

**UNIVERSITY OF DUNDEE****UNIVERSITY COURT**

A meeting of the University Court was held on 23 October 2006.

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

**In Attendance:** Vice-Principals Professor D H Boxer and Professor J Calderhead, Secretary, Deputy Secretary & Clerk to Court, Directors of Finance, Information Services and Strategic Planning, Deputy Director of Finance and Mr I R Leith (*for item 6(1)*).

**1. MINUTES**

**The Court decided:** to approve the Minutes of the meetings on 12 June and 4 September 2006.

**2. MATTERS ARISING****Ordinance 39 (Minute 78)**

- The Court decided:**
- (i) to ratify the amendment of Ordinance 39, providing the definition of a graduate, as recommended by the Senate and approved at the Court's previous meeting;
  - (ii) noting that a period exceeding three months had elapsed between the Court's previous meeting and the present one, to approve the amendment as an urgent case as allowed under article 17.2 of the University Charter.

**3. CHAIRMAN'S BUSINESS**

The Chairman intimated that the Scottish Funding Council had held its September meeting in the University. The Principal had given a welcome address in the morning and a small group of University representatives, including Court members, had engaged with Council members and officials over lunch. Dr Lowe, as a Council member, confirmed that the University had made a favourable impression upon its guests.

#### 4. PRINCIPAL'S REPORT

The Court received a report from the Principal (**Appendix 1**). In discussion of the report, it was agreed that the best way of introducing the new Heads of Colleges to Court members would be to invite them to attend a meeting of Court (two having already attended the Court Retreat in September). There was praise for the University's support for secondary education in Dundee through the sponsorship of an award for improving the quality of learning and teaching.

Otherwise, discussion focused on the University's financial position. The Principal explained that the annual audit was still under way, but - as reported to the meeting of the Finance & Policy Committee on 9 October - the preliminary year-end result showed a deficit of £1.6m against a predicted surplus of £2.2m. This disappointing outcome was attributable to errors in financial forecasting, accounting issues and budget overspends. Regarding budgets, significant variances had been caused by: a deterioration in research overhead recovery, increased maintenance and repairs costs (including an uninsured loss arising from the electricity sub-station explosion in September 2005), underestimated increases in heat, light and power costs at Ninewells, and higher than expected spending from departmental reserves in July (possibly associated with the restructuring of the University). Staffing budgets had not been overspent, although these would need to be monitored carefully in the current and future financial years. The Director of Finance gave further explanations in relation to errors in forecasting and accounting issues which had also contributed to the poor year-end result. It was confirmed that the total £3.8m gap between forecast and actual result had a cash effect of approximately £2.8m.

Measures which were being, or would be, taken in response to the negative financial position were as follows:

- (a) analysis in detail of differences in forecast and actual costs; examination of deficiencies in forecasting and reporting mechanisms; and close scrutiny of the post-audit result in relation to budgets for 2006/07;
- (b) a review of systems and procedures in the Finance Office;
- (c) the establishment of a sustainability group (convened by Professor Michael Davies) to take a strategic view of financial planning, including the affordability of the capital programme, staffing levels, the University's borrowing strategy and research overhead recovery in the context of full economic costing.

In discussion it was noted that the above approach encompassed in particular the placing of cash limits on expenditure from School reserves in 2006/07, a review of the scope for savings within the capital programme, and the improvement of financial forecasting through the introduction in January of a commitment accounting system.

Having declared an interest as a member of the Scottish Funding Council, Dr Lowe advised that the reasons for, and effects of, the year-end result would

need to be explained in full to the Council, which was shortly to consider a request to approve additional borrowing by the University. It was noted that further borrowing would initially take the University nearly to the limit of its overall planned borrowing capacity of £25m, but the level would diminish as capital projects reached completion in the course of 2007/08.

Academic members commented on the difficulty of sustaining current teaching commitments with significantly reduced non-pay budgets for 2006/07. Concern was also expressed about staff workloads and increased pressure to generate more income, but it was pointed out that this was part of a more general issue which would have to be addressed in the medium term, irrespective of the 2005/06 financial result. The Court was reminded that the Scottish higher education sector as a whole was facing a tough financial climate in the years ahead and the University was not alone in having to take difficult decisions.

In conclusion the Chairman and the Principal urged the Court to take the longer term view of the present situation. The year-end shortfall was a serious matter, but such reverses occurred from time to time: appropriate action was being taken to ensure that contributory factors were identified and remedies applied. On the positive side, the University had just admitted one of its strongest ever intakes of students, research income was being maintained in a very competitive environment, commercialisation successes were a model for other institutions and significant investment was being made in addressing long-standing estate and other infrastructural problems. The University's overall performance was good and strategic development should not be paralysed by one poor financial result.

- The Court decided:**
- (i) to establish a sub-group of Court members (Mr Milligan, Mr Johnston, Ms Robertson, Mr Sanderson and Mr Burns) to track progress on financial sustainability planning and improvements in financial reporting and forecasting, and to act as a sounding board for senior management;
  - (ii) to invite officers to engage in early discussions with SFC officials regarding the year-end result and the University's borrowing strategy.

## 5. FINANCE & POLICY COMMITTEE

The Court received the reports of meetings of the Committee on 29 August and 9 October 2006 (**Appendices 2 and 3**). The Director of Strategic Planning reported on recent discussions with Scottish Enterprise and the Scottish Executive regarding funding for the TMRC building at Ninewells.

- The Court decided:**
- (i) to approve the recommendations concerning financing of the TMRC building at Ninewells (item 2(4) of the meeting on 29 August), including the borrowing of £9m, subject to

further discussions with Scottish Enterprise and the Scottish Executive on risk mitigation and final signing off by the same sub-group of Court members identified in resolution (i) of Minute 4 above;

- (ii) to appoint a further sub-group of Court members, comprising the Chairman and the Conveners of the Finance & Policy and Campus Services Committees, to consider - and if appropriate decide on - tenders for capital projects which came in significantly over budget (item 4, resolution (ii), of the meeting on 9 October);
- (iii) otherwise, to approve the reports.

## 6. CAPITAL PROGRAMME

### (1) Refurbishment of Medical Sciences Institute

The Court received a capital project proposal setting out the case for the upgrading and remodelling of much of the Medical Sciences Institute. This project was the planned second phase of building development for the research activities of the College of Life Sciences, following completion of the Sir James Black Centre; it was complemented by the on-going refurbishment of accommodation in the Old Medical School and Carnelley Building for the College's teaching activities. The proposal was presented by Mr Ian Leith, the College Secretary.

An essential aim of the refurbishment exercise was to bring the accommodation within MSI up to the same standard as the laboratories within the Wellcome Trust Biocentre and the Sir James Black Centre. The redevelopment would allow further consolidation of research within the complex comprising these three linked buildings; it would also provide temporary accommodation for the TMRC initiative and subsequently support high profile new research groups. The scheduled completion date for the main part of the proposed work was April 2007; additional work on the fourth floor would extend completion by a further six months. The total projected cost was £4.5m, of which £3m was attributed to external funding.

The following points arose in discussion:

- (a) It was confirmed that the structure of the building was sound: the proposed work related to replacement of infrastructure, to provide flexible laboratory accommodation meeting modern standards. The lifespan of the refit was estimated to be 20-25 years and the cost would be depreciated over such a period.

- (b) Plans for the redevelopment of the fourth floor of the building were wholly dependent on external funding and would only proceed on this basis.
- (c) The refurbished building would allow full access by disabled persons: there was no provision in the proposal for upgrading lifts as this had been carried out in the recent past.
- (d) The proposal was purposely ambivalent about whether the neighbouring Biological Sciences Institute, from which research activity would be decanted into the refurbished MSI, should be redeveloped or demolished. The options for future use of that building, or the site, were outlined and it was noted that these were subject to a review of the whole south-west corner of the City campus. It was confirmed that the BSI was currently not fit for purpose and had been a disincentive for recruitment into the Division of Environmental & Applied Biology.
- (e) The probability of a cost overrun in the proposal's risk analysis was classified as 'medium', but it was clarified that the perceived risk related to achieving an acceptable tender price, against the current background of serious inflation in the construction industry. Once a contract price had been agreed, the risk of a project overspend would carry a low probability rating.

**The Court decided:** noting that the proposal had been approved by the Finance & Policy Committee, to give full authority for the project to proceed.

(2) Property Disposals

The Court received a paper detailing properties which were scheduled for disposal in accordance with the estates strategy, the funds realised to be reinvested in the building programme. These properties fell into three categories: outlying properties on the Gardyne Road campus (the main part of which had already been sold to Dundee College), buildings on the Perth Road which would be vacated following the relocation of Mathematics staff, and a number of older student residences in various locations. The paper set out the procedure to be followed for the disposal of Exchequer-funded assets and the Secretary indicated that the professional valuations received would be reviewed, in consultation with Ms Newton, in an effort to maximise the potential proceeds of sale.

There were several items in the list which were valued at more than £1m and the Court was reminded that, according to the Schedule of Delegation, approval of the disposal of assets of such value was a matter reserved to the Court itself.

**The Court decided:** to approve the planned property disposals.

## 7. CORPORATE GOVERNANCE

### (1) Schedule of Delegation

The Court received proposed amendments to the Schedule of Delegation and Decision-Making Powers. These were required as a result of the restructuring of the University into Colleges, implementation of the Framework Agreement on pay and grading, and miscellaneous other adjustments and improvements which had been identified since the last updating in October 2004. The Deputy Secretary & Clerk to Court drew attention to the more significant changes and the reasons for them.

**The Court decided:** to approve the revised Schedule of Delegation (**Appendix 4**).

### (2) Membership of Court

The Court was advised that the internal auditors had recently carried out a review of the University's compliance with best practice guidance for the sector on corporate governance and the institution's ability to prepare a positive statement for inclusion within the 2005/06 financial statements. The auditors had concluded that the governance framework established by the University appeared to comply with best practice, but they had highlighted two 'minor procedural issues' for the University's attention.

One of these issues concerned the lack of a stipulated maximum term of office for the Chancellor's and Rector's Assessors. The relevant extract from the auditors' report was submitted for the Court's consideration. It was agreed that, in the interests of good practice in corporate governance, this deficiency should be addressed; moreover both the current Assessors (Dr Rolland and Ms Roberton) were supportive of the proposed limitation of their terms of office. It was noted that in appropriate circumstances lay members who had served the maximum term allowed under Statute 9 or the relevant Ordinance, but whose expertise and experience were considered particularly valuable, could be retained on the Court in another membership category.

**The Court decided:** to authorise officers to draft appropriate amendments to Statute 9, limiting the Chancellor's Assessor and the Rector's Assessor to maximum continuous periods of office of eight years and six years respectively.

## 8. MEMBERSHIP OF COURT COMMITTEES

The Court received a provisional membership list for Court Committees in 2006/07 (**Appendix 5**), which had been approved by the Chairman during the summer as agreed at the Court's meeting in June. It was noted that,

following the restructuring of the University into Colleges, the membership of Senate was being reconstituted and this might have repercussions for the membership of Court: once the relevant electoral processes had been completed (which would also fill the vacancy on Court caused by the recent retirement of Professor Alan Newell), the Committee list would be reviewed and finalised for the Court's approval.

#### 9. COMMUNICATIONS FROM THE SENATUS ACADEMICUS

The Court received a report from the meeting of the Senate on 11 October 2006 (**Appendix 6**).

**The Court decided:** (i) to approve the recommendations concerning conferment of the title of Professor Emeritus;

(ii) otherwise, to note the report.

#### 10. HUMAN RESOURCES COMMITTEE

The Court received the report of a meeting of the Committee on 3 October 2006 (**Appendix 7**). The Court's attention was drawn to the Disability Equality Scheme appended to the report, which referred to the Court's responsibilities for ensuring that the University complied with its statutory obligations and that the Scheme and associated Action Plan were implemented, monitored and reviewed. It was confirmed that the audit process relating to these responsibilities would be carried out through the Equality & Diversity Working Group and the Human Resources Committee.

**The Court decided:** to approve the report.

#### 11. OTHER COMMITTEE REPORTS

The Court received reports from the following:

Audit Committee	26 September 2006	( <b>Appendix 8</b> )
Campus Services Committee	29 September 2006	( <b>Appendix 9</b> )

**The Court decided:** to approve the reports.

#### 12. STUDENTS' ASSOCIATION – BOARD OF MANAGEMENT

**The Court decided:** to approve a recommendation from the President of the Students' Association that Mr Stuart Cross, Students' Assessor on the Senate, should be appointed as a sixth external member of the DUSA Board of Management.

13. **STAFF**Exercise of Delegated Powers: Professorial and Other Grade 10 Appointments

The Court noted the appointment of the following:

Dr Nick Fyfe	Personal Chair of Human Geography	1 June 2006
Dr James Williams	Personal Chair of Philosophy	1 June 2006
Ms Catriona Blake, University of Abertay	Deputy Director of Finance	1 August 2006
Ms Kirsty Gunn, writer	Chair of Creative Writing	18 September 2006

## APPENDIX 1

### PRINCIPAL'S REPORT (Minute 4)

#### **Restructuring and New Appointments**

The process of appointing Vice Principals/College Heads, Deans/Heads of School, and College Secretaries has now been completed. An interim Dean has been appointed in the Medical School for the period to 31 December with a substantive appointment to be made in the New Year. The Senior Management Team is beginning to meet on a twice-monthly basis and the Education & Research Forum will also be established in line with the proposals agreed by Court and Senate. The approved minutes of SMT and the Education & Research Forum will be made available on the Web for all members of Senate and SMT minutes will be formally reported to Court. Appointments to College and School Boards are also being made with some (expected) disruption during the early stages of transition.

We also welcome the new executive team of the Students' Association: President - Steven Blane; Vice President of Communication - Michael Sheldon; Deputy President - Holly Hamilton; Vice President of Representation - Simon Tiernan; Vice President of Education and Careers - Claire Taylor; Vice President of Services Tommy Traynor; and Honorary Secretary Chris Tinley. Student representatives will continue to play a key role at Court and Senate and will also play an important role in the new College Boards.

#### **Finance**

The Finance & Policy Committee met on 29 August and 9 October 2006. The backdrop to these meetings is the delay in 2006/07 comprehensive spending review, the tight public spending position from 2007/08 onwards, the lack of clarity about higher education policy ahead of the 2007 elections to the Scottish Parliament, and internal pressures relating to pay, pensions, capital requirements and the recruitment and retention of key staff.

The focus of attention in the FPC and in the Senior Management Team is on:

- understanding the difficulties experienced in forecasting the 2005/06 year-end position, tightening the relevant forecasting, control and reporting systems, and assessing any knock-on effects in 2006/07;
- protecting as far as possible the target surplus of £5m in 2006/07;
- establishing clear and sustainable financial plans for 2007/08 and 2008/09 (a 'programme board' on financial sustainability has been set up to oversee this work with Professor Michael Davies in the chair);
- maintaining the momentum of the capital programme and ensuring a responsible approach to borrowing which enables the University to prepay employer pensions' contributions, support the Translational Medicine Research Initiative and manage the cash flow pressures resulting from expenditure peaks in the current capital programme.

More detailed information will be provided at the meeting.

#### **Learning and Teaching**

An event highlighting best teaching practice - the Honorary Graduates' Innovative Teaching Awards - took place on 11 October featuring Stuart Cross & David Cabrelli (Department of Law) for 'Law's Online Mooting Package'; Linda Morris and Nicholas Brewer (LSTU) for 'Making First Year Chemistry Modules a Foundation Course for all Life Science Students' and Elinor Vettraino (Department of Education) for 'The Use of Forum Theatre as a Teaching Tool within the Teaching Qualification in Further Education [TQ(FE)] Programme'.

Ten Chancellor's Scholarships of £1,000 each, giving high achievers direct entry to an accelerated degree, were launched and awarded in a special ceremony in September.

Two new students from Rwanda have started at the University as part of the Rotary in Scotland University Scholarship scheme.

The University sponsored an award for 'Improving the Quality of Learning and Teaching' under the Focus on Achievement Dundee Education Awards in September. The award was won by Morgan Academy.

The University has joined the National Student Survey and will be included in next year's returns, measuring student satisfaction, which have now become a part of the league table process.

A recent visit by RIBA to Architecture has been followed by a positive report.

The new Dundee Dental Education Centre in the Frankland Building was formally opened by Lewis Macdonald, Deputy Minister for Health and Community Care at the start of the summer. The tripartite initiative brings together NHS Tayside, NHS Education for Scotland (NES) and the University of Dundee in a flagship facility for Dentistry training in the east of Scotland.

The Centre for Forensic & Legal Medicine has been awarded a seven-year contract by the Crown Office to coordinate forensic pathology services for Tayside, Fife and Central Regions.

The University's remodelled Teaching Qualification in Further Education was launched in September.

A new facility - the grid room - packed with high specification audio-visual equipment allowing students across Scotland to share in lectures has opened at Dundee as a step towards Dundee contributing to the Scottish University Physics Alliance (SUPA).

### **Research and Enterprise**

RAE 2008 - a presentation has been delivered to staff at each of the four Colleges by Vice-Principal David Boxer and detailed meetings are now taking place with the unit of assessment groups. A University of Dundee booklet giving guidance on staff selection has been produced and is available from the VP's office or the RAE Web site.

The Generic Skills programme is now up and running following a successful pilot project over the summer. Led by Christine Milburn, two programmes have been developed - one for post-doctoral researchers and one for postgraduate research students. The two programmes comprise 80 courses between them, ranging from writing grant applications to producing a business plan.

In the latest stage of the Scottish Funding Council SRDG round, the University is leading on one successful project - post-genomic technologies, led by Professor Roland Wolf, with the University of Edinburgh - and is involved in four others.

A SRDG grant of £2.1m has been awarded to the Dundee-led collaborative bid for the Scottish Institute for Policing Research. Professor Nick Fyfe, Chair of Human Geography in the College of Arts & Social Sciences, is leading on this development.

SFC has given 'in principle' approval to the NRP Engineering and the SIRE (the Scottish Institute for Research in Economics) pooling initiatives involving Dundee. Details of the funding have yet to be made public and the projects are now being taken forward in more detail.

The MRC Protein Phosphorylation Unit led by Sir Philip Cohen has had its funding for the next five years almost doubled to £14.9m following a positive review.

### **Awards and Honours**

PhD student Fraser Milne won the Best Paper award at the Young Geotechnical Engineering Symposium.

PhD student Aneel Gill from Monifieth took second place in the Institute of Mechanical Engineers' prize for the best student project involving the design or development of a medical device.

Dr Tomo Tanaka of the College of Life Sciences was awarded the Hooke Medal from the British Society for Cell Biology.

Professor Alan Fairlamb was presented with a CBE by Her Majesty the Queen.

Professor Angus Lamond was awarded the Medal of Honour from the Charles University Prague for his work in cell biology.

Professor Daan van Aalten has been awarded the Lister Research Prize for young scientists.

Professor Sue Black and Professor Mark Chaplain received awards from the Royal Society of Edinburgh for their exceptional contributions to the RSE's Young People's Programme.

Sir Philip Cohen has received from the Karolinska Institute the 2006 Rolf Luft Award, created in 2000 in honour of Sweden's most famous endocrinologist.

Professor Ronald Harden is to receive on 2 November the Karolinska Institute Prize for Research in Medical Education 2006. The prize is designed to stimulate research and promote long-term improvements of educational practices in medical education.

### **Discovery Days**

Twenty-three new professors are lined up to deliver showcase presentations at the University's latest Discovery Days scheduled for Thursday and Friday 11 and 12 January 2007. Guest Chairs for the day will be journalist and author Magnus Linklater and Professor Anne Glover, Chief Scientific Adviser for Scotland. The days promise the best possible opportunity to all staff – and students - to tap into the wealth of research being conducted across all disciplines, setting the scene for stimulating new ideas, collaborations and synergies. I would strongly encourage you to use these days to extend your understanding of our University, to build your internal University networks and to draw in support from colleagues, partners and potential partners outside the University.

Alan Langlands  
October 2006

## APPENDIX 2

### FINANCE & POLICY COMMITTEE (Minute 5)

A meeting of the Committee was held on 29 August 2006.

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

In Attendance: Mr R Burns, Secretary, Director of Information Services, Director of Finance, Deputy Director of Finance, Mr G A Campbell, Miss L A Wilson, Ms S Beswick (for item 2) and Professor P Downes (for item 5).

#### 1. MINUTES OF PREVIOUS MEETING

**Resolved:** to approve the minutes of the meeting held on 27 July 2006.

#### 2. MATTERS ARISING

##### (1) Pensions (22 May Meeting – Minute 5)

The Director of Finance reported that the employer contributions for the University of Dundee Superannuation Scheme had increased from 1 August 2006. The statutory consultation exercise was being carried out with members of staff and the employee contribution increase was expected to take place from 1 October 2006. The Director also reported that discussions with Chris Smith of Noble Grossart/Thomas Miller were continuing about the preferred funding arrangements for a £6m injection to the fund. This allowed the employer increase in contribution rate to be reduced from 7.05% to 2.25% with a cash flow advantage and a net saving to the University over a period of 13 years (see item (3) below).

##### (2) McClelland Report on Purchasing (22 May Meeting – Minute 6)

Ms Beswick updated the Committee on purchasing developments, noting that efficiency savings totalling £1.3m had been achieved by the Purchasing Office staff across a number of commodity categories. In the year to 31 July 2006, savings had been particularly significant due to a very favourable result for insurance services tendering (c£300k). It was noted that the Central Purchasing Office had been shortlisted in the 'Best Purchasing Initiative by a Smaller Organisation' category of the Chartered Institute of Purchasing and Supply Awards.

Ms Beswick pointed out that many of the recommendations in the McClelland Report would be more easily actioned by the University if the Scottish Funding Council's Efficient Government Fund proposal for advanced procurement were successful. It was agreed, therefore, that it was appropriate to hold back on implementation as the introduction of the Scottish Executive's e-procurement system across the University would cover the main recommendations.

It was noted that the University was one of three institutions to have expressed interest in hosting the National Centre of Expertise. The Committee agreed that, if successful, this would be good for the local economy as well as the University.

Local collaborative initiatives were also progressing with Abertay University and Dundee College.

##### (3) Borrowing (27 July Meeting – Minute 4)

The Director of Finance reported on three major areas where additional funding requirements had been identified. These had been discussed fully by the Committee at the proposal stage. Funding Council approval was being sought for the proposal strategy which required:

- borrowing £6m to 'prepay' employer contributions recommended by the University of Dundee Superannuation Scheme actuary, providing a cash flow and net saving to the University of more than £2m over 13 years;
- additional overdraft cover of £5m to avoid short-term cash flow difficulties arising from major capital receipts and payments;
- a detailed funding package for the TMRI project, which required borrowing of over £9m.

- Resolved:**
- (i) to note that specific borrowing of £6m would be injected into the University of Dundee Superannuation Scheme (as there are cash flow advantages to taking this approach rather than simply increasing employer and employee contributions);
  - (ii) to note that an additional overdraft facility of £5m had been arranged for two years to cover, if required, significant, one-off, capital payments;

[Note: Court approved these items of borrowing at its meeting on 4 September 2006.]

- (iii) to note the detailed funding package sought by the University and by Scottish Enterprise for the Translational Medicine Research Initiative at Ninewells.

(4) TMRC Building (27 July – Minute 6)

The Director of Strategic Planning reported on the progress and funding developments for the construction of a research laboratory building for the Translational Medicine Research Collaboration. The original proposal had been for Scottish Enterprise (SE) to provide the building with the University guaranteeing rental and undertaking acquisition of the building in due course. SE was now not willing to agree to direct provision or to act as principal in relation to a private partner arrangement. This was a significant change in position which potentially left the University carrying the risk for all funding for the building (£9.7m) and its occupation (£590k rental). The University had, as a result of this change, become the prime negotiator in seeking funding through banks and had sought SE support and ERDF funding to reduce the cost and impact on the University's risk and borrowing limits. The Committee expressed its concerns over the direction the project funding had now taken, but at the same time, recognised the importance of the project to the University and at a national level. The Committee agreed that it required further comfort, particularly recognising that when the University was obliged to purchase the building, putting the University at further risk, some form of external financial support should be sought. The Committee asked officers to continue discussions with SE and the Scottish Executive with a view to securing guarantees of financial support.

- Resolved:**
- (i) to recommend continuation of negotiations with banks leading to agreement on a loan of approximately £9m to be repaid in or before 2021 to allow the building at Ninewells to be constructed;
  - (ii) to recommend that the Principal continue negotiations to secure an appropriate level of assistance in terms of financial input and risk mitigation from Scottish Enterprise, the Scottish Executive and the European Regional Development Fund;
  - (iii) to recommend that on completion of the building: (a) it be leased to TMRI Ltd at a rental of £590k per annum from 2008 to 2011, (b) from 2011, TMRI Ltd might continue the tenancy at a rent to be agreed, (c) rentals received would be used to service the loan, and (d) the University would

guarantee the provision of rent up to £590k per annum to the bank as repayment of the loan.

- (iv) to recommend that the Sub-Committee could act on behalf of the Committee should any quick decisions be required – with Mr Burns replacing Mr Sutherland.

### 3. CAPITAL EXPENDITURE MONITORING AND CASH FLOW

The Deputy Director of Finance reported on capital expenditure. Additional expenditure of £254k for Sport & Exercise was noted, fully funded by Sport Scotland.

The forecast expenditure for the year to 31 July 2006 was £48.3m, compared with £56m in the capital programme. It was agreed that the impact of this on cash flow for 2006/07 would be discussed at the next meeting.

The need for close liaison between Finance and Estates was stressed and the Committee received assurances from the Deputy Director of Finance that this was in place.

### 4. FRAMEWORK AGREEMENT

The Secretary reported on progress in finalising the Framework Agreement on pay and grading. DUCU members had voted in favour and AMICUS narrowly against (on a low turnout). UNISON Head Office had not approved the ballot and therefore members had not voted. Job evaluation was to be completed towards the end of the academic year. The total cost of implementation was estimated to be about 2% of the net staff costs of the University. This had been built into the budget and all financial forecasts.

It was noted that where the costs arising from implementation of the Framework Agreement were not funded by research sponsors, research grant holders were to try to find funds from within the grants where possible, but the University would meet costs otherwise. It was noted that research grants were also under pressure due to increased Research Nurse salary costs arising from the NHS Agenda for Change exercise and because of the above-inflation pay settlement for 2006/07 and 2007/08.

### 5. MEDICAL SCIENCES INSTITUTE

Professor Downes reported on a capital proposal for improvements to floors 2, 3 and 4 of the Medical Sciences Institute. The project would modernise accommodation up to the standard in the rest of the Life Sciences research complex. Extensive replanning, replacement of finishes, service installations, and some external refurbishment were required. The Biological Sciences building would be decommissioned. The wider College long-term business plan had taken into account the additional costs and revenue which would accrue from this development. The Committee felt, however, that a project-specific costs and benefits analysis should be provided. Further external funding was being sought, particularly in respect of the fourth floor refurbishment costs.

- Resolved:**
- (i) to recommend that, where possible, an analysis of financial costs and benefits should be presented to the Committee before the proposal was presented to Court;
  - (ii) to recommend to Court that the MSI proposal be approved.

### 6. YEAR-END FORECAST

The Director of Finance reported that he had no information to suggest that the year-end position for 2005/06 would be different from his forecast of £2.2m surplus and that work on finalising the accounts was continuing.

### 7. YEAR-END AUDIT ARRANGEMENTS

The Financial Controller reported on preparations being made for the year-end in light of audit recommendations from the previous year. The auditors would be on site from 9 October 2006.

A clear timetable had been established, along with formal links to staff responsible for preparing working papers and lead schedules.

8. **RESIDENCES**

The Secretary reported that there were some delays in completion of the Seabraes II and West Park Residences which would lead to students being temporarily housed in old halls. It was hoped that students would be able to be in the new residences by Christmas 2006. The lower demand for residences accommodation had meant that the University had, at this stage, nominated 85% of lets (last year 100%) available. Delaying some long-term maintenance costs had meant that the impact on the vehicle (DSV) could be mitigated. The DSV Board was taking steps to improve marketing strategies for future years.

9. **CAR PARKING**

The Secretary reported on changes to car parking charges which required to be approved by Court.

**Resolved:** since the membership present provided a properly constituted Emergency Committee of Court, to approve the car parking charges for 2006/07.

### APPENDIX 3

#### FINANCE & POLICY COMMITTEE (Minute 5)

A meeting of the Committee was held on 9 October 2006.

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

In Attendance: Mr R Burns, Secretary, Director of Finance, Deputy Director of Finance and Mr G A Campbell.

#### 1. MINUTES OF PREVIOUS MEETING

**Resolved:** to approve the minutes of the meeting held on 29 August 2006.

#### 2. MATTERS ARISING

##### (1) Borrowing (Minute 2(3)) (Commercial – In Confidence)

The Director of Finance reported that it had been hoped that the three strands of the borrowing strategy would have been presented to the Scottish Funding Council held in September 2006. This had, however, been postponed until the October 2006 meeting, as Court had not had the opportunity to approve the recommendation of the Finance & Policy Committee with regard to the TMRI Ltd proposal.

An extension to the overdraft facility by £5m had already been agreed. Members of the Committee took the view that the evaluation of tenders for the TMRI Ltd project should be made on cost alone.

**Resolved:**

- (i) to approve the University advisers' recommendation regarding the borrower for the University of Dundee Superannuation Scheme;
- (ii) to approve borrowing for the TMRI Ltd project and the evaluation of tenders based on cost alone.

##### (2) Medical Sciences Institute (Minute 5)

The Director of Finance reported that the College of Life Sciences' business plan for the MSI refurbishment project would be presented to the October meeting of Court. Members of the Committee were asked to study the paper carefully and, if possible, to signal any issues to the Director of Finance prior to the Court meeting.

#### 3. OVERSEAS TUITION FEES 2007/08

The Director of Finance reported, on behalf of Admissions & Student Recruitment, that for the vast majority of programmes overseas tuition fees did not increase last year. For 2007 entry, it was proposed that, as a general rule, classroom and laboratory fees should increase by 6.25% and 5% respectively.

Some discussion followed about market competitiveness, and the work being undertaken to ensure that the University maximised its standing in University league tables.

In the light of queries about the information presented for the College of Medicine, Dentistry and Nursing, it was decided to withdraw the paper and invite the International Office to present the report to the next meeting of the Finance & Policy Committee. As part of this process, the information on the University Web site would be checked for accuracy.

It was noted that the levels of scholarships available were important in determining price competitiveness between universities.

**Resolved:** to invite the International Office to comment upon whether healthy recruitment this year was an indication that the increased visa fee had not been a disincentive.

#### 4. CAPITAL EXPENDITURE MONITORING

The Deputy Director of Finance reported on spend progress on capital projects and provided the Committee with a revised reporting format for consideration. The new format was welcomed.

It was noted that projects would be moved from the 'not yet approved' to 'approved' category only when approved by Court. The analysis of University/external funding was viewed as helpful, with forecast external funding by project shown separately and reconciled to the capital programme.

The Deputy Director would report further on the apparent overspend on the Life Sciences Teaching Unit, and on the Heathfield car park, at the next meeting.

It was agreed that the unapproved portion of the Sport & Exercise project be shown separately as 'not yet approved'.

The Deputy Director was asked to consider exploring equipment costs in further detail.

- Resolved:**
- (i) to note that, due to increases in the cost of buildings (partly because of significant increases in steel prices), the University had budgeted to repay £2m of the c £6m capital receipt received on completion of the residences contract in 2004; and that there was a danger that this would rise higher, which could necessitate revising the timetable for future capital programme approvals;
  - (ii) to recommend that a sub-group of Court would be helpful to consider – and, if thought fit, award – tenders where these came in significantly over budget, bearing in mind that tenders were time-limited;
  - (iii) to confirm that all significant increases of tender prices or project capital spends above Court approval limits should be resubmitted to Court for homologation/approval as appropriate.

#### 5. 2005/06 FINANCIAL STATEMENTS AND YEAR-END RESULT

The Director of Finance reported that the year-end audit had just commenced. The pre-audit year-end forecast was now a deficit of over £1m compared to a project surplus of £2.2m at the last meeting.

As signalled during the year, FRS17 had had an impact of £500k on the year-end result. Research overhead recovery was £400k less than budgeted and forecast.

The Director further reported that the work of the Sustainability Group under Professor Michael Davies' chairmanship would be important in terms of generating income and controlling costs. This group had met and proposals would be emerging soon.

Concerns were expressed that the University's cash position, taking into account the possible additional charge related to the residences build, was now £4-£4.5m worse than reported at the last meeting. It was agreed that this was unacceptable and that the University's ability to forecast accurately and to produce regular and reliable management accounts needed to be greatly improved.

It was emphasised that the credibility of the Finance Office with the Committee, Court, the Funding Council and lenders was at stake.

It was noted that the introduction of commitment accounting had been the major recommendation of the review of the Finance Office and that a small pilot was about to start in

the Finance Office - previous attempts to do so in Life Sciences having been postponed until the wider project around procurement systems had been implemented.

- Resolved:**
- (i) to instruct the Director of Finance to report back urgently on the reasons for the failures in reporting and recommended actions;
  - (ii) to note that, for the second year running, inadequacies were being highlighted in the Finance Office's ability to report on past financial activity as well as to forecast future activity.

#### 6. CAPITAL PROJECTS – REPORT ON POST-COMPLETION OPERATIONS

The Director of Finance presented details of capital approvals since November 2001. With the assistance of academic departments, financial performance was being compared with the original business plans provided to Court.

- Resolved:** to note that the Director of Finance would report on business plan performance in relation to capital projects at the next and future meetings.

#### 7. DUSA FINANCIAL PERFORMANCE

The Director of Finance reported on the 2006/07 DUSA budget compared with the 2005/06 actual performance. The anticipated surplus of £110k was in excess of the minimum surplus of £86k required to service the loan (guaranteed by the University) which DUSA had used to fund major capital improvements.

#### 8. TMRI UPDATE

The Principal reported on progress to date with the TMRI Ltd project.

Work was now proceeding to complete the financial arrangements necessary to secure loan finance for the construction of the laboratory, subject to written confirmation of a minimum total capital contribution from ERDF and Scottish Enterprise of £2.31m. Negotiations were continuing with Scottish Enterprise to seek further financial support.

Appropriate leasing arrangements with the NHS and with TMRI Ltd were being progressed. Some concern was expressed regarding possible legal delays in completing the head lease with the NHS. The Committee commented that an RPI basis for calculating rent increases for TMRI Ltd should be considered as well as a market value formula, in view of the difficulty in assessing the latter. A procedure for arbitration should also be allowed for in the rental provisions, which should be upwards only and protection should be sought to prevent TMRI Ltd 'walking away' in the event of disagreement on future rent levels.

#### 9. RESIDENCES UPDATE

The Secretary reported that West Park was scheduled to be completed on 11 November 2006, Seabraes on 17 November 2006, and Heathfield on 25 November 2006, with the car park to be handed over at the end of October 2006. The University would benefit from penalty payments for late completion. Efforts were being made to market the residences to continuing students and to increase income generation from summer letting.

#### 10. IMPACT OF COLLEGE RESTRUCTURING ON THE FINANCE OFFICE

The Director of Finance reported that four members of staff had been deployed to the new Colleges.

#### 11. FINANCIAL ADVICE

The Committee asked the Director of Finance to provide details for the next meeting of the transfer of the provision of borrowing advice from Noble Grossart to Thomas Miller, with information on the structure and personnel of the new firm.

## APPENDIX 4

### SCHEDULE OF DELEGATION AND DECISION-MAKING POWERS (Minute 7)

Duration of Validity: With effect from 23 October 2006 and until such date as it may subsequently decide, the Court has reserved specific powers to itself and delegated others as set out in this Schedule.

Purpose: To define those decision-making powers that are reserved for specific levels of authority. The Schedule is not intended as a general description of roles, remits and responsibilities.

Coverage: Bodies and individuals involved in the management of the University.

Reporting Arrangements: It should be assumed that all significant matters are reported to the Court unless otherwise explicitly stated.

Vacation Powers: Court will determine arrangements for summer vacation powers at the final meeting of each session.

Delegated Powers: While the schedule identifies that certain powers are delegated to specific committees or individual office-holders, any committee or office-holder may decide that a particular issue requires to be ratified by a higher level of authority.

Named Deputies/Alternates: Where powers are reserved to individuals, it should be assumed that a nominated deputy or alternate may exercise the same power in the absence of the postholder.

Audit Committee: The Audit Committee may investigate any matters within its terms of reference with full access to information and University personnel. The Committee shall bring to the attention of the Chairperson of Court any matter of concern to the Committee.

Financial Limits: Where decision-making powers have been delegated with financial limits, these limits are escalated from individuals to another individual/body etc, as follows:

Capital projects: Secretary - Senior Management Team - Court

Disposal of assets: Deans /Directors - Secretary - Court

Business plans: Heads of Colleges/Secretary - Senior Management Team - Finance & Policy Committee

Contracts (non-research): Secretary - Principal - Finance & Policy Committee

#### 1. **University Court**

Strategic and Financial:

- 1.1 Approve strategic plans, financial forecasts and ancillary documents prior to submission to SFC
- 1.2 Approve financial strategy, including annual capital programme and annual budgets for faculties and support services (and in-year changes to budgets amounting to more than 1% of turnover)
- 1.3 Approve annual accounts, including those of subsidiary companies

- 1.4 Approve areas for reporting via Key Performance Indicators
- 1.5 Approve specific capital projects with an anticipated value of over £1m

Appointments:

- 1.6 Approve appointment of Chancellor (in consultation with Senate)
- 1.7 Approve appointment of Principal (in consultation with Senate)
- 1.8 Approve appointment of Vice-Principal(s) (in consultation with Senate)
- 1.9 Approve appointment of Secretary (in consultation with Senate)
- 1.10 Approve appointment of internal and external auditors
- 1.11 Approve appointment of co-opted members of Court
- 1.12 Approve membership of Court Committees

Dismissals:

- 1.13 Approve dismissal of academic staff, once procedure established by Statute and Ordinance has been completed

Other:

- 1.14 Approve changes to Charter and Statutes and new Statutes (in consultation with Senate and subject to Privy Council ratification)
- 1.15 Approve changes to Ordinances and new Ordinances (in consultation with Senate)
- 1.16 Approve creation and alteration of Colleges and Schools and their constitutions
- 1.17 Approve disposal of assets valued at more than £1m
- 1.18 Approve arrangements for making academic and academic-related posts redundant and approve any subsequent redundancies
- 1.19 Approve arrangements for superannuation of employees
- 1.20 Approve standing orders for operation of Court
- 1.21 Approve severance terms and substantial changes to pay and/or terms and conditions of the Principal

2. **Senate**

- 2.1 Approve Learning & Teaching Strategy
- 2.2 Approve Research Strategy
- 2.3 Approve degree regulations
- 2.4 Award degrees and other qualifications, including honorary degrees
- 2.5 Approve appointment of members of Senate Committees

- 2.6 Elect Senatorial members of Court
- 2.7 Approve policy for the admission of students to the University
- 2.8 Approve honorary professorial appointments on recommendation of Senior Management Team
- 2.9 Approve conferment of Emeritus titles on former members of staff
- 2.10 Approve affiliation of Schools to Colleges

3. **Senior Management Team**

- 3.1 Approve specific capital projects more than £500k, and up to £1m, in value
- 3.2 Approve business plans for projects involving non-capital spend with an annual value of more than £75,000 and up to £250,000
- 3.3 Approve projects for funding from the central Strategic Investment Fund
- 3.4 Approve requests from budget-holders to recruit staff
- 3.5 Approve early retirement and voluntary severance cases, where these are in line with agreed guidelines

4. **Finance & Policy Committee**

- 4.1 Approve business plans for projects involving non-capital spend with a projected annual value of more than £250,000
- 4.2 Approve non-research-related contracts or amendments/cancellation of contracts with a value of more than £250,000
- 4.3 Approve Financial Regulations
- 4.4 Approve student fee rates (home and overseas) after appropriate consultation
- 4.5 Approve guidelines for University investments
- 4.6 Approve changes to accounting policies
- 4.7 Approve charges for use of University car parks

5. **Human Resources Committee**

- 5.1 Approve policies and procedures affecting human resources, including health and safety

6. **Remuneration Committee**

- 6.1 Define salary increases for professorial and equivalent academic-related staff, including the Principal

- 6.2 Determine early retirement and voluntary severance terms for members of staff, except the Principal
  - 6.3 Approve exceptional removal & other expenses where the amount is greater than £5,000
  - 6.4 Determine maximum levels of management responsibility payments for Deans and Associate Deans (or equivalent)
7. **Audit Committee**
- 7.1 Approve process for appointment of internal and external auditors
  - 7.2 Approve internal audit needs assessment and internal audit strategic and operational plans
  - 7.3 Approve annual report of internal auditors for submission to SFC
8. **College Staff Review Groups (Academic)**
- 8.1 Determine promotions to senior lecturer
  - 8.2 Approve accelerated advancement and contribution-related points
  - 8.3 Approve confirmation of appointments following probation
  - 8.4 Hear first stage appeals
9. **Standing Committee on Readerships**
- 9.1 Approve promotions to reader
10. **Annual Review Group (ALC)** \*
- 10.1 Determine accelerated advancement and contribution-related points for ALC staff
  - 10.2 Approve confirmation of appointments following probation
11. **Technical Staff Review Committee\***
- 11.1 Determine accelerated advancement and contribution-related points for technical staff
12. **Clerical Staff Review Committee\***
- 12.1 Determine accelerated advancement and contribution-related points for clerical staff

---

\*

Note: the future of these annual review committees is subject to further consultation with the recognised unions in the light of the new pay and grading structure.

13. **Ethical Review Committee**
  - 13.1 Determine an ethical review process and policy on all matters relating to animals on University premises
  
14. **College Boards**
  - 14.1 Elect representatives to Senate
  - 14.2 Approve degree programme content and assessment methods
  - 14.3 Approve honorary appointments in the College (except professorial)
  
15. **School Boards**
  - 15.1 Approve appointments of Conveners of Programme Boards
  
16. **Academic Council**
  - 16.1 Elect representatives to Court
  - 16.2 Elect representatives to Senate
  
17. **Termination of Studies (Appeals) Committee**
  - 17.1 Receive and determine appeals from students against termination of their studies
  
18. **Undergraduate Appeals Committee**
  - 18.1 Receive and determine complaints and appeals by undergraduate degree candidates
  
19. **Principal**
  - 19.1 Appoint Deputy Principals
  - 19.2 Appoint Deans, in consultation with School Boards
  - 19.3 Approve non-research-related contracts or amendments/cancellation of contracts with a value of more than £100,000 and up to £250,000
  - 19.4 Initiate procedures for promotion to personal chairs
  - 19.5 Approve membership of professorial appointing committees
  - 19.6 Approve promotions and appointments to chairs
  - 19.7 Approve formation of subsidiary, spin-out and associated companies
  - 19.8 Approve appointment of University employees as directors of subsidiary, associated and spin-out companies

- 19.9 Determine levels of management responsibility payments to Deans and Associate Deans (or equivalent)
20. **Vice-Principals**
- 20.1 Exercise full disciplinary powers in relation to students (Ordinance 40)
21. **Heads of Colleges**
- 21.1 Approve allocation of resources within the College
- 21.2 Approve expenditure within agreed budgets and in accordance with the Financial Procedures Manual
- 21.3 Approve business plans for relevant projects involving non-capital spend up to an annual value of less than £75,000
- 21.4 Approve creation of new posts, filling of vacant posts and extension of existing posts
- 21.5 Approve extended leave of absence for academic staff
22. **Deans of Schools**
- 22.1 Approve allocation of resources within School
- 22.2 Approve expenditure in accordance with the Financial Procedures Manual
- 22.3 Approve disposal of assets valued at less than £5,000
23. **Secretary**
- 23.1 Approve specific capital projects up to £500k in value
- 23.2 Approve non-research-related contracts or amendments/cancellation of contracts with a value up to £100,000
- 23.3 Approve business plans for relevant projects involving non-capital spend up to an annual value of less than £75,000
- 23.4 Apply the University seal to documents as required
- 23.5 Approve property leases (either as lessor or lessee)
- 23.6 Approve disposal of assets valued at more than £5,000 and less than £1m
- 23.7 Approve creation of new posts, filling of vacant posts and extension of existing posts in student and academic support services
- 23.8 Approve membership of appointing committees for non-academic grade 10 appointments
- 23.9 Approve appointments of non-academic grade 10 staff

- 23.10 Approve arrangements for hearing appeals by students and members of staff and for other proceedings under Statute 16 (except redundancy)

24. **Directors of Student & Academic Support Services**

- 24.1 Approve expenditure in accordance with agreed budgets and the Financial Procedures Manual
- 24.2 Approve disposal of assets valued at less than £5,000

25. **Director of Finance**

- 25.1 Approve changes to Financial Procedures Manual and Purchasing Manual
- 25.2 Approve administrative and security arrangements relating to University investments and bank accounts
- 25.3 Enter into borrowing arrangements, and renew as necessary, in accordance with financial strategy approved by Court

26. **Academic Secretary**

- 26.1 Approve appointment of external examiners

27. **Director of Human Resources**

- 27.1 Approve dismissal of non-academic staff

28. **Director of Research & Innovation Services**

- 28.1 Approve research-related contracts or amendments/cancellation of contracts
- 28.2 Approve licensing agreements on behalf of the University

## APPENDIX 5

MEMBERSHIP OF COURT COMMITTEES 2006-07  
(Minute 8)

Note: The Secretary of the University is responsible for ensuring that each Committee is provided with secretarial services by a member of the University's administrative staff. In addition other officers may attend for all or part of a meeting to provide information and/or to contribute to discussion. No officer, however, shall have voting rights on any Committee unless identified in this list as a member.

1. **Audit Committee**Members

Mr Richard Burns (Convener)  
Mr John Barnett  
Mrs Stephanie Brown  
Dr Janet Lowe  
Ms Jacqui Thomson  
Mr Willie Wilson

Officers normally in attendance

Convener of Finance & Policy Committee  
University Secretary  
Director of Finance  
Clerk to Court (Secretary)  
Other officers at the discretion of the Director of Finance

2. **Campus Services Committee**Members

Dr Larry Rolland (Convener)  
Dr Rami Abboud  
Ms Carolyn Bain  
Dr Jim Elliott  
Dr Brenda Gillies  
Mr John Milligan  
(Vacancy)  
Professor Simon Unwin  
President of Students' Association

Officers normally in attendance

University Secretary  
Director of Campus Services  
Head of Estates  
Mr Aidan McColgan (Secretary)  
Other officers at the discretion of the Director of Campus Services

3. **Ethical Review Committee**

Members (note: most of the membership comprises a pool, from which members are drawn for each meeting)

Professor John McEwen (Convener)  
Dr Simon Arthur  
Professor David Balfour  
Mr Derek Black

Professor Julian Blow  
Professor Ann Burchell  
Dr Jim Elliott  
Professor Alan Fairlamb  
Professor Nick Fyfe  
Dr Colin Henderson  
Mr Ian Hunter  
Dr Clare McGraw  
Dr Alasdair Maclean  
Mr John MacLeod  
Mrs Lorraine Malone  
Ms Vicki Murray-Tait  
Mr Andrew Newman  
Mr Sami Shimi  
Professor Colin Watts  
Professor Eric Wright  
Chaplain  
Deputy Secretary (Mr P D Evans)  
Director of Biological Services

Officer normally in attendance

Dr Laura Lightfoot (Secretary)

4. **Finance & Policy Committee**

Members

Mr Bruce Johnston (Convener)  
Principal  
Vice-Principal (Professor David Boxer)  
Professor Ann Burchell  
Dr Alison Goligher  
Dr Howard Marriage  
Mr John Milligan  
Ms Alison Newton  
Mr Eric Sanderson  
Dr Martyn Ward

Officers normally in attendance

Convener of Audit Committee  
University Secretary  
Director of Finance  
Deputy Director of Finance  
Director of Information Services  
Director of Strategic Planning  
Mr Gordon Campbell (Secretary)

5. **Human Resources Committee**

Members

Ms Esther Robertson (Convener)  
Vice-Principal (Professor James Calderhead)  
Dr Rami Abboud  
Ms Carolyn Bain  
Professor Peter Downes  
Dr Janet Lowe  
(Vacancy)  
Dr Angela Roger

Officers normally in attendance

University Secretary  
Director of Human Resources  
Deputy Director of Human Resources (Secretary)  
Other officers at the discretion of the Director of Human Resources

6. **Nominations Committee**Members

Mr John Milligan (Convener)  
Principal  
Professor Ann Burchell  
Mr Bruce Johnston  
Dr Janet Lowe  
Ms Esther Robertson  
Mr Richard Burns

Officers normally in attendance

University Secretary  
Clerk to Court (Secretary)

7. **Remuneration Committee**Members

Mr John Milligan (Convener)  
Ms Alison Newton  
Ms Esther Robertson  
Mr Richard Burns

Officers normally in attendance

Principal  
University Secretary (as required)  
Director of Human Resources (as required)

8. **Senior Management Team**Members

Principal (Convener)  
Vice-Principals  
University Secretary  
Director of Finance

Officers normally in attendance

Other Directors of student & academic support services (at the discretion of the University Secretary)  
Clerk to Court (Secretary)

9. **University/NHS Strategic Liaison Committee**University Members

Principal  
Head of the College of Medicine, Dentistry & Nursing

Dean of Dentistry  
Dean of Medicine  
Dean of Nursing & Midwifery

## APPENDIX 6

### COMMUNICATIONS FROM THE SENATUS ACADEMICUS (Minute 9)

#### 1. PRINCIPAL'S REPORT

On restructuring, the Principal reported that good progress was being made. All the key appointments had been made with the single exception of the Dean of the Medical School, which would be undertaken in the New Year. In the meantime, Professor Pippard was acting in that role. The Education & Research Forum, consisting of all the Deans, would be meeting for the first time in the next week or so and the constitution of the various College and School Boards was progressing rapidly.

On the financial situation, the Principal noted that the general position was difficult at the moment given the contextual issues of delay in the next review of public spending and the upcoming parliamentary elections in Scotland. Prior to those elections, politicians were reluctant to engage with the issues facing higher education in Scotland but he indicated that Universities Scotland would begin to deploy the sector's case in the New Year. Locally, it was clear that from 2007/08 onwards, the financial situation would be challenging. However, it was important to meet our targets and to continue to invest in the teaching and research infrastructure. In the course of discussion, mention was made of the importance of continuing to lobby the SFC regarding equal treatment of Art Colleges, of trying to encourage a growth in research postgraduate numbers prior to the RAE, and of increasing our undergraduate recruitment efforts outwith Scotland given the expected drop in the numbers of school leavers. It was also noted that there might be advantage in rebalancing the proportions of undergraduate and postgraduate students in the direction of increasing the latter. The Principal undertook to provide some figures and proposals to a later meeting of the Senatus.

On research and enterprise, while emphasising recent successes particularly with regard to pooling and collaboration, the Principal noted that pooling essentially ring-fenced a significant proportion of research finance and brought additional transaction costs. He also highlighted potential issues around future sustainability.

#### 2. HONORARY DEGREES COMMITTEE

\*

The Senatus received a report of a meeting of the Committee held on 26 September 2006 .

**The Senatus decided:** to approve the report.

#### 3. PROFESSORES EMERITI

**The Senatus decided:** subject to the concurrence of Court, to confer the title of Professor Emeritus upon the following:

Professor B Burchell  
Professor J Grinyer

---

\*

not included here

## APPENDIX 7

### HUMAN RESOURCES COMMITTEE (Minute 10)

A meeting of the Committee was held on 3 October 2006.

Present: Ms E A Robertson (Convener), Dr R J Abboud, Professor J Calderhead, Professor C P Downes, Dr J Lowe and Dr A Roger.

In Attendance: Dr D J Duncan, Mrs P A Milne and Mrs J M Strachan.

#### 1. MINUTES OF PREVIOUS MEETING

It was noted that Ms Carolyn Bain had been present at the previous meeting and the minutes were amended accordingly.

It was agreed that the wording of item 6(1), third paragraph, be changed to state: 'In relation to the 'action short of a strike', the view was expressed that the University should have a policy in place outlining the consequences if staff decided to take this course of action. It was considered that this would be a fair position to adopt, taking into account the impact on other staff and the students.'

#### 2. MATTERS ARISING

##### (1) Staff Benefits – Bikes to Work Scheme (Minute 2(3))

The Director of Human Resources confirmed that the University did plan to launch the 'Bikes to Work' scheme in the future, but it was highlighted that there had not been the opportunity to progress this over the summer due to other priorities, specifically in the areas of implementation of the Framework Agreement, job evaluation and restructuring. It was noted that work on these projects was still ongoing.

**Resolved:** to note the position.

##### (2) School of Nursing and Midwifery – Fife Campus (Minute 4)

The University Secretary confirmed that the theoretical part of the third year programme would be centralised in Dundee and the programmes for first year and second year would continue to be provided in both Dundee and Fife. The outcome of discussions with Adam Smith College regarding the support infrastructure would be made known in due course.

**Resolved:** to note the position.

#### 3. UNIVERSITY RESTRUCTURING

Information relating to the new Vice-Principal/Heads of College, Deans and College Secretaries' positions was provided and it was confirmed that the majority of appointments had now been made. It was noted that the interviews for the Dean of Medicine position would not take place until the end of the year and that the Principal had agreed this with the Heads of Divisions. Professor Martin Pippard would therefore continue in his role as Acting Dean until 31 December 2006. The Committee was pleased to note that the recent Heads of College appointments were balanced in terms of gender. The new female appointees had the potential to provide valuable role models for other women.

It was reported that relevant support services had aligned themselves to the College structure and information was provided regarding the nominated staff in the respective College Offices.

It was recognised that the implementation of the College structure had involved a huge amount of effort and work was now in progress relating to the review of policies and procedures to support the new structure.

It was confirmed that it would be for the Heads of College and their academic colleagues to decide whether any additional structures were required at College/School level.

#### 4. GARDYNE ROAD CAMPUS

The Director of Human Resources confirmed that redeployment issues relating to Campus Services staff based on the Gardyne Road campus had recently been discussed at the Local Joint Committees as it was evident that it would not be possible to redeploy all staff to the main campus when the School of Education, Social Work & Community Education moved in July 2007. It was confirmed that staff were being made aware of posts on the main campus and that staff were being encouraged to apply. It was noted that Dundee College was not in a position to take on the University's cleaning and janitorial staff and inevitably there would be some redundancies. The Director of Human Resources would discuss further with Unison the redeployment of support staff to the main campus.

**Resolved:** to recommend that positive encouragement should be given to staff to apply for posts on the main campus and that the necessary support should be offered, including through the unions, in respect of redeployment.

#### 5. HUMAN RESOURCES

##### (1) Pay Award 2006/07

The Committee was provided with details of the pay settlement agreed in June. This was an increase of 3% or £515 (whichever was the greater) on 1 August 2006, 1% on 1 February 2007, 3% on 1 August 2007, 3% or £420 (whichever was the greater) on 1 May 2008 and 2.5% or RPI on 1 October 2008.

One member pointed out that a recent league table in the THES had stated that Dundee had implemented a 12% salary uplift for 2005-06 and this was queried. The Director of Human Resources undertook to investigate this further.

**Resolved:** to note the pay award for 2006/7.

##### (2) Framework Agreement

The Director of Human Resources confirmed that the new pay and grading structure had been agreed in principle and, with the agreement of the unions, all staff had assimilated to the new scale on 1 August 2006. The Committee was advised that DUCU had balloted members on the Framework Agreement in the summer with a positive result. It was noted that Amicus had also balloted but this had resulted in a narrow rejection and Unison was still to ballot. University representatives had recently met with Amicus and Unison and their full-time officials to discuss outstanding issues and it was hoped that agreement would now be reached on remaining points. The University Secretary and the Director of Human Resources were planning to meet with technical and clerical staff in their respective groups to address any concerns and to highlight the benefits of the Framework Agreement. It was hoped that this would assist towards achieving positive ballots for both Unison and Amicus.

There was some discussion about the impact of the Framework Agreement on staff being funded by research grants. It was acknowledged that information had been circulated to staff via Hermes making it clear that research grant holders were expected to find the additional costs created by the FA from research grant funds. Additional funds would be made available to support grant-holders where this was not possible. It was highlighted that some Research Councils would look at the situation at the end of the grant period.

There was further discussion about staff such as Research Nurses and Clinical Scientists who were currently aligned to NHS salary scales, rather than University scales. The Director of Human Resources confirmed that in terms of the principles of equal pay for work of equal value, she would ideally want to transfer as many staff as possible onto University salary scales.

It was confirmed that although the unions had not yet agreed to the full implementation of HERA, there had been agreement that the piloting of HERA could extend to other parts of the University. This would ensure that there was a representative sample of roles in the University. It was reported that the HERA sub-group was currently considering the pilot results to date and investigating any anomalies.

- Resolved:**
- (i) to request that more information be sent to grant-holders to highlight the importance of scrutinising grants at the earliest opportunity;
  - (ii) to request that further dialogue should take place with groups of staff not currently on University salary scales.

## 6. EQUALITY AND DIVERSITY

### (1) Equality and Diversity Report

A report from the Equality & Diversity Officer was received and key priorities for 2006/07 were noted.

It was highlighted that a significant amount of work had been done in relation to the Race Relations (Amendment) Act 2000, but some work was still required to ensure that all the necessary responsibilities and obligations were met.

The subject of ethnic minority representation on University Committees was raised and it was stressed that this was becoming increasingly important when handling complaints, fitness to practise hearings etc. It was suggested that this role did not always have to be undertaken by a member of staff and could be undertaken by an honorary member of staff, for example.

- Resolved:** to raise the issue of ethnic minority representation on Committees with the Equality & Diversity Officer.

### (2) Discrimination Regulations

It was noted that guidelines relating to Age Discrimination Regulations had been made available while a draft policy and protocol on age discrimination was being developed. The policy and protocol would be submitted to the Human Resources Committee for approval following consultation with the unions.

### (3) Disability Equality Scheme

The Committee was asked to comment on the Disability Equality Scheme. The Director of Human Resources confirmed that she would discuss with the Head of Disability Services a number of points relating to how the Scheme would affect staff.

- Resolved:** to request that comments on the Policy be provided to the Head of Disability Services at the earliest possible opportunity.

## 7. PERSONAL AND PROFESSIONAL DEVELOPMENT

Reports from the Director of Management and Professional Development, the Director of Academic Professional Development and the Generic Skills Training Co-ordinator were received.

It was noted that the Honorary Graduates' Award for Innovative Teaching would take place on 11 October 2006 and it was hoped that the presentations would be well attended, as there had been a disappointing response in the past. It was suggested that in future the presentations should be included in the Discovery Days programme.

Exemptions requested from the Mandatory LTA Module were noted. It was agreed that, for the two cases where a request had been made that probation be waived, the matter should be

referred to the Chair of the respective Appointing Committee. For the three other cases and for future requests, it was agreed that it was more appropriate that Professor James Calderhead, Vice-Principal (Educational Development), should consider exemptions rather than the Human Resources Committee. However, a report should still be presented to the Committee detailing the number of exemptions granted.

The work being done by the Generic Skills Co-ordinator was noted. It was reported that very useful initiatives were being developed and that these were being well received by post-doctoral staff.

- Resolved:**
- (i) to recommend that presentations relating to the Honorary Graduates' Award for Innovative Teaching should be included as part of the Discovery Days programme;
  - (ii) future exemptions requested from the Mandatory LTA Module should be considered by the Vice-Principal (Educational Development) and a report submitted to the Human Resources Committee for information.

#### 8. HEALTH AND SAFETY

A report from Safety Services was received. It was noted that the Safety Sub-Committee had not met as the full composition of the restructured body had not yet been agreed. Members discussed the issue of whether the Sub-Committee should report directly to Court. All members felt strongly that while Court was ultimately responsible and should receive minutes and papers, the reporting line through the Human Resources Committee was important as it added another level of scrutiny and was therefore stronger governance.

**Resolved:** to note the position.

#### 9. LOCAL JOINT COMMITTEES

- (1) University/Amicus-MSF Joint Committee

The minutes of the meeting held on 12 September 2006 were received.

- (2) University/Unison Joint Committee

The minutes of the meeting held on 13 September 2006 were received.

#### 10. ANNUAL REVIEW

The minutes of the Clerical Annual Review meeting were received (annex).

#### 11. READERSHIPS

**Resolved:** to note the appointment to a Readership of Dr Ping Dong, Civil Engineering, on 1 May 2006.

**CLERICAL STAFF ANNUAL REVIEW 2006**

A meeting of the Annual Review Panel was held on 9 May 2006.

Present: Dr D J Duncan (Convener), Mr J Bagnall, Ms J Cordiner and Mrs J Donachie.

In Attendance: Mrs S Egan.

This section of the minute has been redacted to protect personal data. The University claims the exemption in S.38(1)(b) of the Freedom of Information (Scotland) Act 2002.

## APPENDIX 8

### AUDIT COMMITTEE (Minute 11)

A meeting of the Committee was held on 26 September 2006.

**Present:** Mr R Burns (Convener), Mr J Barnett, Mrs S Brown, Ms J M Thomson and Mr W Wilson.

**In Attendance:** Mr B W M Johnston, Secretary, Deputy Secretary, Director and Deputy Director of Finance and (*for item 2(1)*) Director of Registry; Mr A Gray and Mr D MacLaren (PricewaterhouseCoopers).

#### 1. MINUTES OF PREVIOUS MEETING

**Resolved:** to approve the minutes of the meeting on 24 May 2006.

#### 2. MATTERS ARISING

##### (1) Student Progression Data (Minute 3(1))

The Director of Registry presented statistics from the student record system showing the progression of student cohorts at the end of 2005/06, analysed by Faculty, programme of study and year of study. It was noted that this was the first such analysis to be taken from the SITS system and consequently there was no data available for previous years for comparison. It was intended that the statistics would be submitted for consideration by appropriate committees in the University on an annual basis and in future years would include comparative data. The Committee discussed possible reasons for a marked drop-out rate at the end of the second year of various courses and for the significant numbers recorded as withdrawals from the nursing programme. In relation to the latter, it was noted that a high withdrawal rate was typical of nursing training generally.

The Committee thanked the Director of Registry for the data provided.

##### (2) Internal Audit Follow-up Review (Minute 3(2))

The internal auditors confirmed that they would extend their transitional follow-up review to include outstanding audit recommendations made prior to 2004/05. They proposed, however, that instead of reporting on the implementation of internal audit recommendations to each meeting of the Audit Committee, as had been the practice hitherto, they should report to the Committee biannually, in November and May. It was confirmed that this should have no effect on the rigour of follow-up procedures.

**Resolved:** to approve the auditors' proposal.

#### 3. COMMITTEE'S TERMS OF REFERENCE

The Deputy Secretary presented draft revised terms of reference for the Committee, which drew significantly on the model in the CIPFA *Handbook for Audit Committee Members in Further and Higher Education*. It was pointed out that revision of the terms of reference represented the last in a series of action points which had been addressed following an analysis, submitted to the Committee a year ago, of the guidance in the new edition of the Handbook. The revised terms of reference included, in particular, an explicit responsibility for risk management, as had been discussed at previous meetings (and which met a recommendation in an internal audit report on risk management which was submitted to this meeting). It was emphasised in discussion that the Committee's responsibility was not to practise risk management, but to monitor the effectiveness of the risk management process in the University, through reports submitted by the Risk Management Monitoring Group and by the internal auditors.

The Committee was reminded that it had been agreed at the previous meeting that, in accordance with best practice, its terms of reference should be reviewed annually in future.

- Resolved:**
- (i) to approve the revised terms of reference in principle, but to invite officers to report back to the next meeting on a responsibility relating to internal control which had been ascribed to the Audit Committee when terms of reference for the Finance & Policy Committee had been most recently reviewed;
  - (ii) to review the terms of reference annually in September;
  - (iii) in the context of the Committee's stated responsibility for monitoring any non-audit work undertaken for the University by the external auditors, to confirm that it would be in order for Ernst & Young to be invited to tender for a proposed review of tax liability.

#### 4. INTERNAL AUDIT

##### (1) Modernising the University's Financial Arrangements

The Committee received a briefing note from the internal auditors drawing attention to their perception that the University's financial control framework required to be strengthened in several respects, as evidenced by the findings of recent internal audit reports. The University's senior management was aware of the need to tighten financial controls and a number of actions, which were identified in the note, were already being taken. The Director of Finance commented further on the movement of staff into and within the Finance Office and confirmed that the net result would be an increase in resource.

##### (2) Internal Audit Reports

The Committee received copies of the following reports:

2005/06 – 05	Risk Management Arrangements
2005/06 – 06	Treasury Management – Cash Flow Management Arrangements
2005/06 – 07	ICS: Governance Arrangements and Software Licensing
2005/06 – 08	Capital Project Management Arrangements
2005/06 – 09	Students' Association
2005/06 - 10	Corporate Governance Statement Readiness

The internal auditors presented the reports, on which members commented and raised questions. One general question concerned the significance of the terms 'limited assurance' and 'moderate assurance' used by the auditors in relation to their appraisal of the adequacy and effectiveness of controls: it was felt that these terms, particularly the former, were rather negative in tone and were often not consistent with more complimentary remarks in the auditors' detailed findings. Other salient points arising from discussion were:

- (a) Some of the target dates identified by management for implementation of the recommendations on risk management were necessarily tentative.
- (b) Concern was expressed about the high proportion (25%) of software licences – or the actual software itself – found to be missing in a sample of 20 applications selected for testing in the Faculty of Education & Social Work. It was noted that the financial penalties for operating software without licences could be substantial, but it was not clear whether the auditors' findings were replicated across the University.
- (c) Staffing levels in Estates & Buildings were currently under review in the wake of the restructuring of the University into colleges, although they were believed to be sufficient for effective control of capital projects. It was noted that it was normal practice to include a levy in capital project costs to facilitate the employment of project management staff.

- (d) Differing views were expressed about the desirability of introducing a code of conduct for all staff, as recommended in the report on the corporate governance statement. While the management response was non-committal and the Director of Human Resources had established that no such document existed in other Scottish Universities, the matter was not closed and the auditors had been asked to submit examples from the public services.

- Resolved:**
- (i) to invite the internal auditors to provide a briefing note for the next meeting on the significance and relativity of the terminology used in their reports when giving assurances on the adequacy and effectiveness of internal controls;
  - (ii) to invite the internal auditors, in their further work on IT controls during 2006/07, to investigate the position across the University with regard to the proper licensing of all software in use;
  - (iii) notwithstanding the management response that the preparation of long-term cash flow forecasts for capital projects should be sufficient on a two-monthly basis, to support the auditors' original recommendation that such forecasts should be provided monthly;
  - (iv) to recommend that the report on the Students' Association should be forwarded to the DUSA Board of Management;
  - (v) otherwise, to note the reports.

(3) Internal Audit Programme

The Committee received from the internal auditors a progress report on the programme for 2005/06, as well as a proposed operational plan for 2006/07. It was noted that two out of 13 planned studies for 2005/06 were still in progress, one was at draft report stage and one would be carried forward into 2006/07; the rest had been completed. The auditors expected that by July 2007 they would be able to bring the audit programme fully into alignment with the financial year, as requested on appointment. It was confirmed that the operational plan for 2006/07 had been discussed in detail with officers.

- Resolved:** to approve the operational plan for 2006/07.

5. **REPRESENTATION FROM DUCU**

The Committee received a letter from the President of the Dundee branch of UCU, together with copies of prior correspondence with the Deputy Secretary, expressing concern that decisions which had been made in relation to the proposed closure of the Fife campus of the School of Nursing & Midwifery had not been supported by proper consideration of financial and other data by the Finance & Policy Committee and Court. The Secretary commented on the discussions and consultations which had taken place with various parties on the issue of the Fife campus. The Committee noted that, as reported to the Court in June, the original proposal that the University should withdraw from the Fife campus and consolidate all theoretical parts of the nursing curriculum in Dundee had been set aside for the time being in favour of the status quo (albeit with some minor changes to the teaching arrangements). Therefore no major policy decision regarding the closure of the Fife campus had been taken and a detailed supporting case for the Court to consider, including financial data, had not been necessary.

- Resolved:** to invite the Convener, in consultation with officers, to respond to DUCU, conveying the Committee's view that there had been no impropriety and no lapse of process.

6. **LEGAL/REGULATORY COMPLIANCE MATTERS**

The Committee was reminded that it had been agreed at the previous meeting that this would in future be a standing item on the Committee's agenda. The Secretary indicated that he had nothing to report to this meeting.

7. **AUDIT SCOTLAND**

The Committee received for information a circular from Universities Scotland, drawing attention to proposed national performance audit studies to be undertaken by Audit Scotland in the period October 2006 – March 2008. There were a number of study areas of significance to the higher education sector, including financial support for students, strategic procurement (with reference to the McClelland report) and the provision of shared services within or across sectors.

8. **EXTERNAL AUDIT CONTRACT**

It was confirmed that the Committee's previous decision to conduct a tender exercise for external audit services would be implemented following completion of the annual audit for the year ended 31 July 2006, i.e. after the Committee's next meeting.

## APPENDIX 9

### CAMPUS SERVICES COMMITTEE (Minute 11)

A meeting of the Committee was held on 29 September 2006.

Present: Dr L A L Rolland (Convener), Dr J Elliott, Mr S Blane, Professor S Unwin, Ms C Bain and Dr B Gillies.

In Attendance: Dr D Duncan, Mr D Yule, Mr G Davies, Mr C McNally, Mr A McColgan and Mr J Tavendale.

#### 1. MINUTES OF PREVIOUS MEETING

**Resolved:** to approve the minutes of the meeting held on 16 May 2006.

#### 2. MATTERS ARISING

##### (1) Disability Discrimination Act (Minute 3)

The Director of Campus Services recommended that the DDA committee structure be revised from two groups into one, which would include the Director of Campus Services or his nominee, the University Secretary and representation from Disability Services.

**Resolved:** to approve the proposed restructuring.

##### (2) Public Art Policy (Minute 7)

The Director of Campus Services set out the University's obligations under the Public Art Policy and proposed that a group should be set up comprising members from the Campus Services Committee and representatives from Duncan of Jordanstone College.

**Resolved:** to establish a Public Art Policy Sub-Committee.

##### (3) Traffic Management (Minute 8)

The Director of Campus Services highlighted the need to review traffic management arrangements. Consultants Dougall Baillie had recently been instructed to assist with this requirement.

**Resolved:** to await a report with Dougall Baillie's recommendations.

#### 3. CAPITAL PROGRAMME AND REPORTS ON PROJECTS OVER £2m

Mr Tavendale, Project Manager, gave a presentation on the New Teaching Block, Library extension and Carnegie/Peters Buildings refurbishment.

Mr Tavendale reported that the New Teaching Block was on budget and broadly on schedule despite the complexities of a restricted site and timescale. The Convener urged that the issue of the ramp and footpath to the front should be resolved.

Mr Tavendale advised that the Library extension was still at an early stage, but he warned that early tenders received reflected the increasing costs of construction in the current economic climate.

The Carnegie/Peters refurbishment was complete and users had moved in. Committee members asked if there was a sufficient Clerk of Works resource to resolve snagging issues and Mr Tavendale explained that these would be addressed as best as possible given financial

constraints. The Convener and other Committee members expressed their thanks for the role of Estates & Buildings and particularly of Mr Tavendale.

**Resolved:** to invite officers to report back on the entrance ramp design and footpath widening proposals for the Teaching Block.

#### 4. **CAMPUS SERVICES RESPONSE TO RESTRUCTURING**

The Director of Campus Services outlined the benefits of the University restructuring and confirmed that Campus Services had nominated a key individual for each College. He went on to explain how the central support staff would be embedded in the College Offices and how this would work in practice.

#### 5. **ESTATES & BUILDINGS REVIEW**

The Head of Estates and the Capital Project & Development Manager gave presentations on the new team within Estates & Buildings and the priorities, aims and objectives over the next 18 months.

Mr Davies stated that the approach would be customer focus-led with the emphasis on achieving value for money and meeting key performance targets. A new Property Information Management System would be implemented to assist Estates & Buildings to manage space and report accurate costings, with a view to increasing efficiencies and reducing costs.

Mr McNally stated that Dundee's Estates & Buildings team was leading the way by working with other HE and FE organisations within a Tayside cluster group. This would help to develop relationships and create opportunities for other possible commercial activities. He identified areas where Estates & Buildings was adding value in order to maximise revenues in building disposals and other commercial transactions.

The Convener thanked Mr Davies and Mr McNally for their informative presentations.

#### 6. **COLLABORATION ON ESTATES MATTERS**

The Director of Campus Services confirmed what the Capital Project & Development Manager had already stated, i.e. that the University was taking a lead in collaboration with other bodies. This initiative was supported and encouraged by the Funding Council.

#### 7. **DESIGN REVIEW GROUP**

The Director of Campus Services reported that the Design Review Group was working well and was now addressing planned projects rather than projects in progress. This would allow the group to make recommendations at an early stage and so contribute effectively. It was envisaged that the group would meet every three months.

#### 8. **NEW BUILDING TOURS**

Dr Gillies thought that it would benefit the end-users of new buildings if they were given walk-through tours to help them appreciate layout and how it would work in practice. Mr Tavendale confirmed that this suggestion would be taken up for the projects currently underway.