

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 5 December 2011

Present: Sir Moir Lockhead (in the Chair), Principal, Dr A Baxter, Ms T Birley, Ms J Craw, Professor P Edwards, Mr J Hall, Professor D Houlihan, Provost W Howatson, Professor N Hutchison, Dr A King, Mr B Lockhart, Professor S Logan, Professor P McGeorge, Ms K McPhail, Dr M Mackie, Mr K Murray, Mr B Pack, Mr B Paterson, Mr R Ruddiman, Dr J Skakle, Mr D Steyn, Dr N Vargesson and Professor N Webster.

In attendance: Mr S Cannon, Ms I Bews, Mr A Donaldson, Mr L Forsyth, Professor M Greaves, Professor N Haites, Professor P Hannaford, Mr G Hunter, Mrs C Inglis, Professor B MacGregor, Dr G Mackintosh, Professor P Morgan, Professor A Rodger, Professor M Ross, Ms R Sandison and Mr B Purdon (Clerk).

Apologies for absence were received from Cllr J Stewart.

MINUTES

74 The Minutes of the meeting held on 27 September 2011 were approved.

REPORT FROM SENIOR GOVERNOR

75 The Court observed a moment of remembrance for Mr Stephen Robertson, the late Rector who had recently passed away. The Senior Governor expressed the Court's sadness at the loss of Mr Robertson who had contributed so much to the University and to the wider community.

76 The Senior Governor congratulated Dr Mackie on his election as Rector with effect from 1st January 2012. Dr Mackie reported that Mr Hunter had agreed to continue as Rector's Assessor.

77 The Senior Governor reminded Court that the University had advertised the current vacancy on Court for an independent member and that members were welcome to submit nominations for consideration.

REPORT FROM PRINCIPAL

78 The Principal reported that a number of further league tables had been published and that these had included some encouraging performances for the University, particularly the *What Uni* rankings and in respect of the University's international outlook. The Principal also noted that the University had recently held a very successful alumni event in Hong Kong and that the Annual Fund callers had raised £200K in the space of three weeks. The Principal also drew Court's attention to the opening of the first exhibition within the new Library which would be an important space for public engagement activity and that the Special Collections centre was due to open later that week.

79 The Principal reported on the ongoing occupation of the University Office by a small number of students and that he and other senior officers were in discussions with them regarding their concerns.

80 The Principal reported that further positive discussions with RGU had taken place on collaborative working in a number of academic areas and it was expected that agreement to allow proposals in the areas of energy and engineering to move forward would be reached early in the New Year.

81 The Principal also reported that initial discussions had taken place with the University of Dundee regarding closer collaboration.

PRESENTATION ON THE UNIVERSITY'S HEALTH SERVICES RESEARCH UNIT

82 The Court received a presentation from Professor Marion Campbell on the work of the University's Health Services Research Unit.

REPORT FROM THE RECTOR

83 Mr Hunter introduced a report prepared by the late Rector which included a number of suggestions for consideration.

84 The Court noted the suggestions within the paper regarding engagement with incoming Rectors. This was an issue which was already under consideration by the Governance & Nominations Committee and would be considered further following the publication of the Scottish Government's review of University Governance. The Court also noted that contrary to the suggestion in the paper, the donor of the Rectorial Mace had been thanked and publicly acknowledged in a number of ways.

85 The Court noted that with respect to performance space, the current Ten Year Cash Flow Plan included this as an unprioritised project and that the Operating Board was recommending that it, along with several other potential projects, be developed further to allow them to be considered prior to Court being invited to approve the next set of capital priorities. It was also noted that the University should consider where there may be opportunities to provide performance space through collaborative working with other regional organisations.

86 The Court noted that the Governance & Nominations Committee would be considering the University's process for the award of Honorary Degrees. The Court also noted that the award of the DHC was introduced in response to concerns that the LLD was being used as a general award and not for its specific purpose, and that there was a clear distinction between the criteria for the award of each respective degree.

87 The Court noted the late Rector's suggestions regarding collaboration with RGU.

88 The Court noted that the University would consider further both the case for reinstating the University shop and for holding alumni events to coincide with graduations. The suggestion of establishing information boards on the history behind key University buildings, events and in particular people, was welcomed and would be pursued.

RESPONSE TO SCOTTISH GOVERNMENT CONSULTATION ON POST-16 EDUCATION

89 The Court received the University's draft institutional response to the Scottish Government's Consultation on Post-16 Education *Putting Learners at the Centre*.

90 In discussion, it was suggested that notwithstanding the Court's agreed position on fees for rest of UK students, the Court should have a further discussion about the charging of fees and the principle of 'free education'. The Court agreed, however, that it had reached a position on the issue of rest of UK fees in August 2011 following the Scottish Government's decision to introduce additional fees for rest of UK students, and that this was in large part to address the funding needs of universities and to protect the 'free education' of Scottish domicile students. It was agreed that the University's response should explain that its preference was for the State to be the primary funder of higher education but that it recognised the

constraints that the Scottish Government faced in protecting the competitive position of Scottish universities and Scottish students given the decisions taken by the UK Government. It was also noted that while the consultation only proposed exploring options for a 'management fee' for rest of EU students, any proposals that did come forward in this regard would need to be carefully considered by the University.

- 91 It was agreed that the University should amend its response to: (1) provide more examples of the steps it had taken to address the widening access agenda; (2) to articulate the importance of non-vocational education in the context of employability; and (3) emphasise the importance of funding to facilitate better exploitation of research by SMEs.
- 92 The Court approved the University's response to the consultation subject to the agreed changes being incorporated.

REPORT FROM OPERATING BOARD

PLANNING REPORT

- 93 The Court received a copy of a Planning Report which the Operating Board had considered and which summarised actions taken in support of the agreed Strategic Plan. The Report indicated actions being taken to mitigate against identified risks and assessed current performance as measured by the Key Performance Indicators.
- 94 The Court noted that the Board had approved:
- (i) the Corporate Risk Register, which had been developed using the new approved procedures; and
 - (ii) the University's Business Continuity Policy
- 95 The Court noted that the Board had discussed in detail those risks where mitigating actions had only a small impact on the risk likelihood score. In particular, the Board had discussed actions being taken to address shortfalls in international student numbers. It had also discussed the actions being taken in relation to possible failure to embed a culture of carbon management, and changes in behaviour across the institution in respect of energy consumption. The likelihood and impact of the risks included in the register were being monitored by risk owners and managers, and scores reviewed accordingly. The Court noted that the Board would be asked to formally approve the register twice a year.
- 96 The Court discussed the University's performance shown in the Key Performance Indicators. The Court agreed that it should receive a further presentation on the University's new risk management procedures and that this should also consider the issue of velocity of risk and mitigation of that particular aspect of risk.

STRATEGY FOR GROWTH

- 97 The Court received a paper, Strategy for Future Growth, which had been developed following discussion at the Operating Board of the Corporate Risk Register and Key Performance Indicators. The paper outlined activities where there were opportunities for growth including growing the University's international student population and reported on initial rest of UK (RUK) undergraduate applicant numbers as at November 2011. The Court also received an oral update on the University's marketing activity in relation to RUK students.
- 98 There followed an extensive discussion of the competitive challenges the University faced in the RUK undergraduate market, international undergraduate and postgraduate markets, and in growing its research quality and retaining high quality staff.

- 99 It was agreed that, in addition to reviewing the position of RUK undergraduate applications at the Operating Board and at the Court meeting in March 2012, the Court should receive by circulation an update on RUK undergraduate applications early in the New Year following the close date for applications.
- 100 The Court also agreed that it should receive more detailed plans to take forward the Strategy for Growth at its next meeting supported by information on staff retention and marketing spend on postgraduate taught recruitment.

10-YEAR CASH FLOW PLAN

- 101 The Court noted that the Board had received and considered an update to the University's 10-Year Cash Flow Plan and had recommended approval of the Plan which was enclosed separately on the agenda. (See *Minutes* 123-125)

STUDENT POPULATION PLANNING

- 102 The Court noted that the Board had received and considered a paper on Student Registrations and Forecast Fee Income 2011/12. It had discussed the £1.8M shortfall in forecast fee income, which was largely as a result of the lower than target international student population, in particular the postgraduate taught population. It was anticipated that targets would be achieved in respect of postgraduate research students and undergraduate students.
- 103 The Court noted that the Board had also received a paper on Student Admissions for 2012/13, and had approved the protocols in place for addressing the changing fee arrangements for students from the rest of the UK.

FINANCE

Annual Accounts 2010/11

- 104 The Court noted that the Board had received and noted a paper on the Annual Accounts 2010/11, which had been considered and approved by the University's Audit Committee. (See *Minutes* 120-122 & 147)

Financial Year 2011/12

- 105 The Court noted that the Board had received the Monthly Management Accounts for the period ending 31 October. (See *Minute* 126)

Budget Planning for 2012/13

- 106 The Court noted that the Board had received and considered a paper which had summarised the impact of the Scottish Government's draft budget announcement on 21 September 2011. The Scottish Funding Council would publish indicative 2012/13 allocations to institutions in December.

RUK BURSARIES

- 107 The Court noted that the Board had considered a paper on proposals on bursaries for undergraduate students from the rest of UK.
- 108 The proposal to the Board had outlined three bands of bursaries based on residual-household income, and a merit scholarship for those with entry qualifications equating to at least AAB at A-Level. The paper had also recommended the use of the Higher Education Bursaries and Scholarships Scheme (HEBSS), an externally managed scheme which currently managed the bursaries of over 150 institutions.

- 109 The Court noted that the Board had agreed to recommend to University management that consideration be given to increasing the level of the proposed Merit Scholarship, given the small number of AAB entrants; and that consideration be given to increasing the level of bursaries to those from the lowest income groups.
- 110 The Court noted that the Board had agreed on 21 October 2011:
- (i) to delegate authority to University management to finalise the proposed bursary scheme;
 - (ii) that spend on bursaries for RUK students should represent at least 10% of the RUK tuition fee income received; and
 - (iii) that the University seek to use the services of HEBSS to manage, in the first instance, its RUK bursaries and, in the longer term, explore the possibility of using HEBSS for all bursaries.
- 111 The Court noted that following the meeting of the Operating Board on 21 October 2011, a revised scheme was developed and finalised in consultation with the President of the Students' Association as follows:
- (i) Band 1: residual household income of less than £20K: £3K a year for 3 years
 - (ii) Band 2: residual household income of between £20K and £30K : £2K a year for 3 years
 - (iii) Merit bursaries of £3K for 4 years would be awarded to RUK entrants with AAB at A level or equivalent.
- 112 The Court noted that, based on the current RUK student population, the total cost of these proposals was £1.46M, which was just over 11% of the tuition income the University would hope to receive from the RUK student fees once the new arrangements were fully in place.

INDUSTRIAL RELATIONS

- 113 The Court noted that the Board had received and considered an update on Industrial Relations at its meetings on 21 October and 22 November.

ESTATES AND CAPITAL

- 114 The Court noted that the Board had received and considered update reports on ongoing Estates and Capital Projects.

STRATEGIC DIALOGUE: ROBERT GORDON UNIVERSITY

- 115 The Court noted that the Board had received an update on the creation of a Joint Institute of Engineering

STAFFING PROCESSES: UK BORDERS AGENCY

- 116 The Court noted that the Board had received and considered an update on the UKBA Immigration System (Staff) and the regulations for employing overseas nationals and had agreed:
- (i) that the University offer an advance of salary to those staff members applying for indefinite leave to remain in the UK, thus allowing immediate access to the funds required to meet the application costs; and
 - (ii) that the University continue to seek to put in place processes that provide assistance to staff applying for indefinite leave to remain in the UK, although it noted that the application for indefinite leave to remain was a personal one and was not directly linked to employment with the University.

STRATEGIC BUSINESS VENTURES GROUP

- 117 The Court noted that the Board had received and considered a report from the Strategic Business Ventures Group. This included a report on recent developments regarding an opportunity to participate in a Scotland wide venture fund for life science opportunities. The Advisory Group on Investments would be asked to review the proposed arrangement but as further decisions were likely to be required before the next meeting of the Board, the Court noted that the Board had agreed to delegate authority to the Convener and Principal to approve any decisions required prior to the next meeting, subject to any advice from the Advisory Group on Investments being supportive of the proposals.
- 118 The Court noted that the Board had also agreed that it receive a report by circulation or at a future meeting on the remit and role of the Strategic Business Ventures Group relative to the Operating Board.

HEALTH AND SAFETY COMMITTEE

- 119 The Court noted that the Board had received and considered a report from the Health and Safety Committee and that it had approved the appointment of Professor Peter McCaffery to the Committee as one of the two members appointed by the Board.

ANNUAL ACCOUNTS

- 120 Ms Bews introduced the University Group Consolidated Annual Accounts for the financial year 2010/2011, which had been considered by the Audit Committee and by the Operating Board (See also Minutes 104 and 147). The Court also received a commentary from the Finance Director which highlighted key audit and accounting issues; the External Auditors' Report which provided an unqualified audit opinion; and the Annual Summary Report on Endowments.
- 121 Ms Bews highlighted a number of key points in the Accounts which reported a historical cost deficit of £0.4M for the year ended 31 July 2011. The University's target before exceptional items was a surplus of £5.5M and the actual management accounting out-turn on the same basis was £8.5M with the costs of restructuring of £6.9M primarily accounting for the difference. The Court also noted that the accounts reported net current liabilities of £20M (£12.4M Group) but that this would not impact upon the University's ability to meet its liabilities and obligations as they fell due over the next year. It was agreed, however, that the Court should monitor this.
- 122 The Court approved the University's Annual Accounts for 2010/2011.

FINANCE

TEN YEAR CASH FLOW PLAN

- 123 The Court received a revised 10 year cash flow plan which had been updated to reflect the end of year results for 2010/11, incorporate the approved budget for refurbishment of student accommodation at Hillhead and facilitate discussion around new capital priorities.
- 124 The Court noted that the first stage of the prioritisation process had identified the provision of flexible science teaching and research space in a new build as the highest priority. The Court noted that the Board had noted this but had also requested that a range of additional potential priorities should be developed in more detail. It was, therefore, recommended that a budget of £150K be allocated to develop the projects included in the un-prioritised list and allow strategic briefs to be produced and the list brought back to committee for further consideration.

- 125 The Court, on the recommendation of the Operating Board, agreed that a budget of £150K be allocated to develop the projects included in the un-prioritised list of capital projects and allow strategic briefs to be produced and to be brought back to the Operating Board for further consideration in early 2012.

MANAGEMENT ACCOUNTS

- 126 The Court received the summary management report to 31 October 2011 and noted that the results to date showed a £1.3M surplus before exceptional items compared with a target surplus of £0.8M as a result of underspends in operating expenditure budgets. It was also noted that although the University was currently forecasting a shortfall in target surplus, as in previous years, the management actions being taken would move the University back towards target surplus before year-end if budget pressure was maintained.

HUMAN RESOURCES

INDUSTRIAL RELATIONS UPDATE

- 127 The Court received and noted a paper which provided a brief update on developments relating to industrial relations since the last meeting of Court.

REPORT FROM COMMITTEES

GOVERNANCE AND NOMINATIONS COMMITTEE

- 128 The Court noted a report of the principal items of business considered by the Governance & Nominations Committee at its meetings of 27 September 2011 and 22 November 2011.

- 129 The Court also approved or noted the following:

Appointments to Committees

Audit Committee

- 130 The Court approved the appointment of Mr Alan Ross McNiven as a member of the Audit Committee from 1 November 2011 to 31 October 2014.

- 131 The Court noted that advertising for appointment to a further vacancy on the Audit Committee was being taken forward.

Remuneration Committee

- 132 The Court approved the appointment of Mr David Steyn to the Remuneration Committee.

Internal Governance Review

- 133 The Court noted that the Committee had received a paper which highlighted the recommendations to be taken forward following Court's consideration of the Internal Review of Governance at its meeting on 27 September 2011. The Committee had endorsed current University practice in respect of certain areas and approved proposals for additional practice to address the recommendations. The Committee had agreed to consider a number of other recommendations in more detail at its next meeting.

- 134 The Court noted that the Committee had also considered, further to the discussion at the September meeting of Court, the appointment of a Senior Independent Member to act as a sounding board for the Senior Governor, and an alternative intermediary through which any Court member could raise, when necessary, issues or concerns. The Committee had agreed that, in due course, the Court be invited to submit nominations to this position but that some further information on the role should be developed.

Membership of Court

- 135 The Court noted that advertising for the current vacancy for an independent member of Court was being taken forward through the press, the University's alumni magazine and through the University website. Members of Court would also be invited to submit nominations.
- 136 The Court noted that Councillor John Stewart had announced his intention to retire from the Aberdeen City Council next year. The Council would therefore require to appoint a successor Assessor to the Court and proposals for engagement with the Council regarding this were being taken forward by the Committee.

Operating Board: Senate Assessor

- 137 The Court noted that the two Senate Assessors nominated from the College of Arts & Social Sciences had agreed that Dr Alex King would serve as the College of Arts and Social Sciences Senate Assessor member of the Operating Board for the first two years (the remainder of his term of office) and Professor Norman Hutchison for the following two years.

Governance and Nominations Committee: Senate Assessor

- 138 The Court noted that the Senate Assessors had agreed to nominate Dr Neil Vargesson as their representative on the Governance & Nominations Committee.

Redundancy Committee

- 139 The Court noted that the Committee had agreed, in principle, that a central Vice Principal without staffing responsibilities be appointed to the Redundancy Committee in the role of Chairman and noted that such an approach would be consistent with the Convenership of other central University committees.
- 140 The Court noted that the Committee had discussed whether the Vice-Principal would also be a member of Court and it was agreed to receive further clarification regarding this.

Proposal for Donor Recognition

- 141 The Court noted that the Committee had approved a recommendation to 'name' a floor in the new Library in recognition of the financial support provided by The MacRobert Trust to both the capital cost of the new Library and to the University more widely over many years.

Rowett Land Disposal

- 142 The Court noted that the Committee had, at its meeting of 27 September 2011, considered professional advice regarding a request the University had received from a developer to grant way leave rights over land at the Rowett site to accommodate sewer and surface water infrastructure. The Committee had agreed that further clarification of that advice should be sought and was subsequently advised at its meeting of 22 November 2011 that the advice had recommended not to grant the requested way leave rights.

AUDIT COMMITTEE

143 The Court noted a report of the principal items of business considered by the Audit Committee at its meetings of 6 October 2011 and 4 November 2011.

144 The Court also approved or noted the following:

Audit Committee Annual Report 2010.2011

145 The Court approved the Committee's Annual Report 2010/2011 for submission to the Scottish Funding Council and noted that the Committee had been satisfied with the work of the internal and external auditors.

Internal Auditors' Annual Report 2010/2011

146 The Court approved the Internal Auditors' Report for 2010/2011.

Annual Accounts for 2010/2011

147 The Court noted that the Committee had considered and approved the Annual Accounts for 2010/2011. (See *Minutes* 104 and 120-122)

COMMITTEE ON RESEARCH, INCOME GENERATION AND COMMERCIALISATION

148 The Court noted a report of the principal items of business considered by the Committee on Research, Income Generation and Commercialisation at its meeting on 7 October 2011.

STUDENT AFFAIRS COMMITTEE

149 The Court noted a report of the principal items of business considered by the Committee on Student Affairs at its meeting on 17 October 2011.

UNIVERSITY COMMITTEE ON TEACHING & LEARNING

150 The Court noted a report of the principal items of business considered by the University Committee on Teaching & Learning at its meetings on 31 August and 26 October 2011.

CHAPEL COMMITTEE

151 The Court noted a report of the principal items of business considered by the Chapel Committee at its meeting on 15 November 2011.

STAFFING & DEVELOPMENT COMMITTEE

152 The Court noted a report of the principal items of business considered by the Staffing & Development Committee at its meeting on 21 November 2011.

ROUTINE BUSINESS

UNIVERSITY OF ABERDEEN FRAMEWORK FOR RESEARCH GOVERNANCE

153 The Court received and approved the new University of Aberdeen Framework for Research Governance. (See *Minute* 161)

CODE OF PRACTICE ON EQUALITY AND DIVERSITY IN THE REF 2014 SUBMISSION PROCESS

155 The Court approved the draft Code of Practice on Equality and Diversity in the REF 2014 Submission, and noted the Equality Impact Assessment. (See *Minute* 162)

ANNUAL REPORT ON REDUNDANCY ACTIVITIES

- 156 The Court received a report on Redundancy activities over the past year including an update on the development of the consultative processes with the campus Trades Unions and the work of the committees supporting the process of redundancy avoidance.
- 157 The Court also approved the revised Consultation on Avoidance of Redundancy Policy.

ANNUAL REPORT ON INSTITUTIONAL-LED REVIEW: 2010/11

- 158 The Court received the University's Annual Report on Institutional-led Review: 2010/11 which following approval by the Convener of the University Committee on Teaching and Learning and the Convener of the Senate Business Committee had been submitted to the Funding Council in September 2011.
- 159 The Court endorsed the University's Annual Report on Institutional-led Review 2010/11.

FREEDOM OF INFORMATION REQUEST

- 160 The Court noted that the University had received a Freedom of Information (Scotland) Act enquiry from the press regarding the correspondence and reports circulated internally as part of the process of setting the fees for RUK students. The Court also noted a summary of the University's response to the enquiry.

SENATE REPORT

Framework for Research Governance

- 161 The Court noted that the Senate, for its part, had approved the draft 'University of Aberdeen Framework for Research Governance'. (*See Minute 153*)

Research Excellence Framework Code of Practice on Equality and Diversity

- 162 The Court noted that the Senate, for its part, had approved the draft 'Code of Practice on Equality and Diversity' for the REF2014 submission process. (*See Minute 155*)

RECTORIAL ELECTION

- 163 The Court noted that Dr Maitland Mackie was elected Rector with effect from 1 January 2012 for a term of three years.
- 164 The Court noted that Dr Mackie's current appointment as a General Council Assessor to Court which, had been due to conclude on 30 September 2014, would conclude on 31 December 2011 and there would therefore be a vacancy with effect from 1 January 2012 for a General Council Assessor on Court. Mr Bob Ruddiman and Mr Brian Lockhart's current terms of office as General Council Assessors to Court were due to conclude on 30 September 2012, meaning there would be three vacancies for General Council Assessors.

ORDINANCE NO 142 [EMPLOYMENT]

- 165 The Court noted that Ordinance No 142 [Employment] was approved by Her Majesty in Council on 16 November 2011

DATE OF NEXT MEETING

- 166 The next scheduled meeting of Court would be held on Tuesday 27 March 2012 at 9.00am in the Linklater Rooms.