

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 13 December 2005

Present: Dr A Mair (in the Chair), Principal, Mr A Amoore, Professor I Booth, Mr T Brotherstone, Lady Catto, Mrs S Grant, Miss A Harper, Professor D Houlihan, Mr J Leiper, Professor S Logan, Dr M Mackie, Mr M Moir, Mr E Obi, Mrs M Ross, Professor C Secombes, Mr S Styles with Professor C Gane, Professor B MacGregor, Professor A Rodger, Mr S Cannon, Ms I Bews, Mr A Donaldson, Mrs C Inglis, Mrs L Manders, Dr P Murray, Dr T Webb and Mr B Purdon (Clerk).

Apologies were received from The Rector, Professor P Beaumont, Dr D Cruickshank, Professor N Haites, Mr M Lockhead, Mrs C Macaslan, Mr D Marr, Mr P Richards and Councillor J Stewart.

MINUTES

96 The Minutes of meeting held on 1 November 2005 were approved.

STATEMENT BY PRINCIPAL

97 The Principal informed Court that the First Minister had visited the University to open formally the refurbished MacRobert Building as the School of Education's new home and to announce £1.4 million in funding to support a Chair in Inclusive Studies to address dyslexia and other learning difficulties. The Principal added that this built on the funding awarded to the School of Education by the Hunter Foundation and further reflected its growing reputation as a leading centre of teacher education.

98 The Principal noted that the Scottish Funding Council (SFC) had recently announced £1.2 million in funding to support the Aberdeen Centre for Environmental Sustainability (ACES) a joint initiative between the University and the Macaulay Land Research Institute.

99 The Principal also reported that Professor Porter of the School of Medical Sciences had been awarded the Ernst and Young, UK Young Entrepreneur of the Year Prize, for his commercialisation of research work with the University spin-out company, Haptogen.

100 The Principal noted that the University's efforts to recruit internationally distinguished senior academic staff was continuing and that a number of excellent appointments had been made since the last meeting of Court.

STRATEGIC ISSUES

101 Professor Logan introduced a paper which summarised the principal strategic issues that had been discussed at the Court's Away-Day in September and outlined the University's initial responses to them. He reminded Court that these issues would feed into the strategic planning process in the development of the University's Strategic Plan over the coming months.

102 In discussion, the Court was assured that the University would continue to explore ways of strengthening collaboration with The Robert Gordon University.

UNIVERSITY ANNUAL ACCOUNTS 2004-05

- 103 The Court received the University's Group Consolidated Annual Accounts for the financial year 2004-05, 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 Minute 144 below). The Court also received a commentary from the Finance Director which highlighted key audit and accounting issues; and the External Auditors Management Letter.
- 104 The Director of Finance drew to the Court's attention a number of key points in the Accounts. These reported an historic cost surplus of £3.120m, which included as an exceptional item the £0.592 million costs incurred as part of the three-year restructuring programme. Excluding this item, the historical cost surplus would be £3.772 million, which is £0.943m up on the 2003/04 surplus from normal activities. Income had increased by £8.6 m (6.2%) in the year, with research grants and contracts income having increased by £1.555m (4.2%).
- 105 In discussion, it was agreed that in future it would add clarity to the accounts if a note were included to explain the accounting treatment of University investments in subsidiary commercial companies.
- 106 The Court approved the University's Annual Accounts for the financial year 2004-05.
- 107 The Court also noted the Annual Summary Report on Endowments which had increased in value in the year by £27.341m (17.1%). This reflected the general improvement in the stock market in the course of the year.

JOINT PLANNING, FINANCE AND ESTATES COMMITTEE REPORT

Key Performance Indicators

- 108 Professor Logan introduced to Court a paper presenting Key Performance Indicators at the end of the first quarter of 2005/06 that had been considered by the Joint Planning, Finance and Estates Committee (JPFEC). The Court noted that some targets were particularly challenging and might take longer to achieve than the previously agreed five-year timescale.
- 109 It was agreed that further indicators on external relations and staff satisfaction should be considered for inclusion and that consideration be given to grouping the indicators across strategic priorities.

Cash Flow Planning and Borrowing Strategy

- 110 Professor Logan introduced a paper on a Cash Flow Planning and Borrowing Strategy.
- 111 The paper was based on an assumed Capital Programme of £228m that reflected the need to provide high quality facilities. It incorporated projects that had full institutional approval, projects that were committed in principle but remained subject to approval of a business case and risk assessment, and projects that were expected to be required but had yet to be prioritised. The Cash Flow Planning Strategy had been developed to assume only prudent levels of income growth to reflect variables such as future research and tuition fee income.
- 112 The Court noted that at this stage it was only being asked to give the Director of Finance the authority to begin putting in place the necessary borrowing facility. The Court's approval would be required for spend.
- 113 The Court approved the recommendation from the JPFEC that:
- (i) A third party be engaged to assist the Director of Finance in putting together a funding package, and attaining Scottish Funding Council approval for the required maximum borrowing facility of £35 million, with a long-term facility of £25 million;

- (ii) Those projects not yet prioritised, be ranked and challenged in terms of priority and cost, and further investigation of alternative solutions be undertaken.

UNIVERSITY SUPERANNUATION AND LIFE ASSURANCE SCHEME

- 114 The Director of Finance introduced a paper which summarised a series of options for the future of the University Superannuation and Life Assurance Scheme that had been evaluated by the Scheme Actuary. Based on the advice of the Scheme Actuary the paper explained the advantages and disadvantages of the various options.
- 115 The paper recommended, that at this time, the best option was to continue with the *status quo* but that this be reviewed at the 2007 actuarial valuation, and that this be communicated to staff.
- 116 The Court approved the recommendation.

REPORT FROM THE EFFECTIVENESS REVIEW OF COURT WORKING GROUP

- 117 The Court received a first Report from its Effectiveness Review Working Group, established in response to the advice of the new Committee of University Chairmen *Guide for Members of Higher Education Bodies in the UK* as set out in the Appendix to this minute.
- 118 The Group had met on five occasions and had considered a wide range of governance issues. It had issued a questionnaire seeking the views of members of Court and those in attendance on a range of matters. It had followed this up with a series of interviews to focus further on issues that had emerged as being of particular prominence.
- 119 The Report made a number of recommendations across three areas as under:
- 1) *The Composition and Size of Court*
 - 1.1 That Court consider reducing its size.
 - 1.2 That the Chair of Court *ex officio* be removed from the Rector, who would remain a member of Court. The Court noted that *the President of the Students' Association had recorded his opposition to this recommendation.*
 - 1.3 That the Group be charged to undertake a review of the effectiveness of Court's Sub-Committees.
 - 2) *The Modus Operandi of Court*

That a number of measures to make the conduct of Court business more effective be implemented, namely:

 - 2.1 The Court agenda should be revised so that Court focuses its attention primarily on key issues.
 - 2.2 Court papers should be as succinct as possible with clear recommendations as to what action Court is being asked to take.
 - 2.3 There should be developed a clear schedule of powers of decision that Court delegates to its committees.
 - 2.4 All members of Court should annually sign a declaration of confidentiality to protect them and the Court in the course of fulfilling their corporate duties.

3) *The Recruitment and Development of Court Members*

That a number of measures be implemented to improve the recruitment and development of Court members namely:

- 3.1 The Working Group considered the issue of remuneration of Court Members and agreed that the present practice of non-remuneration should continue.
- 3.2 That, as a matter of best practice, vacancies for co-opted members of Court should be advertised publicly and that a 'job description' be developed to assist in that recruitment process. In addition to any 'applications', the Nominating Committee should continue to approach directly any appropriate candidates.
- 3.3 That, if the Court were to become smaller, it might be beneficial to create a pool of "associate" co-opted members, who would not be members of Court but who would enable the University to continue to meet its obligations to populate a number of standing and ad hoc committees, such as academic appeals or complaints, where such 'lay' representation is beneficial.
- 3.4 That, while formal appraisal of Court members might not be necessary, a regular opportunity for members to have an informal meeting with the Senior Lay Member to evaluate their role within the Court and the effectiveness of the Court as a whole would be useful.
- 3.5 That the Court should be given greater opportunity to engage both with the members of the academic community and with their fellow Court members.
- 3.6 That new Court members be given the option of a more structured programme of induction and that 'refresher' seminars be made available to all members.
- 3.7 That induction meetings be held for members appointed to its committees.

120 In presenting the Report, Mr Amoores noted that recommendation 1.1 was one on which Court members held strongly divergent views ranging between those who did not see size as being an issue to those who felt that Court should be smaller than the composition tentatively suggested by the Working Group. He reminded Court that at this stage the Working Group was merely seeking guidance as to how it wished the Group to progress the issues of size and composition and the role of the Rector as Chair.

121 There followed a wider-ranging discussion, whose principal points of record were as follows:

A significant number of members supported the *status quo* for a range of reasons including the principal argument that a reduction in the size of particular constituencies would result in Court being less engaged with its stakeholders. An alternative view was put that a reduction in the size from 28 to 20 would be insufficiently radical to make a major difference and that it was more important to ensure that the Sub-Committee structure was operating well and that the skills of Court members were being effectively employed there. The Court noted that the Working Group would consider the issue further in the context of the discussion.

122 The position of the Rector generated some discussion, mostly in favour of the *status quo*. However, it was agreed that the issue required further consideration.

123 The Court approved the following recommendations:

- 1 That the Group be charged to undertake a review of the effectiveness of Court's Sub-Committees.
- 2 That the Court agenda be revised so that Court focuses its attention primarily on key issues.

- 3 That Court papers be as succinct as possible with clear recommendations as to what action Court is being asked to take.
- 4 That there should be developed a clear schedule of powers of decision that Court delegates to its committees.
- 5 That all members of Court should annually sign a declaration of confidentiality to protect them and the Court in the course of fulfilling their corporate duties.
- 6 That, as a matter of best practice, vacancies for co-opted members of Court should be advertised publicly and that a 'job description' be developed to assist in that recruitment process. In addition to any 'applications', the Nominating Committee should continue to approach directly any appropriate candidates.
- 7 That, while formal appraisal of Court members might not be necessary, a regular opportunity for members to have an informal meeting with the Senior Lay Member to evaluate their role within the Court and the effectiveness of the Court as a whole be introduced.
- 8 That Court should be given greater opportunity to engage both with the members of the academic community and with their fellow Court members.
- 9 That new Court members be given the option of a more structured programme of induction and that 'refresher' seminars be made available to all members.
- 10 That induction meetings be held for members appointed to its committees.

JOINT PLANNING, FINANCE AND ESTATES COMMITTEE REPORT

University Expenses & Benefits Policy

- 124 The Court received a recommendation from the Joint Planning Finance and Estates Committee that a revision to the University Expenses & Benefits Policy be approved.
- 125 The Court approved the revision to the University Expenses and Benefits Policy.

AUDIT COMMITTEE REPORT

Audit Committee Annual Report

- 126 The Court received and approved the Audit Committee's annual report for 2004/05, prior to its submission to the Scottish Funding Council.

Internal Auditors' Annual Report

- 127 The Court received and approved the Internal Auditors' Annual Report, prepared by Deloitte for 2004/05, prior to its submission to the Scottish Funding Council.

Appointment of External Auditors

- 128 The Court noted that PricewaterhouseCoopers had been appointed to provide external audit services for three years from 1 January 2005. As required by the Scottish Funding Council Code of Audit Practice, the Court, on the recommendation of the Audit Committee, was invited to approve the re-appointment of PricewaterhouseCoopers for the year commencing 1 January 2006.
- 129 The Court approved the re-appointment of Pricewaterhouse Coopers as the University's External Auditors for the year commencing 1 January 2006.

SENATE REPORT

- 130 The Court was informed that it had come to light during the operation of the Policy on Academic Appeals (approved by the Senate and Court in 2004) that the procedures to be followed where a Vice-Principal considers that a case for an appeal does not appear to exist were not consistently explained in the Policy and Guidance Note.
- 131 The Court approved a recommendation from Senate that the Policy on Academic Appeals be revised, as set out in the appendix to this minute.

CHANGES TO THE COMPOSITION OF THE HEALTH AND SAFETY COMMITTEE

- 132 The Court received a recommendation from the Health & Safety Committee to amend its composition.
- 133 The Court approved the proposed changes, as set out in the appendix to this minute.

REPLACEMENT OF THE INFORMATION MANAGEMENT COMMITTEE

- 134 The Court received a paper proposing the replacement of the Information Management Committee with a Joint Information Strategy Committee.
- 135 The Information Management Committee had agreed that it should be replaced by a body which would take a more strategic approach to the full range of information issues across the University. The Committee, therefore, proposed the establishment of a new Joint Information Strategy Committee.
- 136 The Court, for its part, approved the establishment of a new Joint Information Strategy Committee and the proposed remit and composition as set out in the appendix to this minute.

CODE OF PRACTICE ON EQUALITY AND DIVERSITY IN THE RESEARCH ASSESSMENT EXERCISE SUBMISSION PROCESS

- 137 The Court received a paper from the Working Group set up to take forward the development of an internal Code of Practice on preparing submissions and selection staff for inclusion in the Research Assessment Exercise.
- 138 The Working Group recommended to Court that the Code of Practice on Equality and Diversity in the Research Assessment Exercise Submission Process be approved.
- 139 The Court approved the Code of Practice on Equality and Diversity in the Research Assessment Exercise Submission Process.

RESOLUTION No 243 of 2005
[CODE OF PRACTICE ON STUDENT DISCIPLINE]

- 140 The Court, having noted that the draft Resolution [Code of Practice on Student Discipline] had been revised and approved by the Senate, and had been considered 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.

ORDINANCES ON MERGER AND AFFILIATION

- 141 The Court, having noted that the Draft Ordinance No 135 [Power to Extend the University of Aberdeen by Affiliating Colleges and Other Educational Bodies] and Draft Ordinance No 136 [Power to Incorporate into the University of Aberdeen Other Universities, Colleges and Other Educational Bodies] had been approved by the Senate, and had been considered by the Business Committee of the General Council, and that no other representations had been received during the required period of consultation, approved the draft Ordinance for submission to the Privy Council, as set out in the Appendix to this minute.

RESPONSE TO SCOTTISH FUNDING COUNCIL ON INSTITUTIONAL SUSTAINABILITY

142 The Court received a copy of the response to Circular Letter HE/39/05 received from the Scottish Funding Council requesting institutions to provide their framework towards achieving long-term sustainability and to verify the accuracy of trigger metrics data for the years 2002-2003 and 2003-04.

143 The Court approved the response, prior to its submission to the Scottish Funding Council.

JOINT PLANNING, FINANCE AND ESTATES COMMITTEE REPORT

University Annual 2004/05

144 The Court noted that the Joint Planning Finance & Estates Committee had received and considered the audited University Annual Accounts for the financial year 1 August 2004 to 31 July 2005, together with a summary of Endowments for the year, a Commentary from the Finance Director, and the External Auditor's Report, had agreed to recommend the Accounts to the Court for approval. (See Minutes 103-107 above).

Student Population Planning

145 The Court noted that the Joint Planning Finance & Estates Committee had received an update from the Working Group on Student Population Planning, which was in the process of formulating an integrated package of measures to address student population issues facing the institution. The Committee had noted that a wide-ranging review had been undertaken with a view to identifying potential quick wins and longer-term improvements and that recommendations would be considered by Senior Management in early December 2005.

Student Admissions

146 The Court noted that the Joint Planning Finance & Estates Committee had received and considered the Admissions Report 2005. It had reported that full-time home/EU undergraduate admissions targets had been met in all areas other than Engineering, Combined Degrees in Education and the BMus Education. Recruitment of overseas students had been below target at both undergraduate and postgraduate level. Admissions of home/EU taught postgraduates had fallen short of target.

Operational Plan 2005/06

147 The Court noted that the Joint Planning Finance & Estates Committee had received the Operational Plan 2005/06 which gave an update on progress against 2005/06 targets, as identified in the Strategic Plan 2004-2009. The Committee would continue to receive progress reports.

Minister's Letter of Guidance on Strategic Policy Priorities

148 The Court noted that the Joint Planning Finance & Estates Committee had received a copy of the Minister's Letter of Guidance setting out Strategic Policy Priorities for inclusion in the Funding Council Corporate Plan 2006-2009.

Aberdeen Centre for Environmental Sustainability

149 The Court noted that the Joint Planning Finance & Estates Committee had noted that the Funding Council had approved funding of £1.2 million for the Aberdeen Centre for Environmental Sustainability (ACES).

Capital Expenditure Sub-Committee Report

- 150 The Court noted that the Joint Planning Finance & Estates Committee had noted that, in general, spend against major capital projects to 31 October 2005 was £2.4 million behind budget, £1.7 million of which had been due to phasing of the Central Heating Station budget. Spend against the annual capital programme had been generally as planned.
- 151 The Joint Planning Finance & Estates Committee, on the recommendation of the Sub-Committee, had agreed the re-allocation of capital funding totalling £240k in the annual capital programme 2005/06. The funding was required in order to provide postgraduate study spaces in Taylor E Block, create office accommodation at 5 Dunbar Street for the Counselling Service, and to cover management costs across a range of projects.
- 152 The Court noted that the Joint Planning Finance & Estates Committee had also received progress reports on various projects including Marischal College, Education Relocation, the disposal of the Hilton Site, Central Heating Station, Student Accommodation, Zoology Building, Institute of Applied Health Sciences (IAHS) 2, The Hub (Student Centred Facility) and the Old Aberdeen Town House.
- 153 It was also noted that the Stage 2 bid for the Sports Project had been submitted to Sportscotland in October 2005, requesting that the grant be increased from £5 million to £7 million.

Monthly Management Accounts 2005/06

- 154 The Court noted that the Joint Planning Finance & Estates Committee had received copies of the Monthly Management Accounts for the period ending 31 October 2005. The Committee had noted that the accounts reported an historical cost surplus of £1.092 million against a budgeted deficit of £0.298 million. This favourable variance of £1.390 million had been largely due to underspends on core staff, operating and discretionary budgets. It had also noted that work was underway to establish how savings targets would be achieved by the Colleges.

"Going Rates" for Admission for 2007/08

- 155 The Court noted that the Joint Planning Finance & Estates Committee had approved the recommendation of the Student Recruitment and Admissions Committee for minor changes to the "going rates" for 2007 entry to the BSc and MBChB.

Subsidiary Companies Annual Accounts 2004/05

- 156 The Court noted that the Joint Planning Finance & Estates Committee had received a copy of the audited Annual Accounts 2004/05 for AURIS Ltd, which had been approved by the Board.

RESPONSE TO CONSULTATION ON THE SCOTTISH FUNDING COUNCIL'S FUTURE STRATEGY

- 157 The Court received and noted the University's response to the Scottish Funding Council's Circular: *Partnership for the Future: Directing a New Strategy*.

MINISTERIAL GUIDANCE ON STRATEGIC PRIORITIES FOR THE SCOTTISH FUNDING COUNCIL

- 158 The Court received and noted the Ministerial Guidance on Strategic Priorities for the Scottish Funding Council.

PAPERS AVAILABLE ON REQUEST

159 The Court was informed that the following papers were available on request from the Court Office:

- (i) TRANSPARENCY REVIEW DATA REPORTED FOR 2003-04, INCOME REPORTING FROM 2005-06, UPDATE ON ACTIONS FROM THE FINANCIAL REPORTING AND ACTIVITY COSTING (FRAC) REVIEW, AND 2005-06 DEFAULT COST RATES FOR RESEARCH PROJECTS
Note: A copy of SHEFC Circular Letter HE/19/05 is available on the web at <http://www.sfc.ac.uk/library/shefc/circular/2005>
- (ii) PAY OFFER AGREED BY UNIONS: UCEA LETTER 05/75: The Update reports that all of the HE trade unions have agreed the pay offer for 2005/06, and recommends HEIs to implement the increases without delay.
- (iii) HIGHER EDUCATION STATISTICS AGENCY COMBINED STUDENT RETURN 2004/05.
- (iv) COLLEGE OPERATIONAL PLANS
 - (i) College of Arts and Social Sciences
 - (ii) College of Physical Sciences
 - (iii) College of Life Sciences & Medicine.
- (v) GATEWAY TO THE PROFESSIONS
Note: A copy of the full report can be found via the Department for Education and Skills website at <http://www.dfes.gov.uk/hegateway/hereform/gateways-to-the-professions/index.cfm>
- (vi) TRENDS ON RESEARCH APPLICATIONS AND AWARDS

DATE OF NEXT MEETING

160 It was noted that the next scheduled meeting of Court would be held on Tuesday 7 February 2006.