

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of Meeting held on 16 December 2003

Present: Mr A Mair (in the Chair), Principal, Mr A Amoore, Dr A Dawson, Dr N Dower, Ms J Duncan, Ms C Edge, Professor G Graham, Mrs S Grant, Miss A Harper, Councillor P Johnston, Mr M Lockhead, Professor S Logan, Dr M Mackie, Mr D Marr, Professor T Salmon, Professor W Smith, Mr G Stevenson, Mr S Styles with Professor D Houlihan, Professor B MacGregor, Mr S Cannon, Ms I Bews, Mr A Donaldson, Mrs C Inglis, Dr P Murray, Mrs L Manders and Mr B Purdon (Clerk).

Apologies for absence were intimated from the Rector, Professor P Beaumont, Lady Catto, Mr J Leiper, Dr N Milne, Dr G Roberts, Professor J Sewel, Councillor J Stewart and Professor A Rodger.

MINUTES

90 The Minutes of the meeting held on 4th November 2003 were approved.

UNIVERSITY AND SUBSIDIARY COMPANIES ANNUAL ACCOUNTS 2002-03

91 The Court received the University's Annual Accounts for the financial year 2002-03, which had been scrutinised by the Audit Committee, and forwarded by the JPFEC with a recommendation for their formal approval by the Court. (*See also minute 100-101 and 104 below*) The Court also received a commentary from the Finance Director which highlighted key audit and accounting issues and the External Auditors Management Letter. The Court was pleased to note that the outcome for the year was again positive. Overall income had increased by £11.2m (9%). A historical cost surplus of £5.635M had been recorded, compared with a historical surplus of £5.984M in the previous financial year.

92 The Court approved the University's annual accounts for the financial year 2002-03. It also noted the Annual Summary Report on Endowments and that following a review of catering and conferencing facilities, King's College Conference Centre Ltd had ceased trading on 31 July 2003 and was now dormant.

RESTRUCTURING UPDATE

93 In the absence of Professor Sewel, Mr Cannon introduced a paper that summarised the progress of the Voluntary Severance/Early Retirement Scheme.

94 It was noted that the scheme had received a significant level of interest from both academic and non-academic members of staff. The scheme remained open for applications until the end of January. It was expected that a clearer picture of how far the scheme had met its financial objectives would emerge in the near future. At the same time it was expected that the Heads of College would be in a better position to assess where they wished to make strategic investment early in the New Year

95 The Court was informed that efforts to identify new staff of high quality were well underway. Because of the nature of the academic recruitment market it was expected that this may take some time. It was also possible that over the course of time areas of new opportunity for recruitment and investment would emerge. Competitive bids from Colleges for restructuring funds would be approved depending on the strength of their cases.

## REPORTS BY COMMITTEES

### **Audit Committee**

96 The Court received a report from the Audit Committee which had met on 14 November 2003, which included its Fourteenth Annual Report.

97 In presenting the Report Mr Amooore confirmed that the Committee had been content with the University's financial and management systems. It had been noted that in general Schools or sections that had been subject to internal audit were now finding the process to be more helpful than in the past.

98 The Court approved the Annual Report for submission to SHEFC.

#### *Annual Reappointment of External Auditors*

99 The Court approved the annual reappointment of PricewaterhouseCoopers as external auditors to the University, this being a one-year extension to their initial three year appointment.

#### *University Draft Annual Accounts: Year Ended 31 July 2003*

100 The Court noted that the Committee had considered the University's Draft Annual Accounts for the financial year 2002-03, together with a detailed Commentary from the Finance Director and a Report on Endowments for the year. (*See Minutes 91-92 and 104*)

101 The Court received the External Auditors' Report to the Audit Committee and considered the conduct of the audit. It was noted that the external auditors had indicated that they had issued an unqualified audit opinion in respect of the consolidated accounts.

#### *Internal Audit Reports*

102 The Court noted that the Committee had approved the internal audit report on the School of English and Film Studies, Report No 10 of 2002-03 from Deloitte & Touche and had agreed that, where necessary, reports on follow-up action be brought forward in due course.

### **Joint Planning Finance & Estates Committee**

103 The Court received a report from the Joint Planning, Finance & Estates Committee which had met on 2 December 2003.

#### *University Accounts*

104 The Court noted that the Committee had considered the University's Annual Accounts for 2002-03 and had recommended their approval. (*See Minutes 91-92 and 100-101*).

#### *Student Accommodation*

105 Mr Cannon introduced proposals from the Committee for the future provision of student accommodation, which were commercial and in confidence to the Court. These had been drawn up following recent changes in local demand for student accommodation and concerns regarding the VAT status of the Sanctuary business model for Hillhead Student Village Project.

106 The Court noted that the Committee had considered five options for the replacement of student accommodation and had recommended that Framework Strategy Option 3, as described in the paper, be adopted by the Court. This was preferred both in terms of financial return and for the flexibility it provided which would allow account to be taken regularly of the market position and for adjustments to be made to the strategy, as required. The Framework Strategy contained a number of stages all of which would be brought forward to Court for approval via JPFEC.

- 107 The Court approved the Committee's recommendation to adopt Framework Strategy Option 3.

*Strategic and Operational Planning*

- 108 The Court noted that the Committee had received the strategy papers, which had been considered during the Funding Council Visit on 10 November 2003. It was noted that no formal feedback had been received from the Funding Council as yet.

*Restructuring*

- 109 The Court noted that the Committee had received a report on applications to the Restructuring Fund as at 2 December 2003.

*Students' Association Annual Accounts 2002-03*

- 110 The Court noted that the Committee had received a copy of the draft Students' Association Annual Accounts for the year 2002-03 which had been subject to external audit. In response to Members' concerns regarding matters raised by the Auditors (Johnston Carmichael) the Students' Association General Manager had assured the Committee that all issues had been resolved and that a clear, unqualified audit report would be received. The Director of Finance had agreed to confirm the position.
- 111 The Court noted that, as the University was providing financial management services for the Association from this financial year, its operations would be brought into line with University practices.

*Subsidiary Companies Annual Accounts 2002-03*

- 112 The Court noted that the Committee had received for information copies of the audited Annual Accounts 2002-03 for (i) AURIS Ltd, which had been approved by the Board, and (ii) KCC Ltd.

*Capital Expenditure Sub-Committee*

- 113 The Court noted that the Committee had received a report from the Capital Expenditure Sub-Committee and that, in general, capital expenditure was below budget for the year to date.
- 114 The Court also noted that the Committee had received progress reports on a range of property matters and capital projects including Education Relocation; Sports Facilities; Pathfinder: Halls; Institute of Applied Health Sciences; Old Aberdeen Heating Station Replacement; Strategic Research Investment Fund 2 Projects; Old Aberdeen Town House and the new Health Centre.

*Risk Management Committee*

- 115 The Court noted that the Committee had received a report from the Risk Management Committee and, for its part, noted the following:
- (i) That, in accordance with the Good Practice Guidelines for the Preparation of Business plans, all project sponsors, directors and clerks of project boards had been asked to prepare Risk Assessments for consideration by the Risk Management Committee.
  - (ii) That the Convener of the Audit Committee had joined as an *ex officio* member of the Risk Management Committee, to formalise the close link between the two.
  - (iii) That the Register of Strategic Risks, first approved in June 2002, was undergoing a thorough revision and would be put to the JPFEC and Court for approval in due course.

- (iv) That the Risk Management Committee had approved a Crisis Management Plan to act as a guide for those who managed the response to and the recovery from major incidents. The types of incident envisaged were those which caused physical damage to buildings, such as fire, explosion or flood. Further work would be undertaken to complete the plan, including discussions with organisations with which the University would need to work closely.
- (v) That the Committee had also approved proposals regarding the development of Business Continuity Plans for Schools and support units. The business impact analysis of the Registry carried by TEED Consultancy would be used as a template for other units.

*Investment Committee*

- 116 The Court noted that the Committee had received a report from the Investment Committee and noted the summary of the Fund Manager's Quarterly Report for the three months to 31 October 2003 and the Independent Financial Adviser's report for the two months to 30 September 2003. The Court also noted that a formal Treasury Management Policy would be incorporated into the draft Financial Strategy, which was currently being drawn up.

*Admissions Report 2003*

- 117 The Court noted that the Committee had received an admissions report, as at 20 October 2003. It was reported that full-time home/EU undergraduate admissions had exceeded target by a total of 85, potentially exposing the University to claw-back of around £135,000. Overseas undergraduate admissions had risen by a further 30 overall, taking the registered population to over 500. Admissions of home/EU post-graduate taught and home/EU and overseas post-graduate research students had fallen short of target for this year. Overseas taught postgraduate numbers had been maintained overall.

*Admissions Targets 2004-05*

- 118 The Court noted that the Committee had received and considered a paper commenting on the forecast out-turn student population for 2003-04 and setting out proposals for admissions targets for entry in the academic year 2004-05.
- 119 The Committee had approved the targets, as set out in the paper.

*Financial Reports 2003-04*

- 120 The Court noted that the Committee had considered the management accounts for the three months to 31 October 2003, which showed an historical cost surplus of £535,000 against a budgeted surplus of £267,000.

*Good Practice Guidelines for the Preparation of Business Plans*

- 121 The Court noted that the Committee had approved Good Practice Guidelines for the Preparation of Business Plans.

*Transfer of Funded Places*

- 122 The Court noted that the Committee had received for information a copy of the request for the strategic and routine transfers of funded places as submitted to the Funding Council on 21 November 2003.

### Staffing & Development Committee (11 November 2003)

- 123 The Court received a report from the Staffing & Development Committee which had met on 11 November 2003.

#### *Staffing Policy: Staff and Students - Conflict of interest*

- 124 The Court approved the Policy Staff and Students – Conflict of Interests which aimed to ensure that a duty of care to both staff and students was met, and to safeguard the interests of both. *(Copy to be filed with the principal copy of the minutes).*

### SUSTAINABILITY POLICY

- 125 Professor Houlihan introduced a draft Sustainability Policy. The Policy was intended to ensure that sustainability was recognised as part of the University's activities and to seek to promote it through the management of the institution, in its teaching and research and in its relations with local communities. The Policy sought to build on the progress achieved by the University's participation in the Higher Education Partnership for Sustainability.
- 126 The Court noted that a full implementation plan would be developed to give effect to the Policy and that an advisory group would oversee this, reporting to the University Management Group via the Vice-Principal for Research and Commercialisation. The advisory group would include representatives of staff, students, public authorities, professional and statutory accrediting bodies, community groups, suppliers and clients.
- 127 In discussion it was noted by Court members that although the University's mission was primarily education there was a need for a commitment to sustainability. It was further noted that the issue of sustainability was important to students and that there were signs that SHEFC would expect institutions to give greater emphasis to it in their activities.
- 128 The Court agreed to approve the Policy, subject to it being amended to reflect the Court's comments. These are reflected in the copy of the Policy attached as an appendix to this minute.

### STUDENTS' ASSOCIATION: PROPOSALS FOR RE-STRUCTURING

- 129 Mr Cannon introduced a paper to the Court that explained the background to the current financial difficulties of the Students' Association and made proposals for resolving these - primarily the merging of certain aspects of the Students' Association's activities with the University from 1st August 2004.
- 130 The paper further explained that the Students' Association had for a number of years been experiencing increasingly difficult trading conditions due to increasing competition and changing lifestyle patterns of the student community. In recognition of this the Association had earlier this year approached the University to advise that current business activities could not be sustained, particularly with regard to the viability of the Gallowgate premises. The resultant review of that provision had been conducted in tandem with a review of aspects of the University's own catering provision on the Old Aberdeen campus.
- 131 The paper proposed that a joint approach be adopted, specifically as follows:
- The commercial aspects of the Students' Association to merge under a TUPE transfer process with the University of Aberdeen with effect from 1 August 2004;
  - A new Section of Campus Services to be established with a remit to provide customer focussed and financially viable catering and commercial services to the University community and to provide management support and advice to the Students' Association sabbatical officers;
  - A position of Director of Campus Services to be established and filled as part of the TUPE transfer process by the existing Association Manager;

- The relocation of the Students' Association from its current premises in the Gallowgate to the Central Refectory on the King's College Campus to take effect from 1st August 2004;
- The Gallowgate premises to be disposed of and the proceeds used to supplement the university's capital programme, including the refurbishment of the Central Refectory Building;
- The establishment of a Management Advisory Board to assist the Director of Campus Services.

132 In discussion it was noted by the President of the Students' Association that they looked forward to shaping the new facilities and that the Council had recognised the situation could not continue. Mr Cannon added that it was important to note that the intention was not simply to move the current commercial operations of the Gallowgate to a new location, but to develop a new type of facility providing the services students required on campus. The Association would continue to have an input to the level of disbursement by representation on the Student Affairs Committee. The University also recognised that the Director of Campus Services would serve both student and staff communities and that it was important that the services provided met the needs of both.

133 The Court approved the proposal.

RESOLUTION No 232 of 2003  
[CODE OF PRACTICE ON STUDENT DISCIPLINE]

134 The Court, having noted that the draft Resolution [Code of Practice on Student Discipline] had been approved by the Senate, and been considered by the Business Committee of the General Council, and that no other representations had been received, decided to pass the Resolution (*copy filed with the principal copy of the minutes*).

RECOMMENDATION FROM THE NOMINATING COMMITTEE

135 The Court approved the following recommendations from the Nominating Committee:

AUDIT COMMITTEE:

136 That Professor Lewis Ritchie, the Department of General Practice & Primary Care, be appointed.

EQUAL OPPORTUNITIES COMMITTEE:

137 That Lady Catto be appointed as a Court representative and Mrs Kathy Fowler, College Registrar, College of Physical Sciences, as a representative of Non-Academic Staff.

138 UNIVERSITY COMMITTEE FOR TEACHING AND LEARNING:

That Mr Douglas Marr and Ms Cathy Macalsan, Head of School of Education, be appointed as representatives of Court.

STAFFING AND DEVELOPMENT COMMITTEE  
MATTERS FOR INFORMATION

*Family Friendly Policies*

139 The Court noted that the Staffing and Development Committee had noted the amalgamation and updating of maternity and related policies into a single "Family Friendly" document and had recommended that the proposed Policy be approved subject to it being produced in a corporate style format.

*Early Retirement/Voluntary Severance Scheme*

140 The Court noted that the Committee had received information regarding the number of enquirers, applicants and decisions taken in relation to the Early Retirement/Voluntary Severance Scheme as at the date of the meeting.

*College Restructuring*

- 141 The Court noted that the Committee had noted and endorsed the appointments that had been made to date.

*Pay Issues*

- 142 The Court noted that the Committee had received an update on the current national pay bargaining processes and had noted the UCEA advice to employers to implement the agreed pay award for support staff only at this stage. Members of the Court received for information a copy of the letter sent to all staff regarding the pay settlement.

*Review of Technical Staffing*

- 143 The Court noted that the Committee had noted the terms of reference and process of the University-wide review of Technical staffing and the progress made to date. The Court also noted that the Committee had noted the extension for a further year of the pilot joint grading scheme for Technical staff.

*Staff Development*

- 144 The Court noted that the Committee had endorsed the proposal to amend the Career Development and Staff Appraisal Scheme to ensure that there was a more rigorous and objective assessment of performance and identification of training needs and anticipated that further developments would be reported, as appropriate. The Court noted that the Committee had commended the ongoing work in relation to management development and leadership activities.

*Terms and Conditions*

- 145 The Court noted that the Committee had also received details of the ongoing work at a local and national level in relation to pay negotiations, revised terms and conditions for Clinical Academic staff holding Honorary Consultant contracts and the separate negotiations for staff in Education on FE64 contracts.

## PAPERS FOR INFORMATION AVAILABLE BY REQUEST

- 146 The Court noted that copies of the following papers were available on request from the Court & Planning Office (ext 272093).
- (i) DEVELOPING THE CEH VISION: NERC paper (P) 03/61, developing further the plans for the Environment Centre for Wales based at Bangor, and the Aberdeen Centre for Environmental Sustainability (ACES).
  - (iii) LEGAL DEPOSIT LIBRARIES ACT 2003: Notification from The British Library that the Legal Deposit Libraries Act 2003 became law on 31 October 2003 to extend previous legal deposit legislation passed nearly 100 years ago in 1911.

## DATE OF NEXT MEETING

- 147 It was noted that the next scheduled meeting would be held on Tuesday 10th February 2004