

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 17 March 2008

Present: Rector (in the Chair), Principal, Mr A Amoore, Mr A Arthur, Professor I Booth, Lady Catto, Sir Don Cruickshank, Dr P Edwards, Ms A Fraser, Professor C Fynsk, Mrs S Grant, Miss A Harper, Professor D Houlihan, Cllr P Johnston, Mr M Lockhead, Professor S Logan, Dr M Mackie, Dr A Mair, Professor G Robinson, Cllr J Stewart, Mr J Wilson, with Professor C Gane (present for minutes 197-207), Professor N Haites, Professor B MacGregor, Professor A Rodger, Mr S Cannon, Ms C Banks, Ms I Bews, Mr A Donaldson, Mrs C Inglis, Ms L Manders, Dr P Murray and Mr B Purdon (Clerk).

Apologies for absence were received from Ms J Craw, Mr J Leiper, Mr M Moir, Mr R Ruddiman and Professor C Secombes.

DECLARATION OF INTERESTS

- 197 The Principal declared an interest in the agenda item on the Rowett Research Institute as a member of the Institute's governing body.
- 198 Mr Arthur declared an interest in the agenda item on National Collective Bargaining as President of the Aberdeen University Branch of the Universities and Colleges Union.

MINUTES

- 199 The Minutes of the meeting held on 5th February 2008 were approved.

ROWETT RESEARCH INSTITUTE

- 200 Professor Logan introduced a Draft Merger Agreement with the Rowett Research Institute (RRI) and a further revised business plan.
- 201 The Court noted that the proposed merger date was now midnight on 30th June 2008.
- 202 The Court noted, however, that a number of issues remained to be resolved. These included;
- a formal letter of comfort that the Rural and Environmental Research and Analysis Directorate (RERAD) would continue funding under its current research programme to a new merged institute
 - a formal letter of comfort from RERAD that the University, post merger, would be entitled to bid for RERAD funding
 - confirmation from the Government Actuarial Department as to the actual amount of the pensions shortfall. (It was noted that the Business Plan assumed the shortfall to be £6.2 million and that this would be funded from existing RRI reserves and a contribution from RERAD of up to £3m).
- 203 Professor Logan explained that the Building Brief for the new Institute at Foresterhill had been revisited and that the anticipated cost had been reduced to £40.4 million.
- 204 The business plan now included a figure of £25m in respect of the anticipated realised value of the RRI estate. This figure derived from an approach received by RRI. In addition RERAD had indicated that it would be prepared to make a capital allocation of £12m to the project. The balance of the capital would be met by RRI.

- 205 In discussion the following points were made:
- The academic case for a merger was compelling
 - Affordability and risk remained key issues
 - Whilst recognising that RRI, as an independent entity, could proceed with the sale of the land in advance of a merger, any subsequent agreement to merge would depend on the university being assured that the realised value did not fall below the level detailed in the Business Plan and represented the optimum balance between risk, affordability and value for money. An agreement to merge would be conditional on the receipt and validation of such an assurance.
 - Any valuations or transactions received or enacted by RRI should be subject to independent evaluation by the University.
 - That the University was concerned that it might face reputational risk if it were associated with a sale that was not conducted in an open and transparent manner and concluded in accordance with best practice in the public sector.
- 206 In further discussion the Court reaffirmed its view that it would be crucial to the success of any merger that as quickly as possible there should be full integration of RRI staff with those of the University.
- 207 The Court agreed to endorse the Business Plan and approved in principle the Merger Agreement to enable negotiations to progress to a conclusion, subject to the following conditions:
1. Confirmation from RERAD that:
 - funding would continue under the current research programme to a new merged institute
 - the University, post merger, would be entitled to bid for RERAD future funding
 - a capital grant of £12m would be made available to fund a new building.
 - a grant of £3m to support the pension deficit would be forthcoming
 - a grant of £900k to support restructuring would be forthcoming
 2. The receipt of appropriate assurances that the pension deficit be met in full and without recourse to University funds.
 3. That the University receive appropriate assurances that
 - the sale of the RRI estate would realise a minimum of £25m
 - that the figure of £25m represented the optimum balance of risk, affordability and value for money
 4. That should any of the major assumptions in the Business Plan or Merger Agreement change, including the future realisable value of the Estate, the matter would be brought back to Court for further consideration, prior to a final agreement on merger.

(Note by Clerk: Councillor Stewart withdrew from the meeting following the conclusion of Professor Logan's opening remarks for the remainder of the discussion of this agenda item. Councillor Johnston noted a potential interest in the item as a member of Aberdeenshire Council).

CURRICULUM REFORM

- 208 Professor MacGregor introduced an update on the progress of Curriculum Reform together with the First Report of the Curriculum Commission.
- 209 In discussion, the Court welcomed the First Report. It was accepted that in any new set of structures the needs of part-time or mature students must also be taken into account. The Court noted that in implementing any reforms the engagement of staff and the associated resource implications would be crucial. It was intended to have an implementation plan prepared by the autumn.

FINANCE

Quarterly Financial Report

- 210 Ms Bews introduced a quarterly financial report of the University's management accounts for the period ended 31st January 2008.
- 211 The Court noted the quarterly financial report.

Scottish Universities Financial Comparison 2006/07

- 212 Ms Bews introduced a comparative analysis of the accounts of Scottish universities for the year ended 31st July 2007.
- 213 The Court welcomed the analysis and it was agreed that a further report be prepared to compare the University with institutions considered to be key competitors.

NATIONAL COLLECTIVE BARGAINING

- 214 Mrs Inglis introduced a paper on the future of national collective bargaining arrangements in UK higher education.
- 215 The Court noted the paper and that there remained uncertainty as to how the University and Colleges Union would respond to the request from the University and Colleges Employers' Association to join them and other HE sector trade unions at a single negotiating table.

GOVERNANCE COMMITTEE

- 216 The Court was informed that Sir Don Cruickshank had been appointed by the Governance Committee as its Convenor. The Court also noted that the Committee had held its first meeting and would report to the next meeting of Court.

VICE-PRINCIPALS' APPOINTMENTS

- 217 The Court, on the recommendation of the Principal, approved the following:
- 218 Professor C Gane, Vice-Principal (Library & Information Services)
Professor Gane's designation as Vice-Principal to become Vice-Principal (Culture and Communities), with immediate effect.
- 219 Professor A Rodger, Vice-Principal and Head of the College of Physical Sciences
To be re-appointed for a further term of 3 years with effect from 1 August 2008.
- 220 Professor B MacGregor, Vice-Principal and Head of the College of Arts & Social Sciences
To be appointed as Vice-Principal (Curriculum Reform) for a period of one year from 1 August 2008

- 221 The Court noted that under the terms of the forthcoming merger of the University with the Rowett Research Institute the current Director of the Rowett Research Institute, Professor Peter Morgan, was to be awarded Vice-Principal status from the date of merger as Director of the University of Aberdeen Rowett Institute of Nutrition and Health.

JOINT PLANNING FINANCE AND ESTATES COMMITTEE

Capital Expenditure Sub-Committee Report

- 222 The Court noted that the Joint Planning, Finance & Estates Committee had received and considered a report of the meeting of the Capital Expenditure Sub-Committee held on 19 February 2008.

Matthew Hay Project

- 223 The Court noted that the Matthew Hay project had indicated an anticipated overspend of £1.05M, and that the Project Board had also recommended that an additional contingency of £250K should be made.

- 224 The Court noted that any budget variance would be apportioned 55%/45% between the University and NHS Grampian. The Joint Planning, Finance and Estates Committee, for its part, and assuming funding as noted from NHS Grampian, had approved the following recommendations:

- That the budget be increased by £1.05M, made up of an additional University contribution of £573K and an NHS Grampian contribution of £473K.
- That provision be made for £250K contingency, apportioned £137.5K from the University, and £112.5K from the NHS. This University contribution would only be released with the approval of the Senior Vice Principal.
- That a full review of the funding of the project be carried out and presented to the next meeting, including progress with the fundraising target, which was proceeding well.

- 225 The Court approved the recommendations.

Oceanlab Project

- 226 The Court noted that four tenders for the Oceanlab project had been received on 21 December 2007 and that these had significantly exceeded the budget.

- 227 The Court noted that the Committee had discussed the reasons for the projected overspend, and noted that it was as a result of the additional design elements to meet Planning requirements, re-design in order to meet changes in science strategy and inflation. All these factors had now been addressed within the final design specification.

- 228 The Court noted that the Joint Planning, Finance and Estates Committee had, for its part, approved the following recommendations:

- To proceed with the sale of Culterty House and immediate surrounding land, partly to offset the projected deficit.
- That the Project Board should proceed to finalise acceptance of the tender.
- That the final projected spend should be reported on conclusion of the sale.

- 229 The Court approved the recommendations.

Campus Services: Residences and Catering Budget 2008/09

- 230 The Court noted that the Joint Planning, Finance and Estates Committee had received and considered a paper on the Campus Services budget for 2008/09 which set out residence fees for 2008/09. It had noted that the proposed fee rates had been set in light of operational requirements and with reference to rates across the sector, whilst ensuring that the University rates remained comparable with those of other institutions and the local market.
- 231 The Court approved, the 2008/09 residence fees set out in the paper (*copy filed with the principal copy of the minutes*), subject to the annual utilities charge being incorporated into the fee rates.

Tuition and Miscellaneous Fees 2008/09

- 232 The Court noted that the Joint Planning, Finance and Estates Committee had received and considered a paper setting out proposed tuition and other miscellaneous fees for 2008/09 (*copy filed with the principal copy of the minutes*).
- 233 The Court approved:
- The proposed fees for 2008/09, set out in the paper.
 - The recommendation that authority be delegated to the Senior Lay Member of Court and the Principal to approve proposals in relation to any additional fees for new programmes or changed assumptions about tuition fee income in the Main Grant Letter from the Funding Council, in order not to delay the publication of the 2008/09 fees.

STAFFING AND DEVELOPMENT

- 234 The Court received a paper intimating that the University Commissioners (Statute Modifications) (University of Aberdeen) Order 1992 (“The Statute”) should be revised. The Court noted that the eight pre-1992 Universities in Scotland had been working together to revise the Statute so that institutions could develop procedures that were in keeping with current legislation and recognised best practice guidelines.
- 235 The Court agreed the following next steps to take the matter forward:
1. That the University and College Union (UCU) be consulted collectively at a national level on a revised, “high level” Statute, within which the principle of academic freedom would be enshrined.
 2. That the revised Statute be brought forward for consultation with UCU at local level through Joint Negotiating and Consultative Committee, before being submitted to the University Court and the Privy Council for approval.
 3. That thereafter, the University negotiate at a local level with all recognised Campus Trades Unions regarding the content of the local employment procedures. Like the replacement Statute itself, these would need to be approved by the University Court before being implemented.

SENATE REPORT

Draft Resolution No of 2008 [Changes in Regulations for Various Degrees]

- 236 The Court received the draft Resolution No of 2008 (Changes in Regulations for 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.

Draft Resolution No of 2008 [Regulations for the Degree of Master of Physics (MPhys)].

- 237 The Court received the draft Resolution No of 2008 [Regulations for the Degree of Master of Physics (MPhys)] 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.

Draft Resolution No of 2008 [Regulations for the Degree of Doctor of Education (EdD)]

- 238 The Court received the draft Resolution No of 2008 [Regulations for the Degree of Doctor of Education (EdD)] 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.

Draft Resolution No of 2008 [General Regulations for Awards Conferred Jointly with other Degree Awarding Institutions]

- 239 The Court received the draft Resolution No of 2008 [General Regulations for Awards Conferred Jointly with other Degree Awarding Institutions] 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.

Awards of Degrees Jointly with Other Institutions – Scottish Statutory Instrument

- 240 The Court, for its part, approved the draft Scottish Statutory Instrument to enable the University to award degrees jointly with other institutions.

Rectorial Election

- 241 The Court approved a recommendation from the Senate, that nominations for election of a Rector close at 1.00pm on Thursday 24 April 2008, with a vote being taken on Thursday 8 May 2008.

Partnership Agreement with UHI Millennium Institute

- 242 The Court, for its part, approved a partnership agreement with UHI Millennium Institute

Validation Agreement: UHI/Sustainability

- 243 The Court, for its part, approved a proposal that the research area of Sustainability be validated under the terms of the accreditation agreement currently in force between the University and UHI to deliver research degree programmes.

BIOLOGICAL SERVICES UNITS COMMITTEE

- 244 The Court, on the recommendation of the Committee on Biological Services Units, approved the following:

245 Dr J Sternberg, Academic Unit Manager, Zoology

Term of appointment to be extended until 31 December 2009.

246 Professor C Secombes, Academic Unit Manager, Aquarium

Term of appointment to be extended until 31 December 2009.

PENSION PLUS: DEED OF ACCESSION TO USS

- 247 The Court noted that the Universities Superannuation Scheme Limited (USS) trustees had introduced changes to Scheme rules enabling institutions to introduce a salary sacrifice scheme for pension contributions.

- 248 Following permission to proceed, the University had entered into a joint consortium tendering process with Dundee, Edinburgh, Glasgow, Heriot Watt and Queens Belfast Universities to procure a sacrifice provider. Following the tendering process, Watson Wyatt (WW) had been appointed.
- 249 It was proposed that on 1 April 2008 the University would implement a salary sacrifice scheme for pension contributions and thereby generate National Insurance Contribution (NIC) savings for both staff and the University.
- 250 The Court approved the proposal that the University enter into the Supplemental Deed of Accession with the Universities Superannuation Scheme Limited to enable salary sacrifice for pension contributions to be ratified.

JOINT PLANNING, FINANCE AND ESTATES COMMITTEE

Rowett Research Institute Merger

- 251 The Court noted that the Committee had received and considered a paper and an oral report on the rapidly moving merger negotiations with the Rowett Research Institute. The Committee noted that the anticipated date for merger was now midnight on 30 June 2008. On the understanding that a revised Business Plan would be presented to this meeting of Court, the Committee had given its support to the ongoing negotiations. (See *Minutes* 200-207)

Monthly Management Accounts 2007/08

- 252 The Court noted that the Committee had received copies of the Monthly Management Accounts for the period ending 31 January 2008 which had indicated a cumulative surplus before exceptional items of £3.3M against a budgeted surplus of £1.6M, a positive variance of £1.7M. At this stage, the expectation was that budgets would be met and the target surplus achieved in full.

Capital Expenditure Sub-Committee Report

- 253 The Court noted that the Committee had received and considered a report of the meeting of the Capital Expenditure Sub-Committee held on 19 February 2008 on a number of projects in addition to those reported to Court with recommendations for approval (See *Minutes* 222-229)

Risk Management Committee Report

- 254 The Court noted that the Committee had received and considered a report from the Risk Management Committee. It had noted that the Committee had recently reviewed the University Register of Strategic Risks and monitoring committees and it had agreed to approve the recommended amendments to the Register.

University of Aberdeen Dental School

- 255 The Court noted that the Committee had received and considered a progress report on the University of Aberdeen Dental School. (See *Minute* 258)

Scottish Universities: Accounts Comparison 2006/07

- 256 The Court noted that the Committee had received and considered a comparative analysis of the financial statements of the Scottish Universities as at July 2007. (See *Minutes* 212-213)

SENATE REPORT

Annual Report from the University Committee on Teaching and Learning

- 257 The Court noted that the 2006/07 Annual Report from the University Committee on Teaching and Learning was available on the Senate website at:
<http://www.abdn.ac.uk/admin/senate/documents/UCLAnnualReport.doc>

DENTAL SCHOOL

- 258 This Court noted a brief progress report on the main elements of the University of Aberdeen Dental School Project since the last report 5 February 2008.

PAPERS AVAILABLE ON REQUEST

- 259 The Court was informed that the following papers were available on request from Policy, Planning & Governance:
- (i) REVIEW OF HIGHER EDUCATION INSTITUTIONS' STRATEGIC PLANNING FORECASTS 2006-07 TO 2009-10: SFC Circular Letter SFC/04/2008.
 - (ii) BRIEFING ON THE FUTURE OF PAY NEGOTIATIONS: UCEA UPDATE 08/18 reports on the latest media interest surrounding the UCU ballot of their HE members, closing on Wednesday, 27 February 2008.

FUTURE BUSINESS

- 260 Members were invited to forward any matters they felt should be included in Court papers as future business.

DATE OF NEXT MEETING

- 261 It was noted the next scheduled meeting of Court would be held on Tuesday 20th May 2008 at 2pm, Court Room.