

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on Tuesday 27 September 2011

Present: Sir Moir Lockhead (in the Chair), Principal, Ms T Birley, Professor P Edwards (for part of the meeting only), Professor C Fynsk, Mr J Hall, Professor D Houlihan, Provost W Howatson, Mr B Lockhart, Professor S Logan, Mrs K McPhail, Dr M Mackie, Mr B Pack, Mr B Paterson, Professor G Robinson, Mr R Ruddiman (for part of meeting only), Mr D Steyn, Dr N Vargesson and Professor N Webster.

Present (pm only) Mr A Amoore, Cllr J Stewart

In attendance: Mr S Cannon, Ms C Banks, Ms I Bews, Mr A Donaldson, Professor M Greaves, Professor N Haites, Professor P Hannaford, Mr G Hunter, Professor N Hutchison, Mrs C Inglis, Dr A King, Professor B MacGregor, Dr G Mackintosh, Professor P Morgan, Mr K Murray, Mr S Robertson, Professor A Rodger, Professor M Ross, Ms R Sandison, Dr J Skakle and Mr B Purdon (Clerk).

Apologies were received from Dr A Baxter, Ms J Craw and Professor P McGeorge.

MINUTES

- 1 The Minutes of meeting held on 26 August 2011 were approved.

DECLARATION OF INTERESTS

- 2 Mr Ruddiman declared an interest, as a Partner in McGrigors LLP, in the agenda item on Legal Services.
- 3 Mr Paterson declared an interest as a local official of the UNITE Trade Union.

REPORT FROM SENIOR GOVERNOR

- 4 The Senior Governor welcomed Dr King, Professor Hutchison and Dr Skakle to the meeting as Senate Assessors (Elect).
- 5 The Senior Governor noted that it was Mr Amoore, Professor Fynsk, and Professor Robinson's final meeting as members and thanked them for their extensive service to the Court over many years.
- 6 The Senior Governor congratulated all staff for the successful opening of the new Library building.

INDUCTION SEMINAR

- 7 The Court noted that earlier in the day there had been an induction seminar for new members and which a number of continuing members had also attended to receive an update on their responsibilities as governors.

REPORT FROM THE PRINCIPAL

- 8 The Principal reported to Court that a number of other Scottish universities had now announced their proposals for charging fees to rest of UK students. In response to a question from Ms Birley, the Principal assured Court that more detailed proposals on student support for rest of UK students were being prepared and would be brought to the Operating Board for decision.
- 9 The Principal also noted that Universities UK had recently published a report on efficiency within Higher Education and that as Chair of the Working Group which authored the report he had gained a number of helpful insights to innovative practice in this area. The Principal also noted that the University was in discussions with RGU regarding potential sharing of IT services.
- 10 The Principal reported on the outcome of the National Student Survey for the University which in broad terms had been positive for the University, with a number of academic departments having performed extremely well. There were, however, issues in some areas where the University had not performed as well as it should and action was being taken to address the reasons for these.

SCOTTISH GOVERNMENT REVIEW OF POST-16 EDUCATION

- 11 The Court received the Scottish Government's proposals for reform of the post-16 education sector in Scotland. *(Copy filed with the Principal Copy of the Minutes)*
- 12 The Principal led an extended discussion of the key aspects of the proposed reforms together with the main issues arising from the Ministerial Letter of Guidance to the Scottish Funding Council (SFC). This indicated that the SFC would expect to see improved outcomes from universities in student retention, articulation with Further Education Colleges, accelerated degree provision, widening participation, international competitiveness in research, industry collaboration, efficiencies, entrepreneurship and employability.
- 13 The Court discussed the potential within the proposals for the Scottish Government and the SFC to be more proscriptive in their approach to institutions in future and it was noted that a 'statutory duty' was being considered. The Court also discussed the emphasis within the proposals on greater collaboration and whether this would result in a drive for more institutional mergers. It was considered that from the University's perspective, the focus should continue to be on the potential for greater collaboration with a range of higher and further education institutions. The Court also noted that the proposals suggested that there would be greater consideration of where there may be duplication of provision in Scotland, particularly within regions, and that the University would need to consider its position in respect of this, particularly given the importance of breadth of study to the University's new curriculum.
- 14 The Court also discussed in detail the concept of 'regional universities' which the proposals referred to in a number of contexts. It was noted that it was unclear at this stage what type of university would be deemed to be 'regional', although it was considered that it was likely to be one primarily populated by students from its immediate region and which was not research intensive.
- 15 The Court discussed the proposals implications for the University's international role and the globally competitive environment in which it was operating in. It was suggested that this was recognised by the Scottish Government and that this was reflected in the proposal to be more selective in funding research that could be internationally competitive. The Court also discussed the current challenges of recruiting international students in particular markets and the difficulties that were being experienced due to stricter immigration rules. It was agreed that the Court should discuss the University's internationalisation strategy again at a future meeting.

- 16 The Court discussed student retention and widening access and noted the steps the University was currently taking to address both of these issues. It was agreed that the University should support proposals for a minimum income guarantee for students.
- 17 The Court also noted the challenge of delivering the outcomes sought by the Scottish Government from existing financial and staffing resources and in the context of a period when industrial relations were expected to become more difficult.

ENABLING STRATEGIES

FINANCE

- 18 The Court received and discussed a paper that summarised the University's current financial provision and future financial risks and opportunities. *(Copy filed with the Principal Copy of the Minutes)*
- 19 The Court noted that the Scottish Spending Review for 2011 and draft budget for 2012-13 had recently been announced in which the revenue allocation to Higher Education for 2012-13 had increased by 8.2% to £1.002M, while the capital allocation to Further and Higher Education had decreased by 33%. Individual allocations to institutions were yet to be announced.
- 20 The Court noted the steps that had been taken over the past year to control and reduce expenditure levels and the work that was ongoing to identify further efficiencies. The Court noted that the changes to fees for rest of UK Students represented both an opportunity to grow income but also a significant financial risk. The international student market had been a source of growth in recent years for the University but as mentioned above, there were challenges in maintaining this.
- 21 The Court considered the University's borrowing position and noted that it remained very lowly geared particularly in comparison to the rest of the HE sector. The £263M of capital investment of the past ten years had been funded from property sales, capital grants, fundraising and cash generated from surpluses and without additional borrowing. In discussion, it was noted that a relatively low level of capital expenditure was planned at present and that the Court's discussion would help to inform the development of a new set of capital priorities that would be taken forward by the Operating Board and brought back to the March 2012 meeting of Court.
- 22 In discussion, it was agreed that the Court should receive a report, if possible, on the capital commitments of RGU.

THE ESTATE

- 23 The Court received a presentation from the Director of Estates on the recent development of the University's Estate and potential future priorities. *(Copy filed with the Principal Copy of the Minutes)*
- 24 In discussion, the Court considered the potential future capacity of the University's campuses relative to its student population although the precise number would depend on the population mix of undergraduate and postgraduate and between science-based teaching and the arts and humanities. The potential future priorities for new capital investment were also discussed including student accommodation, environmental design, and whether there was a need for more teaching space or better use of existing space facilitated through improving the flexibility of teaching rooms.
- 25 The Court noted that it would receive an updated set of capital priorities in March 2012, which would be developed in the context of delivering the objectives within the Strategic Plan and to meet the future needs of students, staff, teaching and research.

MARKETING

- 26 The Director of Marketing, Student Recruitment and Admissions Services introduced a paper on the University's Marketing activities. *(Copy filed with the Principal Copy of the Minutes)*.
- 27 The Court noted the extensive range of marketing techniques and approaches that were being used and developed across undergraduate and postgraduate recruitment and tailored to address the particular needs of domestic and international markets. In discussion, it was noted that league table rankings, student satisfaction levels and employability rates were increasingly being used by potential undergraduates and that the changes to the fee arrangements for rest of UK students would increase this trend further.
- 28 The challenges of addressing perceptions of the City of Aberdeen as a destination rather than the University were also discussed. The location of the University in terms of distance from other parts of the UK was both attractive to some applicants but unattractive to others. The Court also discussed entry qualifications and the desirability of raising these although it was considered that given the current changes to the rest of the UK market this would not be possible in the short term.
- 29 The Court noted that the University was undertaking a range of market research on student recruitment and it was agreed that there should be a report on the findings of this at a future meeting.

DEVELOPMENT

- 30 Mr Cannon introduced an update on Development and Fundraising activity within the University and potential priorities for future fundraising in support of the ambitions detailed in the University's Strategic Plan 2011-2015 *(Copy filed with the Principal Copy of the Minutes)*.
- 31 The Court noted that three themes had been identified from the Strategic Plan around which fundraising might be focused: 'Our Students', 'Our Expertise' and 'Our Heritage' and the paper outlined some initial priorities within these for attracting financial support. These would need to be developed further in conjunction with the wider discussion of institutional priorities for investment.
- 32 The Court noted that the University would test the feasibility of the projects as attractive propositions for donors. This would then inform the development of a new campaign which it was envisaged would be launched in Autumn 2012. The Court would receive a further report on the development of the new campaign in March 2012.

REPORT FROM THE OPERATING BOARD

- 33 Mr Pack introduced a report from the Operating Board meeting of 5 September 2011.

STUDENT ACCOMMODATION STRATEGY

- 34 The Court received and considered a report, which set out the background to the Student Accommodation Strategy, and which recommended the refurbishment of Burnett and Esslemont Houses at Hillhead.
- 35 The Court noted that the Operating Board had considered the reasons why it would be appropriate to take forward the refurbishment project in 2011/12, these being:
- The current 10-Year Capital Plan did not require the University to use its full borrowing facility in 2011/12, and thus borrowing could be used to initially allow the work to proceed, on the understanding that a strategy was in place to fully-fund the project.

- There would be vacancies at Hillhead during 2011/12, as the first year undergraduate intake was smaller because of the University's decision to work to bring the population back within Scottish Funding Council limits for UK/EU students. Population restrictions would change in 2012/13, assuming that fees for students from the rest of the UK (RUK) were de-regulated and RUK students were not longer within the University's population limit
 - The University currently had arrangements with private providers for student accommodation which would come to an end in 2011/12. With the removal of this provision more demand for University managed accommodation was expected in 2012/13.
- 36 The Court noted that the Operating Board had also discussed the longer-term aim which was for all University managed accommodation to be on the Hillhead site. It had noted that plans were under development for the future of Crombie Halls, which remained in use on the King's College site, and options would be presented in due course.
- 37 The Court on the recommendation of the Board:
- (i) agreed that the University should proceed with the refurbishment of Burnett and Esslemont Houses at a cost of £3.8M, utilising, in the first instance, the University's £10M borrowing facility with Barclays; and
 - (ii) noted that the £3.8M project cost would be fully funded, and that the preferred option to achieve this would be presented to a future meeting.

PLANNING: REPORTING AND MONITORING

- 38 The Court noted that the Operating Board had received a number of linked papers which related to the monitoring and implementation of the Strategic Plan and University performance including:
- Operational Plan progress updates
 - Key Performance Indicators
 - Corporate Risk Register
- 39 The Court noted that the Operating Board had agreed that the format and presentation of the reports had not allowed it to identify either the issues which were of greatest concern, or the actions that were of highest priority. After discussion, it was agreed that a revised set of documentation, which addressed these points, would be presented to its next meeting.

INDUSTRIAL RELATIONS

- 40 The Court noted that the Operating Board had been advised that the Universities and Colleges Union (UCU) had launched a further industrial action ballot in mid June 2011 relating to "detrimental changes to USS and retaining comparable pension benefits" which would remain open until 14 September 2011. Once the outcome of the ballot was known the expectation was that the earliest date from which industrial action could commence, assuming it was supported, would be 22 September 2011.
- 41 The Court noted that in relation to the 2011 Pay Negotiations, on 11 July 2011 the University and Colleges Employers Association, (UCEA) had presented a final pay offer to the sector's trade unions of an uplift to the annual full-time salary for all staff of £150 per annum. UCU had initiated a consultative ballot of members on the pay offer, the outcome of which would be known in mid-September. UNISON had rejected the pay offer and had invoked the sector's dispute resolution procedures. Unite the Union and the Educational Institute of Scotland (EIS) were still considering the offer at their respective National Executive Committees.

STUDENT ADMISSIONS

- 42 The Court noted that the Operating Board had received and considered a paper on student admissions for the forthcoming academic year and the key points arising in undergraduate and postgraduate admissions, home and international.

FINANCIAL YEAR END: MONTHLY MANAGEMENT ACCOUNTS

- 43 The Court noted that the Operating Board had received and considered the Monthly Management Accounts for the period ending 31 July 2011. (*See Minute 72*)

ESTATES AND CAPITAL

- 44 The Court noted that the Operating Board had received and considered a report on Estates and Capital Projects. The Court further noted that the Capital Expenditure Programme for the period ending 31 July 2011 showed variances as a result of changes to project phasing, but that overall spend was generally on budget. The Operating Board approved the roll forward of a number of recurrent capital budgets from 2010/11 to 2011/12, to allow projects to which funding was allocated in 2010/11 to be completed.
- 45 The Court noted that the Operating Board had noted that the marketing of the Rowett Estate was proceeding on programme and in line with the approved strategy. The Operating Board had been advised that the sign off of RIBA Stage D for the new Rowett Institution of Nutrition & Health building, was scheduled for the end of October 2011. The first draft of the Stage D Interim Cost Report had shown a potential saving of £5.2m, however the Operating Board would not be asked to approve this formally until the revised design had been agreed.
- 46 The Court noted that the University had taken beneficial occupancy of the new Library on 5 August 2011, and that the building had opened for use for the start of the new academic year 2011/12. The timescale for phase 2, demolition of the Queen Mother Library, was yet to be finalised.

STRATEGIC DIALOGUE: ROBERT GORDON UNIVERSITY

- 47 The Court noted that the Operating Board had received an update on the creation of a Joint Institute of Engineering. A paper had been developed setting out the University's vision for the student experience, and discussions with RGU continued on the mechanism by which to achieve this. The Court noted that the Operating Board had also discussed the balance between seeking to achieve the vision of a Joint Institute, and ensuring that the student experience was not undermined by the resulting joint structures.

INTERNAL REVIEW OF GOVERNANCE

- 48 Mr Hall introduced a paper on the initial findings of a high level review of governance which the Court had invited him to undertake. (*Copy filed with the Principal Copy of the Minutes*). The paper also reported on points that the Governance and Nominations Committee had identified for further consideration following a benchmarking review against best practice guidance.
- 49 The Court noted that no significant evidence had been identified to suggest that governance was inadequate, and while there was always scope for improvements in governance there was no evidence of systemic governance failures.
- 50 The Court noted that the term 'Independent Member' was considered to be those members who were not employees of the University.
- 51 The Court noted that the recommendations within the paper would now be taken forward by the Governance and Nominations Committee. It was expected that most of these could be undertaken without any formal constitutional changes.

- 52 The Court also agreed that the Governance and Nominations Committee should also review the case for any more substantive changes to governance arrangements over the course of the next eighteen months. It was recognised that the outcome of the Scottish Government's Review of University Governance was ongoing and that the outcome of this was expected in early 2012 and would inform any further consideration of the need for further substantive governance reform.

NAMING OF THE NEW LIBRARY

- 53 The Court received and discussed a paper on the naming of the new Library building. (*Copy filed with the Principal Copy of the Minutes*).
- 54 The Court noted that the University had as part of fundraising for the new Library, been promoting naming opportunities with potential donors. There remained a number of potential donors with whom the University was in discussion. The Court agreed that it should defer any decision on the naming of the new Library until all discussions with potential donors had been exhausted and that it should consider the issue again no later than June 2012 which would be in advance of the formal opening of the new Library in Autumn 2012.

REPORT FROM THE GOVERNANCE & NOMINATIONS COMMITTEE

MEMBERSHIP OF COMMITTEES OF COURT AND JOINT COURT-SENATE COMMITTEES

- 55 The Court approved the following appointments, on the recommendation of the Governance and Nominations Committee:

56 Governance Committee: Mr James Hall (Convenor)

57 Research, Income Generation and Commercialisation: Ms Kathryn McPhail

- 58 The Court also approved the Court representation on sub-committees for 2011-12.

ANNUAL CORPORATE GOVERNANCE STATEMENT IN FINANCIAL STATEMENTS

- 59 The Court noted that the Committee had approved a draft Corporate Governance Statement for inclusion in the University's annual financial statements and that, as had been previously agreed by the Committee, a number of amendments to the statement had been made to address points identified following the Committee's benchmarking review against the revised *UK Code on Corporate Governance (Revised 2010)* and the Committee of University Chairmen's *Guide for Members of Higher Education Governing Bodies in the UK*.

ATTENDANCE AT COURT AND KEY COMMITTEES

- 60 The Court noted that the Committee had received, for information, the attendance record of members at meetings of the Court and key Court Committees during the period 1 August 2010 to 31 July 2011. The University was required to publish this information in its financial statements which would be finalised in December 2011.

MEMBERSHIP OF COURT AND RECRUITMENT OF COURT MEMBERS

Vacancies on Court

- 61 The Court noted that the Committee had noted that there was currently one vacancy for a co-opted independent member of Court and that there would be no further vacancies arising in 2011/12. The Court also noted that Committee had discussed the skills mix and diversity of Court and identified broad areas of priority to address through any new appointments. The University was taking forward advertising for the current vacancy both locally and nationally.

Senate Assessors to Court

- 62 The Court noted that the following individuals had been elected to Court as Senate Assessors with effect from 1st October 2011.

College of Arts and Social Sciences: 2 positions

- 63 Professor Norman Hutchison, Professor of Property and Deputy Head of the Business School
64 Dr Alexander King, Senior Lecturer in Social Anthropology, School of Social Sciences

College of Physical Sciences: 2 positions

- 65 Professor Pete Edwards, Computing Science and Head of Graduate School in the College
66 Dr Jan Skakle, Senior Lecturer in Physics

ROUTINE BUSINESS

YEAR-ON RESPONSE TO THE ENHANCEMENT-LED INSTITUTIONAL REVIEW (ELIR)

- 67 The Court received and approved the year-on response to the ELIR Report which was due to be submitted to the Quality Assurance Agency by the end of September 2011.

SUB-COMMITTEE ON LEGAL SERVICES: APPOINTMENT OF PROVIDERS OF LEGAL SERVICES

- 68 The Court, on the recommendation of the Sub-Committee on Legal Services, approved the appointment of McGrigors LLP to provide legal services to the University for a period of three years, commencing 1 November 2011 with an option to extend for two further periods of one year each subject to annual review of performance and costs.

VICE PRINCIPALS

- 69 The Court received a paper which summarised the Vice-Principal team and their respective portfolios. (*Copy filed with the Principal Copy of the Minutes*).
- 70 The Court noted the appointment of Professor Michael Greaves as Vice Principal and Head of College (Life Sciences & Medicine) and Professor Margaret Ross as Vice Principal and Head of College (Arts & Social Sciences).
- 71 The Court also noted the appointment of Professor Bryan MacGregor as interim Head of College (Physical Sciences).

YEAR END MANAGEMENT ACCOUNTS

- 72 The Court noted a summary of the year-end management accounts for the period to 31 July 2011 which indicated a historical cost deficit of £0.4m.

DATE OF NEXT MEETING

- 73 The next scheduled meeting of Court would be held on Monday 5 December 2011 at 9.00am in the Linklater Rooms.