

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 30 October 2001

Present: Mr A Mair (in the Chair), Principal, Dr A Dawson, Mr H Duncan, Professor G Graham, Mr J P Grant, Miss A Harper, Councillor P Johnston, Dr P Kinnear, Professor S Logan, Mr R McGregor, Dr M Mackie, Dr N Milne, Dr G Roberts, Professor T Salmon, Professor J Sewel, Mrs A Skene, Professor W Smith, Mr G Stevenson, Professor I Torrance, with Professor D Houlihan, Professor P Sloane, Ms C Macaslan, Mr S Cannon, Ms I Bews, Ms N Coghill, Mr S Gordon, Mrs C Inglis, Dr P Murray and Mrs H Stephen (Clerk).

Apologies for absence were received from the Rector, Councillor D Clyne, Dr N Dower, Dr H Fullerton, Mr J Leiper, Professor D Ogston, and Professor A Rodger.

NEW MEMBER

38 Mr Mair welcomed Mr Hugh Duncan to his first meeting of the Court.

MINUTES

39 The Minutes of the meeting on 18 September 2001 were approved.

DECLARATION OF INTERESTS

40 Mr Mair drew attention to the new declaration of interests statement which had been included on the agenda in accordance with the University's acceptance of a recommendation of the FAMS report (*see Min 53 below*). It would in future appear on the agendas of the Court, Court Committees and Court-Senate Committees as a matter of standard practice.

NORTHERN COLLEGE

41 The Court was informed that the Scottish Executive, in preparing the necessary Statutory Instrument (for approval through the Scottish Parliament) to effect the merger of Northern College with the University, was still working to a Vesting date of 1 December 2001.

REPORTS BY COMMITTEES

Joint Planning Finance & Estates Committee

42 The Court received a report from the Joint Planning Finance & Estates Committees meeting on 2 October 2001.

SHEFC Review of Teaching Funding: Consultation

43 The Court received a copy of the University's response, finalised following discussion by the JPFEC, to the SHEFC consultation paper which related to its review of teaching funding and sought institutional views on the issue of partial conversion of fees-only student places to funded places. The University had expressed support for option A put forward by SHEFC.

Financial Reports

44 The Court noted that the financial reports to July 2001 had confirmed a better than expected outturn for the financial year 2000/2001, with an historical cost surplus of £1.3M; a recent adjustment had resulted in an increase in the surplus to £1.56M.

45 The Court noted that QSP, provider of the University's financial software package, had gone into receivership on 17 October 2001 and had since been bought over by Walkers Software Solutions, a large American company, which had guaranteed to continue and develop the product. A new University contract with Walkers would need to be negotiated.

Capital Programme

- 46 The Court noted that, on the recommendation of the Investment Appraisal Committee the JPPEC had approved additions to the Capital Programme for 2001/02, to be funded from the Contingency Reserve within the overall £3M capital allocation.

Estates matters

- 47 The Court noted that the JPPEC had received a progress report from its the Estates Advisory Committee on current property matters and capital projects which included reference to the following:
- 47.1 *Marischal College:* The planning application for the refurbishment had been submitted to Aberdeen City Council. The University had also signed an exclusivity agreement with Aberdeen Asset Managers which would expire on receipt of planning permission or 30 June 2002, whichever was earlier.
- 47.2 *Dunbar Hall:* The University application for planning permission for demolition of the Hall was unlikely to be granted before November 2001 in the expectation that it was likely to include conditions for prior access for archaeological excavation of the area surrounding the building, the University had offered access to Aberdeen City Council for the archaeological work. The University had also indicated its intention to apply for planning permission to redevelop the site within two years following demolition.
- 47.3 *IMS 2, MRF and Vertical MRI Scanner:* The IMS2 project was currently eight weeks behind schedule and the proposed completion dated had been deferred to 30 June 2002. Planning permission had been granted for both the MRF and the Vertical MRI Scanner.
- 48 The Court noted that the JPPEC had approved the appointment of a Selection Committee to review tenders and make recommendations for the renewal of the University's insurance broking, claims and risk management contract with effect from 1 January 2002 on the conclusion of current contract with AON Risk Services.

Audit Committee

- 49 Mr Grant introduced a report to the Court from the meeting of the Audit Committee held on 28 September 2001.
- 50 The Court noted that the Committee had approved eight internal audit reports, on Appointment of Consultants, the Department of Medicine and Therapeutics, the Dugald Baird Centre/Assisted Reproduction Unit, Cash and Treasury Management, Financial Ledger, Transparency Review, Procurement, and Other Operating Income.
- 51 The Court noted that the Committee had approved Deloitte & Touche's internal audit plan for 2001/02.
- 52 The Court noted that the Audit Committee had confirmed the annual renewal of appointment of Deloitte & Touche as the University's internal auditors for the third year of their three-year contract.
- 53 The Court received a copy of the final Report by SHEFC's Financial and Monitoring Service (FAMS) of findings arising from the visit of FAMS staff in June 2001 to review the University's arrangements for financial control, corporate governance and audit. The Audit Committee had considered the draft FAMS report and had approved the University's response which indicated that all the recommendations had been accepted and had been or would be fully implemented. The Court noted in particular that FAMS had no immediate concerns regarding the financial health of the University of Aberdeen.
- 54 In discussion, the Court also noted that a recent article in the Sunday Times, while technically not inaccurate, might have given an unnecessarily adverse impression of the financial health of the University in 1999/2000 compared to other institutions. The press coverage did not follow the convention, in accordance with required accounting procedures, of focusing on an institution's annual historical cost surplus/deficit, net of the impact of revaluation of assets, as the measure of its financial position. In view of the accounting

complexities, however, it had been judged inappropriate to enter into media debate about the position. In any event the outturn position for the 2000/2001 financial year represented a significant improvement on the previous year.

- 55 In relation to the University's firm intention to achieve, and preferably exceed, the level of historical cost surplus recommended by SHEFC (3% of total turnover, equivalent to £4m for the University), the Court also noted that there was a balance to be taken into account between academic development needs and estates requirements.

Student Recruitment and Admissions Committee

- 56 The Court received a copy of the Admissions Report, which had been prepared for consideration at the meeting of SRAC on 25 October 2001, and analysed applications and admissions to the University at the start of the 2001/02 academic year.
- 57 Professor Houlihan, spoke to the Report and noted that Student Recruitment Services had run a very successful campaign in an intensely competitive environment, and that the general admissions picture was positive, especially at full-time undergraduate (home and overseas) level. One area of concern, however, was research postgraduate recruitment where the year's intake was likely to be significantly short of target in all Faculties; there would need to be continuing effort to address the problems. Student Recruitment was now developing the next campaign with a view to attracting again a high level of applications; the Faculty and University Open Days were now an important part of the recruitment process.
- 58 In response to questions Professor Sloane confirmed that his committee on wastage rates was continuing to analyse the continuing problems. It was clear that there were diverse contributory factors. In relation to wastage, the advising system provided essential support to students at risk.

SHEFC CONDITIONS OF GRANT

- 59 Mr Cannon presented a paper which referred to the background to the Funding Council's consultation exercise on its proposal to introduce a new Condition of Grant, and to the sector's emerging discussion of the issues. The Court was invited to consider a draft University response to SHEFC which would endorse and support the *Universities Scotland's* draft response, which encapsulated all the major concerns, a copy of which had also been circulated with the paper.
- 60 In discussion Professor Graham, while accepting the need for University accountability to SHEFC and other funders, suggested that, in view of the seriousness of the SHEFC proposal and particularly in relation to the possibility that SHEFC might be acting *ultra vires*, the Court had a duty to exercise its constitutional powers to defend and protect itself. In this context, Mr Cannon undertook to clarify the powers of the Court.

Note: The powers of the University Court, as consolidated in Schedule 2 to the 1966 Act, do not give it any power or responsibility to defend and protect itself, and accordingly no reference to this point was included in the University response. The response submitted by the Committee of University Chairmen, however, following the SHEFC meeting with Principals and University Chairmen on 9 November, drew attention to the fact that the powers of the University Courts, at least of the ancient universities, derive from primary legislation and therefore cannot be taken away, other than by new primary legislation.

- 61 The Court generally endorsed the draft University response on this basis and agreed to delegate powers to the Principal and Senior Lay Member to agree the final response after the scheduled meeting with SHEFC on 9 November.

MEMBERSHIP OF COURT, AND JOINT COURT-SENATE COMMITTEES

- 62 The Court approved recommendations from the Nominating Committee that Mr Hugh D Duncan, a Governor of Northern College, be appointed to Court with immediate effect for the period to 31 July 2004.
- 63 It noted that Mr J Graham, Chairman of the Board of Governors of Northern College, would be invited to be in attendance at the Court for a period of two years with effect from vesting day for the Northern College merger.
- 64 The Court approved recommendations from the Nominating Committee (i) that Mr Hugh Duncan be appointed a member of the Joint Planning Finance & Estates Committee and the Risk Management Committee and (ii) that Mr A D J Amoore be appointed a member of the Audit Committee, replacing Mr Marnoch, with immediate effect for the period to 30 September 2004.

COURT AWAY-DAY

- 65 The Court received Notes of its Away-Day held on 18 September 2001.

SENATE APPOINTMENTS TO JOINT COURT-SENATE COMMITTEES

- 66 The Court was informed that Professor Paul Beaumont had been appointed as one of the Senate's two representatives on the Chapel Committee, and that Professor W Cairns Smith had been elected as a Senate Assessor on the Joint Planning Finance & Estates Committee.