Wells, Vice-Principal for International Partnerships, joined the meeting at this point.]

69 TRANSNATIONAL EDUCATION

69.1 KOREA UPDATE

69.1.1 The Board received and discussed an update on the latest position in respect of the Korea Campus.

69.2 SRI LANKA UPDATE

69.2.1 The Board received and discussed an update on the latest position in respect of the University’s transnational education project in Sri Lanka.
OPERATING BOARD REVIEW

The Operating Board received and considered a paper on the review of its remit and name, to better define its role in relation to that of Court.

The Board considered and approved several recommendations, to be presented to Court as follows:

1) Delete the word ‘operational’ from the Remit.
2) Reword the Schedule of Delegation to clarify that Court has overall responsibility for ensuring that strategy is delivered.
3) Change the name of Operating Board to Policy and Resources Committee.
4) Retain the Committee's authority to approve staffing and development policies, and staff terms and conditions of employment.
5) Introduce the practice of preparing an annual schedule of business for the Committee.
6) Set up a document sharing site to support the work of the Board, ensuring its accessibility to all members.
7) Review the use of Meeting Squared in due course.
8) Adopt the use of “Chair” rather than “Convener” across the Committees of Court and Senate.

Action: KL / Clerk

STRATEGIC PLANNING

STRATEGIC RISK UPDATE

The Operating Board received and considered an update on the Strategic Risk Register, noting that a variant of the report had already been considered by the Audit Committee and was due to proceed to Court at its meeting on 2 July 2019.

David Macfarlane provided a summary of the Audit Committee’s discussion of the papers, highlighting concern around the escalation of the Health and Safety risk. It was agreed to be important to include Wellbeing within this risk.

Action: KL / DD

There had also been discussion of Financial Sustainability at Audit Committee and the Board agreed that, having now obtained the Bond, this risk was now focussed on the University’s ability to meet the ongoing interest and make provision for repayment. With an emphasis on growth over a longer timeframe, the University was recommended to consider how to reflect short, medium and long-term considerations in its review of the Risk Register.

Action: KL / DB

It was noted that the net score for the International risk had reduced, as it was now focussed on transnational education partnerships rather than student recruitment.

Subject to the revisions outlined above, the Board, for its part, approved the Strategic Risk Register for onward transmission to Court.

PARTNERSHIP, NEGOTIATING AND CONSULTATIVE COMMITTEE (PNCC)

The Board received and approved the Revised Eye Protection Policy and noted the general report from PNCC.

The Board received and approved the following items:

STRATEGIC INVESTMENT RECRUITMENT CAMPAIGN

HEALTH, WELLBEING AND SAFETY UPDATE
75 COMMITTEE REPORTS

75.1 CAPITAL PROGRAMME MANAGEMENT COMMITTEE REPORT

75.2 DIGITAL STRATEGY COMMITTEE REPORT

75.3 INVESTMENT COMMITTEE

75.4 STUDENT RECRUITMENT COMMITTEE

76 RECORD OF THANKS

76.1 Noting that this was their last meeting, the Board recorded its appreciation of the contribution of James Hall, Rachel Shanks and Lawson Ogubie to the work of the Board.

77 SCHEDULE OF MEETINGS

77.1 It was noted that the schedule of meetings for 2019-20 had been set as follows:

- Tuesday, 10 September 2019
- Thursday, 7 November 2019
- Tuesday, 4 February 2020
- Tuesday, 3 March 2020
- Tuesday, 9 June 2020

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