

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 4 November 2008

Present: Dr A Mair (in the Chair), Principal, Rector, Mr A Amoore, Mr A Arthur, Lady Catto, Ms J Craw, Sir Don Cruickshank, Dr P Edwards, Professor C Fynsk, Mrs S Grant, Professor D Houlihan, Mr G Hunter, Councillor P Johnston, Mr B Lockhart, Professor S Logan, Mr D McKay, Dr M Mackie, Mr B Pack, Professor G Robinson, Mr R Ruddiman, Professor C Secombes, Councillor J Stewart, Professor N Webster, with Professor N Haites, Professor B MacGregor, Professor P Morgan, Professor A Rodger, Mr S Cannon, Mrs C Banks, Ms I Bews, Mr A Donaldson, Dr G Mackintosh, Dr P Murray, Mrs L Manders and Mr B Purdon (Clerk).

Apologies for absence were received from Professor Gane, Mr P Haley, Miss A Harper, Sir Moir Lockhead, Ms C Macaslan, and Mrs C Inglis.

MINUTES

- 1 The Minutes of meeting held on 24 June 2008 were approved.

STATEMENT BY THE VICE-CHAIR

- 2 Dr Mair welcomed the Rector, Mr Hunter, Mr Pack and Professor Webster to their first meeting as members of Court.
- 3 Dr Mair informed Court that, with regret, Mr Moir had resigned as a co-opted member. The Court noted that Mr Moir's knowledge and experience would be greatly missed by the University.

REPORT FROM THE PRINCIPAL

- 4 The Principal informed Court that at the recent meeting of Senate to consider Curriculum Reform there had been a very positive and constructive discussion, which in broad terms, had welcomed the proposals (*See minutes 29-38 below*).

REPORTS FROM COMMITTEES

OPERATING BOARD

*Finance*

Planning for financial pressures (*See Minutes 39-43 below*)

- 5 The Court noted that the Operating Board had considered a paper from the Director of Finance which set out the current financial pressures facing the University, including the impact of pay and pension costs, utilities costs, borrowing costs, and running costs of new buildings.
- 6 The Court noted that the Operating Board had agreed that:
  - the paper should be presented to Court, together with a report on the range of University activities that would be affected by the current economic and financial climate.
  - the Operating Board should receive regular reports on ongoing financial pressures, together with proposed actions to be taken in response.

*Strategic Planning*

Performance Indicators Outturn Report (See Minutes 50-53 below)

- 7 The Court noted that the Operating Board had received and considered the final Key Performance Indicators for 2007/08.

*Capital Funding*

Discoverer Management Information System

- 8 The Court noted that the Operating Board had considered a recommendation from the meeting of the Capital Expenditure Sub-Committee, held on 1 October, in relation to the *Discoverer* Management Information System project.

- 9 The Operating Board had agreed to recommend to Court:

- that £650K over three years, 2008/09 to 2010/11 be allocated to complete the *Discoverer* project.
- that this allocation be reflected in the next version of the 10-year plan.

- 10 The Court approved the recommendations and noted that a Project Board would be established to oversee the project, chaired by the University Secretary.

*Aberdeen Sports Village*

- 11 The Court noted that the Operating Board had received a progress report on the Aberdeen Sports Village (ASV), which continued on programme, with a completion date of Summer 2009. The Court was informed that HM Revenue and Customs had now accepted the VAT strategy for ASV Ltd, as set out by the University and the City Council.

- 12 A condition of the £7 million sportscotland grant for the current phase of the ASV was the provision of further external pitches by April 2009, at an estimated cost of £2.25 million (excluding VAT), split equally between the University and the City Council. The Court noted that it had been proposed that the University's contribution be underwritten from the sale of land at Balgownie, as a review of outdoor facilities had concluded that this site was not required for sports provision and recommended that an exit strategy be prepared. Disposal of the entire site would offer long term revenue savings (circa £130,000 per annum) although given the planning designation for the majority of the land, it was unlikely at this stage to offer a significant capital receipt.

- 13 The Operating Board made the following recommendations to Court:

- That the University in conjunction with the Council request that the deadline for construction of the phase 2 pitches at the Sports Village be delayed.
- That the University commit to £1.125 million towards phase 2 of the Sports Village, underwritten from receipts from the sale of land at Balgownie, the timing of this being delegated to the Senior Vice Principal in conjunction with the Directors of Finance and Estates in light of the discussions with sportscotland.
- That the University actively seek an exit strategy from Balgownie on the overall most economically advantageous terms, recognising the current market conditions and the fact that the sale may need to be deferred until the market improves. As a first step this could involve releasing part of Balgownie, which has mixed use designation, for sale.

- 14 The Court approved the recommendations.

*University Policy*Sustainability Strategy

- 15 The Court received, and on the recommendation of the Operating Board, approved the following documents :
- An updated University Sustainability Policy, the original version of which had been approved by Court in December 2003
  - A high level Sustainability Strategy
  - An action plan setting out CSR priorities for 2008-2010

*Strategic Planning*Strategic Targets Outturn and Planning Round Process

- 16 The Court noted that the Operating Board had considered a paper summarising progress made in meeting the University's strategic objectives, as set out in its 2007 to 2010 Strategic Plan.
- 17 The Court noted that the Operating Board had also considered a paper setting out the 2008/09 planning cycle, which would feed into the University's next five year strategic plan – 2010 to 2015. The Operating Board had approved the cycle, while noting that it would need to be kept under review in light of the changing external environment.

*World Rankings 2008*

- 18 The Court noted that the Operating Board had received and considered a report on the 2008 University World Rankings, published in the *Times Higher* on 9 October. The report highlighted the fact that there were now only 4 Scottish universities in the top 200: Edinburgh (23); Glasgow (73); St Andrews (83=); and Aberdeen (153). Of the 29 UK universities in the top 200, 75% had moved down the rankings from the previous year, including the University of Aberdeen (from 137 to 153). The Court noted the indicators used in the Ranking, and the fact the most UK institutions had a lower score in 2008 for the "Citations" indicator, which was intended to reflect the research performance of an institution.

*RAE anticipated outcome*

- 19 The Court noted that the Operating Board had considered a paper which gave a prediction of the University's likely RAE results, due to be published by the UK funding bodies on 18 December.

*Capital Funding*Recurrent Capital

- 20 The Court had noted that the Operating Board had approved the following on the recommendation of the Capital Expenditure Sub-Committee:
- The allocation of £1.068M for recurrent Estates projects over 2008/09 and 2009/10, to be funded by the additional £650K recurrent capital for estates projects approved by Court for 2008/09; the University's research equipment budget; and a number of other sources of funding as set out in the appendix.
  - The allocation of £350K for recurrent IT projects for 2008/09, to be funded by the additional recurrent capital for IT projects approved by Court for 2008/09.

*Controlled Parking Zone*

- 21 The Court noted that the Operating Board had received a report on the introduction of a Controlled Parking Zone around the University. The report had noted that the University would be entering into an Agreement with Aberdeen City Council, confirming its financial commitment towards the cost of the Controlled Parking Zone (CPZ).
- 22 The Court noted that the terms of the agreement were as follows:
- the University's actual contribution would be based on tenders received by the Council, subject to a £600,000 (index-linked) upper limit, and latest indications suggested expenditure would fall no earlier than academic year 2009/10.
  - the University's contribution to CPZ administration costs would be limited to a maximum of £5,000 per annum for a five-year period, and would only be incurred when the Council's administration expenditure exceeded income generated.
  - the working assumption continued to be that these costs would be funded by on-campus charging, as agreed in May 2008.
  - although such agreements would normally be valid for 10 years from the date of confirmation, as was the case for the Foresterhill CPZ, in this case the agreement would be valid for seven years.

*Capital Projects*

- 23 The Court noted that the Operating Board had received updates on a number of estates capital projects, including the Matthew Hay project; Oceanlab; Fraser Noble; and the Library.
- The Court noted that the Operating Board had also received an update on the ongoing action being taken to reach a final settlement with the contractors on the Central Heating Station.

*Review of Committee Structure*

- 24 The Court noted that the Operating Board had considered a paper setting out initial proposals on its review of the University's committee structure. The Operating Board had agreed that it should aim to approve final proposals at its meeting on 3 March 2009, for consideration by the Governance Committee and Court. These proposals would require consultation with the Senate, Campus Trade Unions and the Business Committee of the General Council; and any proposals related to Joint Committees would require the approval of Senate as well as Court.

## AUDIT

*Internal Audit Reports*

- 25 The Court noted that the Audit Committee had approved the following internal audit reports from Deloitte & Touche. Follow-up reports would be carried out in due course.
- Risk Management (Report No. 10 of 2007/08)
  - Student Fee Assessment and Collection (Report No. 8 of 2007/08)
  - Alumni Relations (Report No. 9 of 2007/08)
  - Payroll: Short-term Contracts (Report No.13 of 2007/08)
  - Health and Safety (Report No. 14 of 2007/08)

- 26 The Court noted that the Committee had also approved an audit additional to the Internal Audit Plan 2007/08, on the Union Bar. This review had been carried out at the request of the Director of Finance and contained a Priority Level One recommendation concerning the segregation of duties. The Committee had been satisfied that appropriate controls had subsequently been put in place.

*Whistle-Blowing*

- 27 The Court noted that the Committee had received a report on an incident of whistle-blowing which had led to a fraud investigation in the Estates Department. There had been a complete admission by the individual concerned, followed by repayment of £10,000 plus interest. The individual had been dismissed from the University and a decision taken not to involve the police. The Director of Finance had established an internal team to review all Estates purchasing procedures and recommendations were now being implemented.

*Audit Universe and Internal Audit Plan 2008/09*

- 28 The Court noted that the Committee had approved the Audit Universe (the strategic 3 year-plan) and Internal Audit Plan 2008-09 from Deloitte.

CURRICULUM REFORM

- 29 Professor MacGregor introduced the Final Report of the Curriculum Reform Commission entitled 'Enhancing Learning: The Aberdeen Approach' (*copy filed with principal copy of the minutes*).

- 30 The Court noted that the Senate had broadly welcomed the Report subject to some further consideration of points raised during the debate by the Commission and the next meeting of the Senate.

- 31 The Court noted that the primary objectives of Curriculum Reform were:

- to make our approach distinctive within the UK and aligned with developments in some of the world's leading universities;
- to enhance the Aberdeen learning experience;
- to enhance disciplinary study; and
- to produce better informed, more rounded and more intellectually flexible graduates.

- 32 The proposals in the Report were designed to achieve these objectives and to make the University's programmes:

- more attractive to students;
- more relevant to employers; and
- more relevant to wider societal needs.

- 32 The Report proposed a set of Graduate Attributes. These were designed so that a University of Aberdeen education would *enable* graduates to become:

- Academically excellent;
- Critical thinkers and effective communicators;
- Open to learning and personal development; and
- Active citizens.

- 33 The Report proposed a five year framework for the curriculum which incorporated the following:

- A traditional four year Scottish honours degree;
- An advanced entry, three year honours degree for applicants with appropriate subjects and grades in Advanced Highers, A-levels or a possible new University advanced entry examination;
- A three year degree, which would be an enhancement of the old ordinary degree;

- A one year taught postgraduate masters level programme, which developed core discipline material;
  - A five year integrated undergraduate programme where required for professional accreditation, such as the MEng and MChem;
  - Two further exit qualifications – a certificate after one year and a diploma after two years – in recognition of successful study; and
  - Flexible entry (depending on prior qualifications) to and exit from any year of the five, in order to accommodate breaks in study.
- 34 The Report further proposed that students should normally undertake a programme of Enhanced Study as part of their degree programme. Students would select the courses from three types of Enhanced Study course and, to accommodate this, there would be a move to four 15 credit courses each semester:
- Sixth Century Courses (6CCs), designed to consider and contrast different approaches to knowledge and different methods of enquiry and, normally, examining real world problems;
  - A small number of Sustained Study Programmes (SSPs) (such as a language or business), comprising normally four separate courses; and
  - A selection of Disciplinary Breadth Courses (DBC), proposed from the University Catalogue of Courses by each Degree Programme Team to ensure that the objectives of Enhanced Study are fulfilled.
- 35 The Report also proposed that there should be enhancement of existing provision or new provision in the following areas:
- Scholarships;
  - Engagement with schools and colleges;
  - Induction;
  - A Statement of Rights and Responsibilities,
  - Assessment strategy;
  - Student support;
  - Learning and teaching facilities;
  - Student skills assessment, and writing and numeracy skills;
  - Information Technology (IT);
  - Extending best practices;
  - The timetable;
  - The co-curriculum;
  - University-wide lectures;
  - Engagement with employers; and
  - A graduate transcript.
- 36 The Court noted that while the Report included proposals with regard to implementation, it was not, however, at this stage being asked to make a final decision on the introduction or otherwise of the recommendations. The next stage in the process was for the Resources Group to identify the resources required to support the proposals. The University would then need to make a decision about the quantum and distribution of available resource and it would be for the Implementation Board to develop the Commission's recommendations in light of that resource, for approval by the Senate and Court. The proposals would also be subject to a series of risk analyses.
- 37 In discussion, a number of potential issues of resource and implementation were highlighted. It was acknowledged that these would need to be fully addressed by the Resources Group and Implementation Group.
- 38 The Court, for its part, approved, in principle, the recommendations of the Report.

## FINANCE AND STAFFING

*Financial Pressures*

- 39 Ms Bews introduced two papers, one which detailed the current financial pressures facing the University and another which focused on the University's banking and borrowing arrangements.
- 40 The Court noted that the impact of pay and pension costs, utilities costs, borrowing costs, and running costs of new buildings, was forecast to require additional income of £8m per annum (incremental not cumulative) from 2009/10 onwards.
- 41 In discussion, concern was expressed that since 2006 the University's pay bill had increased cumulatively by 19%, in addition to incremental drift of around 6%. It was agreed that the Court should receive a plan on how the University would address the £8 million forecast requirement, although it was recognised that future pay awards and pensions costs were linked to national agreements and were not within the University's direct control.
- 42 The Court noted that the following key dates would impact on future budget setting exercises and the development of the University's Strategic Plan.
- USS Actuarial Valuation results, announced in December
  - RAE results, announced in December (paragraph 17 below refers)
  - Confirmation of changed Scottish Funding Council funding allocation methods
- 43 The Court also noted the range of University activities that would be affected by the current economic and financial climate.

*Impact of Current Financial Situation*

- 44 Ms Bews introduced a paper which summarised the main exposures the University had to the current financial situation, in terms of banking and borrowing arrangements, university investments, capital projects and land sales, research grants and student recruitment.
- 45 The Court approved the following recommendations:
- that Clydesdale Bank be added to the University Counterparty list.
  - that a new policy be adopted in relation to University cash deposits: no more than £10 million of funds held on deposit should be with any one bank, in order to mitigate against any financial risks.
  - that the Operating Board be charged with monitoring the financial situation and reporting to Court on a regular basis.

*Pay Award*

- 46 Mr Cannon introduced a paper on the final stage of the national three year pay settlement.
- 47 The Court noted that under the terms of the local pay settlement made in 2006, the University had agreed that if a higher settlement were negotiated at a national level it would honour the higher settlement. The national settlement had agreed that the final increase to salaries in 2008 would be the greater of 2.5% or RPI as at September 2008. Due to the rate of RPI for September having been announced as 5%, the University was required to implement the final stage of the three year national pay settlement. It was noted that all HEI's in Scotland had indicated that they would implement the national settlement.
- 48 In discussion, the Court noted the significant financial implications of implementing the national pay settlement in 2008/09, particularly in the context of other financial pressures that had been discussed earlier in the meeting (*See Minutes 39-43 above*).

- 49 The Court approved the recommendation that the final stage of the three year pay settlement be implemented at Aberdeen with effect from 1<sup>st</sup> October 2008.

#### KEY PERFORMANCE INDICATORS

- 50 Professor Logan introduced a paper on the final Key Performance Indicators for academic year 2007/08.
- 51 In discussion, it was noted that retention of students continued to be a priority. It was noted, however, that the University had in the course of the year implemented a number of measures to address the issue and the full impact of these was yet to be seen. The Curriculum Reform initiative was also expected to help address issues of retention.
- 52 Another issue highlighted by the Performance Indicators was the number of part-time students. Curriculum Reform was expected also to help address this issue to some extent and in the current year there had already been a significant growth in part-time numbers in some areas of the University.
- 53 Concern was expressed at the high level of recorded staff sickness absence. The Court noted that the University had only recently begun to record and monitor this information and it was at an early stage in terms of being able to begin to address the issue.

#### STRATEGIC PLANNING: NOTE OF COURT STRATEGY MEETING

- 54 Mr Cannon introduced a paper which summarised the principal discussion points that had emerged from the Court's strategy meeting on 9<sup>th</sup> September 2008.
- 55 The Court noted the paper.

#### STAFF POLICY ON MATERNITY/ADOPTION PROCEDURES

- 56 The Court approved a number of amendments to the Maternity and Adoption Procedures necessitated by the introduction of the Sex Discrimination Act (*copy filed with the principal copy of the minutes*).

#### HOME OFFICE CERTIFICATE HOLDER ARRANGEMENTS

- 57 The Court agreed that, until the completion of full integration of the Rowett Institute of Nutrition and Health (RINH) processes for meeting the requirements of the Animal (Scientific Procedures) Act 1986 with those of the University, or, relocation of the RINH to the Foresterhill site, whichever is earlier:
- (i) the University retain a separate Certificate of Designation for the RINH;
  - (ii) the Director of the RINH, Professor Peter Morgan, continue to be its named Certificate Holder.

#### APPOINTMENT OF VICE-PRINCIPALS

##### *Mrs Cathy Macaslan, Secondment to Scottish Government*

- 58 The Court noted that Mrs Macaslan, currently Vice Principal (Learning & Teaching), had been seconded to the Scottish Government as Policy Adviser to the Director General, Education and Lifelong Learning, until 31<sup>st</sup> December 2009. Mrs Macaslan would demit office as Vice Principal (Learning & Teaching) on 31<sup>st</sup> October 2008. Mrs Macaslan would retain the title of Vice Principal from 1<sup>st</sup> November for the duration of her secondment.

*Professor Christopher Gane, Head of College of Arts and Social Sciences*

- 59 The Court noted that Professor Gane, currently Vice Principal (Culture & Communities), had been appointed Head of College (Arts & Social Sciences) from 1<sup>st</sup> October 2008 until 31<sup>st</sup> July 2012. Professor Gane would continue to retain some central duties from his portfolio as Vice Principal (Culture & Communities) in addition to his Head of College role.

DECISIONS TAKEN UNDER DELEGATED POWERS

- 60 The Court noted the following items which had required a decision to be taken over the summer period under the vacation powers delegated by the Court in Minute No 418 of 24 June 2008.

*Merger with the Rowett Research Institute*

- 61 The Court noted that the University's merger with the Rowett Research Institute had taken effect at midnight on 30 June 2008.

*Revised Proposal on Capital and Ownership of the Dental School Building*

- 62 The Court noted the terms of a decision (*copy filed with the principal copy of the minutes*) that had been made to accept a proposal from the Health Directorate to share ownership of the Dental School building with the University.

STUDENTS' ASSOCIATION SUPPORT STAFF

- 63 The Court noted that the Students' Association had ratified a proposal from its Executive Committee that support staff from the Association transfer to the employment of the University under TUPE regulations and that a Service Level Agreement between the Students' Association and the University would be prepared.

FUTURE BUSINESS

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

DATE OF NEXT MEETING

- 65 The Court noted that the date of its next meeting was Tuesday 9 December 2008.