

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 14 December 2004

Present: Dr A Mair (in the Chair), Principal, Mr A Amoore, Professor P Beaumont, Professor I Booth, Mr T Brotherstone, Lady Catto, Professor Gane, Mrs S Grant, Miss A Harper, Cllr P Johnston, Professor S Logan, Dr M Mackie, Dr D Marr, Mr P Richards, Mrs M Ross, Mr R Ruddiman, Dr G Roberts, Professor W C Smith, Councillor J Stewart, with Professor C Gane, Professor A Rodger Professor B MacGregor, Professor C Secombes (*vice* Professor Haites), Mr S Cannon, Ms I Bews, Mr A Donaldson, Mrs C Inglis, Dr P Murray, Mrs L Manders, Dr T Webb and Mr B Purdon (Clerk).

Apologies for absence were received from Professor D Houlihan, Mr J Leiper, Mr M Lockhead, Mr S Styles and Professor N Haites.

MINUTES

103 The Minutes of meeting held on 4 November 2004 were approved.

DECLARATION OF INTERESTS

104 With respect to Minute 135, Mr Marr informed the Court that he held a Fixed Term Contract with the University.

105 With respect to Minutes 127-129, Councillor Johnston informed the Court that an individual who had been approached by the University for advice on matters related to provision of retail outlets with the Student Centred building was known to him.

COURT INFORMATION SESSION

106 Prior to the main meeting of Court, the Vice-Principal for Teaching and Learning provided members of Court with a full briefing on the University's preparations for the forthcoming Enhancement Led Institutional Review and a lengthy discussion ensued of the issues involved.

STATEMENT BY PRINCIPAL

107 The Principal reflected on the extent to which the University in common with all Higher Education Institutions had increasingly to consider how it met the challenges of complying with legislation or other regulatory requirements. He also stressed to Court that while these issues were important and frequently formed part of the business of Court, at the same time across the University there continued to be exciting developments in the areas of teaching and research.

THE UNIVERSITY OF THE HIGHLANDS AND ISLANDS MILLENNIUM INSTITUTE

108 The Secretary informed the Court that the Scottish Executive had asked the University to work with the University of Edinburgh and the University of Strathclyde to support the University of the Highlands and Islands Millennium Institute (UHI) in its efforts to attain University status. This was consistent with the University's existing approach to working with UHI and formal proposals would come to Court in due course.

RECTORIAL ELECTION: STATEMENT BY SECRETARY

- 109 The Secretary informed the Court that no candidates for Rector had come forward by the deadline for nomination of candidates. Due to the timing of examinations in January and the time-scales involved in the nomination of candidates and for an election, it was, therefore, unlikely that a ballot of students could be held until March at the earliest. After the expiry of the current Rector's term of office on 31st December 2004, the Court would, therefore, formally be without a Chair until an election could be held.
- 110 Mr Cannon further noted that the new Code of Practice Guide for Members of Higher Education Governing Bodies called upon institutions to conduct effectiveness reviews. The Court was due to undertake such a review in the forthcoming year and it might wish to include as part of that review consideration of the role of the Rector.

UNIVERSITY ANNUAL ACCOUNTS 2003-04

- 111 The Court received the University's Group Consolidated Annual Accounts for the financial year 2003-04, which had been considered by the Audit Committee, and forwarded by the Joint Planning Finance and Estates Committee with a recommendation for their approval by the Court (See also Minutes 126 and 155 below). The Court also received a commentary from the Finance Director which highlighted key audit and accounting issues; and the External Auditors Management Letter.
- 112 The Director of Finance drew to the Court's attention a number of key points in the accounts. These reported an historic cost deficit of £2.074m, which included two exceptional items- these being the costs of restructuring and the sale of the Gallowgate Union. Excluding these the historic cost surplus would be £2.779m. Income had increased by £3.2m (2.3%) in the year, with staff costs increasing by £5.2m (6.3%).
- 113 The Director of Finance explained to Court that the pension accounting standard required the disclosure in the notes to the accounts of any pension surplus/deficit along with the Balance Sheet position of the University's Superannuation & Life Assurance Scheme (UASLAS). The standard did not, however, relate to the national Universities Superannuation Scheme.
- 114 The Court further noted that from 1st January 2005 changes to the accounting regulations would mean that such a deficit/surplus must also be accounted for in the Income and Expenditure Account and Balance Sheet with any actuarial gain/loss accounted for in the Statement of Total Recognised Gains and Losses (STRGL), rather than the current practice of disclosure in a note to the accounts. If this had been the case in 2003/04, the UASLAS scheme would have shown a deficit of £19.873m in the Balance Sheet and an actuarial loss of £1.777m.
- 115 In discussion, it was recognised that while not unique to this University this was a significant issue. At present the figures represented a worst-case scenario as the accounting standard requires a very short term assumption on the assets of the scheme in terms of the pension scheme. The University had, however, already increased the level of its contribution to the scheme and the Trustees were considering a range of possible steps to address the deficit position. It was agreed that the Court would be kept informed.
- 116 The Court approved the University's annual accounts for the financial year 2003-04.
- 117 The Court also noted the Annual Summary Report on Endowments

REPORT FROM AUDIT COMMITTEE

Audit Committee Annual Report

- 118 The Court received the Audit Committee's Fifteenth Annual Report which summarised the work of the Committee over the year and reported that it was satisfied with the University's financial and management systems.
- 119 The Court discussed as a matter arising from the Annual Report the future provision of dental services within the University. It was informed that an Internal Audit Report had highlighted the position that the current practice arrangements were inadequate, that it was not core business and was a significant financial loss to the University. The Court was also informed that the building itself was unable to comply with a number of National Health Service (NHS) guidelines. It was also in a position where it was increasingly difficult to meet the needs of its patients. As an alternative to closure the University had entered into discussions with the NHS with a view to their taking over the provision under the terms of a TUPE transfer in order to provide a better and more effective service. It was expected that this would take around six months from the identification of suitable accommodation.
- 120 In discussion it was noted that this was an issue of importance to many within the student and staff communities and that the Court would be kept informed of developments.
- 121 The Court approved the Audit Committee Annual Report for submission to SHEFC.

Internal Auditors' Annual Report

- 122 The Court approved the Internal Auditors' Annual Report, prepared by Deloitte & Touche for 2002/03, prior to its submission to SHEFC.

Appointment of External Auditors

- 123 The Court approved the re-appointment of PricewaterhouseCoopers to provide external audit services to the University of Aberdeen for a three-year period from 1st January 2005.

COMMITTEE OF UNIVERSITY CHAIRMEN REVISED GUIDANCE FOR GOVERNORS

- 124 The Court received the recently published Revised Guidance for Governors. Mr Cannon explained that the guidance was UK-wide, came in five parts and had the support of the Scottish Higher Education Funding Council, Universities UK and the Government. Part I introduced a new Code of Practice which was voluntary, but where institutions did deviate from it, the expectation was that this would need to be justified. Part 2 covered the main principles of governance, the role of the governing body and responsibilities of members of governing bodies to their institutions.
- 125 The Guidance raised a number of issues that the Court would need to address and this would be done as part of the forthcoming effectiveness review.

JOINT PLANNING FINANCE & ESTATES COMMITTEE

University Annual Accounts 2003/04

- 126 The Court noted that the Committee had received and considered the audited University Annual Accounts for the financial year 1 August 2003 to 31 July 2004, and had recommended their approval (See also Minutes 111-117).

Student Centred Facility

- 127 Further to the decision of the Court at its meeting on November 2nd, the Joint Planning Finance & Estates Committee had at its meeting on November 30th considered the scheduling of the refurbishment of the Central Refectory Building. In particular, it had considered a paper on Infrastructure Investment and Cash-Flow Planning which illustrated that the refurbishment of the Central Refectory could be progressed immediately. The Committee, therefore, invited Court to approve the following recommendations: -
- (i) that the Central Refectory building be redeveloped over the period April 2005-September 2006 at an estimated cost of £8.786million;
 - (ii) that the project be funded from current cash reserves in the short-term;
 - (iii) that funding be allocated from the proposed sources as described in the annex to this minute (See Appendix to this Minute).
- 128 In discussion, the Court was assured that the University recognised that the nature of the catering provision and the management arrangements for that provision would influence the design of the refurbished building. It was also recognised that future decisions on the catering provision for University Student residences on campus could also influence the design of the building. No decisions had been reached on those issues as yet.
- 129 The Court approved the recommendations.

Overseas Tuition Fees 2005/06

- 130 On the recommendation of the Committee, the Court approved overseas tuition fees for the academic year 2005/06 as follows:
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|----------------------------|---------|
| Arts - based programmes | £8,316 |
| Science - based programmes | £10,968 |
| Clinical Medicine | £20,484 |

- 131 The Court also agreed that the University should offer the ten North American Institutions with whom it had recently discontinued exchange agreements a discounted tuition fee rate.

Credit Policy

- 132 The Court approved a Credit Policy. (See Appendix to this Minute)

AUDIT COMMITTEE

Internal Audit Needs Assessment and Operational Plan

- 133 The Court approved the draft Internal Audit Needs Assessment and Operational Plan for 2004/05 to 2006/07, prior to its submission to SHEFC. This had been prepared by Deloitte & Touche in accordance with the SHEFC Code of Audit Practice and set out the main areas for review over the next three academic years.

STAFFING AND DEVELOPMENT COMMITTEE

Framework Agreement

- 134 The Court approved the recommendation that, as required by the Framework Agreement, the University adopt Higher Education Role Analysis as its job evaluation process.

Fixed Term Workers

- 135 The Court approved the Policy on Use of Fixed Term Contracts. (See Appendix to this Minute)

SENATE REPORT

*Draft Resolution No of 2004
Degree of Doctor Honoris Causa (DHC)*

- 136 The Court received the draft Resolution No of 2004 [Degree of Doctor Honoris Causa (DHC)] from the Senate, and decided to forward it to the Business Committee of the General Council and to make it generally available in terms of Section 6 of the Universities (Scotland) Act 1966.

Validation Agreement: UHI Millennium Institute

- 137 The Court approved the Validation Agreement between the University and the UHI Millennium Institute in regard to the delivery of programmes in either Electrical or Mechanical Engineering with Nuclear Decommissioning Studies, which would lead to the award of the University of Aberdeen Degree of Bachelor of Engineering.

JOINT PLANNING FINANCE AND ESTATES COMMITTEE

Enhancement-led Institutional Review

- 138 The Court noted that the Committee had received a report on the forthcoming Enhancement-Led Institutional Review and that it had noted the proposed process for reflective analysis and dialogue with the Quality Assurance Agency.

Students' Association Annual Accounts 2003/04

- 139 The Court noted that the Committee had received for comment a copy of the Students Association Annual Accounts for the year 2003/04 which had been subject to external audit. The Committee had noted that the audit report was qualified in relation to the valuation of opening stock but that this did not otherwise reflect on transactions during the year.

Subsidiary Companies Annual Accounts 2003/04

- 140 The Court noted that the Committee had received a copy of the audited Annual Accounts 2003/04 for AURIS Ltd, which had been approved by the Board.

Collaboration and Strategic Research Development Grant (SRDG) 2004

- 141 The Court noted that discussions with the Rowett Research Institute and the Fisheries Research Services were ongoing.
- 142 The Court noted that the Aberdeen-led Scottish Collaboration of Triallists (ScoT) Strategic Research Development Grant bid had been selected to proceed to the final stage of the competition. The Funding Council had given approval, in principle, for the Aberdeen Centre for Environmental Sustainability (ACES) proposal to go forward outwith the competitive strand of the SRDG.

Infrastructure Investment and Cash-Flow Planning

- 143 The Court received a copy of the paper considered by the Committee, on infrastructure investment and cash-flow planning, bringing together a medium-term cash-flow projection and proposals for the establishment of a ten-year infrastructure plan along with the strategy for cash and borrowing. It was noted that a report would be brought back to JPFEC listing potential projects for prioritisation, after which time an investment and borrowing strategy would be identified.

Key Performance Indicators

- 144 The Court received and noted indicators of institutional performance in three categories; progress against key institutional targets, the level of attractiveness of the institution and the efficiency of operations.

*Capital Expenditure Sub-Committee*Marischal College

- 145 The Court noted that negotiations were progressing with Aberdeen City Council in relation to Marischal College.
- 146 The Court also noted that the Committee had approved a proposal that, once consensus had been reached with the Council on the project agreement structure, a review of the initial brief and previous design work be undertaken at a cost not exceeding £50,000. It was noted that this review would be beneficial, prior to the appointment of a design team and would reduce potential delays to the project.

Capital Programme 2004/05

- 147 The Court noted that capital expenditure on major projects for the period ending 31 October 2004 was approximately £4.3million, an underspend of £1.4million. Capital expenditure on the annual rolling programme was approximately £800,000, an underspend of £600,000. These variances were largely due to timing issues. Some re-phasing of budgets would be undertaken to reflect planned changes in the established programme of work.

Project Board Reports

- 148 The Court noted that the Committee had considered progress reports on Student Accommodation, Cruickshank Building, Zoology Building, Institute of Applied Health Sciences (IAHS) and IAHS2, Library Project, Heating Station, Education Relocation, Sports Facilities, Old Aberdeen Town House and Computing and Information Technology Infrastructure.

Risk Management Committee

- 149 The Court noted that the Committee had considered a report on the recent crisis management exercise, information technology risk management and the consideration of risk assessments for six major projects.

Admissions Report 2004

- 150 The Court noted that the Committee had received an admissions report, dated 25 October 2004, as had also been reported to Court on 2 November 2004.

Admissions Targets 2005/06

- 151 The Court noted that the Committee had received and considered a paper, commenting on the forecast out-turn student population for 2004/05 and setting out proposals for admissions targets for entry in the academic year 2005/06.
- 152 The Court also noted that the Committee had approved targets for postgraduate admissions on the basis that they represented minimum, not aspirational levels.

“Going Rates” for Admission for 2006/07

- 153 The Court noted that the Committee had approved the recommendation of the Student Recruitment and Admissions Committee for a minor change to the “going rates” for 2006 entry to undergraduate degrees.

Financial Reports 2004/05

- 154 The Court noted that the Committee had considered the management accounts for the three months to 31 October 2004, which showed an historic cost surplus of £797,000 against a budgeted surplus of £205,000, a favourable variance of £592,000.

AUDIT COMMITTEE

University Draft Annual Accounts: Year Ended 31 July 2004

- 155 The Court noted that the Committee had considered the University's Draft Annual Accounts for the financial year 2003-04, together with a commentary from the Director of Finance and a summary of Endowments, prior to their submission to the meeting of the Joint Planning, Finance and Estates Committee and to the University Court.
- 156 The Court noted that the Committee had received the External Auditors' Report to the Audit Committee and had considered the conduct of the audit. The auditors indicated that they would issue an unqualified audit opinion in respect of the consolidated accounts.
- 157 The Court noted that the Committee had agreed to report to the Court that it was satisfied with the work of the external auditors and that the accounts represented an accurate statement of the University's position for the 2003-04 financial year.

Internal Audit Reports

- 158 The Court noted that the Committee had received and approved the following internal audit reports:
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|-----------------------------------|----------------------------|
| Contract Management and Tendering | (Report No. 4 of 2003/04) |
| Stores | (Report No. 8 of 2003/04) |
| Biological Services Units | (Report No. 9 of 2003/04) |
| Travel | (Report No. 10 of 2003/04) |
| Student Records | (Report No. 12 of 2003/04) |
| Working Capital Management | (Report No. 13 of 2003/04) |

STAFFING AND DEVELOPMENT COMMITTEE.

- 159 The Court noted that the Committee had considered the Management Guidance which sets out the processes and procedures to be followed in implementing the Policy on Use of Fixed Term Contracts (see Minute 135 above). The Court also noted the ongoing work in relation to the application of the Policy to externally funded posts.

SENATE REPORT

Election of Senate Assessor to the University Court

- 160 The Court noted that Mrs ML Ross had been elected as a Senate Assessor to the University Court with immediate effect until 30 September 2007, *vice* Professor Graham.

Election of Senate Assessor to the Joint Planning, Finance and Estates Committee

- 161 The Court noted that Professor IR Booth had been elected as a Senate Assessor to the Joint Planning, Finance and Estates Committee with immediate effect for the duration of his assessorship to the University Court, *vice* Professor Graham.

PAPERS FOR INFORMATION AVAILABLE BY REQUEST

- 162 The Court was informed that the following papers were available on request from the Court Office:
- (i) ENHANCING RESEARCH COMPETITIVENESS THROUGH THE POOLING OF RESEARCH RESOURCES: SHEFC Circular Letter HE/31/04, dated 4 August 2004, to inform of progress on the ongoing work to enhance research competitiveness through the pooling of research resources across institutions in Scotland.

- (ii) POPULATION PLANNING: HOME/EU UNDERGRADUATES: Paper setting out the actions being undertaken to ensure that the University does not suffer clawback for the 2004/05 population.
- (iii) SRIF ROUND 3: SHEFC Circular Letter HE/32/04, providing advance notice of arrangements for a third round of the Science Research Investment Fund (SRIF 3) and giving information on the electronic submission of proposals that SHEFC intend to use for the scheme.
- (iv) SCOTTISH EXECUTIVE CONSULTATION ON MEDICAL TUITION FEES: Letter from Scottish Executive, 1 September 2004, seeking views on the proposal that Scottish Ministers may set a separate level of tuition fees for medical students as part of the measures announced at the end of June to protect Scottish students from the consequences of the UK Government's plans to introduce variable tuition fees in England.
- (v) KNOWLEDGE TRANSFER GRANT: SHEFC Circular Letter HE/33/04, dated 10 September 2004, requesting institutions to provide activity data on knowledge transfer metrics in order to inform the allocation of Council funding through the Knowledge Transfer Grant (KTG) for academic year (AY) 2005-06.
- (vi) FRAMEWORK AGREEMENT: SHEFC FUNDING: Note indicating that SHEFC will distribute £5 million for the purposes of funding the modernisation of pay structures and human resource management. Details of funding will be distributed to institutions and the conditions that will apply will follow later.
- (vii) ALLOCATION OF ADDITIONAL CAPITAL RESOURCES: SHEFC Circular Letter HE/36/04, dated 13 October 2004, presenting the Council's decisions on the allocation of an additional £10 million of grant-in-aid, made available by the Scottish Executive as 'end of year flexibility' (EFY) funds, to higher education institutions (HEIs).
- (viii) SHEFC STRATEGIC RESEARCH DEVELOPMENT GRANTS: ASSESSMENT OF OUTLINE BIDS: Letter from SHEFC, 9 November 2004, informing the University of decisions following the Council's consideration of outline proposals to the Strategic Research Development Grant competition.
Note: Of the three bids submitted by the University, the *Scottish Collaboration of Trialists* (SCoT) is to proceed to a full bid to be submitted by 28 January 2005; the *Aberdeen Centre for Environmental Sustainability* (ACES) was approved in principle, subject to discussions/reduced costs; and *Making History and Making Artifacts: the Ethnographic Collections of Scotland* does not proceed.
- (ix) PAY STRUCTURE AND HUMAN RESOURCE MANAGEMENT MODERNISATION: SHEFC Circular Letter HE/43/2004, dated 10 November 2004, announcing the allocation of £5 Million of non-recurrent grant to help institutions modernise pay structures and human resource management.

DATE OF NEXT MEETING:

- 163 It was noted that the next scheduled meeting of Court would be held on Tuesday 8 February 2005 at 2.00pm.