

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 17 December 2002

Present: Mr A Mair (in the Chair), Principal, Mr A Amoore, Lady Catto, Mr R Clements, Cllr D Clyne, Dr A Dawson, Dr N Dower, Mr H Duncan, Professor G Graham, Miss A Harper, Cllr P Johnston, Dr P Kinnear, Mr M Lockhead, Professor S Logan, Dr M Mackie, Mr D Marr, Dr N Milne, Dr J Roberts, Professor T Salmon, Professor J Sewel, Professor W Smith, Mr G Stevenson, Professor I Torrance, with Professor B MacGregor, Professor A Rodger, Ms C Macaslan, Mr J Graham, Mr S Cannon, Ms I Bews, Mr A Donaldson, Mrs C Inglis, Dr P Murray, Mr R Taylor, and Mr B Purdon (Clerk)

Apologies for absence were received from the Rector, Cllr Clyne, Mr D Cockburn, Miss A Harper, Professor D Houlihan and Mr J Leiper.

MINUTES

63 The Minutes of meeting held on 5 November 2002 were approved.

STATEMENT BY PRINCIPAL

64 The Principal noted that a successful event had been held to celebrate the close of the first phase of the Sixth Century Campaign. He reminded the Court that there remained a considerable number of areas within the University that depended on the future success of the Campaign.

65 The Principal was pleased to inform the Court that the City of Aberdeen had been confirmed as the location of one of three Scottish Enterprise Intermediary Technology Institutes, namely the Energy Institute. It would receive £15 million per year over the next ten years. Many of the operational details remained unclear, but it was expected that the University would be in a good position to bid for research funding. The Principal noted that two other Institutes, Life Sciences, and Communications and Digital Technology, were to be located in Dundee and Glasgow respectively. The University hoped also to be able to bid for research funding from them.

66 The Principal informed the Court that the University was continuing to monitor carefully the national debate on higher education funding.

UNIVERSITY ANNUAL ACCOUNTS 2001-02

67 The Court considered the University's Annual Accounts for the financial year 2001-02, which had been scrutinised by the Audit Committee, and forwarded by the Joint Planning Finance & Estates Committee with a recommendation for their formal approval by the Court. (*See also Minute 82 below*) A covering Commentary from the Finance Director highlighted key audit and accounting issues. The Court was pleased to note that the outcome for the year was satisfactory. Overall income had increased by £10.4m (9%) of which £5.5M related to the merger with Northern College and the inclusion of the Faculty of Education from December 2001. A historical cost surplus of £5.984M had been recorded compared with a historical surplus of £1.562M in the previous financial year.

68 The Court approved the University's Annual Accounts for the financial year 2001-02 and noted the annual Report on Endowments.

SUBSIDIARY COMPANIES ANNUAL ACCOUNTS 2001-02

- 69 The Court received the 2000-01 and 2001-02 Annual Accounts for Aberdeen University Research and Industrial Services Ltd (AURIS Ltd). AURIS Ltd produced a loss in 2001-02 of £49,059 before release from revaluation reserve and had restated its accounts for 2000-01, increasing the loss by £169,157. Court noted that it would receive a report on the future direction of AURIS Ltd in due course.
- 70 The Court received also the King's College Conference Centre Ltd Annual Accounts for the financial year 2001-02. These reported a loss of £1,323 on a turnover of £410,690, which was an improvement on 2000-01 but reflected another difficult year for conference business. Court noted that the company was included within the current review of catering and residential services. Any proposals on the future direction of the company would be received by the Court in due course.

STRATEGIC PLAN 2003

- 71 Members were invited to assess critically the existing Strategic Plan and to forward to the Senior Vice-Principal, or to Mrs Schofield, Court & Planning Office, any comments and suggestions which might inform the development of the 2003 Plan. It was intended that draft versions of the 2003 Plan would come forward to the March and May meetings of the Court before final approval by the Court on 1 July 2003, and submission to Scottish Higher Education Funding Council (SHEFC).

INSTITUTIONAL COLLABORATION WITH THE ROBERT GORDON UNIVERSITY

- 72 The Court was informed that, as agreed, academic groups were now meeting with their counterparts at The Robert Gordon University and were expected to report to University senior management early in the new year.
- 73 The following principal points of record were noted:
- Academic groups had received guidelines to provide a framework to assist them in making the necessary academic analysis. That framework was intended to ensure that the full range of issues necessary for a thorough analysis were part of the discussions. A copy of the framework would be circulated to Court for information.
 - Academic groups were expected to report on the suitability of merger in their discussions, although it was possible that the potential for collaboration through means other than merger might be identified.
 - It was accepted that the decision-making process required subjective as well as objective judgements to be made and that while information on the present state of the institutions was important, there was a need also to reflect on what the future implications of a merged institution might be.
 - It was noted that the University would need to maintain a dialogue with the SHEFC in the forthcoming review of the Research Assessment Exercise (RAE), and that the way in which the RAE would deal with newly formed institutions should be one of the issues included in that dialogue.
- 74 The Court was informed that no formal response to the application to the SHEFC for a Strategic Change Grant had yet been received. However, there was strong reason to believe that SHEFC might provide significantly less than the level of funding applied for. It was expected that the funding would be sufficient to allow the academic analysis to be

completed, but not the additional analyses and due diligence. This could impact on the current target date for the Court to take a final decision on merger.

REPORTS BY COMMITTEES

Audit Committee

- 75 The Court received a report from the Audit Committee's meetings on 1 November 2002 and 19 November 2002.

Annual Report 2001-02

- 76 The Court considered the Committee's Thirteenth Annual Report, to which were attached the Internal Auditors' Annual Report 2001-02, the Internal Auditors' Annual Plan for 2002-03, and the External Auditors' Management Letter, together with its Report on Significant Audit Issues 2001-02.
- 77 In presenting the Annual Report Mr Amoores confirmed that the Committee was content with the University's financial and management systems. He noted that the University had during the year restructured the Board of Directors of King's College Centre Ltd and were taking steps to address areas of weakness identified in the Internal Audit Report. These would be subject to Internal Audit Review in the forthcoming year, in addition to the review of catering and residential provision noted at Minute 70 above. Mr Amoores stated that the Committee had been greatly impressed by the efficiency with which the Finance Department had handled the external audit. He added that Mr Grant and Professor Ogston had both retired as members in the year, and that the Committee was extremely grateful to them for their dedicated service over many years.
- 78 In discussion it was noted that the External Auditors had identified the provision to the Development Trust by the University of financial support for administration expenses. It was noted further that the auditors had recommended that, unless specifically forbidden by the donor or the terms of a trust, a reasonable allocation of overhead expenses should be set against restricted funds. It was noted that the Development Trust could, if it wished, stipulate that a percentage of some donations be used for administrative costs, but that this approach had not been adopted because it was considered to be unattractive to potential donors. Accordingly it had been felt that financial support from the University was required. It was noted that the External Auditors' recommendation would be reviewed as part of the Internal Audit Review in the year and that the financial support would be part of the budget which would come to Court for approval.

Annual Reappointment of External Auditors

- 79 The Court approved the annual reappointment of PricewaterhouseCoopers as external auditors to the University for the third year of their three-year appointment.

80 *Annual Reappointment of Internal Auditors*

The Court approved the reappointment of Deloitte & Touche as internal auditors to the University for the fourth year of their engagement with extension for a further two years, subject to satisfactory performance.

Internal Audit Reports

- 81 The Court noted that the Committee had approved six internal audit reports namely, Capital Asset Accounting and Management, Tuition Fees, Department of Molecular & Cell Biology, Department of Zoology, Estates Procurement and Review of Library Services.

Joint Planning Finance & Estates Committee (3.12.02)*Annual Accounts 2001-02*University Accounts

- 82 The Court noted that the Committee had considered the University Accounts for 2001-02 and had recommended their approval. (See Minute No 67)

Subsidiary Companies Accounts

- 83 The Court noted that the Committee had received (I) the audited annual Accounts for AURIS Ltd for the two financial years 2000-01 and 2001-02, (of which the latter were subject to formal approval by the Board), and (ii) the KCC Ltd Annual Accounts for the year 2001-02.

Admissions Targets 2003

- 84 The Court considered a paper commenting on the University's forecast out-turn student population for 2002-03 and setting out proposals for admissions targets for entry in the academic year 2003-04. For undergraduate home/EU entry the full-time targets, except those controlled by SHEFC, were the same as for the current year and below the actual 2002 intake. The part-time targets, in light of population shortfall, were below those for 2002-3. Targets for home/EU postgraduate taught and research students were set at levels to achieve the Strategic Plan population targets.
- 85 The Court approved the various targets recommended by the Committee.

Overseas Tuition Fees

- 86 The Court considered a paper which, with reference to the fees charged by other universities and the University's Strategic Plan financial forecasts, recommended increases in overseas tuition fees for the academic year 2003-04.
- 87 The Court approved the proposals as follows:
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|--------------------------|---------|
| Arts-based programmes | £7,560 |
| Science-based programmes | £9,960 |
| Clinical Medicine | £18,570 |

- 88 In accordance with current policy Deans retained the right to offer discounts, and/or packages, including student accommodation, provided that such discounts were based on academic or marketing criteria and would not constitute either direct or indirect racial discrimination.

Review of Research Assessment

- 89 The Court considered a University response, to the SHEFC Circular HE/42/02 inviting higher education institutions to make an initial contribution to the review of the Research Assessment Exercise to be undertaken by the Steering Group appointed by the Funding Councils in the UK and the Department of Employment and Learning in Northern Ireland and chaired by Sir Gareth Roberts. The response reflected the University's aim to be a research-led institution, and its support for the commercialisation of research activities.

Transfers of Funded Places

- 90 The Court noted a request to SHEFC for a number of routine and strategic transfers of the University's funded places between subject groups and levels, in order to avoid liability for financial clawback of teaching grant.

Three-Year BA Programme in Arts & Social Sciences

- 91 The Court noted that the Committee had approved a recommendation to withdraw from further development of the three-year BA Degree in Arts and Social Sciences, to which reference had been made in the Strategic Plan (strategic aim 2.5).

Occupational Health Services

- 92 The Court noted a proposal to contract-out to the Grampian NHS Occupational Health Service the provision of occupational health services to the University, with immediate effect.

Financial Reports FY2002-03

- 93 The Court was informed that the Management Accounts for the first three months of the current financial year to 31 October 2002, showed an historical cost surplus of £973,000 against a budgeted surplus of £443,000.

Research, Income Generation and Commercialisation

- 94 The Court noted the main points covered in a report on commercialisation activities during 2001-02 and a further report on additional activities in the first three months of the current year.

AURIS Ltd

- 95 The Court noted a report on progress on the implementation of the arrangements previously agreed on the future of AURIS, together with details of AURIS and University shareholdings in spin-out companies.

Capital Expenditure Sub-Committee

- 96 The Court noted (i) the provision of £20K funding for a new public address system for King's College Chapel and (ii) decisions relating to the replacement of the King's College heating system. On (ii) the Committee had agreed that the relevant Project Board proceed to instruct full design and tender for the preferred option, which was to install three steam boiler plants, the gross capital cost of which would be in the order of £6M.
- 97 The Court also noted progress reports on the King's College Conservation Programme, and on a range of other property matters and capital projects.

Risk Management

- 98 The Court noted the Committee's endorsement of the decision of the Risk Management Committee on the risk assessment of major institutional initiatives, including the creation of Project Boards for current and future projects and also noted the memberships of those Boards which had been established.
- 99 Given the recent major fire that had affected the University of Edinburgh, Professor Sewel confirmed to the Court that the Committee was also considering the risks of such incidents and their implications for the University.

Staffing & Development Committee (12.11.02)

Race Equality Policy

- 100 Subject to the addition of the Wider Access Strategy Team and the Retention and Progress Strategy Team at 2.2 of the Policy, the Court approved the Committee's recommendation for the immediate implementation of the Race Equality Policy in order to meet the requirements of the Race Relations (Amendment) Act 2000. The Policy is set out in the Appendix to this minute. (*See Minute 108 below*).

Staff Development

- 101 The Court noted that the Career Development and Staff Appraisal Scheme was progressing and that the new Staff Training and Development Brochure had been well received. The Court also noted the progress made in the delivery of management development and leadership activities and developments in the Aberdeen University Programme for Higher Education Teachers (AUPHET).

Investors in People

102 The Court noted the progress made in Investors in People, and in particular, the assessments planned for 2003.

Flexible Working Procedures

103 The Court also noted the ongoing work in relation to flexible working procedures and looked forward to the Policy Statement being submitted for approval in due course.

Policy on Good Research Practice and Procedure on the Handling of Allegations of Research Misconduct

- 104 The Court noted that the Committee had commented upon the Interim Policy on Good Research Practice and Procedure on the Handling of Allegations of Research Misconduct. (See Minute 107 below)

SENATE REPORT

- 105 The Court approved the following recommendations, which the Senate, for its part had approved at its meeting on 20 November 2002.

Partnership Agreement – Barony College

- 106 The Court approved the recommendation that a Partnership Agreement with Barony College be approved in regard to the articulation routes specified. The Agreement would be for five years in the first instance.

Policy on Good Research Practice and Procedure on the Handling of Allegations of Research Misconduct

- 107 The Court approved the Interim Policy Statement on Good Research Practice and Procedure on the Handling of Allegations of Research Misconduct, subject to the replacement of "legal" by "professional" in paragraph 4. For the full Policy, please refer to Appendix to Minute 56 in the Court Minutes (5.11.02) (See also Minute 104 above)

Race Equality Policy

- 108 The Court noted that the Senate, for its part, had approved the draft Race Equality Policy. (See Minute 100 above)

DRAFT RESOLUTION No of 2002
[CHAIR OF PUBLIC HEALTH]

- 109 The Court agreed to forward the draft Resolution to the Senate and the General Council and to make it generally available in terms of Section 6 of the Universities (Act) 1966.

GIFTS, BENEFACTIONS AND AWARDS

- 110 The Court received for information a report from the Director of External Relations on gifts, benefactions and charitable awards received by the University in the period 1 August 2002 to 31 October 2002.