

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 7 December 2009

Present: Sir Moir Lockhead (in the Chair), Rector, Mr A Amoore, Mr A Arthur, Dr A Baxter, Lady Catto, Professor C Fynsk, Mrs S Grant (for Minutes 47 to 81) Professor D Houlihan, Mr G Hunter, Mr B Lockhart, Professor S Logan, Dr A Mair, Mr R Parker, Mr R Ruddiman, Dr N Vargesson, Professor N Webster, with Professor N Haites, Professor B MacGregor, Professor P Morgan, Mr S Cannon, Mrs C Banks, Ms I Bews, Mr A Donaldson, Mr P Haley, Mrs C Inglis, Dr G Mackintosh, Mrs L Manders, Ms J Sewel and Mr B Purdon (Clerk).

Apologies for absence were received from the Principal, Ms J Craw, Sir Donald Cruickshank, Professor P Edwards, Provost W Howatson, Mr B Pack, Professor G Robinson, Councillor J Stewart, Professor C Gane and Professor A Rodger.

DECLARATION OF INTERESTS

47 Mr Cannon, Ms Bews and Dr Mair declared an interest in the agenda as trustees of the University of Aberdeen Superannuation and Life Assurance Scheme. Mr Cannon also declared an interest in the agenda as a Director of Aberdeen Sports Village.

INFORMAL MEETING WITH THE NEW PRINCIPAL

48 Earlier in the day members of Court had an opportunity to meet with Professor Ian Diamond to discuss his vision for the future of the University.

PRESENTATION AND DISCUSSION OF THE ECONOMIC IMPACT OF THE UNIVERSITY

49 The Court received a presentation from Mr G Blackett of BiGGAR Economics on the findings of a study of the University's economic impact. It was noted that among the key findings of the report were that the University's economic impact on the Scottish economy was approximately £0.5 billion and was larger and more diverse than had been previously thought.

50 It was agreed that the report provided an important basis for demonstrating to Government and funding bodies the return to the nation from investment in the University. It was also suggested that aspects of the report could be used as benchmarks for measuring the progress of the University in future years.

MINUTES

51 The Minutes of the meeting held on 29 September 2009 were approved.

REPORT FROM SENIOR GOVERNOR

52 Sir Moir welcomed Dr Audrey Baxter to her first meeting as a member of the Court. Sir Moir also noted that Aberdeenshire Council had appointed Councillor William Howatson, Provost, as its Assessor to Court.

53 Sir Moir reported that further to the appointment of Dr Baxter, three further individuals were under consideration for membership of the Court and were due to visit the University in December or early in the New Year. There remained a need for a Court member with experience in the property sector. In the meantime, Sir Moir was pleased to report that Mr Mike Moir, a former lay member of Court, had agreed to assist the University as an advisor in property matters (*See Minute 65*).

- 54 Sir Moir noted that following on from discussion at the last meeting of Court, he expected the key issue for the Court to be formulating the University's strategy and monitoring the implementation of that strategy. In that context, a new format for Court meetings was being trialled and members were encouraged to provide the Clerk with comments regarding this.
- 55 Sir Moir drew attention to the Annual Report of the Students' Association which had been circulated with papers for the meeting. Mr Parker indicated that he and his colleagues would welcome comments on the report.

REPORT FROM OPERATING BOARD

- 56 Mr Cannon introduced a report from the Operating Board meetings held on 20 October 2009 and 25 November 2009.

Reviewing and Monitoring Performance

Key Performance Indicators

- 57 The Court noted that the Board had reviewed the institutional Performance Indicators.

League tables

- 58 The Court noted that the Board had considered the University's performance in the 2009 Times Higher/QS World Rankings and the results of the UK-wide National Student Survey which influenced the league tables prepared by several UK national newspapers. In the 2009 Times Higher/QS World Rankings, the University had moved up to 129th a move of 44 places and the greatest rise of any UK University.
- 59 The Court noted that the Board had discussed in detail the University's performance in league tables and the link between the criteria used by league table compilers and the University's own targets as set out in its Key Performance Indicators, and the need to have consistency between these different measures.

Finance and Capital

Scenario Planning

- 60 The Court noted that the Board had received and considered a paper on scenario planning at its meeting on 20 October 2009, and a further update at its meeting on 25 November 2009. (*See Minutes* 95-97)

Ten-Year Cash Flow Plan

- 61 The Court noted that the Board had received and considered an updated 10-Year Cash Flow Plan (a copy of which was received by Court for information). This had been updated to reflect the contract price for the full library project and the planned phasing of spend. An updated version of the Plan would be considered by the Court at its next meeting.
- 62 The Court noted that the Board had approved recommendations relating to the allocation of the major refurbishment fund as follows:
- (i) A release of £25k and £50k respectively be made from the major refurbishment fund allocations for 2009/10 and 2010/11 to fund the strategic design brief of Fraser Noble refurbishment and the proposed interdisciplinary research building/graduate school.
 - (ii) The remaining £950k of the fund set aside in 2009/10 be used to carry out the refurbishment of 50/52 College Bounds (formerly Luthuli House) as academic space. This together with previously approved funds and College contributions would provide the requested budget of £1.75M for the project.

- (iii) The remaining £3.975M of the fund set aside in total over 2010/11 and 2011/12 be provisionally allocated towards carrying out refurbishment work in Fraser Noble, conditional on the results of the strategic design brief.

Rowett Estate

- 63 The Court noted that the Board had received and considered a paper regarding the Rowett Estate. As part of the Council's process to develop the next Local Plan, the University had, in common with other local land owners, submitted bids to the Council for areas for possible development, including two areas of the Rowett estate. The Council had now published its *Main Issues Report* in relation to the next Local Plan, and this indicated that the two bids made by the University had both been identified by the Council as preferred options for development. This was a positive first step in the process and supported the estate disposal strategy
- 64 A question was raised regarding the Court's position on the future of the Rowett Institute Estate. The Court was reminded that it had agreed a strategy to sell the estate but that the sale should be phased over a number of years rather than the entire estate being sold at one point.

Capital Projects

- 65 The Court noted that the Board had welcomed the fact that Mr Michael Moir, formerly a lay member of Court, had agreed to act as an advisor to the University on property-related matters. (See *Minute 53*)
- 66 The Court noted that the Board had noted the major projects which had been completed during summer 2009, including the Suttie Centre, Oceanlab 2, Fraser Noble refurbishment, Life Science Innovation 1, Aberdeen Sports Village, and the Dentistry Building. The Board had also noted that capital expenditure for the period ending 31 October 2009 was generally on budget, both in terms of major projects and the annual recurrent programme.
- 67 The Court noted that ongoing projects included the New Library, which was progressing well, and the Rowett Institute of Nutrition and Health at Foresterhill.

Swimming Pool

- 68 The Court noted that the Board had discussed the planned 50 metre swimming pool complex adjacent to the Aberdeen Sports Village (ASV). The Board had previously approved a provisional budget of £5M, which was included in the ten-year cash flow plan, for the University's contribution to the swimming pool. Discussions were now ongoing on the viability of extending the project to deliver a ten-lane pool, rather than an eight-lane pool, which would have budget implications.
- 69 The Court noted that at its meeting on 20 October the Board had agreed to allocate a budget of £65K to allow the architects to develop a design for a ten-lane pool, on the understanding that the project and resulting facility would be managed by ASV Ltd. It had also agreed that, subject to the outcome of the further design work by the architect, a "two-track" approach should be taken to the tendering process, with tenderers being invited to submit bids for the delivery of both an eight-lane pool and a ten-lane pool. The provisional cost of this tender approach was £400K, and the Board had agreed that 50% of this should be met by the University.
- 70 The Court noted, however, that at its meeting on 25 November the Board had received an update report which indicated that the Council planned to cap its contribution to the project at £10M. In the first instance this would require the University to fully fund the cost of the "two-track" tender process. In light of discussions with the Council, the Board had endorsed the proposal that ASV Ltd should take over the management of the project, and work should be carried out to reach Stage D (detailed design), funded by ASV Ltd. ASV Ltd would then report back to both its Board, and to the Operating Board.

Student Accommodation Strategy and Future Development of Hillhead

- 71 The Court noted that, as in 2007 and 2008, the number of first time students admitted to the University in September 2009 who had requested University managed accommodation had exceeded the rooms available. This shortage had been managed by securing short-term hotel accommodation and the issue had been resolved within the first few weeks of the academic year. The Board had discussed the impact on students in later years, who were unable to access University accommodation due to the demand from first-year students, and who therefore had to seek private rental accommodation.
- 72 The Court noted that at its meeting on 25 November 2009, the Board had approved the proposal to take forward a planning proposal and tender for a new build at Hillhead of a 160 bed residence, targeted at postgraduate students, to be funded by Campus Services reserves. It had noted the business case for the development, which gave a payback period of 23 years. The Court also noted that a project was now being developed to provide an additional 500 bed spaces in partnership with a private provider in a suitable location to both King's College and Foresterhill.

Student Population

Student numbers and planning for 2010/11

- 73 The Court noted that the Board had received and considered a report on student numbers as at October 2009, and implications for planning for future years.
- 74 In reviewing the UK/EU student population, the Board had noted the University's success in filling funded student places, a significant achievement in the undergraduate subjects defined by the Scottish Funding Council (SFC) as *priority subjects* (e.g. science; engineering) in particular. Because of past under-recruitment in these areas, maintaining this achievement would require a similar intake for these subjects next year.
- 75 Unlike the priority subjects, SFC placed a limit on the number of full-time UK/EU undergraduates in its *non-priority* subjects (e.g. arts & humanities; social sciences including law; some health-related provision) and the University's recruitment success meant that it would breach this limit. It had appeared that a number of Scottish institutions might have exceeded the threshold. If SFC applied its policy as in previous years the University would require to pay back a sum equivalent to the tuition fee income generated by the number of students in excess of the cap.
- 76 The Board had noted that the size of the 2009/10 UK/EU undergraduate intake had implications for the management of the overall future population. To reduce the new student intake significantly for one or two years might create difficulties with the future recruitment market.
- 77 The Court noted that the Board had therefore approved the proposed approach to planning of student numbers for 2010/11, which was to:
- reduce intakes as far as possible, while ensuring that changes to the population were manageable, in the non-priority capped subjects. It noted that because of the growth of the overall population, there was a risk of breaching the consolidation limit again in 2010/11; and
 - set the same levels as last year for the main priority subjects, although reducing slightly the Engineering requirement.
- 78 The Board had noted the issues with the international student population and considered a detailed analysis of international student numbers and future markets, and agreed that this issue should be discussed further at a future meeting.
- 79 The Court noted that the Board had approved the proposal to maintain overseas population requirements at the same level as last year.

Entry Requirements

- 80 The Court noted that the Board had approved the raising of A Level entry requirements, to bring the University more into line with its competitors

Overseas Tuition Fees 2010/11

- 81 The Court noted that the Board had noted the proposed overseas tuition fees for 2010/11.

Staffing Related Issues

Pensions

- 82 The Court noted that the Board had received and considered an update on the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS). It had noted that, as at 31 July 2009, the UASLAS Scheme deficit in relation to the FRS17 valuation had increased by over £10M to £31M. The Trustees had also written to the University earlier in the year requesting that a number of options in relation to the scheme be considered. After discussion of a report from KPMG, who had been engaged by the University to review the scheme, the Board had agreed that the University should now write to the UASLAS Trustees asking them to consider a number of options.
- 83 The Court noted four of the options identified by KPMG were options also currently under consideration by the Universities Superannuation Scheme (USS), and the Board discussed parity between USS and UASLAS. The Court also noted that it was anticipated that the review of USS chaired by Sir Andrew Cubie would report in the New Year and would help to further inform decisions regarding the way forward for UASLAS.

Pay Negotiations

- 84 The Court noted that at its meeting on 20 October 2009, the Board had received an update on the ongoing pay negotiations for 2009/10 between the higher education employers' association (UCEA) and the sector trades unions

HE Policy Issues and Changes to SFC Funding Method

- 85 The Court noted that the Board had received a paper on a consultation being carried out by the Scottish Funding Council on the funding subject groups that it used to allocate its formula-driven Main Grant for Teaching (£47M to Aberdeen in 08/09).
- 86 The Court noted that the overall change of the proposals would be cost neutral. The Court also noted, however, that the Board had approved the outline response to the consultation from the University, which centred on the following points:
- Acceptance that a more transparent, evidence-based method was required, and that it would be reasonable to have a smaller number of subject groups.
 - Concern that the historical data being used to underpin the proposals was based on incomplete information, which would not have been returned with the same level of robustness across all institutions.
 - A statement to the effect that the changes should not be introduced from 2010/11 as 1) more data was required and 2) institutions required time to make plans for any changes at subject level.
- 87 The Court noted that the Board had also discussed a summary of the UK Government's publication *Higher Ambitions: The Future of Universities in a Knowledge Economy* (A summary of which had been circulated to members of Court).

Operating Board Sub-Committees

Risk Management

- 88 The Court noted that the Board had received and considered a report from the Risk Management Committee.

Health and Safety

- 89 The Court noted that the Board had considered reports from the Health and Safety Committee, which was a sub-committee of the Board, on the following matters:

- Review of risk assessments following accidents during 2008 (20 October 2009).
- Health and Safety Committee's Remit and Composition (25 November 2009). The Board agreed that the remit and composition should be reviewed.

Strategic Business Ventures Group

- 90 The Court noted that the Board had received and considered a report from the Strategic Business Ventures Group summarising the University spin-out activity where the University or AURIS Ltd held shares in a company.

FINANCE

Annual Accounts

- 91 Ms Bews introduced the University's Group Consolidated Annual Accounts for the financial year 2008-09, which had been considered by the Audit Committee and by the Operating Board. (*See also Minute 101*). The Court also received a commentary from the Finance Director which highlighted key audit and accounting issues; the External Auditors' Report which provided a clean audit opinion; and the Annual Summary Report on Endowments.
- 92 Ms Bews drew to the Court's attention a number of key points in the Accounts. The Accounts reported an historical cost surplus of £6.5m, which included one exceptional item. Excluding this, the surplus was £6.3m. The budget target for 2008-09 had been £4.5m and the actual out-turn was £5.4m when transfers to endowments and pension reserve had been excluded. Income for the year had increased by £30.4m (16.3%), with overseas fees increasing by £2.6m (17.1%) and Research Grants and Contracts income increasing by £16.3m (32.8%).
- 93 In discussion, it was noted that under accounting regulations the University was obliged to undertake, every five years, a revaluation of its non-investment properties. The result of this had been an increase in the net book value of these properties of £101.4m. This had been considered at length by the Audit Committee who were satisfied with the position.
- 94 The Court approved the University's Annual Accounts for 2008-09.
- 95 The Court also noted the Annual Summary Report on Endowments, the market value of which had fallen by 20.4% to £24.6m in the year due to high volatility in the stock market.

Financial Scenario Planning

- 96 Ms Bews introduced a paper on Financial Scenario Planning and an update on the use of the University's £15m investment fund.

97 The paper outlined the main implications of the announcement of the Scottish Government's draft budget for 2010/11 and budget for Higher Education for 2010/11. While the overall budget settlement had been tight, Higher Education had received a 4.1% cash increase. However, within that were drastic cuts in funding for teacher education numbers at Aberdeen ranging from 12% to 70% across the four degree programmes. Looking ahead to 2011 and given the likely pressure on public finances, the paper also considered possible cuts in public funding of between 5% and 15% and set out a number of potential options the University might consider as mitigating responses to any cuts in its funding should these materialise.

98 The Court noted the paper.

COMPOSITE REPORT FROM COURT COMMITTEES AND JOINT COMMITTEES OF COURT AND SENATE

Audit Committee

Audit Committee Annual Report for 2008/09

99 The Court approved the Committee's Annual Report for submission to the Scottish Funding Council and noted that the Committee had been satisfied with the work of the external auditors.

Internal Auditors' Annual Report 2008/09

100 The Court approved the Internal Auditors' Report for 2008/09.

Annual Accounts for 2008/09

101 The Court noted that the Committee had considered and approved the Annual Accounts for 2008/09. (See *Minutes* 91-94)

External Auditors' Report

102 The Court noted that the Committee had received and considered the External Auditors' Report and noted that the auditors had indicated that they anticipated an unqualified audit opinion in respect of the consolidated accounts.

Governance Committee

Membership of Court and Joint Court and Senate Committees

103 The Court approved the following appointments on the recommendation of the Governance Committee:

Committees of Court

104 Redundancy Committee: Lady Catto

Committees of Court and Senate

105 Staffing and Development Committee: Ms Jacquelyn Crow

Student Affairs Committee

106 The Court noted a report of the principal items of business that the Committee had considered at its meetings of 7th September 2009 and 9th November 2009, which included the suspension of discussions by the Students' Association with the University regarding the transfer of administrative support staff to the University, availability of student accommodation, and a number of recommendations from the President of the Students' Association which he had asked be reported to Court.

Committee on Research, Income-Generation and Commercialisation

- 107 The Court noted a report of the principal items of business that the Committee had considered at its meeting on 19th October 2009 which included; preparation for the Research Excellence Framework 2013, reports from the College Directors of Research, a paper on success rates in Research Council Grant Applications for 2008/09 and a report regarding the Research Information System Project

University Committee on Teaching and Learning

- 108 The Court noted a report of the principal items of business that the Committee had considered at its meeting on 4th November 2009 which included; establishing a General Degree of Master of Arts (Part-time), Changes to Undergraduate Requirements for 2011 entry, the Learning and Teaching Operational Plan, Sustainability, Social Responsibility and the Curriculum, a report on the implications of new UK Borders Agency requirements for University regulations on the re-sitting of examinations, and approval by the Committee of a number of recommendations arising from Curriculum Reform.

Support Staff Liaison Committee

- 109 The Court noted a report of the principal items of business that the Committee had considered at its meeting on 17th November 2009 which included; an update on car parking arrangements, matters raised in relation to the National Pay Award by the UNITE union, Local Employment Partnerships and Single Table Collective Bargaining.

Chapel Committee

- 110 The Court received and noted a report of the principal items of business that the Committee had considered at its meeting on 10th November 2009 which included; estates matters pertaining to the Chapel and its environs and the 500th Anniversary of the Dedication of the Chapel.

ENHANCEMENT-LED INSTITUTIONAL REVIEW

- 111 The Court received and noted a paper on the Enhancement-Led Institutional Review (ELIR). The Court noted that a draft version of a Reflective Analysis, which was required to be submitted to the Quality Assurance Agency of Higher Education (QAA) in early February, was available on the Court intranet.
- 112 The Court noted that the Senate would be invited to approve a final version of the Reflective Analysis on 10th February 2010 and agreed to delegate authority to the Senior Vice-Principal to approve the final version on behalf of the Court, following the February meeting of Senate and prior to its submission to QAA.

PROPOSED REVISIONS TO STATUTORY INSTRUMENT 1992 No 2704 EDUCATION (MODEL EMPLOYMENT STATUTE)

- 113 The Court received and noted an update on the progression of discussions regarding revisions to the Statutory Instrument and Ordinance, known as the Model Employment Statute, the provisions of which govern aspects of the terms of employment of academic staff and those who are required to undertake teaching and/or research duties.
- 114 The University and the local branch of the Universities and Colleges Union (UCU) had agreed a revised version of the Ordinance. Advisers to the Privy Council had informally commented on the draft and while no substantive changes had been requested, discussions as to the legal power to revise or revoke the current Ordinance were continuing.

- 115 The Court approved the revised draft Ordinance (Revised Employment Statute) and agreed to forward this to Senate and the General Council for their comment and for it to be displayed publicly within the University for the statutory period, and thereafter, its formal transmission for approval by Her Majesty in Council.

SUMMARY OF CHANGES TO MUSEUM ACQUISITION AND DISPOSAL POLICY

- 116 The Court approved changes to the University's Museum Acquisition and Disposal Policy.

APPOINTMENT OF THE VICE-CHANCELLOR

- 117 The Court noted that the Chancellor had nominated Professor Ian Diamond to serve as Vice-Chancellor from 1 October 2010.

MANAGEMENT ACCOUNTS TO 31 OCTOBER 2009

- 118 The Court noted the management accounts for the period to 31 October 2009.

CURRICULUM REFORM UPDATE

- 119 The Court noted a report on the progress of the implementation of Curriculum Reform.

PROMOTIONS COMMITTEE

- 120 The Court noted a series of decisions pertaining to staff promotions at the Rowett Institute of Nutrition and Health that had been approved by the promotions Committee.

DATE OF NEXT MEETING

- 121 It was noted that the next meeting of Court would be held on Tuesday 30 March 2010, at 9.00am.