

UNIVERSITY OF DUNDEE

UNIVERSITY COURT

A meeting of the University Court was held on 24 April 2006.

Present: Mr J R Milligan (in the Chair), Principal Sir Alan Langlands, Dr R J Abboud, Professor A Burchell, Dr J R Elliott, Dr A Goligher, Mr B W M Johnston, Lord Provost J Letford, Dr J Lowe, Dr H Marriage, Ms E A Robertson, Dr A M Roger, Dr L A L Rolland, Mr E F Sanderson, Mr W Sutherland, Dr M R Ward, Mr W Wilson and President of the Students' Association.

In Attendance: Vice-Principal Professor J Calderhead, Secretary, Deputy Secretary & Clerk to Court and Directors of Finance, Information Services and Strategic Planning.

49. MINUTES

The Court decided: to approve the Minutes of the meeting on 20 February 2006.

50. MATTERS ARISING

(1) Ordinance 39 – Degrees, Diplomas and Certificates (Minute 42)

The Court decided: to ratify the decision taken at the previous meeting to include in Ordinance 39 the Degree of Master of Letters (MLitt).

(2) Membership of Review Committee (Minute 46)

It was reported that the appellant, a medical student, had objected to inclusion in the ad hoc committee of a representative of the Medical School (Dr Abboud), despite the latter having had no previous involvement in the case. On legal advice, it had been agreed that the student's wishes should be respected and Dr Abboud was replaced by the University Secretary. Since the hearing was scheduled to take place before this Court meeting, the substitution had been approved by the Chairman of Court. A summary report on the hearing would be submitted to the next meeting of the Court.

The Court decided: to endorse the Chairman's action.

51. CHAIRMAN'S BUSINESS

The Chairman drew the Court's attention to the annual Degree Show in Duncan of Jordanstone College, which would begin on 19 May. He encouraged members to attend.

52. PRINCIPAL'S REPORT

The Court received a report from the Principal (**Appendix 1**). In presenting the report, the Principal drew attention to the following:

- (a) The SFC grant for 2006/07, which had been revised following an error in the initial funding letter, provided a total increase for the University of 8.3% against the sector average of 7.2%. The increase in research funding, where the error had occurred, was 15.3%, against the sector average of 13.1%: this was the second highest increase in Scotland after Edinburgh. Although the outcome for the University was less than had originally been intimated, it remained a good settlement. Nevertheless there would be serious cost pressures on the University's financial strategy, which would have to be reviewed by the Finance & Policy Committee and Court.
- (b) Constructive discussions were continuing regarding the future of the Kirkcaldy campus of the School of Nursing & Midwifery and it was expected that recommendations would be made to the next meeting of Court. The University's main objective remained to improve the overall quality of education for nursing students from Fife, but its position had been modified as a result of strong local representations. The option currently favoured of delivering the theoretical parts of the curriculum in Kirkcaldy in collaboration with Adam Smith College was a novel solution, although there were issues still to be addressed including finance and professional accreditation.
- (c) The installation ceremony for the new Chancellor, Lord Patel, would take place on 31 May: Court members were encouraged to attend.

In addition the Secretary reported on the following matters:

- (d) It was not known to what extent industrial action by DAUT would disrupt the main examination diet, which had now commenced. All examination papers had ultimately been submitted, but there remained a possibility of disruption to invigilation and subsequently to assessment. The Academic Secretary had drawn up guidelines, which had been circulated, for dealing with such disruption. The University continued to encourage dialogue on the national pay dispute and a meeting of the academic unions and the employers' body, facilitated by ACAS, was due to take place the following day.
- (e) There had been some negative publicity in the local press about the book disposal policy of the University Library. A group chaired by Professor Geoffrey Ward, Deputy Principal, had reviewed the position and had agreed a new policy addressing the concerns which had been raised.

The main focus of questions and comment from Court members was industrial action. It was noted that no position had yet been adopted by management concerning any penalty for 'action short of a strike' which affected student assessments; penalties, however, were not ruled out and the situation would be kept under review. The President of the Students' Association expressed the concern of the student body about potential disruption to examinations, which was a source of additional stress at this crucial time of the year. Reassurances were given that the University would take all action necessary to minimise the impact of industrial action on students.

A member questioned the use to which pay, deducted from the salaries of staff involved in the national one-day strike in March, would be put: on previous occasions it had been agreed that such money would be donated to the Student Hardship Fund. It was indicated in reply that no decision had yet been taken, although the student body would be consulted about suitable uses.

- The Court decided:**
- (i) to establish a sub-group of Court members comprising the Chairman, Ms Roberton, Mr Johnston and Professor Newell, to advise and support management in reaching any decisions which might be required before the next meeting of Court in relation to industrial action;
 - (ii) to accede to the request of the President of the Students' Association that students should be provided with information about how to appeal against assessment outcomes on the grounds that they had been disadvantaged by industrial action.

53. STRATEGIC PLAN 2007-12

The Court received a paper which was intended to form the substance of the new strategic plan and members were invited to provide guidance on the overall shape of the themes, objectives and measures. In presenting the document, the Director of Strategic Planning emphasised its continuity with the current plan to 2007, as well as the development of new elements. The final version of the new plan would need to be fully compatible with the University's forward financial strategy.

Members made a wide variety of comments and the following additions or modifications to the document were agreed:

- (a) references to Clearing and retention rates required deeper analysis, including Faculty variations;
- (b) more emphasis should be placed on the importance of a staff development strategy in support of performance improvement and the agenda for change, as well as adequate funding to implement such a strategy;
- (c) the University's strategy for student recruitment in the context of the demographic downturn in Scottish school-leavers required greater clarity: adopting a multiplicity of approaches could ultimately be self-defeating;

- (d) greater prominence should be given in the plan to maintaining and enhancing the quality of staff through strategies for recruitment, reward and retention;
- (e) more focus should be given to research objectives within the overall theme of promoting research excellence;
- (f) a process should be defined for linking the plan with the restructuring of the University and for fostering ownership of the plan by the University's stakeholders.

The Court decided: to invite the Director of Strategic Planning to note the comments of Court members in preparing a full version of the strategic plan for submission to the next meeting in June.

54. TRANSLATIONAL MEDICINE RESEARCH COLLABORATION

The Court received a detailed report on the translational medicine research initiative in Scotland involving collaboration with Wyeth Pharmaceuticals and a leading role for the University of Dundee. The Framework Collaboration Agreement, about which the Court had been advised in December 2005, had been signed and a more detailed suite of agreements had now been put in place. Public announcement of the initiative had been made in New York, Glasgow and Dundee on 3 April. The report provided further information about the partnership arrangements.

In presenting the report, the Director of Strategic Planning thanked the Convener and other members of the Finance & Policy Committee for their financial advice. He also emphasised the importance of getting the project under way quickly and making sufficient progress to ensure a long-term future for the development beyond the initial period of the agreements. With this in mind, implementation of plans for the central research laboratory in Dundee were already well advanced. Property issues associated with the laboratory were discussed.

Various other aspects of the agreements were discussed and the Court was reassured that the associated risks were manageable. A member questioned whether the University was capitalising on this and other research successes to develop taught postgraduate programmes: it was confirmed that, although research and undergraduate teaching remained the top priorities for the Faculty of Life Sciences, taught postgraduate activity was a potential growth area which was being examined.

The Chairman emphasised the scale of the task in which the University had been involved and the stiff competition which it had faced. The Principal commented that the quality of science in Dundee had been a major factor in securing the University's central role.

The Court decided: to congratulate all those involved in preparing the way for this landmark research initiative.

55. FINANCE & POLICY COMMITTEE

The Court received the report of a meeting of the Committee on 28 March 2006 (**Appendix 2**). On SFC funding (item 9), the Convener emphasised that the amended grant settlement for 2006/07 (see Minute 52(a) above) would require a significant revision of the University's financial strategy. It was noted that there were substantial variables in the equation which also affected individual members of staff, i.e. the actuarial recommendations relating to the University of Dundee Superannuation Scheme (item 10) and the outcome of the national pay dispute. It was confirmed that proposals on a revised contribution rate for the pension scheme would be prepared in time for the next Court meeting; there was no certainty, however, on the timing of a national pay settlement and it might be necessary to make assumptions in revising the financial strategy.

The Court decided: to approve the report.

56. **RESTRUCTURING OF THE UNIVERSITY – ORDINANCES**

The Court received a paper proposing further constitutional amendments to facilitate the restructuring of the University into four Colleges. In presenting the paper, the Deputy Secretary & Clerk to Court confirmed that the proposed amendments to the University Charter and Statutes, which had been passed at the December and February meetings of the Court, had now been submitted to the Privy Council for ratification. The next stage was to approve amendments to the Ordinances as detailed in the paper. Changes to Senate and other Regulations would also be required, but these were a matter for the Senatus alone.

A member queried the need for limits on the period of office for elected members of the Court and the Senatus (as prescribed in Ordinance 18), but it was pointed out that these provisions conformed with national guidance on best practice in University governance. Certain minor changes were suggested in discussion, in particular the need to adapt the proposed Ordinance 57 to accommodate the different structure of Schools in the College of Life Sciences.

The Court decided: subject to the changes identified, to approve the following amendments to the University Ordinances for consultation with the Senatus and subsequent ratification at the Court's next meeting in June:

- (a) revocation of the following existing Ordinances:
 - 19 – Constitution of Faculty Boards
 - 44, 47, 48, 51, 52 and 53 (concerning the titles of Faculties);
- (b) amendment of the following existing Ordinances:
 - 18 - Election of Members of the Court and the Senatus
 - 39 – Degrees, Diplomas and Certificates
 - 40 – Student Discipline
 - 54 – Fitness to Practise;
- (c) the following new Ordinances:

56 – The Colleges
57 – Schools of Study.

57. **FREEDOM OF INFORMATION**

The Court noted a report from the University's Records Manager providing data on the impact of the Freedom of Information (Scotland) Act 2002, which had become fully applicable to Universities from 1 January 2005, as well as of other information legislation to which the University was subject. The report included comparable statistics for the Scottish higher education sector as a whole.

58. **COMMUNICATIONS FROM THE SENATUS ACADEMICUS**

The Court received a report from the meeting of the Senatus on 29 March 2006 (**Appendix 3**).

The Court decided: to note the report.

59. **OTHER COMMITTEE REPORTS**

The Court received reports from the following:

| | | |
|---------------------------|------------------|---------------------|
| Campus Services Committee | 28 February 2006 | (Appendix 4) |
| Audit Committee | 7 March 2006 | (Appendix 5) |

The Court decided: to approve the reports.

60. **BANKING ARRANGEMENTS**

The Court decided: (i) to approve the following arrangements attaching to the University's account with the Royal Bank of Scotland:

- (a) an increased limit on pre-clearance access to funds, in respect of the negotiation of foreign currency cheques, from £50,000 to £100,000 in total;
 - (b) reinstatement of a Group overdraft limit of £100,000;
- (ii) to authorise the Chairman to sign the relevant documents.

61. **STAFF**

Exercise of Delegated Powers: Professorial Appointments

The Court noted the appointment of the following:

| | | |
|---|------------------------|----------------|
| Dr Gavin Renwick, School of Fine Art | Chair of Art & Policy | 1 October 2005 |
| Professor Michael Press, Gray's School of Art, The Robert Gordon University | Chair of Design Policy | 1 March 2006 |

62. **EMPLOYMENT STATUTE**

The Secretary reported that the eight pre-1992 Universities in Scotland had agreed to revise their current employment statutes (in this University's case, Statute 16 – Academic Staff) to ensure that they complied with modern employment law. Funding for this task had been obtained from SFC. A consultant had been engaged to draft a new model statute and AUT had been notified.

63. **STAFF GRIEVANCES**

The Court decided: to make the following appointments under the provisions of Statute 16:

- (a) Mr Johnston (as Convener) and Ms Lowe to membership of a Grievance Committee;
- (b) Mr Milligan as the Court's representative on a panel to hear an appeal against the outcome of another Grievance Committee procedure.

APPENDIX 1

PRINCIPAL'S REPORT (Minute 52)

Restructuring

Steps are now in hand to implement the new academic management structure. The Vice Principals/Heads of Colleges posts have been advertised and we expect to make these new appointments and to appoint the deans of schools by the end of June 2006. The appointment of college and school secretaries will follow immediately thereafter. The principles of openness, fairness and equal opportunity will apply to all posts. Court members should all have received a copy of the *Aspiring to Excellence* brochure and further particulars for candidates.

Some of the proposed changes may take longer than others to complete and a period of transition can be expected over the summer and in the first semester. Sensible steps will be taken to limit the disruptive effects of change. The resource allocation process for 2006/07 will be judged carefully to ensure as much financial stability as possible in each part of the University. Special attention will be given to all aspects of student administration and deans of faculty have agreed that existing academic management arrangements will continue at full pitch until the end of July.

Industrial action

As part of a national dispute about pay levels, the AUT is continuing to take 'action short of a strike'. This involves advising its members not to take part in summative assessment and examination of students and some students have already reported that they have not received back assignments that have been submitted for assessment. The problem is limited to specific disciplines. We also anticipate some disruption of the examination diet, which commences on 24 April. Contingency measures are being put in place and guidance on how to deal with the action short of a strike has been issued to academic units. The University continues to encourage both sides to return to the negotiating table and try to achieve a settlement as soon as possible.

Resource Allocation 2006/07

The University is awaiting the latest notification of the Scottish Funding Council's main grants for research for the academic year 2006/07 following an error in the initial funding letter which had suggested Dundee would benefit from a total increase in excess of 11% and a 26.9% increase for research. Our latest, unconfirmed, assumption for 2006/07 is that there is around £2m less than the amount forecasted. This represents about 3.0% of the total resources allocated to the University from SFC. We expect our total resource increase over 2005/06 to be around 8.3%. This level of funding, along with other cost pressures on the staffing budget (including proposed increases in pensions contributions to the University of Dundee scheme, the implementation of the framework agreement and nationally determined pay increases) will make the 2006/07 budget setting and financial strategy formulation very difficult. The 2006/07 decisions will also have to be carefully judged to ensure as much financial stability as possible in each part of the University at a time of organisational change and some very hard choices will have to be made about priorities.

Learning and Teaching

Discussions are continuing with Adam Smith College and NHS Fife about the future of undergraduate nursing education at the Kirkcaldy campus. The main option being considered is that the theoretical parts of the first and second year of the nursing programme should be delivered in Kirkcaldy in collaboration with Adam Smith College. This will give students access to support services and infrastructure at the College while maintaining the University's commitment to nursing education in Fife. The proposal has the support in principle of NHS Fife, the Scottish Executive Health Department and local politicians but may be challenged by the Nursing and Midwifery Council, the key regulatory body. We aim to put forward a formal proposal to the University Court in June.

Undergraduate applications are down 2% on 2005 figures according to the latest UCAS figures (15 January 2006). This is against a national UK decline of 3-4%. Applications remain 14% up on the 2004 figure. Undergraduate applications from overseas are up 4% and postgraduate applications (home and overseas) are up 5% on last year. Entry requirements have been adjusted in some parts of the University and there is evidence that the quality of applicants has improved: the average applicant has a UCAS point score of 340 this year as opposed to 317 last year. The number of applicants for direct entry into second year has doubled to 800, with two thirds of this total from England and N Ireland.

The Review of the Centre for Learning and Teaching is under way - the CLT has been in existence for five years and the review will consider its past and potential future contribution and how it fits in with the new College structure. Faculties have been asked for their views.

A joint University-DUSA working group has been established to monitor the student experience, drawing upon the work of the NSS and universities with established monitoring systems in this area.

The University's Hong Kong alumni are establishing a scholarship fund to support Hong Kong students who wish to study at Dundee but are prevented from doing so by the high student fees.

Wuhan University is hosting a summer school on China and Chinese Culture to which it is inviting students from its international partner universities, including the University of Dundee.

Following the MoU signed in Singapore in January, an agreement has now been signed between the University and A*STAR – the Agency of Science Technology and Research in Singapore. This initiates a flow of top quality, fully funded PhD students to Dundee from September 2006 to spend two years of their degree here.

Research and Enterprise

A major contract has been signed with US company Wyeth Pharmaceuticals, which puts Dundee at the hub of a £50 million Scottish Translational Medicine Research collaboration. The collaboration also involves the Universities of Aberdeen, Edinburgh and Glasgow, Scottish Enterprise and NHS Scotland Grampian, Greater Glasgow, Lothian and Tayside. It will provide new impetus for Scotland to lead in the development of personalised medicine, bringing novel treatments to patients suffering from a range of serious illnesses. The TMRC Research Laboratory will be based at the University of Dundee's Ninewells campus, with 50 scientific jobs created in the first instance, rising to an estimated 120 over five years. The laboratory will be a national resource linking seamlessly with clinicians and scientists based in the other Centres of Excellence, who will carry out specialised clinical research with the support of patients, many with diseases that contribute to ill-health in Scotland. Wyeth, whose headquarters are in Philadelphia, plan to invest an estimated £33m in the first five years with an option to extend for a further five years. Scottish Enterprise will invest up to £17.5m. Congratulations to Professor Roland Wolf, Professor Andrew Morris, Professor Roland Jung, Graham McKee, James Houston and all those who have worked so hard over so many months to clinch this important agreement. The main announcement was made by the First Minister in New York when he highlighted the excellence of life sciences at the University of Dundee.

Congratulations are also due to Irwin Mclean, Colin Palmer, Frances Smith and Somnath Mukhopadhyay for their work on the gene which causes genetic skin conditions like eczema and other disorders. This features in both the March and April editions of *Nature Genetics* and was covered internationally in the non-specialist media. This is the result of some very determined science, good local partnerships and a well developed international collaboration. The discovery has also led to the filing of two patents.

Professor Keith Topping from the Faculty of Education & Social Work, working in collaboration with Durham University, has secured a significant Knowledge Transfer Partnership award to the value of £335,000. The Dundee component is worth £220,000 and the project will focus on the transfer of group work skills in science from primary into secondary school.

Following previous success in being named as the best workplace in Europe for scientists, in an international poll of scientists by *The Scientist* magazine, the University has been named one of the world's best workplaces for postdoctoral scientists. In a new survey, Dundee is included as one of the top 10 international institutions for post-doctoral scientists outside North America.

Now These Days Are Gone – the Beatles book drawing from the Peto Collection – has sold out in the de-luxe edition and the trade edition is selling well, with consequent royalty for the University.

Awards and Honours

Mathematician Professor Roger Fletcher has been named joint winner of the prestigious Lagrange Prize for Continuous Optimization. This international prize is awarded by the US-based Mathematical Programming Society and the Society for Industrial and Applied Mathematics.

Three academics at the University of Dundee have been elected as Fellows of the Royal Society of Edinburgh: Paul Crocker, Professor in Glycoimmunology, Faculty of Life Sciences, Andrew Morris, Professor of Diabetic Medicine, School of Medicine and Paul Boyle, Honorary Professor in the School of Nursing & Midwifery and Founding Director of the Social Dimensions of Health Institute - a joint project with the University of St Andrews, where he is Professor of Human Geography. Previous reports have omitted to mention Professor Jane Bower, Director of the Centre for Enterprise Management, who was elected as a Fellow of the RSE in 2005.

University of Dundee fourth-year law students Judith Pillans and Nicola McLaren are this year's winners of the Alexander Stone moot competition, defeating a team from Strathclyde University in the final.

Six graduates from the Duncan of Jordanstone College of Art & Design were recently selected for the prestigious Tate Triennial.

Events

The installation of Lord Patel as University Chancellor will take place at a ceremony on Wednesday 31 May at the Marryat Hall to which all members of the University Court are cordially invited. It is the intention to confer honorary degrees on Baroness Cox of Queensbury for her international humanitarian work and on Professor Anna Glasier, Clinical Director Family Planning & Well Woman Services NHS Lothian, for her contributions to addressing teenage pregnancy issues and pioneering sex education initiatives.

The University's annual report 2005/06 has been published and was launched with the latest Discovery Days 2006 book at a Saturday Evening Lecture in April.

The Universities Safety and Health Associations Annual Conference to promote best practice in health and safety management within universities took place in Dundee in April, welcoming over 100 delegates from UK and Irish universities.

Paralympians Caroline Baird and Alan McGregor opened the SOMA Festival at the University of Dundee's Institute of Sport & Exercise in March. SOMA - Special Olympics Motor Activities Project - provides regular sporting activities for people with profound and complex physical and learning disabilities.

Major European and US policymakers gathered in Dundee in March at the European Observatory on Homelessness Conference, organised by the Joint Centre for Scottish Housing Research (JCSHR), a collaborative venture between the University of Dundee and the University of St Andrews. Among the key speakers was Malcolm Chisholm MSP, Minister for Communities.

HRH The Princess Royal visited the University of Dundee on Friday 3 March, where she performed the official opening of the Queen Mother Building. While here the Princess Royal took a particular interest in the work of the Forensic Art students.

High Court judge, alumnus and former lecturer at the University, Baroness Clark of Calton QC, presided over a mock legal debate with law students from the Faculty.

The refurbished Tower Extension Lecture Theatre has been renamed The D'Arcy Thompson Lecture Theatre in honour of the first holder of the Chair of Biology at what was then University College Dundee - a man since described as 'the first biomathematician'. The renaming ceremony was carried out by Professor Alistair Watson and Dr Simon Singh, who was giving a Saturday Evening Lecture.

Alan Langlands
April 2006

APPENDIX 2

FINANCE & POLICY COMMITTEE
(Minute 55)

A meeting of the Committee was held on 28 March 2006.

Present: Mr B W M Johnston (Convener), Principal, Professor D H Boxer, Professor A Burchell, Dr H Marriage, Mr J Milligan and Mr E F Sanderson.

In Attendance: Mr W Sutherland, Secretary, Director of Information Services & Deputy Secretary, Director of Strategic Planning (for item 2(1)), Director of Finance, Deputy Director of Finance, Miss L A Wilson and Mr G A Campbell.

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minutes of the meeting held on 30 January 2006.

2. MATTERS ARISING

(1) Translational Medicine Research Institute (Minute 2)

The Director of Strategic Planning reported that it was hoped to finalise negotiations by 30 March to allow the collaboration agreement to be announced publicly (simultaneously in Dundee and in New York) on Monday 3 April.

The sub-group established to react quickly to financial matters had met at the Ballathie Estate Office on 13 March.

[Note: the remainder of this minute is commercially sensitive and is not included here.]

Resolved: to allow the sub-group to continue to meet to allow financial matters to be responded to quickly if necessary.

(2) Residences (Minute 7)

The Deputy Director of Finance presented the profit and loss account for Dundee Student Villages (DSV) and West Park Centre Ltd (WPC) for the period to 31 January 2006. DSV was an associate company of the University and WPC was a conference and catering subsidiary of DSV. One third of the activities of these companies was consolidated in the University accounts. The amounts showed that the activities were operating on target. DSV's operating surplus was £376k compared to a budget of £365k. WPC showed a net loss of £256k compared to a budgeted net loss of £252k.

3. MANAGEMENT ACCOUNTS FOR THE PERIOD TO 28 FEBRUARY 2006

The Deputy Director of Finance reported on the University's financial performance, noting that at the current financial year-end (2005/06) the forecast result was now a surplus of £3.6m rather than £4.1m. The decline in surplus forecast was due to additional depreciation charges (£1.3m) not budgeted, the continued weakness in research overhead generation (£0.7m) offset by slippage in core staff costs (£1.0m) and improved SFC grant income (£0.4m). In response to a question from Mr Sanderson, it was confirmed that attempts were being made to try to ensure that any significant year-end adjustments had been anticipated in the forecast. It was noted that the lack of commitment accounting made it difficult for the University to reign in quickly on expenses.

An update was also given on capital expenditure to 28 February 2006. The Committee noted that capital expenditure on projects completed or nearly completed was largely in line with Court-approved budgets, and complimented the managers on this performance.

4. UNIVERSITY SUBSIDIARY COMPANIES

The Deputy Director of Finance presented the profit and loss accounts for all University subsidiary companies – as well as additional papers to explain the movements on the balance sheet of AMCET Ltd between 31 July 2004 and 31 July 2005.

5. FINANCIAL REPORTING AND BUDGETARY CONTROL – INTERNAL AUDIT REPORT (2005/06 – 01)

The Director of Finance reported on issues raised in the internal audit report. The Convener noted that the report had already been considered in detail by the Audit Committee – but that members should be aware of issues raised by the internal auditors which related to the work of the Finance & Policy Committee. It was noted that despite the auditors' comment, the overall budget for 2005-06 had been approved by Court – though some detailed discussions with Faculties about virement had taken a little longer to complete.

Some discussion followed about departmental funds and their use; it was agreed that efforts should be made to improve communication between departments and the Finance Office in this regard, while ensuring that there was no loss of control by the Director of Finance over authority particularly in the light of the forthcoming restructuring.

6. UNIVERSITY BORROWING

The Director of Finance reported on discussions with Chris Smith of Noble Grossart about the University's borrowing requirements. For the period to July 2011 there was a debt 'core' of about £10m (measuring the debt at the month ends) and the advice received was that the University should seek to 'fix' the interest rate for a period of up to ten years to give certainty over interest costs, and recognising that additional capital expenditure demands were likely in the later years of the financial strategy.

Resolved: to delegate authority to the Convener, the Director of Finance, the Principal, Mr Sanderson, Mr Milligan, Ms Newton and Mr Sutherland to reach a decision when tenders were received.

7. DUNDEE UNIVERSITY STUDENTS' ASSOCIATION (DUSA)

The Director of Finance reported that DUSA had experienced a steady start to semester 2 of 2005/06. Campus developments and the pending smoking ban might impact on business but currently the forecast year-end surplus was £107k.

8. BENCHMARKING

The Deputy Director of Finance reported on the results of work carried out by the University of Aberdeen in looking at financial indicators for other Scottish Universities. It was agreed that further consideration of this would be a useful activity. The Committee discussed variations highlighted in the indicators and received explanations from the Director and Deputy Director of Finance.

Resolved: to agree that the Finance & Policy Committee should review financial indicators across the Scottish Universities on an annual basis.

9. SFC FUNDING

The Director of Finance reported that in the recent SFC funding letter the University had been allocated, for recurrent purposes, £453k above the figures assumed in the financial strategy. On the other hand, the capital element of the grant was lower than expected by £0.5m offsetting the additional resources allocated for recurrent purposes. It had emerged, however, that there had been a material error in the data provided by the University for calculation of the research element of the grant which had not been picked up by SFC. Revised figures were therefore anticipated which would reduce the allocated resources.

Resolved: (i) to invite the Director of Finance, the Director of Information Services & Deputy Secretary and Professor Boxer to try to resolve with SFC the revised Dundee allocation.

- (ii) to invite the Director of Finance to check why the University did not appear to be allocated funding for taught postgraduate places in the Medical School.

10. **PENSIONS**

The Director of Finance reported on the triennial actuarial report to the Trustees for the University of Dundee Superannuation Scheme. The actuary recommended a revised contribution rate of 30.2% over 10 years or alternatively 28.3% over 13 years. An increase of some £600k had been allowed for in budget assumptions for 2006-07, but the recommended level of increase was likely to cost around £1.2m per annum if the deficit was paid off over 10 years. The Principal indicated that the executive would be preparing a preliminary report on this to the next meeting of the Court, with final recommendations to the following meeting.

11. **VAT - CLINICAL ACADEMIC SALARIES**

The Director of Finance reported that it had been agreed that the supply of clinical academic staff time between the University and the NHS was outwith the scope of VAT. This might lead to a small additional recovery of VAT (c. £100k).

12. **UCAS**

Swotbooks, a textbook supplier, had advertised on the UCAS Web site and had launched a court action against UCAS for alleged loss of income. The Director of Finance reported that the likely impact was not as great as first predicted and he had been advised that this should not destabilise UCAS.

13. **RIVERSIDE BIOSCIENCES**

The Secretary reported that the University had employed a QC to take the matter further but that the case was as yet not resolved.

14. **2006 PAY SETTLEMENT**

The Secretary reported that the AUT had refused to suspend action short of a strike but that unofficial talks were reported to be continuing at national level.

15. **DEPUTY DIRECTOR OF FINANCE**

Thanks and good wishes were expressed to the Deputy Director of Finance on his appointment as Assistant Principal and Finance Director at Dundee College.

APPENDIX 3**COMMUNICATIONS FROM THE SENATUS ACADEMICUS
(Minute 58)****1. PRINCIPAL'S REPORT**

- (1) On 'Resource Allocation 2006/07', it was reported that the Finance & Policy Committee had urged caution for the year ahead given the possibility of an 8-9% increase in salary costs as a result of the Framework Agreement, the pending pay award and the cost of additional employer liabilities for the University's pension scheme.
- (2) On the future of the Kirkcaldy campus, the Secretary reported that it was hoped an announcement could be made later this week which might satisfy all interested parties.
- (3) On restructuring, it was reported that the advertisements for College Vice-Principals would be published later this week, an executive search agency had been appointed to help identify good candidates, dates had been established for the selection process and Faculty Boards were in the process of identifying representatives to serve on the appointing committees.

2. INSTALLATION OF CHANCELLOR

- The Senatus decided:**
- (i) to note that the installation of the Chancellor would be held on Wednesday 31 May 2006 at 5pm in the Marryat Hall;
 - (ii) that the Senate meeting on that date would commence at 3.30pm in the City Chambers so that members might attend the installation;
 - (iii) to approve the nomination of the following for the award of the Degree of LLD honoris causa:

Dr Catherine Hamlin – healthcare in Ethiopia;
Baroness Cox of Queensbury – international humanitarian work;
Professor Anna Glasier – family planning specialist;
Sheena Wellington – traditional singer.

APPENDIX 4**CAMPUS SERVICES COMMITTEE
(Minute 59)**

A meeting of the Committee was held on 28 February 2006.

Present: Dr L A L Rolland (Convener), Dr R Abboud, Dr J Elliott, Professor A Newell, Professor S Unwin and Dr B Gillies.

In Attendance: Dr D Duncan, Mr D Yule, Mr D White, Mr G Davies, Mr L Morrison, Mr C McNally and Ms M Kenley.

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minutes of the meeting on 15 November 2005, subject to the expansion of the last sentence of the second paragraph of minute 4 to include 'and on estates issues of significance'.

2. MATTERS ARISING**(1) Energy Management (Minute 5)**

The Policy & Planning Manager reported that the review of the Energy Plus initiative was still on-going and that a detailed report would be provided once all the details of the initiative had been established.

(2) Masterplan (Minute 6)

Copies of the Masterplan had now been distributed to Committee members for their own use. The Masterplan, selective drawings and model would be exhibited in the foyer of the Tower Building at a future date. It was agreed that campus-wide accessibility under DDA needed to be developed as part of the Masterplan.

Resolved:

- (i) to establish the extent to which the current Masterplan addressed accessibility;
- (ii) to consider accessibility in more detail at a future Committee meeting.

3. CAPITAL PROGRAMME AND CAPITAL REPORTS ON PROJECTS OVER £2M

The Director of Campus Services updated the Committee on the status of the capital programme and on capital projects over £2m. Individual capital projects were presented in an amended format designed to reflect earlier comments of Committee members and their need for clearer presentation of information. Committee members noted the particulars of the various capital projects and expressed support for the amended format.

The Chairman reminded members that they could ask for any project on the capital programme to be discussed at a Committee meeting should they wish, but that it would be sensible to provide Campus Services with advance notice.

4. ESTATES MANAGEMENT

The Estates & Buildings senior management team gave a joint presentation to the Committee across the various key areas of service, the purpose of which was to indicate how the department would improve service delivery to the University community. The Committee expressed its support.

5. SPACE PLANNING UPDATE

The Space Manager addressed a report on space management advising on general progress to date. The Committee was informed of the addition of two new members to the Space Management Group, the application of new procedures for space management and the results of a space utilisation survey of

teaching rooms. The survey had highlighted a low space utilisation rate of 18% and a notional penalty of £41,000 per week across all teaching space if a notional £100 per hour charge were to be levied against bookings for space made but not used.

The Committee raised questions over the accuracy of the data but recognised that the intention of the Space Management Group was to secure robust data before moving to any position of acting upon information. Committee members recommended that any change to space policy should be preceded by detailed discussions with a cross-section of academic staff to ensure that present issues were understood and to ensure acceptance and buy-in to any changes.

6. **POWER OUTAGE**

The Facilities Manager provided Committee members with a short oral report into the reasons for the September 2005 power outage, actions taken by Estates since then, lessons learnt, and the need for continued improvements to the services infrastructure of the estate and increased proactivity from academic departments when incidents such as this occur.

7. **GREEN TRAVEL**

The Director of Campus Services addressed a report prepared by the Green Travel Steering Group on its general progress towards meeting the aims and objectives of the Green Travel Plan adopted by Court in October 2004.

Particular progress was noted in initiatives directed towards increasing uptake of walking and cycling and in the greater use of public transport. Press coverage to date had been positive and separate funding was now required to support the continued development of initiatives. This was under review by the University Secretary.

- Resolved:**
- (i) to widen coverage of the successes of the Green Travel Steering Group with an article in *Contact*;
 - (ii) to invite the Green Travel Steering Group to arrange a presentation to the Faculty of Education & Social Work on green travel and travel options as part of a general familiarisation programme and as preparation for the relocation of staff and students to the city campus.

8. **DESIGN REVIEW GROUP**

The Director of Campus Services provided Committee members with a general update on the Design Review Group, advising that it would meet on 8 March to review the Sports Centre extension and Campus Green projects. Other projects would be reviewed as they reached the appropriate stages of development.

The Director of Campus Services advised members of the intention to hold a working group discussion involving senior members of the University, with the purpose of addressing how the Design Review Group should interface with the evolving Campus Masterplan.

APPENDIX 5

AUDIT COMMITTEE
(Minute 59)

A meeting of the Committee was held on 7 March 2006.

Present: Mr W Sutherland (Convener), Mr J Barnett, Dr J Lowe, Ms J M Thomson and Mr W Wilson.

In Attendance: Mr B W M Johnston, Secretary, Deputy Secretary, Director of Finance and Ms L A Wilson; Mr A Gray and Mr D MacLaren (PricewaterhouseCoopers).

1. MINUTES OF PREVIOUS MEETING

Resolved: to approve the minutes of the meeting on 29 November 2005.

2. MATTERS ARISING

(1) Perth Road Flats (Minute 2(1))

The Secretary reported that legal action was continuing. It was noted that it might be a long time before this affair was concluded.

Resolved: since it had already been established that there was no liability to the University, to require no further reports on this matter unless there was any significant change in the position.

(2) Student Debt Analysis (Minute 2(2))

The Committee received a further analysis of student debt, on which Ms Wilson commented. It was noted that a large proportion of student debt was subject to payment arrangements such as direct debit instalments; with this amount removed, bad debt was currently £1.3m, not £3.6m as shown in the analysis. The annual provision for writing off bad student debt was £150k, which it was agreed was not a significant figure compared with total fee income. Procedures for managing debt had recently been reviewed and the Finance Office was satisfied that they were robust. In discussion it was pointed out that it was unlikely that bad debts could be sold on, as the debtors were largely untraceable; also, revoking matriculated status would be counterproductive, as that would only ensure that no further fee payments were received. The view was expressed that, by comparison with the rest of the sector, the student debt position in the University was not a major cause for concern.

Resolved: to request that a further statement of student debt, showing money that was not yet overdue as a separate item, be circulated to members as soon as possible.

(3) Management Arrangements in Finance Office (Minute 4)

The Director of Finance reported that, to address the concerns which had been expressed at the previous meeting of the Committee, Ms Wilson's duties as Financial Controller had been extended to include the year-end process. An additional member of staff at a lower level was being recruited. There was now a vacancy, however, for a Deputy Director of Finance, as Mr Westwater had resigned. The Committee endorsed the view that both the Deputy Director and the Financial Controller should have clear job descriptions, in order to ensure that the Director of Finance had protected time for strategic activity. It was confirmed that the management structure of the Finance Office would not be significantly changed by the restructuring of the University into four Colleges, as there were already managers with identified responsibilities for individual Faculties and support services.

(4) Implementation of Internal Audit Recommendations (Minute 5)

The Committee noted that the internal auditors would present an audit action register to the next meeting; in doing so they would be selective about which outstanding recommendations should continue to be pursued.

(5) Annual Report of Internal Auditors (Minute 7)

The Committee noted that the one outstanding assignment report from Henderson Loggie, on the Student Experience, would be presented to the next meeting.

(6) Support for Selected Groups on Asset Management (Minute 8)

Ms Wilson reported on the progress made in providing targeted supported in asset management to the Faculty of Duncan of Jordanstone College, the Faculty of Engineering & Physical Sciences, the School of Nursing & Midwifery and Information & Communication Services. It was noted that certain central systems had asset management capability and this was being investigated as part of their upgrade process. In discussion concern was expressed about the vulnerability of hospital-based equipment, which was becoming a common target for theft: it was confirmed that security in University areas at Ninewells had been tightened.

(7) Policy Statement on Fraud (Minute 10)

It was noted that the Court had adopted the policy statement recommended by the Committee.

(8) Appointment of External Auditors (Minute 12)

It was noted that Ernst & Young's period of appointment had been renewed for financial year 2005/06, on the terms agreed by the Committee.

3. **INTERNAL AUDIT NEEDS ASSESSMENT AND STRATEGIC PLAN**

The Committee received a final draft of the Audit Needs Assessment and Strategic Plan for the three-year period to 2007/08. The internal auditors confirmed that they had not identified any additional key risks beyond those already included in the institutional risk register. Members queried the amount of time set against certain topics and their timing within the overall programme. The auditors reassured the Committee that they could provide an element of added value on institutional collaboration, non-SFC income generation, and research management – areas which were not particularly amenable to conventional audit methodology. It was agreed that pension fund controls and unspecified work for the Students' Association should be added to the programme.

Resolved: to invite the auditors to finalise the Audit Needs Assessment and Strategic Plan in consultation with the Secretary and Deputy Secretary.

4. **INTERNAL AUDIT REPORTS**

The Committee received reports on the following assignments:

| | |
|--------------|---|
| 2005/06 - 01 | Financial Reporting and Budgetary Control |
| 2005/06 - 02 | Control Risk Self-Assessment |

On budgetary control, the Committee discussed the value of budget profiling. The Director of Finance explained that this was only of benefit for a small proportion of University expenditure and consequently the effort could not be justified. It was agreed that there was a need for stronger controls on the use of departmental reserves. It was confirmed that specific training would be given to budget holders following the restructuring of the University into four Colleges, in order to improve their understanding of key cost and income drivers and assumptions underlying budgets. It was regarded as particularly important, however, that as the capital programme peaked control of cash flow was retained centrally.

With regard to the control risk self-assessment report, the Director of Finance confirmed that bank reconciliations were now up to date and indicated that a change in personnel within the Finance Office had been effected to ensure that this basic control was not compromised in future.

- Resolved:**
- (i) to note the reports;
 - (ii) to forward the report on Financial Reporting and Budgetary Control to the Finance & Policy Committee.

5. **AUDIT COMMITTEE SELF-ASSESSMENT**

The Committee received a paper reporting on conclusions reached by the Audit Committee Secretaries of the Universities of Abertay, Dundee and St Andrews, following discussion of self-assessment at the annual joint meeting of the three Committees in November 2005. It had been agreed that the involvement of an external assessor in self-assessment exercises was not practicable, but that there was a significant degree of externality available to Audit Committees already to assist in ensuring their effectiveness. The Committee agreed in discussion that follow-up reports on internal audit recommendations and reports on risk management were important inputs for the proper performance of the Committee's monitoring role. Benchmarking was considered valuable too and the Committee was reminded that the external auditors carried out such studies periodically for the benefit of their clients within the sector.

- Resolved:** to invite Committee members and officers individually to complete the Ernst & Young self-assessment questionnaire (circulated with the paper) and return it to the Deputy Secretary, who would analyse the data and report to the next meeting.

6. **JOINT INITIATIVES**

- Resolved:** to invite the Director of Finance to report to the next meeting on the scope for further joint initiatives by the Audit Committees of Abertay, Dundee and St Andrews Universities, as discussed at their annual meeting in November 2005.

7. **ASSESSMENT OF SERVICE QUALITY**

Following the withdrawal of the internal auditors, the Committee considered a questionnaire from Ernst & Young inviting comment on their performance as external auditors over their recent period of engagement. The Committee agreed responses in discussion.

- Resolved:** to invite the Deputy Secretary to transmit a completed questionnaire to Ernst & Young.