

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

MINUTES OF MEETING HELD ON 1 MARCH 2023

Present: Julie Ashworth (in the Chair for Minutes 95 onwards)
Keith Anderson (except for Minutes 102 to 135)
Eleanor Bentley
George Boyne
Martina Chukwuma-Ezike (in the Chair for Minutes 94)
Owen Cox
Nick Edwards
Gary McRae
Helen Martin (Minutes 94 to 128)
Lyndsay Menzies (except for Minutes 107 to 110)
Caryn Miller
Martin Mills
Anne Minto
Vanessa Mabonso Nzola
Iain Percival (via Teams for Minutes 102 onwards)
Charlotte Pope-Williams (via Teams)
Diane Skåtun
Camilo Torres Barragán
Robert Traynham
Neil Vargesson
Ilia Xypolia

In attendance: Liza Boffen-Yordanova
Marion Campbell (94 to 128)
Debbie Dyker
Pete Edwards
David Evans
Jenny Fernandes
Karl Leydecker
Tracey Slaven
Alan Speight (via Teams for Minutes 94 to 128)
Louise Thomson
Iain Torrance KCVO
Mark White
Bruce Purdon (Clerk)

Apologies: Colette Backwell
Iain Mackay
Joachim Schaper
Otto Thoresen

WELCOME AND RECTOR'S REPORT

- 94 The Rector opened the meeting and introduced her written report to Court on activities that she had undertaken since the last meeting (*copy filed with the principal copy of the Minutes*). The Rector noted, in particular, the Christmas lunch that she had hosted for students unable to return home for the holiday period and her appreciation to the AUSA and Student Support teams for their continued work for the benefit of the student community.

DECLARATIONS OF INTEREST AND REMINDER OF COURT AND MEMBER RESPONSIBILITIES

- 95 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*). No declarations of interest in the agenda were noted.

MINUTES OF 22 NOVEMBER 2022

- 96 The Minutes of the Meeting held on 22 November 2022 were approved.
- 97 The Court also noted the action note of the informal Deep Dive discussion on Research Strategy held on 7 February 2023.

ACTION LOG, MATTERS ARISING AND DECISIONS BY CIRCULATION

- 98 The Court noted a report on the updated Action Log (*copy filed with the principal copy of the Minutes*). The report also recorded that since its last meeting the Court had approved by circulation the University's Annual Modern Slavery Statement.

REPORT FROM THE SENIOR GOVERNOR

- 99 The Court received and noted a report from the Senior Governor on the meetings and activities she had undertaken since the previous meeting (*copy filed with the principal copy of the Minutes*). The Senior Governor reflected, in particular, on the visit of Her Majesty The Queen Consort in January, the extended informal discussion that the Court had held in February on the University's research strategy, and that Court members were now partnered in a buddy system with Heads of Schools and Directors of Professional Services. The Senior Governor also reminded members to advise the Clerk of any training or development needs that they required.

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

- 100 The Court received a report on policy developments relating to higher education and the recent achievements of staff and students at Aberdeen University (*copy filed with the principal copy of the Minutes*) supplemented by an oral report from the Principal. As part of this, the Principal updated Court on the progress of the King's and Johnston capital project tenders and that there would be more to report at the next meeting of Court. The Principal also

anticipated future discussions with Court on the development of the next major University fundraising campaign.

- 101 The Principal also reported on the UK higher education financial context where recent data showed that one third of institutions had been in deficit in 2021, a figure that was likely to have increased in 2022. The Court then discussed the current status of the sector wide industrial dispute over pay, pensions and workload. A pay settlement decided nationally, of between 5-8% before incremental awards, was being implemented for all staff, as was required under local contractual terms. This and other financial projections discussed later in the agenda, regrettably meant that the University had to pause until September 2023 some recruitment of staff (exceptions being where posts related to REF investment, supporting growth in student numbers, statutory requirements or income generation activity). The pay settlement would be unaffordable for a number of institutions without taking cost-saving measures. While the situation with regard to the Universities Superannuation Scheme (USS) was expected to improve at its next valuation in 2024, the Principal reminded Court that universities were not the trustees of that scheme and, therefore, could not of and by themselves resolve the issues under dispute.

UPDATE AND EXTENDED DISCUSSION ON STUDENT RECRUITMENT

- 102 The Court received an update paper and presentation on student recruitment (*copy filed with the principal copy of the Minutes*). This focused, in particular, on postgraduate taught international applications, reflections on the challenges experienced with the September 2022 intake, the current position in relation to the January 2023 postgraduate taught international intake, the lessons learnt from both of those admissions rounds and the new actions implemented for both January 2023 and September 2023. The University Secretary and Chief Operating Officer, gave the presentation on behalf of the Vice-Principal for Global Engagement, who due to illness was unable to attend the meeting in person or deliver the presentation remotely.
- 103 The Principal noted that he had received a near final draft report from an external independent review that had been undertaken on the challenges experienced in the September 2022 intake. He reported on its draft recommendations, which once finalised, would be shared with Court. The Principal, meantime however, noted that the Senior Management Team took collective and individual responsibility for the issues that were experienced in the September 2022 intake. As part of this, the Senior Management Team had reflected on the robustness of its evaluation of the risks to sustaining the University's recent success in growing student numbers.
- 104 The Court discussed the continuing challenges that had been highlighted in the paper/presentation around conversion of applicants to entrants in some overseas markets and the risk of overreliance on one area. The Court also received assurances regarding how the University was monitoring its third-party admissions support, particularly in relation to the quality of entrants being maintained.

- 105 The Court was assured that, following the announcement that the Director of External Relations was leaving the University, interim measures were in place to ensure that staff in those areas were supported in the face of a challenging situation and workload pressure, and to provide these key areas with leadership and guidance. As part of this, the appointment of an Interim Director for the student recruitment and admissions part of the Directorate was being considered.
- 106 The Court discussed the steps that were being taken to take forward any short-term applications process improvements, prior to a longer-term and wider process review being undertaken. The Court also discussed the potential greater use of deposits for some overseas markets and noted that the University had advised applicants that deposits might potentially be required going forward.

FINANCE AND PLANNING

2022/23 UPDATED FINANCIAL PROJECTION

- 107 The Court received an update paper on the year-end projected financial position (*copy filed with the principal copy of the Minutes*), which took into account the January 2023 student intake.
- 108 Key points noted from the report were:
- That 630 January 2023 entrants for Post-Graduate Taught (international) was the assumption for the revised 2022/23 tuition fee forecast. This would result in a gross tuition fee shortfall of £14.1m against the annual budget.
 - Net savings/income movements identified to date to improve the University's budget position amounted to £3.8m. Achieving this would result in a £7.1m deficit, which would not meet the covenant position and at least £1.2m of further savings would be required to do so.
 - An additional £5.2m of income or savings were required to meet the £1.9m original deficit budget target for the year.
 - The key actions being undertaken to date to achieve the agreed £1.9m deficit, with more under consideration.
 - Further material forecast movements had arisen since the original forecast which amounted to a net adverse figure of £3.3m. These had been included within the forecast deficit of £7.1m noted above.
 - A further financial risk to the University's operating position that could worsen the deficit position by £1.6m (from £7.1m to £8.7m) this being due to the latest Universities & Colleges Employers' Association (UCEA) pay award offer, the cost of which was estimated to be an additional £1.58m. An £8.7m deficit would breach covenant by an estimated £2.8m without additional income or savings being identified and in this event, a total of £6.8m of savings would be required to bring the University back to a £1.9m deficit. It was also noted that to accommodate working capital cash movements an additional £1m of savings was recommended in order to provide covenant headroom (as the covenant was based on

operating cash flow which includes working capital debtor and creditor movements).

109 In discussion, the following key points were recorded:

- In addition to the selective recruitment pause noted earlier in the meeting, work was ongoing to identify areas of discretionary spend that were either not essential or could be paused. The Court was assured that if necessary, other priorities would not be taken forward in order to protect REF investment. In response to a question regarding protecting the IT budget, the Principal recognised the importance of that area but could not, given the financial context, guarantee that no savings might be required from that budget line.
- A standard provision for bad debt was included in the forecast.
- While noting the Senior Management Team's commitment to achieving the £1.9m agreed budget deficit position, some members noted that the Court should be prepared to consider, if necessary and if appropriately justified, a higher deficit in 2022/23 or running a small deficit in 2023/24, in order to avoid any short-term savings that impacted on the longer-term success of the University. It was also noted, however, that for the current financial year, action was required at this point in order to have effect and the focus was on identifying actions that would not have that longer-term impact.
- It was noted that it might be necessary to revisit at the Autumn Strategy Day the financial strategy if the current challenges in student recruitment continued into future admissions rounds and reflected a fundamental change in the external competitive environment.
- It was requested that future reports to Court also provide information on any issues with pensions' covenant compliance.
- The CFO assured Court that no other budgetary risks were anticipated, at this stage.

PROJECT PROPOSAL - HILLHEAD HEATING NETWORK

- 110 The Court received a proposal and business case for a new project to modernise the Hillhead Heating Network (*copy filed with the principal copy of the Minutes*). The project had been considered by the Finance & Resources Committee by circulation) and recommended to Court by it for approval.
- 111 The Court noted that the project would upgrade the heat distribution network at the University of Aberdeen's main student residence site (Hillhead Student Village). It would replace the existing heat distribution infrastructure across the site, replacing all existing pipework and upgrading the associated heat centres that serve each of the residential buildings. In so doing, the project would support a core ambition of the Aberdeen 2040 strategy by taking a significant step in the University's net-zero journey.

- 112 The following key elements of the project were noted:
- estimated total costs for the project of £6.5m. This included a 10% contingency, 14% optimism bias and an estimate of inflation.
 - works phased over four financial years with onsite construction works undertaken over two summer periods at a current updated estimated cost of £6.5m (£4m from a loan from the Scottish Funding Council and £2.5m from the University Estates recurrent capital budget).
 - a return on investment of 47% and payback period of 17 years
 - that a mandate to form a Project Board to progress the project, in line with the University's Project Management Methodology, had been approved by the Sustainable Heating Programme Board, Estates Committee and the Senior Management Team.
- 113 In discussion, it was confirmed that under University capital project approval procedures a value assurance review was not required for a project of this size/cost. The Court was assured that the contingency provision around inflation had been scrutinised extensively through the executive committee structure and then at Finance & Resourcing Committee and was considered to be as accurate a project cost proposal as could be anticipated under current market conditions.
- 114 In further discussion, it was suggested that the project board membership might usefully include an external assurance role and it was noted this suggestion would be considered.
- 115 The Court agreed to approve the proposed project and that the capital spend be brought forward in the 10-year capital plan and phased over four financial years (2022/23 £ 0.36m, 2023/24 £ 3.7m, 2024/25 £1.5m. 2025/26 £ 0.9m).

REPORT ON CUBANE/UNIFORM SERVICES EFFECTIVENESS ASSESSMENT

- 116 The Court received a paper which outlined the results of a recent Service Effectiveness Assessment of the Professional Services Directorate which had been undertaken by Cubane Consulting (*copy filed with the principal copy of the Minutes*).
- 117 The Service Effectiveness Assessment considered approximately half of the services provided within the University, with services from every Directorate included. The survey sought responses from staff in team leadership and academic roles and secured an overall response rate of 36% which was in the expected response range. It looked at the extent to which:
- the respondent was satisfied that each service was effective in supporting them to carry out their role; and
 - the user experience of services, focusing on the frequency with which users experience certain service attributes.
- 118 The Court noted that, overall, in comparison with other Universities the results were very positive. At the aggregate level, the University was near to the top of the benchmark group (4th) and second in the UK. Next steps were in two phases, the first being to respond to any areas where improvements might be

made, and to understand variations in assessment of effectiveness between schools. The second, would be to extend the assessment to a further benchmarking exercise that would inform any redesign of processes and service transformation, and help to understand where service effectiveness was the result of resource input rather than change to processes and systems.

- 119 In discussion, it was confirmed that the University's growth in student numbers was one reason that the proposed next steps would seek to consider if demand for services was being met and where processes may need to change in the context of that growth going forward.

RESULTS OF 2022 STAFF SURVEY

- 120 The Court received a presentation and links to supporting further information on the results of the 2022 staff survey. The Court noted that the results broadly indicated sustained high levels of satisfaction compared with the 2020 survey. Areas that had scored particularly highly were job satisfaction; leadership; feeling valued/supported, health and safety, and equality, diversity and inclusion. Areas that had scored less positively were: workload, pay, communication/staff involvement; and interdisciplinary spaces.
- 121 The presentation explored the University's further analysis and interpretation of the results and how it was responding to the points arising from the survey, with a particular focus on the survey's findings around workload levels. In discussion, it was noted that 91% of teaching and research staff were working longer than their contracted hours and this posed a risk to the University's future success. The University was exploring the greater use of teaching only positions to free up more staff time for research, greater use of research leave and would be undertaking a 'walk in my shoes' exercise to identify day to day demands on academic staff that could be removed or undertaken by other staff.

PEOPLE AND INCLUSION

PUBLIC SECTOR EQUALITY DUTY REPORT

- 122 The Court received a paper on the University's interim Public Sector Equality Duty Report which was a requirement of the Equality Act 2010 (*copy filed with the principal copy of the Minutes*). This reported on the progress made on mainstreaming Equality, Diversity and Inclusion (EDI) in the University and on delivering against the University's Equality Outcomes in the period 2021 – 2023.
- 123 In discussion, anecdotal examples of racist behaviours towards members of the University community were noted by Court with concern. This underlined that initiatives such as the Anti-Racism Strategy were necessary, but that there remained significant work still to do to change the culture and behaviours of some members of the University community and of the wider community of Aberdeen. In this context, it was suggested that the University should continue to look to be proactive in the steps it was taking to prevent incidents and that working in collaboration with wider partners in the City was essential.

- 124 In further discussion, it was confirmed that the use of the phrase “refused to share” in the report would be reviewed to ensure it was appropriate. The reporting of data by School/Directorate would also be checked to ensure it could not inadvertently identify anyone. It was also suggested that going forward it would be helpful for Court to understand what impact the University’s actions were having in the context of equality, diversity and inclusion. Subject to these comments being considered further, the Court approved the report for publication by the external deadline of 30 April 2023.

INTERNATIONAL

UPDATE ON AFG COLLEGE AND UNIVERSITY OF ABERDEEN PARTNERSHIP QATAR

- 125 University’s partnership with AFG College in Qatar (*copy filed with the principal copy of the Minutes*). This covered the development of a new academic cooperation agreement, the process for relicensing with the Qatari Ministry of Education and Higher Education as a higher education provider, the development of new programmes and student number planning, human rights and equalities, the potential development of a phase 2 campus, and discussions on the future business model for the partnership.
- 126 In discussion, it was noted that representatives of the Students’ Association had visited the Qatar Campus to discuss with AFG partners and students how it could enhance its relationship and services to them. The Court was also updated on the current status of discussions with AFG on the future business model for the partnership. The Court was also assured that where issues that were within the remit of Senate arose as the partnership moved forward, it would be engaged on those.
- 127 The Principal recorded his appreciation of the work that the Vice-Principal for Global Engagement was leading.

PEOPLE AND INCLUSION

APPROACH TO SUPPORTING THE VICTIMS OF CONFLICT

- 128 The Court received a paper which outlined the support which was available to at-risk scholars (staff and students) who were the victims of conflict from around the world (*copy filed with the principal copy of the Minutes*). The Court discussed the role of the Council for At-Risk Academics noting that it also supported students. It was also noted that support was offered to Russian nationals who were at risk and to victims of conflict from around the world. The University and the Students’ Association were also working effectively in partnership to support affected students.

COST OF LIVING - SUPPORT TO OUR COMMUNITY

- 129 The Court received a paper summarising the work being done to support both students and staff in navigating their way through the challenges linked to the increasing cost of living (*copy filed with the principal copy of the Minutes*). The Court noted that the University was working closely with the Students' Association to identify the issues and specific types of support that students most required.
- 130 In discussion, it was noted that the Students' Association had a concern that for international students, visa compliance rules made accessing hardship funds complicated and more difficult than for home students. It was added that while it would be difficult for the University to replicate the level of hardship funding available to home students from the Scottish Government, it did have funding support dedicated to international students, as well as emergency financial support available to any student. The University also gathered data on the levels of applications for support to such funds which was available if of further interest to members.

GOVERNANCE & REGULATORY

DELEGATED AUTHORITY SCHEDULE

- 131 The Court received a proposed Delegated Authority Schedule (DAS), together with related amendments to the Financial Regulations (*copy filed with the principal copy of the Minutes*). An initial draft had been presented to Court in June 2022 and the revised draft had been developed further to take account of further changes to the governance and executive committee structures.
- 132 The Court noted that the development of the DAS had been undertaken in response to recommendations from the Externally Facilitated Review of Governance. It largely codified existing agreed authorities and delegations from committee remits, policies and procedures into one document, but building upon these where any gaps had been identified. The DAS would be a live document subject to regular review, additions and amendment on an ongoing basis and in response to internal changes.
- 133 In discussion, a member expressed reservations regarding the clarity of the document and its articulation of the respective powers and roles of the Court and Senate relative to each other. The Court was assured that the document reflected the powers assigned to the Court and Senate in statute and that it brought together current practice, policy and procedure into one document. The Court recorded that the member was not content to approve the document as drafted and considered that it required further amendments before being adopted. The member was invited to share detailed comments with the Secretary for further consideration.
- 134 Some further suggestions from members regarding setting an upper percentage limit rather than using the Retail Price Index for tuition fees and referencing of pensions covenants were noted and would be incorporated into

the document. Subject to those amendments, the Court approved the Schedule and changes to the Financial Regulations.

UPDATE ON CHANGES TO EXECUTIVE COMMITTEE STRUCTURE

- 135 The Court received and noted a paper which, following amendments to the Court Committee structure arising from the Externally Facilitated Review of Governance, outlined changes that were being made to the Executive Committee Structure (*copy filed with the principal copy of the Minutes*).

REPORTS FROM THE SENATE AND FROM COURT SUB-COMMITTEES

SENATE REPORT

- 136 The Court received and noted a report on the main items of business considered by Senate at its February 2023 meeting (*copy filed with the principal copy of the Minutes*). The report included a recommendation to Court to approve two draft resolutions: (i) the Omnibus Resolution Changes in Regulations for Various Degrees; and (ii) the Additional Degrees Available to Senate for Award *honoris causa tantum*.
- 137 The Court discussed the Senate's decision to approve a timeline for the Decolonising the Curriculum project. In regard to that Senate discussion, it was clarified by Senators present, in response to comments raised by the Students' Association, that the Senate's primary concern had been regarding the timeframe to deliver the project effectively in the context of workloads, rather than the validity of the project itself.
- 138 The Court approved the two draft resolutions subject to the further consultation required by the Universities (Scotland) Act 1966 being undertaken (through the Business Committee of the General Council and making publicly available for comment). The draft Resolutions would return to Court for final approval following the conclusion of those processes.

Court Sub-Committee Reports

AUDIT AND RISK COMMITTEE

- 139 The Court received a report on the key items of business considered by the Audit and Risk Committee at its meeting on 14 February 2023 (*copy filed with the principal copy of the Minutes*).
- 140 The Court on the recommendation of the Committee approved the appointment of Ernst & Young as the University's new external auditor for an initial period of three years from 1 April 2023, with the potential for two additional one-year extensions. This followed a tender process and scrutiny of the one bid that had been received by a panel of two Audit and Risk Committee members and the Chief Financial Officer, and subsequent endorsement of their recommendation by the full Committee.

141 The Court also noted that the Committee had undertaken an extended discussion on financial sustainability and that arising from that, it had identified that it would be timely to review the approach to minimum cash holdings to confirm if this remained appropriate given the significant change in the external economy since the pandemic.

GOVERNANCE AND NOMINATIONS COMMITTEE REPORT

142 The Court received a report on the key items of business considered by the Governance and Nominations Committee at its meeting on 7 February 2023 (*copy filed with the principal copy of the Minutes*).

143 The Committee's report outlined the proposed approach to the prospective recruitment of independent members of Court including the preferred skills and experience to be prioritised in the recruitment of new members, the composition of the shortlisting/interview panel, and the proposed use of 'in-house' recruitment expertise and University networks in the first instance rather than external recruitment consultants. The Court approved the proposed approach outlined in the paper.

144 In discussion, it was confirmed by the Senior Governor that while periods of office of three terms of three years was permitted under the Scottish Code of Good HE Governance, this was not automatic and the intention was to ensure that the Court's independent membership was regularly reviewed to support the strategic priorities of the University and ensure appropriate continuity.

145 The Court approved a proposed change to the rules for the election of staff members of Court which implemented its earlier decision in March 2021 that the system of voting should be changed to adopt the Alternative Vote system rather than 'First Past the Post'.

146 The Court approved a recommendation from the Committee to "re-set" and regularise the period of appointment of the academic and non-academic elected staff members and trade union nominated members of Court, so that their tenures conclude in future in July rather than in October, thereby allowing any future appointments to take up post before the start of an academic year. This required the forthcoming period of office of three of the positions to be shortened from three years to 2 years and nine months these being:

- Academic and Non-Academic Staff Elected Members: appoint from 1 November 2023 to 31 July 2026;
- UCU Nominated Member: appoint from 1 November 2023 to 31 July 2026;
- UNISON/UNITE Nominated Member – no change: appoint from 1 August 2023 to 31 July 2026

147 The Court approved, on the recommendation of the Committee, a revised approach to the role of Court Race Champion which it had previously agreed should be reconsidered. This was detailed in the paper and would now be undertaken on a time limited basis for twelve to eighteen months and rotated

around Court members. Expressions of interest from members in the role were invited.

FINANCE AND RESOURCING COMMITTEE REPORT

- 148 The Court received and noted a report on the key items of business considered by the Finance and Resourcing Committee at its meeting on 7 February 2023 (*copy filed with the principal copy of the Minutes*).

COMMERCIALISATION COMMITTEE REPORT

- 149 The Court received and noted an overview of the business considered by the Commercialisation Committee at its meeting on 6 February 2023 (*copy filed with the principal copy of the Minutes*). In discussion, it was noted that the Business Committee of the General Council was to give consideration as to how it could support the University in the context of commercialisation.

FURTHER REPORTS FOR NOTE OR REFERENCE AVAILABLE IN RESOURCES AREA OF DECISION TIME

REPORT FROM THE PARTNERSHIP, NEGOTIATING & CONSULTATIVE COMMITTEE

- 150 The Court received for information and reference the report from the meeting of 31 January 2023 of the Partnership, Negotiating and Consultative Committee (*copy filed with the principal copy of the Minutes*).

DATE OF NEXT MEETING

- 151 The Court noted that its next meeting would be held on Wednesday, 26 April 2023 at 9am to 3pm.
- 152 The Court was also advised that it was expected that a joint seminar with the board members of The Robert Gordon University and the North East Scotland College would be held following the meeting of Court on Wednesday 21 June 2023 with a provisional timing of 4pm to 6pm.



Julie Ashworth, Senior Governor

26 APRIL 2023

Date Approved