UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 4 October 2016

Present: Ms M Chapman (in the Chair), Principal, Sir Moir Lockhead, Professor A Akisanya, Mr C Anucha, Professor N Booth, Professor C Brittain, Mr C Duncan, Professor M Delibegovic (for part of the meeting), Mr J Hall, Professor P Hannaford, Professor N Hutchison, Professor J Kilburn, Cllr J Laing, Mr D MacFarlane, Cllr R McKail, Mrs K McPhail, Ms A Minto, Mr K Murray, Dr N Oren (for part of the meeting), Mr B Paterson, Mr I Percival and Mrs J Shirreffs.

In attendance: Mr D Beattie, Mr A Donaldson, Mrs D Dyker, Mr B Henderson (for minutes to 1-3), Mrs C Inglis, Ms J Killin, Professor B MacGregor (for minutes to 1-3), Professor J Morrison (for minutes 1-3), Professor J Paterson (for minutes to 1-3), Ms M Paterson (for minutes to 1-3), Mr N Qamar (for minutes to 7-10), Professor M Ross (for minutes 1-3), Very Rev Professor I Torrance and Mr B Purdon (Clerk).

Apologies for absence were received from Professor C Black, Mr D Haywood Professor P McGeorge, Mr B Pack and Mr D Steyn.

NEW MEMBERS

1 The Court welcomed Professor Delibegovic, Mr Percival and Mr Anucha to their first meetings as members of Court, and Ms Killin to her first meeting as the second student representative ‘in attendance’.

STRATEGY DAY

2 The formal meeting was preceded by a series of presentations and discussions regarding the University’s progress against the Strategic Plan and the priorities for delivery in the year ahead. It was agreed that a summary of the key points emerging from the discussions would be prepared as an ‘aide memoire’ for Court members.

3 The sessions covered during the Strategy Day were: People, Learning and Teaching, Research, the Students’ Association’s Priorities for 2016/17, Digital Strategy, Online Education, Internationalisation, and a review of the Aberdeen Sports Village and the Rowett Institute of Nutrition and Health as two major strategic projects.

DECLARATION OF INTERESTS

4 Mr B Paterson declared an interest as an Officer of the University of Aberdeen Branch of Unite the Union.

MINUTES

5 The Minutes of the meeting held on 28 June 2016 were approved.

6 The Court also noted the updated Action Log (copy filed with the principal copy of the minutes). It was confirmed that the discussion of the Business School deferred from the previous meeting was included in the Action Log and would be an item for discussion at the next Court.

HEALTH, SAFETY AND WELLBEING

REPORTS ON ACCIDENTS AND INCIDENTS

7 The Court received and considered a paper (copy filed with the principal copy of the minutes) which provided details of four serious incidents. The Court also received a summary of the

Page 1 of 9
Operating Board's consideration of the report. The Court noted that the incidents were as follows:

- A patient partner stumbled and fell on the stairs in Suttie Centre.
- A member of IT staff slipped and fell over when turning on a light switch in Arts Lecture Theatre.
- A member of staff slipped and lost her balance, dislocated her ankle and suffered a trimalleolar fracture.
- A student was taken to hospital as a result of self-inflicted injury.

The Court noted the subsequent investigations into the circumstances of each incident and any actions that had been identified as 'lessons learnt'.

ANNUAL REPORT FROM HEALTH AND SAFETY COMMITTEE

The Court received the Health and Safety Committee's Annual Report for the year 2015/16 (copy filed with the principal copy of the minutes) together with a report on the Operating Board's consideration of the report. The report provided information on a number of health and safety initiatives that had been taken forward during the year and regarding significant incidents that had occurred. It detailed the following:

- Internal health and safety audits had been carried out at two units, Aberdeen University Student Association and Aberdeen Sports Village;
- The Health and Safety Risk Register had been reviewed and would be further reviewed in academic year 2016/17;
- The University Health, Wellbeing and Safety Policy had been updated and was included separately on the agenda for approval;
- New policies had been adopted on safety tours and the use of mobile phones by staff whilst driving;
- Health and Wellbeing campaigns were held during the year to promote the use of internal facilities, physical activity, good diet and nutrition, cancer awareness and smoking cessation;
- Increased investment of time and resource in providing training and development of online training;
- There had been a reduction of 13% in staff injuries and an increase in near miss reports of 113%. The increase in near miss reporting was attributed primarily to increased awareness of the importance of reporting near misses and as being a positive sign of the University's improved safety culture. The number of reportable injury accidents to staff during the reporting period was 5, compared to 4 in the previous year;
- There were eight fire incidents logged in the year, compared to 10 in the previous year.

The Court agreed that in future the report should provide more information on the relationship between the gross and net scores within the Risk Register and the key reasons for how each net risk score had been derived.

GOVERNANCE

FUTURE COMPOSITION OF COURT

The Court received a report (copy filed with the principal copy of the minutes) from the Governance and Nominations Committee proposing a revised composition of Court. As previously agreed by Court, the Governance and Nominations Committee had considered a proposal for a new composition of Court from the Senate Assessor members of Court. That proposal for a Court of 25 members had, subject to some minor modifications to clarify wording, been accepted by the Committee and was recommended to Court. The proposal was for a Court of 25 members as follows:
Non-Independent Members

- Rector
- Principal
- Two elected members of staff, one from the academic staff and one from the non-academic staff (as required by the HE Governance Act)
- Two Trade Union nominated members of staff (as required by the HE Governance Act)
- Two Student Members nominated by the Students' Association (as required by the HE Governance Act)
- Four Senate Assessors, consisting of one Senator from each of the three Colleges, and one from the Business School.

Independent Members

- Senior Lay Member (elected as required by the HE Governance Act)
- Twelve independent members appointed by the Court, at least four of whom shall be members of the General Council. Aberdeen City Council and Aberdeenshire Council will be invited to nominate individuals for consideration for appointment to these positions.

12 The Court noted that the Committee had also received and considered a further proposal from a member of Court for a Court of 25 members, which retained four elected General Council Assessors and four Senate Assessors.

13 The Court noted that appointments to the positions of independent member would as at present be by open advertisement, with notification of vacancies to the General Council membership who would as at present continue to be a key potential pool of candidates for appointment to Court (with the exception of those members of General Council who were current staff or students and who under current rules were ineligible to stand for election).

14 The Court noted that at present General Council Assessors were, as a result of their election to Court, ex officio members of the Business Committee of the General Council. A consequence of the change in the composition of Court which would cease to have elected General Council Assessors, would be that the General Council would need to amend its standing orders with regard to the composition of the Business Committee. The Governance and Nominations Committee had recommended that there be the expectation that at least four of the independent members of Court, being members of the General Council, would also serve as members of the Business Committee of the General Council.

15 The Court noted that it would be important to continue to proactively encourage nominations from the two local Councils for appointment. The Court noted that there were strong links between the Senior Management of the University and the local Councils at elected member and officer level which would be maintained and would ensure the University and the local Councils continued to work effectively in support of the North-East of Scotland.

16 In discussion, it was noted that the Court had been given early sight of the paper and the Convener of the Governance and Nominations Committee reported on the comments that he had received.

17 In further discussion, a member of Court noted his concern that the proposal would remove the election of General Council Assessors and the direct link between Court the Business Committee of the General Council and that the Court should retain elected General Council Assessors. It was, however, noted that the Governance and Nominations Committee greatly valued the need for alumni involvement in Court and that the independent members included a significant number of graduates and could in the future all be graduates. The Court was reminded that in the light of the requirements of the Higher Education Governance Act which increased the number of other members on Court who were elected or appointed by bodies other than the Court, it had identified the need to increase the number of independent members it appointed to ensure it could better address the diversity and skills mix of its
membership. The Court discussed the extent to which elected processes could be amended to include minimum skills requirement for candidates or have diversity quotas.

18 The Court agreed to:

(i) Approve the proposal for a new composition of Court as set out in the paper;
(ii) Agreed that the required statutory process of consultation on the proposal and the draft Ordinance with Senate, the Business Committee of the General Council and through public display for eight weeks, be commenced, following consideration of which the Court would be invited to agree on the proposal for formal submission to the Privy Council.

APPOINTMENT PROCESS FOR NEXT SENIOR GOVERNOR

19 The Court received a report from the Governance and Nominations Committee (copy filed with the principal copy of the minutes) with recommendations on the process for the recruitment and appointment of the next Senior Governor.

20 The Court was reminded that in August the Secretary wrote to all members advising of new information that had been received following the last meeting of Court from the Scottish Government regarding the commencement of the Higher Education Governance (Scotland) Act, in particular its provisions for the appointment and election of Senior Governors. This had clarified that under the timeframe for commencement of the Act intended by the Scottish Government the Court, should it so wish, could legally progress with a recruitment and appointment of a Senior Governor under either the current process as set out in the Scottish Code of Good HE Governance provided that process has been concluded prior to that section of the Act coming into force in summer 2017 or through the early adoption of an election process as set out in the Act. Members of Court were also advised that in light of this new information the Governance and Nominations Committee would consider how the University Court should now progress with the recruitment and appointment of a successor to Sir Moir Lockhead whose current term of office concluded on 31 July 2017 but who had intimated his intention to demit office at the end of 2016. Members were also asked to submit any comments on the proposed approach to the appointment process prior to the meeting of the Committee.

21 The Committee had agreed to recommend to Court that it should progress with an appointment of a successor to Sir Moir as Senior Governor through a process that complies with current governance best practice for higher education as set out in the Scottish Code of Good HE Governance, which includes the open advertisement of the vacancy and interview of candidates through a committee including staff and student members of Court. The Court agreed that the composition of the Governance and Nominations Committee met these requirements and would form the basis for the membership of the appointment committee although it would not be appropriate to include for this purpose the current Senior Governor or the Principal. It was also agreed that as one of the independent members of the Governance and Nominations Committee was unavailable to participate in meetings and the need for gender balance to co-opt Ms Kathryn McPhail as a member of the committee for the duration of the appointments process. The Appointment Committee would, therefore, be composed of:

Mr James Hall (Convener of the Appointment Committee, Convener of Governance and Nominations Committee and Independent Member of Court);
Professor Alfred Aksanaya (Senate Assessor to Court and Member of Governance and Nominations Committee);
Mr Chubbe Anucha (President of the Students’ Association and Member of Governance and Nominations Committee);
Mrs Kathryn McPhail (Independent Member of Court and co-opted member of Appointment Committee);
Mrs Jenny Shirreffs (General Council Assessor to Court and Member of Governance and Nominations Committee);
22 The Court noted that the Committee had discussed the options available to the Court and noted in particular the short timeframe within which the Court would need to take forward a recruitment process to ensure a successor to the current Senior Governor was appointed prior to the end of 2016. In this respect, the Committee was cognisant of the fact that an electoral process, rules and procedures would take a significant degree of time to develop and implement, that at this stage there was no detailed guidance at a sector level or precedent to inform the development of such processes, and that together with the practicalities of the timeframe involved, there was therefore a significant risk of processes not being subject to appropriate consultation and governance in their development or being robust in their delivery and implementation. The Committee was also cognisant that the Court would over the next three years need to transition to a new composition and membership, which represented a major governance change, and that to attempt to effect both changes simultaneously represented a further significant risk. The Committee agreed that for these reasons the level of risk prevented it from recommending to Court that implementing an electoral process was either an appropriate or practical way forward in the circumstances. The Committee confirmed, however, that the Court should make clear in any advertising material and to all applicants that the term of office was limited to a maximum of three years and that the University would in 2019 seek nominations for the position under the electoral process required by the Act.

23 The Court was also asked to give consideration as to whether the University should engage professional recruitment consultants to support the process and promotion of the vacancy and noted that tenders received for the provision of such a service were at a fixed fee rates from between £18k and £25k.

24 The Court agreed:

(i) To progress with the appointment of the next Senior Governor through a process that complied with current governance best practice for higher education as set out in the Scottish Code of Good HE Governance, which includes the open advertisement of the vacancy and interview of candidates through a committee including staff and student members of Court;
(ii) To approve the proposed role description, person specification and advertisement for the position of Senior Governor;
(iii) That the University should engage professional recruitment consultants to support the process.

REMUNERATION OF SENIOR GOVERNOR

25 The Court received a report (copy filed with the principal copy of the minutes) from the Governance and Nominations Committee outlining recommendations regarding the introduction of remuneration for the role of Senior Governor.

26 The Court noted that the recommendations followed consideration by the Committee of issues that the Court would require to address to comply with the Higher Education Governance (Scotland) Act’s requirements for the remuneration of the Senior Governor. The Higher Education Governance Act required the Court, if requested by the person appointed to the position of Senior Governor, “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).”

27 The Court noted that there were very few examples of remuneration of Chairs in the UK HE Sector but that the Committee had taken into consideration examples of guidance on remuneration for governors/charitable trustees from the Scottish Government’s Guidance on Pay for Non-Departmental Public Bodies (NDPB), the Further Education Sector, together with guidance on remuneration from the Scottish Code of Good HE Governance and the Office of the Scottish Charity Regulator (OSCR). The recommendation in the paper was based on the Scottish Government’s Pay Policy which set daily fee rates based on three bands linked to
the size and complexity to the NDPB. The Financial Memorandum to the HE Governance Bill had cited the NDPB Band 1 ceiling level of £527 per day to estimate the cost of paying a Senior Governor. This equated to a cost for 30 days annual time commitment of circa £15,810 p.a.

28 The Court noted that the Committee had agreed that if one of the imperatives behind the legislation was to encourage diversity of applicants, then the Court should offer remuneration of the Senior Governor role as a matter of course rather than compelling candidates to request it. The Committee also felt that remuneration strengthened the rationale for a formal appraisal process and accountability of the Senior Governor to Court. The Committee report also noted that at a future point the Court should also consider the issue of whether all governors were remunerated.

29 The Court agreed:

1) To offer remuneration as a matter of course at a daily fee rate of £527 in line with Scottish Government guidance for remuneration of Non-Departmental Public Bodies.
2) That as remuneration of the Senior Governor was a requirement of the HE Governance Act, the Remuneration Committee should become responsible for reviewing the level of remuneration on an annual basis. In addition, as the Remuneration Committee is chaired by the Senior Governor consideration should be given to his or her role in that committee as a consequence of the introduction of remuneration of the role.
3) To introduce a more formal appraisal process for the Senior Governor which would be led on behalf of Court by the Senior Independent Governor.

FINANCE

IMPLICATIONS OF FINANCIAL REPORTING STANDARD 102

30 The Court received a paper (copy filed with the principal copy of the minutes) which set out changes to accounting policy under Financial Reporting Standard (FRS) 102 and the new Higher Education Statement of Recommended Practice, which would come into force for the financial year ending 31 July 2016 and requiring the restatement of the 2014/15 accounts for comparative purposes.

31 The Court noted that the revised accounting standards changed the layout of the primary financial statements and introduced a number of fundamental changes to accounting treatment. At its previous meeting the Court had, following consideration by the Audit Committee and advice from the External Auditors, approved changes to income recognition and fixed asset accounting policies, with all other changes being statutory.

32 The Court noted the impact of the changes on the University’s balance sheet as restated for 2014/15 and that the Operating Board had requested further information on the implications for the University’s pensions liabilities.

DRAFT OUTTURN – 2015/16

33 The Court received a report (copy filed with the principal copy of the minutes) which set out the draft outturn for the year ended 31 July 2016 which was subject to External Audit Review and final adjustment for pension valuations.

34 The Court noted that the Consolidated University outturn, incorporating the Rowett Research Institute Ltd (RRI Ltd) exceeded the budgeted £3 million surplus from underlying operating activities, returning a surplus of £6.07 million. Adding exceptional gains realised during the year of £6.25 million, gave a historic cost surplus of £12.32 million which in previous years would have been the surplus reported by the University. However, the new Accounting standard FRS102 results in significant changes to the presentation of the University’s statutory accounts. The Court noted that the adjustments required under FRS102
represented net costs totalling £19.66 million and the collective impact of exceptional items and the FRS102 adjustments, result in a deficit position for the year of £7.34M.

35 The Court noted that given the impact of FRS102, careful consideration would be required on how to explain and present the information to the University community along with a comprehensive communications plan. In discussion, it was noted that consideration would need to be given in the future as to whether there were implications for the University Superannuation and Life Assurance Scheme.

36 The Court noted that in light of the operating surplus being £3.07 million above target and the subsequent increase in operating cashflow, £1 million would be earmarked to support capital projects in 2016/17 that would improve the University’s competitive position or generate future additional revenue streams. The Court discussed the reasons for the University exceeding its surplus target after in-year forecasts of a shortfall. Further analysis at School level was being undertaken to confirm the University’s understanding of the reasons for this.

OPERATING BOARD REPORT

37 The Court received a report from the Operating Board meeting held on 12 September 2016 (copy filed with the principal copy of the minutes). The principal items of the report that were noted by Court were the Board’s consideration of the following:

- An update to the University’s Health, Wellbeing and Safety Policy;
- An update on the draft outturn for the Financial Year ended 31 July 2016;
- An update on Student Recruitment;
- Updates on progress towards Strategic Plan objectives in respect of People, Learning and Teaching, Research and Internationalisation;
- A report from the Capital Programme Monitoring Committee;
- A report on the progress of the OneSource project.

REPORTS FROM COMMITTEES

GOVERNANCE AND NOMINATIONS COMMITTEE

38 The Court noted a report of the principal items of business considered by the Governance and Nominations Committee at its meetings on 24 August and 12 September 2016 (copy filed with the principal copy of the minutes). In addition, the Court approved the following:

Role of Senior Independent Member

39 The Court on the recommendation of the Committee approved the proposed role description for the role of Senior Independent Member.

Membership of Court Committees for 2016/17

40 The Court on the recommendation of the Committee approved the continuing membership of Court Committees for 2016/17, and in particular, the following appointments to vacancies:

- **Operating Board:** To appoint Professor Nuala Booth to a vacancy for an independent member of Court and that Mr David MacFarlane be co-opted as a member of the Operating Board on a temporary basis with immediate effect.
- **Audit Committee:** To reappoint Mrs Morag McNeil as a co-opted member for a further term of three years and to reappoint Professor Sir Lewis Ritchie as a co-opted member for a further term of one year.
- **Governance and Nominations Committee:** That due to the current absence of a member of the Committee to co-opt Mrs Kathryn McPhail on an interim basis to ensure there was an appropriate number of members given the forthcoming role of the Committee in the recruitment and selection of the next Senior Governor.
Benefactor to the University Award – In Confidence

41 The Court noted that the Committee had received and considered a nomination for the Benefactor to the University Award which proposed an award to the Moonlight Prowl Committee. The Committee had noted that the nomination had been previously considered and endorsed by the Development Trust’s Stewardship Committee.

42 The Court, on the recommendation of the Committee, approved the award to the Moonlight Prowl Committee.

43 The Court noted further reports on:

- The outcome of the Governor Appraisal Exercise;
- The Committee’s consideration of the 2016 Corporate Governance Statement for the Annual Report and Financial Statements and a note of attendance at Court and key Committees for disclosure in the 2014/15 financial statements.

PARTNERSHIP, NEGOTIATION AND CONSULTATIVE COMMITTEE

44 The Court noted a report of the principal items of business considered by the Partnership, Negotiation and Consultative Committee at its meeting on 8 September 2016 (copy filed with the principal copy of the minutes). In addition the Court approved the following:

- Health, Wellbeing and Safety Policy;
- Lone Working Policy; and
- Overseas Travel Policy.

ROUTINE BUSINESS

ANNUAL REPORT ON INSTITUTION-LED REVIEW OF QUALITY, 2014-2015

45 The Court received and approved the Annual Report on Institution-Led Review of Quality 2015–2016 for submission to the Scottish Funding Council (SFC) and approved an Annual Statement of Assurance to SFC confirming that the Court had approved the Annual Report (copy filed with the principal copy of the Minutes).

CHANGES TO THE COMMITTEE STRUCTURE SUPPORTING RESEARCH

46 The Court received a report (copy filed with the principal copy of the minutes) proposing a revised committee structure supporting research and Research Excellence Framework (REF) preparations. The proposals also reflected organisational changes following the devolution of budgets to School level and incorporated recommendations made by the Professional Services Review.

47 The Court noted that the proposed structure merged the remits and functions of the current Research Policy Committee with those of the Advisory Group for Research Ethics and Governance and the institutional level REF Steering Group. The institutional Research Policy Committee would interact with School Research Committees on matters of strategy, policy, governance and general research performance. The current ethics committees at College level would remain in place and report directly to the Research Policy Committee which will review the activities of the ethics committees regularly. In addition, it was proposed to create Main REF Panel Committees, led by the Deans of Research, to support REF preparations.

48 The Court noted that to support the creation and operation of a Single Graduate School for Postgraduate Research Students it was proposed to create a Postgraduate Research Students Committee, under the convenership of the new Dean of Graduate School, reporting to the Research Policy Committee.
The Court approved the proposed committee structure, composition and membership and noted these were subject to further approval by the University Senate, to come into effect after the Senate meeting on 2 November.

**PROMOTION AND CONTRIBUTION AWARD EXERCISE 2016 OUTCOMES AND EQUALITY MONITORING**

The Court received an update (copy filed with the principal copy of the minutes) on the outcomes from the Staff Promotion Committee which met on 30 June 2016. The report included an analysis of the outcomes of the promotions exercise in relation to the equality strands of gender, ethnicity and disability.

**REPORT FROM THE DEVELOPMENT TRUST**

The Court received and noted a paper (copy filed with the principal copy of the minutes) providing details of the Development Trust’s performance since its last report to Court on 28 June 2016.

**YEAR END MANAGEMENT REPORT**

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

**DATE OF NEXT MEETING**

The Court noted that the next meeting would be held on Tuesday 6 December 2016 at 9.00am.

Maggie Chapman

6th December 2016

Date approved