

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

MINUTES OF MEETING HELD ON 28 JUNE 2022

Present: Julie Ashworth (in the Chair for items from minutes 178 onward), Keith Anderson, Eleanor Bentley, George Boyne (except for Minute 229), Amy Bryzgel (via Teams), Martina Chukwuma-Ezike (in the Chair for items 174 to 177), Owen Cox, Nick Edwards (via Teams), Alisa Koester, Iain Mackay (via Teams), Gary McRae, Lyndsay Menzies, Caryn Miller, Anne Minto, Iain Percival, Charlotte Pope-Williams, Diane Skåtun (via Teams – Mins 174to 187), Otto Thoresen (via Teams), Camilo Torres Barragán, Robert Traynham (via Teams from Minute 214 onward) and Neil Vargesson Mins (except for 188 to 207).

In attendance: Marion Campbell, Pete Edwards, Jenny Fernandes, Karl Leydecker, Vanessa Mabonso Nzola, Tracey Slaven, Alan Speight, Ruth Taylor, Iain Torrance KCVO, Mark White and Bruce Purdon (Clerk).

Apologies for absence were received from Colette Backwell, Helen Martin, Martin Mills and Joachim Schaper.

WELCOME AND RECTOR'S REPORT

- 174 The Rector welcomed and congratulated Vanessa Mabonso Nzola on her election as Aberdeen University Students' Association (AUSA) President-Elect and nominated Member of Court from 1 July 2022. The Rector also welcomed Mark White, Chief Financial Officer to his first meeting of the Court.
- 175 The Rector thanked Alisa Koester for her contribution to the Court and to AUSA and the student community in her role as President. The Rector congratulated Camilo Torres Barragán on his re-election as a Sabbatical Officer and continued AUSA nominated member of Court.
- 176 The Rector thanked Amy Bryzgel for her contribution to the University and to Court and wished her well upon taking up a new role in the United States later in the summer.
- 177 The Rector provided an oral and written report (*copy filed with the principal copy of the Minutes*) highlighting the types of issues that had been raised by students with her in surgeries and meetings that she had been undertaking with University management and AUSA colleagues.

DECLARATIONS OF INTEREST AND REMINDER OF COURT AND MEMBER RESPONSIBILITIES

- 178 The Court noted the standing reminder of the responsibilities of Court and members as charity trustees (*copy filed with the principal copy of the Minutes*). Declarations of interest in the agenda were received from (Eleanor Bentley and Gary McRae in regard to Minute 213).

MINUTES

- 179 The Minutes of the meeting held on 23 March 2022 were approved (*copy filed with the principal copy of the Minutes*).

ACTION LOG, MATTERS ARISING AND DECISIONS BY CIRCULATION

- 180 The Court noted the updated Action Log (*copy filed with the principal copy of the Minutes*) and a report on matters that had been agreed by circulation, these being:
- Protocol for the reappointment of a Principal and Vice-Chancellor
 - Court was also advised that the Scottish Funding Council (SFC) had requested additional information from all universities to their Outcome Agreements. Accordingly,

some minor adjustments had been made to the University's Outcome Agreement for 2021/22 and its associated Table of Measures that Court had approved in November 2021. Due to the time frame for response requested by SFC these were approved on behalf of Court by the Senior Governor and the Principal.

Policy on Research Funding from Tobacco Companies

- 181 The Court received and approved a draft Policy on Research Funding from Tobacco Companies, which as requested at the previous meeting, had been updated to provide further clarification on how the proposed policy related to e-cigarette companies.

REPORT FROM THE SENIOR GOVERNOR

- 182 The Court received and noted a report from the Senior Governor, Julie Ashworth, on the meetings and activities she had undertaken since the previous meeting (*copy filed with the principal copy of the Minutes*). The Senior Governor also highlighted the University's participation in the Governor Apprenticeship Programme, which aimed to provide opportunities for aspiring governors/trustees and help increase the diversity of boards.

REPORT FROM THE PRINCIPAL AND UPDATE ON THE SECTOR/UNIVERSITY DEVELOPMENTS

- 183 The Court received a report on policy developments relating to higher education and the recent achievements of staff and students at Aberdeen (*copy filed with the principal copy of the Minutes*), supplemented by an oral report from the Principal.
- 184 The Principal discussed with Court the recent Scottish Government budget announcements which had allocated a "flat cash" budget to the Scottish Funding Council (SFC). The Court discussed the significant challenges this would pose for the Scottish higher education sector, particularly against a background of rising inflation and cost pressures and whether this might require new approaches to the funding of higher education in Scotland. The specific challenge for the University would be to maintain strong growth in revenue to absorb rising costs and to continue to fund new investment in staff. The Principal anticipated Court in October undertaking a discussion on the future development and investment in the University set within the future strategic context of higher education.

REPORT ON THE RESEARCH EXCELLENCE FRAMEWORK

- 185 The Court received a report and presentation on the institutional and sectoral results of the Research Excellence Framework (REF) 2021 (*copy filed with the principal copy of the Minutes*). The report included analysis of the institutional and sectoral results and discussed measures that were planned or underway to build research capacity, quality and performance in the next assessment exercise.
- 186 The Court reviewed and considered the results of the REF in detail both at the institutional and individual areas of assessment level and relative to the sector. It noted that as expected, given the reduction in the University's research capacity over the majority of the REF assessment period, (the number of Teaching and Research staff reducing by 25% between 2014 and 2019 prior to new investment in staff commencing thereafter), that while there were some successes, the University's overall result as an institution was disappointing. The Court went on to consider the consequential reduction in research excellence grant funding of £1.9M in 2022/23 rising to £4.7M per annum thereafter and the reasons why the scale of reduction had been greater than expected. The Court also discussed how the results might influence academic reputation and league table rankings, while also noting it was important to highlight the University's strengths and the investment and progress that had been made since 2019 which were not reflected in the assessment period of the REF.
- 187 In considering how to build further on recent investment in research capacity, the Court discussed what the pre-conditions were for research excellence and creating a vibrant research culture. It was noted that research excellence was not achieved overnight, it required time, space and support for staff, as well as investment. The Court discussed how the University planned to respond to the next REF, noting that University was already two years into the assessment period for that, and for the longer-term development of sustained research excellence. It was,

therefore, agreed that the Court should hold a further strategic discussion on research strategy and the University's plans to deliver it.

FINANCE

FINANCIAL PLANNING 2022/23 TO 2024/25

- 188 The Court received a paper detailing the proposed revenue plans for 2022/23 to 2024/25 (*copy filed with the principal copy of the Minutes*) following previous consideration and approval by the Policy and Resources Committee. The paper detailed the supporting planning process that had been undertaken with Schools and Directorates, the planning assumptions, an assessment of the risks and sensitivities in the plans and analysis of performance metrics and loan covenant compliance.
- 189 The paper also considered the 10-year cash flow projection that was anticipated to evolve from the three-year plans after incorporating capital expenditure and receipts over that extended period. It also included the first draft of an approach to a rolling investment plan for the digital and physical estates which informed the 10-year cash flow projection. In presenting the plan, the following key points were noted:
- The University had begun the planning process with the aim of moving towards an annual surplus of 3-5% of turnover. Whilst that remained the primary objective, the current economic climate (inflation and continued cost pressures), the financial outturn from the REF process and the SFC's financial settlement required a more cautious approach to the planning process and resultant budget setting. The three year plan therefore proposed a deficit of £1.9m in 2022/23, break even in 2023/24 and £3m surplus in 2024/25.
 - The key elements of the plan included continued growth in fee income, particularly international fee income and on-line programme and short course provision, and research grants. These were offset by increasing staff costs, operating costs and depreciation. The plan also reflected the need for continuing investment in academic staffing to address areas of high Student:Staff Ratios and to strengthen research capacity, and in professional services to support both research and education.
 - This predicted surplus position at the end of the planning period did not take account of pensions costs due to their unpredictability. The University's USS pension liability was forecast to increase and the figure would be confirmed as part of the year end process.
 - Cash was forecast to be at £101m at July 2022 but the plan projected a reduction in the cash position through to 2026/27 with a subsequent increase to 2031/32. This was due to the King's Quarter and Business School project completions and a further £10m of borrowing requiring repayment.
 - The plan provided for full debt service cover including annual interest payments and scheduled loan repayments and highlighted compliance with internal and external covenants. It was noted that compliance with the USS covenants would be tight across two of USS's key metrics. Whilst the consequences in the event of a breach were unknown, in that eventuality it was likely revenue and capital spend would come under closer scrutiny and challenge.
 - The plan included £21m investment in the Digital Strategy and £89m overall capital spend. It noted, however, that the 10 year Estates and Digital Plan would follow and outline a more detailed programme of investment and prioritisation to underpin Aberdeen 2040.
- 190 In considering the proposed plan, the Court discussed in particular the assessment of the key risks and sensitivities to its achievement, noting that the external financial and political environment was deteriorating in many respects and unstable. International fee growth was considered key to the achievement of the plan and the Court was assured that University's success over the previous four years in student recruitment allowed the Senior Management Team to be confident that the forecast revenue growth was achievable.
- 191 The Court welcomed the greater emphasis in the plan on risk assessment/sensitivity analysis. It suggested that this could be extended further in some areas, such as staffing and to include more 'stress-testing' and scenario planning to provide assurance to Court given the unstable external environment. More information on the impact of capital/land sales was also suggested.

192 Following discussion, the Court:

- Approved the three-year plan targeting an underlying deficit of £1.9m in 2022/23, break even in 2023/24 and a £3m surplus in 2024/25;
- Approved the 10-year cash position;
- Noted that the plan meets the internal and external covenants requirements and accommodates the risks, opportunities and sensitivities outlined in the paper;
- Noted the work in progress regarding the forthcoming 10-year Estates and Digital Plan.

SFC PLANNING FORECAST FOR 2022/23 TO 2025

193 The Court received and approved for submission to the SFC, the Strategic Plan Forecast (SPF) for the financial year 2021-22 and for the two further financial years 2022-23 to 2023-24, (*copy filed with the principal copy of the Minutes*).

EXCEPTIONAL STAFF PAYMENT

194 The Court received a proposal (*copy filed with the principal copy of the Minutes*) for an additional one-off exceptional payment to staff on Grades 1-6 to address the current inflationary pressures and economic hardship. This would cost £1.25m and was considered affordable due to the financial flexibility resulting from the University's strong financial performance in 2021/22.

195 The Court welcomed and approved the proposal.

GOVERNANCE

GOVERNANCE REVIEW IMPLEMENTATION

196 The Court received an extensive paper which enclosed for approval several significant components required as part of the implementation of the governance review recommendations (*copy filed with the principal copy of the Minutes*). These comprised:

- Revised Court Committee Structure
- Statement of Roles and Responsibilities and Schedule of Delegation
- Revisions to Standing Orders of Court and Decisions Between Meetings Procedures
- Standard Operating Procedures for Court Committees and Transparency of Business

Court Committee Structure

197 The Court received a paper which discussed a review of the remit and sub-committees of Policy and Resources Committee (PARC) and the relationship of the Committee to both Court and Executive Management responsibilities. This considered two options for a successor to PARC and consequential changes to reporting lines in the governance eco-system. These being:

Option A - the creation of a Finance, Resourcing and Commercialisation Committee

Option B – the creation of two committees one dealing with Finance & Resourcing and the other with Commercialisation.

198 The Governance and Nominations Committee, having considered the paper, recommended Option B to Court for approval.

199 In discussion, it was suggested that particular care should be taken to ensure that appropriate oversight and consideration of People issues at the strategic level was maintained particularly as these were interconnected to financial and resourcing decisions. It was noted that Option B would require a re-drawing of committee compositions and memberships and that, if approved, this would be progressed through Governance and Nominations Committee and then Court.

200 The Court approved Option B as the proposed structure of Court Committees for 2022/23 and noted that the operation of the structure would be reviewed after one year.

Statement of Roles and Responsibilities and Schedule of Delegation

- 201 The Court approved a statement of the respective roles and responsibilities of Court, Senate and the Senior Management Team.
- 202 The Court noted an outline draft and proposed approach to the development Schedule of Delegation and Approval Authorities between Court, its sub-committees, SMT and Senior Officers. Subject to approval of the proposed Court Committee Structure, this would be developed further and brought back to Court for approval for implementation in autumn 2022.

Revisions to Standing Orders of Court and Decisions Between Meetings Procedures

- 203 The Court approved revisions to its Standing Orders following review and consideration by the Governance and Nominations Committee. This included review and amendments to the Court's decisions between meetings procedure (which were now included in the revised Standing Orders) and the formal disbanding of the Court Emergency Powers Group which had been established in response to the first Covid-19 lockdown.

Standard Operating Procedures for Court Committees and Transparency of Business

- 204 The Court approved a set of standard operating procedures for sub-committees of Court and updated practice for the transparency of Court/Court sub-committees business, both within Court's membership and with the wider University community.

COURT STAKEHOLDER MEETING

- 205 The Court received a paper outlining a revised approach and format for the Court stakeholder meeting (*copy filed with the principal copy of the Minutes*). The revised approach would clearly identify the meeting as a Court Stakeholder event for staff, students, alumni, business, and other members of the local and wider community to hear from and engage with members of the Court. As such, the event would be 'de-coupled' from the General Council Statutory meeting while remaining open to alumni as key stakeholders.
- 206 In discussion, it was suggested that consideration be given to extending the proposed showcasing opportunity component of the event to include Professional Services activities, as well as teaching and research.
- 207 The Court approved the revised approach and the suggested timing of the event to coincide with the November 2022 meeting of Court.

COURT MEMBER E-MAIL AND UPDATE ON NEW DIGITAL BOARDPACK SYSTEM

- 208 The Court received and considered a report on the procurement and implementation of a new digital boardback system for Court and its sub-committees and a proposal from the University's Information Governance Committee for a new policy to reduce the risk associated with the current ways of working with regard to University Court Members' IT access (*copy filed with the principal copy of the Minutes*).
- 209 The paper explained that Court members were currently not mandated to use institutionally managed email accounts, credentials, devices and systems when accessing University data and digital services. This gave rise to some institutional and individual risks which had been considered by the Information Governance Committee. It recommended that these be addressed by mandating the use of University email accounts and devices, and the use of approved file sharing and collaborative services for all Court members when conducting Court activities.
- 210 In discussion, it was noted that the proposal would have implications for non-staff members of Court in particular and some concern was expressed regarding the practicalities of having to use a separate IT device and manage a further e-mail address/account. It was, therefore agreed, instead that:
- (i) Use of a University provided and managed device would not be mandated if the member's personal device was classed as "trusted" by the University in terms of IT

- security. A University device would be provided if preferred or would be mandated if the member's device could not be deemed "trusted".
- (ii) University e-mail accounts would, however, be mandatory and the implementation of this would include support and guidance on how to make the transition as practical and easy for members as possible.

GOVERNANCE AND NOMINATIONS COMMITTEE REPORT

- 211 The Court received a report of the key items of business considered by the Governance and Nominations Committee's meeting of 19 May 2022 (*copy filed with the principal copy of the Minutes*).
- 212 The Court noted that the Committee had considered the following items of business which were the subject of substantive papers elsewhere on the agenda:
- Revisions to Court Committee Structure (See Mins 197-200)
 - Review of Court Standing Orders and Decisions Between Meetings Procedure (See Mins 203)
 - Standard Operating Procedures for Court Committees and Transparency of Business (See Mins 204)
 - Review of Leadership and Governance Risk (See Mins 214)

Re-appointment of Independent Members

- 213 The Court approved a recommendation from the Committee for the re-appointment of:
- (a) Eleanor Bentley, as an independent member of Court wef 1 August 2022 for a period to 31 July 2025;
- (b) Gary McRae, as an independent member of Court wef 1 October 2022 for a period to 30 September 2025.

AUDIT AND RISK MANAGEMENT

STRATEGIC RISK MANAGEMENT – BIENNIAL REPORT

- 214 The Court received and noted a Biennial Report on risk management at University level which included an updated version of the University's Strategic Risk Register (*copy filed with the principal copy of the Minutes*). It discussed the key issues and movements in the assessment of the likelihood and impact of the agreed institutional level risks and the adequacy of the measures in place for their management and mitigation.

AUDIT AND RISK COMMITTEE REPORT

- 215 The Court received a report of the key items of business from the Audit and Risk Committee's meetings of 28 April and 1 June 2022 (*copy filed with the principal copy of the Minutes*).
- 216 The Court approved the Committee's revised Remit, Composition and Terms of Reference and Schedule of Business for 2022-23.

STRATEGIC PEOPLE ISSUES

ADOPTION OF JERUSALEM DECLARATION ON ANTI-SEMITISM

- 217 The Court received and considered a proposal to adopt the Jerusalem Declaration on Anti-Semitism in the University (*copy filed with the principal copy of the Minutes*).
- 218 In discussion, the Court welcomed the extensive and wide-ranging process of discussion and consultation which had been undertaken across the staff and student communities in developing the proposal. It discussed the rationale for adopting the Jerusalem Declaration rather than the International Holocaust Alliance definition of anti-Semitism noting the careful consideration and consultation that had been undertaken on this point and that a particular factor had been this being the preferred option of the Senate in regard to protection of academic freedom.

EQUAL PAY AUDIT AND GENDER PAY GAP ANNUAL REPORT

- 219 The Committee received and considered a paper on the outcome of (i) the Equal Pay Audit undertaken during 2021 and (ii) the 2021 Gender Pay Gap Report (*copy filed with the principal copy of the Minutes*).
- 220 The Court noted that an external equal pay audit had been undertaken to identify whether there were areas where work was required to ensure that reward policies and procedures supported equal pay for equal work. The audit found that the University had appropriate policies and procedures in place to support equal pay for equal work for staff who identify with protected characteristics but included some recommendations to build upon these and the paper detailed the University's action plan to do so.
- 221 The Court also received and approved for publication the University's Gender Pay Gap Report (to 31 March 2021) which was reported on annually. This reported a mean Gender Pay Gap of 20.2%. The Court discussed the actions the University had and would continue to take to address the pay gap, noting where progress had been made and that eradicating the gender pay gap as well as pay gaps pertaining to other characteristics were key commitments of Aberdeen 2040. The Court was assured that it would continue to receive updates on progress against that commitment through monitoring of progress against Aberdeen 2040 and this type of report.

REPORTS FROM THE SENATE, COURT SUB-COMMITTEES and JOINT COMMITTEES OF COURT & SENATE

SENATE

- 222 The Court received a report on the key items of business considered by the Senate at its meetings on 16 March and 11 May 2022. The report was, however, withdrawn to allow corrections to be made to items included for approval and would be considered instead through a subsequent circulation of Court.

COURT-SUB COMMITTEE REPORTS

Policy and Resources Committee Report

- 223 The Court received a report a report of the key items of business from the Policy and Resources Committee's meeting of 8 June 2022 (*copy filed with the principal copy of the Minutes*). The Court noted that the Committee had recommended approval of the budget and financial planning analysis for the University for 2022/23 to 2024/25, including 10-year cash flow projections and the indicative capital expenditure plans which were presented to Court separately on the agenda (See Mins 188-192)
- 224 The Court noted the remainder of the report which covered the Committee's consideration and decisions regarding:
- REF2021 Outcomes
 - Review and refocus of the remit and sub-committees of the Policy and Resources Committee
 - USS Employer Covenants
 - AUSA funding for 2022/23
 - Final funding allocations from SFC for 2022/23
 - Digital Accessibility Policy, Social Media Policy and Neurodiversity Policy
 - Development of a new integrated mortuary for North East Scotland and the Northern Isles at Foresterhill

Remuneration Committee

- 225 The Court received an update from the meeting of the Remunerations Committee held in March 2022 (*copy filed with the principal copy of the Minutes*). The report detailed the Committee's consideration of two items - the Senior Staff Pay Policy and its decision that no pay exercise for senior staff should be undertaken in 2021/22, given the conclusion of the previous cycle in December 2021 and the proposed work on professorial banding; and a report on the Gender Pay Gap for staff at Grade 9.

Pensions Advisory Group

- 226 The Committee received and noted a report of the key items of business that had been considered by the Pensions Advisory Group by circulation since the last meeting of Court (*copy filed with the principal copy of the Minutes*)

JOINT COMMITTEES OF COURT-SENATE

University Education Committee

- 227 The Court received and noted a report from the University Education Committee on the key items of business that had been considered at its meeting on 13 April 2022 (*copy filed with the principal copy of the Minutes*).

Research Policy Committee

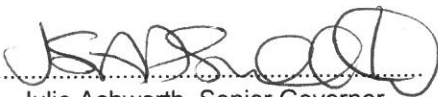
- 228 The Court received and a noted report from the Research Policy Committee on the key items of business that had been considered at its meeting on 9 March 2022 (*copy filed with the principal copy of the Minutes*).

CLOSED BUSINESS

- 229 The Court moved to a closed session (for which the Principal, Senior Management Team and Clerk withdrew) to consider the Principal's Annual Performance Review and Reappointment. The minute of that discussion is restricted to members of Court and held separately.

DATE OF NEXT MEETING

- 230 Tuesday, 4 October 2022 from 4pm to 6.30pm followed by Dinner and Wednesday, 5 October 2022 from 9am to 3pm.


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Julie Ashworth, Senior Governor

4.10.22
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Date Approved