

STRICTLY CONFIDENTIAL

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 20 March 2001

Present: The Rector (in the Chair), Principal, Councillor D Clyne, Mr D Cockburn, Dr A Dawson, Dr H Fullerton, Professor G Graham, Mr J Grant, Ms A Harper, Dr D Heddle, Councillor P Johnston, Dr P Kinnear, Professor S Logan, Professor I Macdonald, Dr M Mackie, Miss M Main, Mr A Mair, Dr N Milne, Dr G Roberts, Mr A Salvesen, Mrs A Skene, Mr G Stevenson, Professor I Torrance and Mr S Varwell, with Professor A Forrester, Professor D Houlihan, Professor J Sewel, Mr S Cannon, Mr M Ord, Mr S Gordon and Dr P Murray (Clerk).

Apologies for absence were received from Professors D Ogston, P Sloane and T Salmon and Mr J Leiper. Court was pleased to hear that Professor Salmon was recovering well from his illness.

MINUTES

127 The minutes of the meeting held on 6 February 2001 were approved subject to the amendment of Minute 126, final sentence of "non-professional" to "non-professorial".

PRINCIPAL'S STATEMENT

John Smith Memorial Mace

128 The Principal and the Court recorded their great pleasure at the achievement of Court member, Mr Duncan Cockburn, in winning for the second time the John Smith Memorial Mace for debating. The Principal applauded the triumph which brought great credit to the University.

Wellcome Trust Award

129 The Principal informed Court of the recent award to the University from the Wellcome Trust of £7M towards the construction of the Institute of Medical Sciences Phase 2. The award brought great credit to the Faculty of Medicine & Medical Sciences and to its Dean. He was delighted to report that virtually all the initial costs of the second phase of the Institute were now covered – an outstanding achievement for the University.

SHEFC and SRIF Awards

130 The Principal reported that the University was eligible to apply for funding of up to £6.2M from the Scottish Higher Education Funding Council and the Science Research Investment Fund. Funds would be allocated over a three-year period to invest in the University's infrastructure.

Merger with Northern College (*See also minute 140 below*)

131 The Principal was pleased to report the recent receipt of a letter from the Chief Executive of the Funding Council, confirming that a positive recommendation had been made by the Council to the First Minister that the mergers with the Universities of Aberdeen and Dundee should proceed. Subject to the approval of the First Minister, the mergers should become effective on 1 August 2001.

Developing Relationship with the University of Highlands and Islands

132 The Principal reported that the Executive Committee of the University of the Highlands and Islands (UHI) had recently requested the formal establishment of a working group

between the UHI and the University to explore developing relationships between the two bodies in both teaching and research. This was an exciting and significant development which could bring great benefit to both organisations.

Article from Time Magazine

- 133 The Principal drew attention to the article extract from Time Magazine which commented favourably on the University's willingness to assist scientific commercialisation. It was gratifying to read of the University's business innovation contribution to the region in a magazine with a large international readership.

JOINT PLANNING, FINANCE & ESTATES COMMITTEE (JPFEC)

- 134 The Court received a report of the meeting of the Joint Planning, Finance & Estates Committee, held on 21 February 2001, as under:

Tuition Fees 2001-2002

- 135 The Court approved recommendations on Tuition Fee levels for 2001-2002, together with a proposal from the Faculty of Medicine and Medical Sciences regarding Tuition Fees for non-fundable students on postgraduate nursing programmes. In this latter instance fees would be charged at the Arts-based rate for both full-time and part-time students on the grounds that this reflected the course content of these programmes and would be line with competitor institutions. It was anticipated that the change would make the programmes more competitive and improve student recruitment.

SHEFC Review of Teaching Funding: Third Stage Consultation

- 136 The Court approved the University response to the SHEFC Consultation Document 08/00 on its Review of Teaching Funding, for submission to the Funding Council by 30 March 2001.
- 137 It was noted that the key elements of the Funding Council's proposals, which had given rise to considerable controversy within the higher education sector, were: (i) to introduce six broad subject groupings, with prices averaged from those currently paid, and (ii) to absorb 'fees only' students into funded numbers. Some institutions, especially those with medical schools, could find themselves better off, while others, especially the newer universities, could be significantly worse off. Having modelled the potential outcome it appeared that the impact on the University of Aberdeen as a whole would be largely neutral but that there would be significant internal shifts of resource.

SHEFC Review of Research Policy and Funding: Second Stage Consultation

- 138 The Court approved the University response to SHEFC Consultation Document 09/00, for submission to the Funding Council by 30 March 2001.

Hall Fees 2001-02 (*See also Minute 177 below*)

- 139 The Court noted that owing to a number of new and complicating factors (including the Pathfinder project) which affected the level of Hall fees for the 2001-02 session, it had not been possible to finalise proposals for the Committee's consideration at its meeting. Accordingly the Committee had approved the delegation of powers to the Senior Lay Member and the Principal, after consultation with President of Students' Association, to approve proposed fees on its behalf, for submission to the Court at its meeting on 20 March 2001 for final consideration and approval.

Northern College (*See also Minute 131 above*)

- 140 In the light of the positive progress towards merger a member sought confirmation that steps were being taken to ensure appropriate leadership for the new Faculty of Education. In

response the Principal indicated that negotiations on this matter were ongoing and he confirmed that action would be taken in the near future.

Aldroughy Estate

- 141 The Court noted that formal offers had been accepted for all the lots included in the sale of the Aldroughy Estate and that these would realise net proceeds of £635K. Recommendations on the use of the proceeds would be brought forward in due course.

Bridge of Don

- 142 The Court noted that agreement had been reached with the Ministry of Defence/Territorial Army to conclude an excambion between the University and the Ministry which, when legally completed, would be followed immediately by a joint marketing campaign to dispose of the combined sites. In the meantime, an interest which had been expressed in the site was under consideration.

Pathfinder Project

- 143 The Court noted that it had recently emerged that the breakage costs of existing loans originally taken out to fund the construction of new halls of residence were a potentially significant factor in relation to the future of the Pathfinder Project. It noted that the Committee had agreed that the full breakage costs should be established and the matter referred to the Pathfinder Project Board.

Student Admissions 2001-02

- 144 The Court noted that undergraduate applications to the University for session 2001-02 had increased compared to the previous year by almost 17%, the second highest increase in the UK. Continuing efforts to convert applications into admissions would be important. It was hoped to secure student admissions up to and marginally beyond the University's consolidation limit for UK/EU funded numbers. It would also be crucial, from a financial viewpoint, to maximise the recruitment of overseas students.

Funded Places 2000-01

- 145 The Court noted that the Funding Council had largely accepted the University's request for transfers of funded places in 2000-01 between subject groups and levels, and that the potentially substantial clawback for underachievement of funded postgraduate numbers had been limited to £16K.

Borrowing Facilities

- 146 The Court noted the outcome of further negotiations with Barclays Bank about proposed loan facilities which the Bank was prepared to make available to the University to meet its capital requirements. Loan conditions were less stringent in the first two years than had originally been proposed. However, the Committee had not agreed, either to the proposed loan arrangement, or to drawing down such loan facilities, as there were a number of developments which could affect the University's borrowing needs. Before any recommendation could be brought forward, work remained to be done on how the Barclays' proposal impacted on the University's overall borrowing requirements, whether other arrangements might prove more attractive, and on a sensitivity analysis of the University's finances in terms of the Bank's proposed covenants.

Budgets 2000-01

- 147 The Court noted that, of the £1.4M target budget reductions agreed by the University Management Group to ensure that the University would return to planned surplus by the end of the current financial year, £400K had already been achieved, partly through careful scrutiny of all staff vacancies. The Committee had received a summary report of the plans of Faculties and Central Services to meet the £962K savings still to be achieved in the remaining five months of the year.

Financial Reports Financial Year 2000-01

- 148 The Court noted that the Committee had considered Management Reports for the five and six month periods to 31 December 2000 and 31 January 2001. At the six month stage the University had been on target to return to the planned £1.034M historical cost surplus by the end of the financial year, provided that the agreed budget reductions were achieved through continuing firm management action. The University's cash position was tight, but there was now a positive cash flow on the Institute of Medical Sciences, Phase 2 Project, largely due to a £2.5M SHEFC grant, and also on the Automers project, making it likely that the University would not require borrowing facilities in the current financial year.

Review of Control Arrangements by SHEFC

- 149 The Court received for information a letter, dated 30 January 2001, from the Funding Council, with notification of a visit to the University in June 2001 by the Financial Appraisal and Monitoring Service (FAMS), as part of its review cycle of SHEFC-funded institutions.

Reports on Project Groups

- 150 The Court noted that the Committee had received reports on the following projects: Institute of Medical Sciences, Phase 2 and Medical Research Facility; Marischal College; and AUTOMERS.

JPFEC Sub-Committees

- 151 The Court noted that the Committee had approved a revised remit, composition and membership 2000-01 for an Estates Advisory Group (*vice* Estates Sub-Committee) and a revised composition and membership 2000-01 for the Earned Income Group.

STAFFING AND DEVELOPMENT COMMITTEE

- 152 The Court received a report of the meeting of the Staffing & Development Committee, held on 20 February 2001, as under:

Absence Management

- 153 The Court noted that the Committee had received a paper on the proposed introduction of a University policy on absence management and had agreed that such a policy was reflective of good practice and would be useful for audit purposes. The proposed Absence Management Policy would be developed further and piloted in the University Office in the first instance.
- 154 In response to a request for more detailed information, Professor Macdonald emphasised the need to establish the present position and only then to determine appropriate action. He fully accepted the difficulty in defining absence in many areas of the University's work.

National Collective Bargaining

- 155 The Court noted that recent consultation with trades unions at national level had resulted in the suspension of industrial action and a commitment to continue with talks on the establishment of new bargaining machinery for the sector.

Current issues

- 156 The Court noted work in progress in relation to a number of issues, on which reports and recommendations would come forward in due course. These included the evaluation of the pilot exercise on the staff personal development/appraisal system, the work of the Equal Opportunities Advisory Group, consultation with the trade unions on the University's draft redundancy policy, analysis of staff turnover, and arrangements for the

transfer of staff from Northern College if the proposed institutional merger were approved.

- 157 Professor Macdonald reported additionally that a review of the University's promotion procedures would be undertaken. He noted the comment of a member regarding what he perceived to be a general lack of transparency in current processes and a desire for consultation with staff.

STUDENT AFFAIRS COMMITTEE

- 158 The Court received a report of the meeting of the Student Affairs Committee, held on 26 February 2001, as under:

Sub-Committee on Disabilities

- 158 The Court noted (i) that Professor Eric Matthews had succeeded Professor Rodger as Convener of the Sub-Committee on Disabilities and that he now had *ex officio* status at meetings of the University Committee on Teaching and Learning; and (ii) that the Sub-Committee had given its initial reaction to the SKILL Report, which was being considered further by the University Committee on Teaching & Learning. It was noted that Dr Roberts had been asked to oversee progress on the Report's findings.

Financial Matters

- 159 The Court noted that the Committee had received details of the Accounts of the Student Organisations, relating to the Financial Year 1999-00.
- 160 The Court approved the recommendation that the annual allocation to the Students' Association be through a single disbursement, with a single subtraction of standing commitments for the Students' Association as a whole.

Students' Association Business Plan

- 161 The Court noted that the Committee had welcomed submission of the latest draft of the Students' Association's Business Plan and had commended it on its enterprising and comprehensive approach.

Debater Constitution

- 162 The Court approved a number of proposed amendments to the Debater Constitution, subject to the correction of the grammar of Article 2.1. These had been designed partly to reflect recent organisational changes and, more importantly, to enable application for charitable status
- 163 In response to questions regarding the dissolution clause (Article 15.1), it was explained that the wording used had been recommended by the Scottish Charities Office and that the Debater was not a constituent element of the Students' Association.

NOMINATING COMMITTEE

- 164 The Court received a report of the meeting of the Nominating Committee, held on 27 February 2001, as under:
- 165 The Court approved the Principal's recommendations, concerning the appointment of Vice-Principals and Provost, as set out below:

<u>Name</u>	<u>Designation</u>	<u>From</u>	<u>To</u>
Professor The Lord Sewel	Senior Vice-Principal	1.10.01	31.07.04
Professor S Logan	Provost (Medicine & Medical Sciences)	1.08.01	31.07.04
Dr G Roberts	Vice-Principal (Teaching and Learning)	1.08.01	31.07.04
Professor D Houlihan	Vice-Principal (Research and Commercialisation)	1.08.01	31.07.04

- 166 The Court also approved the recommendation that Professor The Lord Sewel be appointed Senior Vice-Principal (Designate) for the period 1 August 2001 to 30 September 2001.

AUDIT COMMITTEE

- 167 The Court received a report of the meeting of the Audit Committee, held on 13 March 2001, as under:

Internal Audit investigation:1999-00 Year-end Financial Reports

- 168 The Court noted that the Committee had considered the report from Deloitte & Touche of a special internal audit investigation to review the adequacy and effectiveness of management information and budgetary control in the light of the 1999-00 financial year outturn.
- 169 The audit had reviewed and analysed the adequacy of information available to managers in predicting and controlling their budgets and had examined the basis for, and impact of, end of year adjustments. It had drawn attention to weaknesses in the adequacy and appropriateness of financial information and to aspects of the budgetary process and had made a series of recommendations.
- 170 The Court noted the Committee's view that the report was of significant value to the University in meeting the challenges which the changing culture facing higher education presented. It was essential that throughout University Management, a culture of proactive and corporate financial responsibility was developed, in particular with regard to monitoring and managing budgets to enable early identification and understanding of trends.
- 171 In approving the report, the Committee had noted that all the recommendations had been agreed and that a timetable for early implementation had been indicated. An action plan would now be developed, in consultation with Deloitte and Touche, and the Secretary would present an implementation progress report to the next meeting of the Committee.
- 172 In response to questions, Mr Grant re-emphasised that the University Management was actively working to implement the recommendations and would report on progress to the next meeting of the Committee.

Internal Audit Programme 2000-2001

- 173 The Court noted that the Committee had approved the following internal audit reports from Deloitte & Touche and had agreed that, where necessary, reports on follow-up action be brought forward in due course:

Department of Obstetrics & Gynaecology:	Report 2 of 2000-01
Follow Up Reviews:	Report 5 of 2000-01

University Financial Regulations

- 174 The Court noted that the Committee had considered Draft Financial Regulations, prior to their submission to the Court, via the Joint Planning, Finance & Estates Committee, for formal approval at the meeting of the Court on 15 May 2001.

Review of Control Arrangements by SHEFC (*See also Minute 169 above*)

- 175 The Court noted that the Committee had been informed about the forthcoming Financial Appraisal and Monitoring Service (FAMS) visit to the University in June 2001.

Audit Committee - Co-option of Additional Member

- 176 The Court noted that Mr Alastair Mathieson had agreed to be co-opted as an additional member of the Audit Committee and that he would attend its next meeting.

RESIDENTIAL AND CATERING BUDGET: HALLS FEES 2001-2002 (*See also Minute 139 above*)

- 177 The Court received and considered a paper which provided the current financial year outturn forecast for residences and catering and recommended a budget for the financial year 2001-02. The paper also included recommendations for student accommodation fees for the session 2001-02, approved by the Senior Lay Member and the Principal on behalf of the Joint Planning, Finance & Estates Committee, after consultation with the President of the Students' Association.
- 178 Professor Sewel spoke to the paper, detailing the considerations which had led to the fee levels recommended. He explained the rationale behind the various calculations, emphasising in particular the desire to contain fee increases to as low a level as possible. He commented on the contributions made from University Funds, the strategic developments planned in accommodation provision, the impact of private-sector providers within Aberdeen and, in particular, the economic necessity to close Dunbar Hall at the end of the present session.
- 179 He expressed great sadness at what he regarded as the necessary closure of the Hall, recognising its long-standing popularity among students. However, it would require some £900,000 worth of maintenance over the forthcoming summer vacation to keep it open, without any improvement in provision. The impact which this would have on raising hall fees across the system was unacceptable. Accordingly he recommended closure.
- 180 A wide-ranging discussion followed, whose principal points of record were as follows:
- The point was made that the popularity of Dunbar was due primarily to its culture of friendliness and support. It was hoped that the lessons learned could be exported throughout the residential system;
 - The hope was expressed that funds secured from the sale of Dunbar Hall would contribute to the provision of improved facilities within University accommodation and an assurance was given that this would be so within the context of the Pathfinder Project.
 - The point was made that the compelling arguments for the closure of Dunbar, should be communicated widely among the community and this was accepted.
 - Concerns were expressed that the recommendations might have gone too far in reducing potential fee increases to uneconomic levels – repeating the reluctance which had been prevalent over the years to charge economic rents and thereby retain sufficient funds to maintain and upgrade the accommodation;

- These arguments were acknowledged but it was pointed out that the strategies proposed had to be seen (a) in the context of the wider Aberdeen accommodation market, where costs had fallen - this had led to increased competition; (b) in the light of the Pathfinder Project whose aim it was to reduce the University's provision to around 2,000 bed places, around half of which would be provided in privately-managed accommodation; and (c) in the context of a highly competitive student recruitment market.
- It was argued strongly that the proposed policies rather than being unbusinesslike should be regarded as sound management, insofar as they were aimed at stemming losses and stabilising the position.

181 The Rector drew the discussion to a conclusion and the Court:

- (i) Approved the levels of hall fees for the session 2001-02, involving increases ranging from 1.5% to 4%.
- (ii) approved the closure of Dunbar Hall at the end of the session 2000-01.

DEGREE AND DIPLOMA REGULATIONS

182 The Court approved the proposals from the Academic Standards Committees (Arts & Social Sciences, Divinity & Law) and (Science, Engineering & Medicine) for amendments to degree regulations and the request that these be incorporated in the Resolution, entitled *Changes in Regulations for Various Degrees*, the draft of which was currently before the Business Committee of the General Council. It was noted that they were principally concerned with defining those Honours Programmes which might not be undertaken by part-time study (General Regulation for First Degrees, Section 4 refers).

SCHEDULE OF MEETINGS FOR SESSION 2001-2002

183 The Court noted that in recent years there had been a clash in the timetable between a number of Court meetings and meetings of the Grampian University Hospitals NHS Trust. As a consequence, a request had been made that consideration be given to moving Court meetings to Mondays next session.

184 An alternative proposal was noted, namely that Court should continue to meet on Tuesdays next session but should consider the implications of the clashes for the following year and this was agreed.

185 Accordingly Court agreed that it meet at 2.00pm on the following dates during the session 2001-02:

Tuesday 18 September 2001 (NB residential meeting 17 September)
 Tuesday 30 October 2001
 Tuesday 11 December 2001
 Tuesday 5 February 2002
 Tuesday 19 March 2002
 Tuesday 14 May 2002
 Tuesday 25 June 2002

INSTITUTIONAL REVIEW BY QUALITY ASSURANCE AGENCY

186 The Court noted that the Quality Assurance Agency for Higher Education would undertake an institutional review of the University in Spring 2004. The last similar review, an academic quality audit, had been undertaken by the Agency in May 1998.