

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 8 February 2005

Present: Dr A Mair (in the Chair), Principal, Mr A Amoore, Professor P Beaumont, Mr T Brotherstone, Lady Catto, Mrs S Grant, Miss A Harper, Professor D Houlihan, Councillor P Johnston, Mr J Leiper, Mr M Lockhead, Professor S Logan, Dr M Mackie, Mr P Richards, Dr G Roberts, Mrs M Ross, Professor W Smith, Councillor J Stewart, Mr S Styles, with Professor A Rodger, 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 received from Professor I Booth, Mr D Marr, Dr N Milne, Mr R Ruddiman, Professor C Gane and Professor N Haites,

MINUTES

164 The Minutes of the meeting held on 14 December 2004 were approved subject to minutes 113 to 115 on the University Superannuation and Life Assurance Scheme being clarified.

DECLARATION OF INTERESTS

165 With regard to Minutes 186-190, Ms Bews, Mr Cannon, Dr Mair and Dr Roberts declared an interest as Trustees of the University's Superannuation & Life Assurance Scheme (UASLAS).

STATEMENT BY PRINCIPAL

166 The Principal noted that there had over the past few months been a number of highly encouraging successes for the University which he had described in a recent communication to staff and which he had circulated to all members of Court.

167 Professor Logan then updated the Court on developments in relation to the Full Economic Costing of research, which was intended to provide resource that better reflected the costs of research undertaken for the Research Councils. This was particularly good news for the Colleges of Life Sciences and Medicine, and Physical Sciences.

168 Professor Logan also drew Court's attention to the announcement that the University would receive £8.9 million from the third phase of the Science Research Infrastructure Fund (SRIF). This was intended for capital use in supporting research and discussions were now underway on how to utilise the funding. A further announcement on the parallel Teaching Infrastructure Fund was expected in due course.

169 Professor Logan also circulated to members two graphs, illustrating encouraging trends in growth in the University's research income.

STATEMENT OF PRIMARY RESPONSIBILITIES AND  
EFFECTIVENESS REVIEW

*Statement of Primary Responsibilities.*

170 The Court received a draft Statement of Primary Responsibilities of the University Court, which was required to be produced in terms of the new Committee of University Chairmen Guide on University Governance. The Statement would be one of the benchmarks used to consider the effectiveness of Court in the forthcoming review.

171 In discussion, it was agreed that the Statement should give more emphasis to the responsibilities of the Court to the welfare of students. It was also agreed that a statement on Corporate Social Responsibility would be added.

172 Subject to these amendments the Court approved the Statement of Primary Responsibilities.

*Effectiveness Review*

173 Dr Mair informed the Court that it was intended to take forward the Effectiveness Review by establishing a short-term working Group of Court.

174 Dr Mair suggested to the Court that in addition to himself as Senior Lay Member, the Working Group should include, the Convenor of the Audit Committee (as Convenor), the Convenor of the Joint, Planning, Finance and Estates Committee, the Convenor of the Staffing and Development Committee, and Mrs Margaret Ross as a representative of the Senate Assessors on Court.

175 There followed an extended discussion with some members concerned that there had not been an opportunity to consider the proposal in written form before the meeting or an opportunity to suggest members for inclusion on the Group.

176 In light of the discussion, it was agreed that the membership of the Working Group be referred to the Nominating Committee, and that it would also consider other nominations made by members to the Secretary, before reporting to the next meeting of Court.

SHEFC FINANCIAL MEMORANDUM

177 The Court received a copy of a consultation paper from the Scottish Higher Education Funding Council (SHEFC) which proposed a series of revisions to the Financial Memorandum between it and the institutions it funds.

178 Dr Murray drew Court's attention to a number of elements within the proposals which the University was concerned would significantly alter the nature of the relationship between it and the SHEFC, particularly in terms of an apparent extension into areas of governance.

179 In discussion, several members expressed similar concerns and noted that the proposals, as framed, appeared to render the Principal accountable to SHEFC and bypassed the Court.

180 It was agreed that the University should respond to the consultation outlining these concerns and that a draft would be brought to the next meeting of Court.

STRATEGIC ALLIANCES

181 Professor Houlihan introduced a paper on the progress of discussions regarding the University's collaborative arrangements.

*Rowett Research Institute*

182 The Court noted that discussions were continuing between representatives of the two institutions. The aim was to produce an options appraisal for a range of possible models of alliance. An inter-Institutional Science Group had been established and was considering the science case. SHEFC had been formally notified that collaborative discussions were underway and the Scottish Executive Environment and Rural Affairs Department had also been engaged.

*Aberdeen Centre for Environmental Sustainability (ACES)*

- 183 Professor Houlihan reminded the Court of progress to date and reported that the National Environment Research Council (NERC) had recently announced a national review of its funding arrangements. This had implications for the future of the Centre for Ecology and Hydrology, a partner in the ACES initiative, and NERC had advised that its support for the relocation would be on hold for the time being.
- 184 After discussion, it was agreed that the University should continue to drive forward the development of the Centre.

*Fisheries Research Services (FRS)*

- 185 The Court noted that discussions on increasing collaboration with the FRS were progressing and that it was intended to prepare a Memorandum of Understanding.

UNIVERSITY SUPERANNUATION & LIFE ASSURANCE SCHEME (UASLAS)

- 186 The Court, as agreed at its previous meeting, received a report on the status of the pension scheme for secretarial, technical and support staff.
- 187 The annual certification prepared by the scheme actuary, on the rate of contribution required to meet the Minimum Funding Requirement by the end of the period 2012 (10 years from valuation) had indicated that the contribution rate of 19.5% of total pensionable salaries was no longer sufficient to achieve a funding level of 100%. The Trustees and the University now had to agree a revised contribution and had requested a full valuation of the scheme.
- 188 As part of the annual accounting process, a valuation of the scheme was carried out in accordance with Financial Reporting Standard 17. This had a different set of assumptions from those used in the Minimum Funding Requirement valuation. Under this valuation there was a deficit position of £19.873 million.
- 189 The Court noted that many other universities were facing similar issues. It was agreed that the following steps be taken:
- (1) The scheme actuary to calculate the financial impact of changing any of the scheme benefits. The University would need to agree if any of these changes were to be made and this would involve liaison with staff and Unions.
  - (2) The scheme actuary to finalise the MFR valuation by 20 February, and agree with both the Trustees and the University the contributions required to meet the ongoing funding (this did not include removing the deficit).
  - (3) The University and the Trustees to agree the revised Schedule of Contributions to comply with MFR (this included removing the deficit in the Scheme) within 8 weeks of the MFR certificate being signed.
  - (4) The scheme actuary to prepare the formal valuation report by 31 July 2005.
- 190 The Court noted that the University would need to consider:
- (i) The impact of increasing the employer's contributions on recurrent budgets. A 1% increase for 2005/06 equated to £108k.
  - (ii) The impact on staff of changing the scheme benefits especially if further changes were required e.g. the University could consider increasing retirement age, amending final salary to average salary etc. or increasing employees contribution rate.
  - (iii) Closing the scheme to new entrants and offering USS to all new staff members. The financial viability of the scheme would need to be assessed and a possible transfer of the scheme to USS be considered.
  - (iv) Obtaining a second opinion on the valuation assumptions including mortality rates, to ensure that the scheme actuary was applying an appropriate level of risk.

## STRATEGY AND PLANNING

- 191 The Court noted that work was underway to prepare an updated Strategic Plan for submission to SHEFC. Members of the Court were invited to send comments on the content of the existing plan to Dr Murray, Deputy Secretary.

## SENATE REPORT

*Draft Resolution No of 2005  
[Changes in Regulations of Various Degrees]*

- 192 The Court received the draft Resolution No of 2005 (changes in Regulations of Various Degrees] from the Senate and decided to forward it to the General Council and to make it generally available in terms of Section 6 of the Universities (Scotland) Act 1966.

*Admissions Policy*

- 193 The Court received and approved the Admissions Policy, as set out in the appendix to this minute.

## MERGER AND AFFILIATION ORDINANCES

- 194 The Court approved the draft Ordinance [Power to Extend the University by Affiliating Colleges and Other Educational Bodies] and agreed to forward it to Senate and the General Council and to make it generally available in terms of Section 6 of the Universities (Scotland) Act 1966.

- 195 The Court approved the draft Ordinance [Power to Incorporate into the University other Universities, Colleges and other Educational Bodies] and agreed to forward it to Senate and the General Council and to make it generally available in terms of Section 6 of the Universities (Scotland) Act 1966.

## RECOMMENDATION FROM THE NOMINATING COMMITTEE

- 196 The Court approved the following appointments, recommended by the Nominating Committee:

Research Ethics and Governance Committee

- 197 Lady Catto.

Review of Decisions to Deny Freedom of Information Requests

- 198 Mr R Ruddiman.

RESOLUTION NO 240 of 2004  
[DEGREE OF DOCTOR HONORIS CAUSA (DHC)]

- 199 The Court, having noted that the draft Resolution [Degree of Doctor Honoris Causa (DHC) had been considered by the Business Committee of the General Council, and that no other representations had been received, decided to pass the Resolution as set out in the appendix to this minute.

## STUDENT CENTRE REDEVELOPMENT: ALTERNATIVE CATERING VENUES

- 200 The Court noted proposals, developed by the Catering Implementation Sub-Group, to address the need for alternative catering venues during the period which the Central Refectory building would be closed for refurbishment.

## OPERATIONAL PLAN

- 201 The Court received a summary paper on progress to date in implementing the Operational Plan 2004/05.
- 202 The Court noted that the Plan was available at [www.abdn.ac.uk/admin/operational-plan.html](http://www.abdn.ac.uk/admin/operational-plan.html) or on request from the Court and Planning Office.

## PROGRESS ON RESTRUCTURING

- 203 The Court received a paper detailing progress on restructuring.

## SCHOOL OF EDUCATION POST-MERGER EVALUATION

- 204 The Court noted that the University had received the very positive SHEFC evaluation of the merger of the University and Northern College, and that the Council had considered that the merger had been a success in the majority of areas and did not intend to carry out any further post-merger evaluation. (see Minute No 226)

## JOINT PLANNING FINANCE &amp; ESTATES COMMITTEE

*17-19 High Street*

**Confidential Minute**

*Update on Restructuring and Research Income*

- 205 The Court noted that the Committee had received copies of the Principal's Update to the University Community, dated January 2005, graphs illustrating trends on research applications and awards during the period 2000-2005 and a progress report on restructuring. The Committee had noted recent successes in research awards and the recruitment of academic staff. (see Minute No 203 above)

*Strategic Planning*

- 206 The Court noted that the Committee had received a paper on the Strategic Plan 2004-2009 which was being updated for submission to the Funding Council in June 2005. Members had been invited to submit suggestions for incorporation into the revised Plan.
- 207 The Court also noted that the Committee had received College Planning Guidelines for 2005/06.

*Research Strategic Alliances*

- 208 The Court noted that the Committee had received a report on Research Strategic Alliances and had noted that discussions regarding the development of the Aberdeen Centre for Environmental Sustainability (ACES) were ongoing. The science case for closer collaboration with the Rowett Research Institute was currently under consideration. (see Minute Nos 181-185 above)

*RAE 2008*

- 209 The Court noted that the Committee had received an update on planning for the next Research Assessment Exercise. The announcement of the draft criteria and working methods of the assessment panels was expected later in 2005.

*Financial Memorandum*

- 210 The Court noted that the Committee had received the draft revised Financial Memorandum between the Funding Councils and HE and FE Institutions, which was currently out for consultation. Members had been invited to comment on the draft Memorandum. (see Minute Nos 177-180 above)

*University of Aberdeen Superannuation & Life Assurance Scheme*

- 211 The Court noted that the Committee had received a paper on the current status of the UASLAS pension scheme and had noted that, according to the Annual Certification of Scheme's Schedule of Contributions carried out in August 2004, the current combined contribution rate of 19.5% of total pensionable salaries was insufficient to meet a Minimum Funding Requirement funding level of 100%.
- 212 It was noted that the University was seeking independent advice. (see Minute Nos 186-190 above)

*Financial Report 2004/05*

- 213 The Court noted that the Committee had received copies of the management accounts for the five months to 31 December 2004, which showed an historical cost surplus of £1.052million against a budgeted surplus of £0.057million, a favourable variance of £0.995million. Forecasts would be reviewed in the light of figures for the six months to 31 January 2005.

CAPITAL EXPENDITURE SUB-COMMITTEE

Composition

- 214 The Court noted that the Committee had approved the appointment of Ms Anne Harper (Lay Member) and Professor Ian Booth (Senate Assessor) to the Capital Expenditure Sub-Committee, and had agreed to give the Sub-Committee power to co-opt additional members as required.

Capital Programme 2004/05

- 215 The Court noted that the Committee had noted that expenditure on major projects during the period to 30 November 2004 was approximately £6.2million, an underspend of £2million. Capital expenditure on the annual rolling programme was approximately £1.15million, an underspend of £0.5million. The phasing of current budgets would be reviewed on a quarterly basis in light of planned changes in the programme of work.

Heating Station

- 216 The Court noted that the Committee had considered that conditional planning consents had been granted for the Heating Station project and that the pre-tender project estimate received in December 2004 had been over the initial budget estimate. Savings had since been identified and further analysis would be undertaken to establish whether any additional savings could be made. Recent increases in the price of steel had impacted significantly on the total project cost.

Education Relocation

- 217 The Court noted that the Committee had been informed that the refurbishment of the MacRobert Building was proceeding on programme and budget and that an event was being organised for the official opening. Planning of the relocation of all activity from the Hilton site was ongoing.

Sports Facilities

- 218 The Court noted that the revised target date for submission of the Stage 2 bid to Sportscotland was June 2005.

Modernising Teaching Infrastructure

- 219 The Court noted that the Committee had been informed that projects had been selected for funding from the additional SHEFC grant of £787,000 towards the modernisation of teaching infrastructure.

### Project Board Reports

- 220 The Court noted that the Committee had considered reports that Marischal College, Old Aberdeen Town House, Student Accommodation, Cruickshank Building, Zoology Building, Institute of Applied Health Sciences (IAHS) and IAHS2 Projects were all progressing, some ahead of programme and budget.

### *Business Incubator Unit*

- 221 The Court noted that the Committee had considered a proposal for the provision of a shared building to house spin-out and other companies on the Foresterhill Site which was being developed with NHS Grampian and Scottish Enterprise Grampian.
- 222 The Court also noted that the initial proposal had been scaled down to the construction of a single-storey building which could be extended, should the need arise. Financial modelling and market analysis was being carried out to ensure that sufficient income would be generated to cover recurrent costs and that the project was viable.
- 223 Noting that, owing to external time constraints, a decision regarding the University's involvement might be required in the near future, the Court noted that the Committee had agreed to: (i) approve, in principle, expenditure of up to £350,000, and (ii) delegate authority to the Convener and the Senior Vice-Principal to act on its behalf.

### *Financial Planning Assumptions*

- 224 The Court noted that the Committee had approved planning assumptions for 2005/06 to 2007/08.

### *SHEFC Post-Merger Evaluation*

- 225 The Court noted that the Committee had received the very positive SHEFC evaluation of the merger of the University and Northern College. The Council had considered that the merger had been a success in the majority of areas and did not intend to carry out any further post-merger evaluation. (see Minute No 204 above)

### *Cash Investments*

- 226 The Court noted that the Committee had received, for information, a report on the University's cash balances during financial year 2003/04.

### *Operational Plan*

- 227 The Court noted that the Committee had received a high level summary of progress to date against the Operational Plan 2004/05 and noted that the full document was available at [www.abdn.ac.uk/admin.operational-plan.shtml](http://www.abdn.ac.uk/admin.operational-plan.shtml) or on request from the Court & Planning Office. (see Minute Nos 201-202 above)

### PAPERS FOR INFORMATION AVAILABLE BY REQUEST

- 228 The Court was informed that the following papers were available on request from the Court Office:
- (i) KNOWLEDGE TRANSFER GRANT RETURN: University of Aberdeen response to SHEFC Circular Letter HE/33/04, providing activity data on knowledge transfer metrics in order to inform the allocation of Council funding through the Knowledge Transfer Grant (KTG) for academic year 2005-06.
  - (ii) HESA FINANCE RETURN 2003/04: University of Aberdeen response to HESA regarding Finance Statistics Return for the year ended 31 July 2004.
  - (iii) REVIEW OF INSTITUTIONS' 2003-2007 STRATEGIC PLAN FORECASTS: SHEFC Circular Letter HE/47/04, dated 29 November 2004, enclosing the results of the Council's review of institutions' strategic planning forecasts for the period 2004-2007.

(iv) SECOND FORECAST OUT-TURN, TUITION FEE INCOME AND STUDENT LOADS.

(v) RAE 2008: Report on progress with research (and RAE) planning.

DATE OF NEXT MEETING

229 It was noted that the next scheduled meeting of Court would be held on Tuesday 22 March 2005 at 2.00pm.