

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 11 February 2003

Present: Rector (In the Chair), Principal, Mr A Amoore, Mr R Clements, Mr D Cockburn, Dr A Dawson, Dr N Dower, Mr H Duncan, Professor G Graham, Miss A Harper, Councillor P Johnston, Dr P Kinnear, Mr J Leiper, Mr M Lockhead, Professor S Logan, Professor B MacGregor, Mr A Mair, Mr D Marr, Dr N Milne, Dr G Roberts, Professor T Salmon, Professor J Sewel, Mr G Stevenson, Professor I Torrance, with Mr J Graham, Ms C Macaslan, Professor A Rodger, 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 Lady Catto, Councillor D Clyne, Dr M Mackie, Professor D Houlihan and Professor W Smith.

MINUTES

- 111 The minutes of the meeting held on 17 December 2003 were approved subject to an amendment to reflect Mr Marr's attendance.

STATEMENT BY PRINCIPAL

- 112 The Principal noted that the UK Government had recently published a White Paper, entitled the Future of Higher Education, which contained important proposals for the future funding and direction of higher education in England. The Principal stressed that while the proposals did not directly apply to Scotland, the potential significance of the changes for universities in England could not be ignored by Scottish institutions. In that respect the Principal noted that the proposals introduced a new set of critically important variables to be considered in the ongoing discussions on future institutional collaboration with The Robert Gordon University (RGU). (*See also Minutes 121, 131 & 132 below*).
- 113 Following the Principal's statement, Professor Sewel outlined in more detail the main proposals contained within the White Paper, an executive summary of which the Court had received (*See minute 135*). Among the proposals highlighted were:
- English universities would receive around 6% more funding from central Government per annum over the next three years, although virtually all of this increase was for specific purposes. In Scotland, the present expectation was that universities would receive a 6.9% increase over the three year period.
 - It was expected that some English universities would be able to raise significant additional income through charging "top up" tuition fees from 2006.
 - The proposals indicated that Government in England recognised a clear distinction between the respective missions and future directions of research-intensive universities and those universities that focused primarily on teaching. It also suggested that Government believed commercialisation would be more focused on the 'new universities'.
- 114 The Court noted that the Scottish Executive was expected to publish its own review of higher education in Scotland in March.
- 115 In subsequent discussion, Mr Cockburn noted that students generally were concerned by the prospect of additional "top up" tuition fees, because of the resulting increase in student

debt. It was feared that this would be a disincentive to students from low income backgrounds to enter higher education. Mr Cockburn noted that there had been no indication from the Scottish Executive that they would introduce "top up" fees in Scotland. It was also noted that universities in Scotland would need to receive additional future income to remain competitive with English universities.

REPORTS BY COMMITTEES

Joint Planning, Finance & Estates Committee (28.01.03)

- 116 The Court received a report from the Joint Planning, Finance & Estates Committee which had met on 28.01.03.

Pathfinder Project

- 117 The Court considered the Pathfinder Report which summarised the progress made since July 2002 and recommended the way forward for the redevelopment of the Hillhead site. The Court approved the following proposals:
- (i) That, as a result of the procurement procedure and detailed appraisal of the submissions received, Sanctuary Housing Association be selected as the preferred bidder. Although this commitment would not be contractual at this stage, it would allow detailed negotiations to commence to establish terms on which a contract would be based.
 - (ii) That a small negotiation team comprising the Directors of Finance, Property Development and Human Resources and the Deputy Secretary be formed to co-ordinate negotiations, with wider technical support where necessary.
 - (iii) That a target time-scale and programme be established with a view to an operational transfer in September 2003.
 - (iv) That a staff communication and public relations plan be created to brief all affected parties.

Marischal College

- 118 The Court considered a paper which, in light of the recent expiry of the Exclusivity Agreement with Aberdeen Asset Management (AAM), recommended a plan for the development of Marischal College.
- 119 The Court approved the following proposals:
- (i) That a specialist property adviser be appointed.
 - (ii) That a low risk / low return approach be adopted.
 - (iii) That the University seek to obtain terms as close as possible to those achieved with AAM, it being noted that any capital premium which might be secured was likely to be required to upgrade adjacent areas that were to remain in University ownership.
 - (iv) That the Board be invited to progress the development of Marischal College and adjacent areas (excluding Mitchell Hall), as appropriate.

Strategic Planning

- 120 The Court noted that the Committee had received the Minister's letter to the Funding Council, dated 17 December 2002, in which he outlined priorities for the sector in 2003-04, together with a copy of the letter from the Scottish Executive Enterprise and Lifelong Learning Department to the Funding Council, dated 23 December 2002, which provided supporting detail to the Minister's letter. The guidance contained in these letters would be taken into consideration during the preparation of the Strategic Plan 2003-2007.

RGU Collaboration

- 121 The Court noted that SHEFC had allocated the University Strategic Change Grant funding of £350,000 in the context of collaboration with the RGU. (*See Minute 130 below*)

Students' Association Annual Accounts 2001-02

- 122 The Court noted that the Committee had received for information a copy of the Students' Association Accounts for 2001-02 and that the Association had made a net loss of £97,796. The University was working with the Association to address the downturn in commercial services income.

Capital Expenditure

- 123 The Court noted that a budget of £30,000 plus VAT was to be made available from the functionality budget to cover half the cost of a new mosque facility at the Foresterhill Campus.
- 124 The Court noted that the Committee had received progress reports on a range of property matters and capital projects including: Marischal College; the Faculty of Education relocation project; the Hilton disposal project; planning development briefs for the Hilton, Hillhead and Dunbar Sites; Hillhead Halls; Bridge of Don site; the Institute of Applied Health Sciences; the IMS2; the MRF; the Old Aberdeen Town House; and the new Health Centre.

Investment Committee

- 125 The Court noted that the Committee had received a report from the Investment Committee, including a summary of the Fund Manager's Quarterly Reports for the period to 30 September 2002 and that the University Investment Strategy was under review by the Investment Committee.

Financial Reports FY 2002-03

- 126 The Court was informed that the management accounts for the first five months of the current financial year to 31 December 2002, showed an historical cost surplus of £849,000 against a budgeted surplus of £614,000.

Catering Strategy

- 127 The Court noted the Committee had received a report on the progress being made in the implementation of the Catering Strategy and plans for further improvements.

SHEFC Science and Technology Teaching Infrastructure Grant

- 128 The Court noted the allocation of £589,000 Teaching Infrastructure Grant between Faculties and the Directorate of Information Systems and Services.

Cash Strategy

- 129 The Court noted that the Committee had approved a recommendation with regard to the University's Cash Strategy that the Finance Section continue to ensure that the best rates of return were achieved without compromising capital value or restricting liquidity. The Court also noted that new Fund Managers would be identified as part of the Investment Committee's review of Investment Strategy. The Committee had deferred its consideration of the recommendation to pass endowments of £7.28M currently held as cash to the new Fund Managers until the current review had been completed.

130 The Court was informed that the various academic analyses exploring potential collaboration with the RGU had now been completed. The Court noted further that the recent English White Paper on the Future of Higher Education had introduced a series of new and critically important variables that would need to be part of further consideration of these academic analyses. (*See Minute 113 above*).

131 In discussion the following principal points of record were noted:

- That the academic reports would be passed to Heads of Schools and in due course to Senate as part of the institutional analyses.
- That lay Court members were welcome to attend, in an observer capacity, meetings of the Senate, if they wished to do so.

132 The Principal noted that the academic analyses were very thorough and were a vital part of the decision-making process. The University was committed to that process as the mechanism by which any decision on merger would be informed. However, Court should be aware that a degree of uncertainty had been introduced into the proceedings in recent days and that he was meeting with the Principal of RGU immediately after the meeting of the Court to discuss these and to seek clarification.

SENATE REPORT

DRAFT RESOLUTION NO OF 2003 [CHANGES IN REGULATIONS FOR VARIOUS DEGREES]

133 The Court received the draft Resolution No of 2003 [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 229 of 2003 [CHAIR OF PUBLIC HEALTH]

134 The Court, having noted that the draft Resolution No 229 of 2003 [Chair of Public Health] had been approved by the Senate, and 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.

UK GOVERNMENT WHITE PAPER: HIGHER EDUCATION STRATEGY FOR ENGLAND

135 The Court received for information an Executive summary of the Higher Education Strategy for England. (*See also Minutes 113 & 130, 131 & 132*)

INDEPENDENT REVIEW OF STUDENT COMPLAINTS: UNIVERSITIES SCOTLAND CIRCULAR 104/02

136 The Court received for information a copy of the Universities Scotland Circular 104/02, 29 November 2002, providing detail of the arrangements for the independent review of student complaints.

SCIENCE RESEARCH INVESTMENT FUND (SRIF) ROUND 2

137 The Court received, for information, a copy of HEFCE's early notification letter regarding the second round of the Science Research Investment Fund, dated 16 December 2002.

DISPOSAL OF HILTON AND HILLHEAD SITES: LETTER FROM SHEFC 7/1/03

- 138 The Court received, for information, a copy of a letter from SHEFC regarding the disposal of the Hilton campus and the Hillhead Halls of Residence and re-investment of proceeds, dated 7 January 2003.