

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

A meeting of the University Court was held on 18 February 2008.

**Present:** Mr JR Milligan (in the Chair), Principal Sir Alan Langlands, Rector Mr CJ Murray, Mr M Arnott, Mrs CA Bain, Mr WI Ball, Mr MPF Bogunovic (President of the Students' Association), Professor A Burchell, Dr JR Elliott, Dr A Goligher, Mr BWM Johnston, Dr J Lowe, Dr H Marriage, Professor GJ Mires, Ms A Newton, Dr AM Roger, Mr EF Sanderson, Mr IDM Wright.

**In Attendance:** Vice-Principals Professor DH Boxer and Professor J Calderhead, Secretary, Director of Finance, Director of Information Services & Deputy Secretary, Directors of Campus Services, Human Resources and Strategic Planning, Mr R Isles, Ms R McBurney and Clerk to Court.

**38. MINUTES**

**The Court decided:** to approve the Minutes of the meeting on 17 December 2007.

**39. MATTERS ARISING**

(1) Statute 16 – Academic Staff – Discipline, Dismissal and Removal From Office (Minute 22(3))

The Principal reported on the outcome of a Tribunal to consider a charge against an unnamed member of staff. This particular case had been satisfactorily resolved without recourse to dismissal, and the Principal wished to thank Professor Calderhead, Dr Rolland and Professor Mires for their time and effort in considering the case.

(2) Ordinance 20 – Graduates' Council (Minute 29)

**The Court decided:** (i) to confirm the decision, taken at its meeting on 17 December 2007, to approve amendments to paragraph 2 of Ordinance 20 – Graduates' Council, such that the requirement that the election of an Assessor of the Graduates' Council on Court be conducted by postal vote be removed;

(ii) subject to the concurrence of the Graduates' Council Business Committee, to approve further minor amendments

to the Graduates' Council Regulations (**Appendix 1**) which had been proposed by the Graduates' Council Executive Committee.

#### 40. CHAIRMAN'S BUSINESS

The Chairman reported that he, along with Mr Sanderson and Dr Marriage, had been involved in the University's recent Strategic Dialogue Meeting with members of the Scottish Funding Council. The meeting provided an opportunity for Council members to find out about the strategic direction of the University in a number of areas. The members also had an opportunity to meet with groups of staff and students to learn about their experiences and challenges working or studying at the University. The Chairman's view was that this had been a very positive meeting, and the Council members themselves had said they had found the meeting extremely informative and were particularly impressed with the calibre of the students they had spoken to. A report would be drafted by Council officers for submission to the Council, whereafter it would be published on the Council's website.

The Chairman reported that he had also attended a recent meeting of the Scottish Funding Council's Principals and Chairs Forum, which had been addressed by the First Minister. The First Minister had taken the opportunity, *inter alia*, to confirm the Scottish Government's opposition to the introduction of tuition fees in Scotland.

#### 41. PRINCIPAL'S REPORT

The Court received a report from the Principal (**Appendix 2**). Before introducing his report, the Principal congratulated Professor Michael Ferguson on his award of a CBE in the New Year's Honours List. Professor Ferguson, along with Professor Roland Wolf, had also been appointed to the Scottish Science Advisory Committee, a body established to provide independent advice to Scottish Government Ministers on strategic scientific issues. The Principal also reported that the University had received the first results of the next wave of the International Student Barometer, a survey of international students and their experiences. The feedback had been very positive, and the University had been placed eleventh out of 84 British universities taking part.

Turning to the core issue of his report, the Principal began by saying that the midpoint in the financial year provided a good opportunity for Court to take stock of the financial position and the issues which it would need to address in the near future. He reminded Court of the University's strategic direction, approved by the Court in June 2007 in the document *Strategic Framework to 2012*, and of the University's commitment to achieving a 3% surplus, contained in the sustainability review approved by the Court in February 2007.

The sustainability review was now one year old, and the University had made good progress against the savings targets, in the main through the successful implementation of the voluntary severance scheme. The University now needed to make further progress in reducing core costs and to focus more on the income targets contained in the review and which had been further expanded in the Strategic Framework. These targets (postgraduate recruitment and research overhead recovery) were challenging but, if achieved, would yield an additional £8m over the period to 2012.

At the same time, the University faced two imminent, additional challenges. It had committed itself to the two pay increases for 2008, agreed as part of the national negotiations in 2006. The first of these, a 3% rise in May, was already budgeted for. The second, in October, was for the higher of 2.5% and RPI. For this increase, the University had based forecasts on a rise of 2.5%, whereas RPI was actually currently running at 4.1%, which could therefore represent a potential additional cost pressure for 2008/9.

Secondly, the University needed to address the disappointing outcome of the Scottish Government's funding settlement for higher education, which, taking out the effects of inflation (assumed by the Government to be 2.7%), would mean growth rates in University funding for the three years from 2008/9 of -0.2%, +1.4% and +1.7%, whereas the University had based its forecasting on an average real growth rate of 1.5%.

Against a background of these challenges, the existing savings and income targets would only allow the University to achieve a break-even position, and therefore further cost reductions were necessary to enable the University to achieve a 3% surplus. The Court would receive proposals later in the meeting (Item 43 refers) to extend the voluntary severance scheme for a further period to achieve an additional £3m of savings.

The Principal was also keen to draw the Court's attention to the wider UK context for higher education, particularly the issue of the funding disparity between England and Scotland caused by the introduction in England of the deferred variable tuition fee. Tuition fees were unlikely to be introduced in Scotland in the current climate and it was equally unlikely that additional funding would be made available in compensation.

The Principal reported that the Senate had discussed these issues fully, and it was reassuring that the Senate recognised the University's position and had agreed, amongst other things, to work through the Colleges and Schools to refine the academic aspirations and priorities of the institution, and also to focus on achieving the income generation targets contained in the sustainability review and strategic framework. It was the Principal's view that the institution could tackle the issues it faced whilst at the same time continuing to grow. Indeed this had to a considerable degree been achieved over the last 18 months: costs had been cut through voluntary severance and greater efficiency, but research funding and quality had been improved, student feedback had remained positive and the University's campus and facilities had been significantly enhanced.

The Court thanked the Principal for what it considered a very helpful paper. In discussion, the Court was reassured to note that the restructuring of the academic management system, introduced in August 2006, was having a positive effect. To underpin this, the Finance Directorate was carrying out a series of training sessions with Deans and School Secretaries to ensure that they, too, understood the implications of the current financial position as well as their role in addressing its challenges and achieving income and savings targets.

There was also discussion of the scope for increasing commercial income through continuing professional development courses on the one hand and from closer collaboration with industry on the other, particularly in the pharmaceutical and ICT arenas.

The Court was encouraged by the University's strategy of reviewing the way it carried out its activities. Using this approach it was hoped that less resource could be expended by doing things differently, whilst achieving more. However, it was crucial that, for this approach to succeed, staff needed to understand the competitive environment in which universities now operated.

#### 42. FINANCE & POLICY COMMITTEE

The Court received a report of the Committee's meeting on 28 January 2008 (**Appendix 3**).

The majority of issues for discussion in the report were to be dealt with elsewhere on the agenda. The Director of Finance informed the Court that the Finance Directorate was working to improve its cashflow forecasting. This would take some time to refine because of the need to build up a consistent history of cashflow behaviour, which would help to inform improvements in forecasting.

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

#### 43. VOLUNTARY SEVERANCE SUMMARY AND NEXT STEPS

The Director of Human Resources presented an overview of the success of the voluntary severance scheme to date, which included profiles by age, gender and staff group of enquiries, applications, rejections and approvals under the scheme. 110 applications had been approved by the Senior Management Team, which amounted to a full-year saving of £3.45m. A small number of applications had still to be considered. 24 further applications had been put on hold, in the hope that staff could be identified from elsewhere in the University to 'backfill' the posts and so to allow the applicants to leave under the scheme. A restructuring of the School of Medicine was underway, and it was hoped that a streamlining of posts there might enable some such backfilling. Alongside the voluntary severance scheme, the University was continuing to exercise rigour in the approval of new posts and it was also reviewing its retirement profiles and delaying appointments in year as a

further means to save costs. The Director confirmed that the most common causes of rejection for applicants were that the School or Directorate in question could not afford to lose either the post or the individual or that the cost of allowing someone to leave under the scheme was simply too expensive when any necessary strain costs were taken into account. The Court was reassured to learn that decisions on whether to allow an applicant to leave under the scheme involved line managers, Deans and Heads of College (or Directors and the Secretary in the case of the Student & Academic Support Services (SASS)) before final approval by the Senior Management Team. This ensured that decisions were taken with due recognition of all relevant factors.

The Secretary outlined proposals to extend the scheme until 31 October 2008 in order for the University to realise at least a further £3m of savings. The Court recognised that the first phase of the scheme had disproportionately elicited more applications (and as a result produced more approvals) from support staff than from academic staff. It therefore accepted that in the second phase there should be a greater focus on encouraging applications from the academic staff. It was suggested that the University should identify underperforming areas as a means of encouraging applications, but it was also realised that this had the potential to undermine the voluntary nature of the scheme.

In discussion, the Court noted that the University was committed to the development of an equitable performance management system throughout the institution. The Secretary reported that SASS were engaged in a series of business process reviews to identify areas of activity that could be streamlined and made more efficient.

- The Court decided:**
- (i) to approve the extension of the voluntary severance scheme under the same terms until the end of October 2008;
  - (ii) to ask officers to review all rejected and on hold applications received to date; and
  - (iii) to ask the Senior Management Team to ensure consistent and open communication with staff and students throughout the process.

#### 44. ESTATE STRATEGY

The Court heard a presentation from the Secretary and the Director of Campus Services, introducing the draft of the University's Estate Strategy. The strategy, when complete, would be submitted to the Scottish Funding Council and would be reviewed on an annual basis. The strategy laid out the University's priorities for its estate over the next ten years, including the maintenance of the existing buildings, the more effective use of space, improved environmental sustainability as well as more generally the estate's contribution to the University's overall financial sustainability. It also gave an indication of the potential new buildings which, with appropriate funding,

the University would wish to support. The focus of activity over the period of the strategy would be on Ninewells and Duncan of Jordanstone College of Art & Design, but with a more general commitment to extensive backlog maintenance across the city campus.

Court members had a number of suggestions for improvement to the document. In particular members thought the inclusion of more maps and diagrams of the type used in the presentation would enable the reader to understand the strategy more easily. It was also proposed that the document should contain an executive summary, and should explain the process of option appraisal for the projects contained within it. The Court looked forward to seeing the final document in due course.

#### 45. NINEWELLS ACCOMMODATION FOR MEDICAL TEACHING AND LEARNING

The Court received a capital authorisation proposal from the School of Medicine for improved teaching and learning accommodation at Ninewells. The Court had heard a presentation from the Dean of Medicine at its meeting on 17 December 2007, in which the rationale for the proposals had been laid out in detail. The Finance & Policy Committee, at its meeting on 28 January 2008, had recommended to the Court that it approve the proposal subject to the University's maintaining its overall borrowing levels within existing forecasts. The project was split into three phases, the first of which would see the extension of the Clinical Skills Centre into space vacated by the NHS Surgical Day Care Unit as well as the conversion of library space into flexible small group teaching areas. Phase 2 would see a new build adjacent to the Ninewells library to house new teaching space and the relocation of the Centre for Medical Education and the Distance Learning Centre. Phase 3 would see the conversion of remaining space in the library for integrated teaching and clinical skills training. It was intended to begin Phase 1 soon, and it was anticipated that proposals for the subsequent phases would be revisited as the project developed, and any material difference to the proposals as a result would be reported through the Finance & Policy Committee in the normal way.

The Director of Finance explained that the expected funding from NHS Education for Scotland (NES) would be provided in instalments, some of which would be in advance of the expenditure, which explained what appeared to be an unusual cash profile for the build.

**The Court decided:** to approve the proposals in their entirety, provided that the University maintained its overall borrowing level within the stated target of £28.9m for 2008/9.

#### 46. EMPLOYMENT STATUTE

The Court received a paper outlining the process whereby the Scottish pre-1992 Universities (excluding the University of Stirling, which intended to take this matter forward separately) proposed to revise the governance instrument

covering aspects of the terms of employment of academic staff. At the University of Dundee, this instrument was Statute 16 – Academic Staff. The participating universities were agreed that the existing instrument was out of date and at odds with current employment law. Additionally, because of the requirement for Privy Council approval for any revisions or amendments, the statute could not easily be kept under regular review. The statute was also peculiar to academic staff, and it was therefore difficult to harmonise terms and conditions across all staff groups. It was proposed that the universities would enter into discussions collectively with the University & College Union on replacing the employment statute. The intention was to agree an enabling statute, under which secondary employment procedures could operate.

An academic member of the Court expressed concern at any possible dilution of rights under a new statute and was keen to ensure the principle of academic freedom. In contrast, other members felt that new employment procedures would be of benefit to academic staff, since they would provide unambiguous and up-to-date guidance on their full rights under employment legislation.

**The Court decided:** to approve the proposal that the University of Dundee, through the Secretary and the Director of Human Resources, participate in collective discussions with the University & College Union on the replacement of the employment statute, and to await with interest both draft statute and draft procedures.

#### 47. **SUBSIDIARY AND OTHER RELATED COMPANIES**

The Court received a summary report of subsidiary and other companies in which the University had a significant interest.

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

#### 48. **COMMUNICATIONS FROM THE SENATUS ACADEMICUS**

The Court received a report from the meeting of the Senate on 6 February 2008 (**Appendix 4**).

**The Court decided:**

- (i) to note the Senate's discussion of the University's financial position;
- (ii) to approve the recommendations concerning the conferment of the title of Professor Emeritus;
- (ii) otherwise, to note the report.

49. **COMMITTEE REPORTS**

The Court received reports from the following:

Remuneration Committee	17 December 2007	<b>(Appendix 5)</b>
Human Resources Committee	29 January 2008	<b>(Appendix 6)</b>
Ethical Review Committee	Annual Report	

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

50. **STAFF**

Professorial and Other Grade 10 Appointments

The Court noted the appointment of the following:

Inke N�athke	Personal Chair of Epithelial Biology	1 December 2007
Jason Swedlow	Personal Chair of Quantitative Cell Biology	1 December 2007
Tomoyuki Tanaka	Personal Chair of Cell & Molecular Biology	1 December 2007

51. **CLERK TO COURT**

The Court was informed that the Clerk to Court, Dr NJ Laker, would be taking leave of absence from the University for the period 7 April to 4 July 2008 inclusive, and that his duties with regard to the Court and the Finance & Policy, Audit and Nominations Committees would be carried out by Ms R McBurney.

**APPENDIX 1**  
**GRADUATES' COUNCIL REGULATIONS**  
**(Minute 39(2))**

**(Note: Regulations made under Ordinance 20)**

- 1 The Secretary of the University shall maintain a register of members of the Graduates' Council recording their full names, addresses, degrees and year of conferment of their first degree. This duty is disapplied to the extent that (1) such information may be unavailable; (2) any consent required by law or by any code of practice, etc of individuals is not forthcoming for any reason; (3) where compliance with this duty would breach data protection or other legislation, regulations or case-law.
- 2 The register may be consulted only to the extent, if any, permitted under data protection or other relevant legislation, regulations or case-law.
- 3 Notices of all meetings of the Council shall be advertised by the Secretary not less than ~~twelve~~ ten weeks before the dates of the meetings ~~by such advertisement in the public press as the Business Committee may decide~~. The notices shall call for nominations for any vacancies to be filled by election and for any other competent business for the meeting to reach the Secretary not less than four weeks before the dates of the meetings.
- 4 The papers for each meeting shall be available to all members of the Graduates' Council not less than two weeks before the date of the meeting.
- 5 Twenty members of the Graduates' Council shall form a quorum.
- 6 The Chairman shall have a deliberative vote and in the case of an equality of votes the Chairman shall also have a casting vote, provided that this Regulation shall not apply to votes for elections.
- 7 Every matter of business except where otherwise specially provided shall be determined by the majority of members present and voting on the matter.
- 8 The Chairman shall determine all matters of competence and relevancy. When a point of order is raised the Chairman shall rule at once. When the Chairman's ruling is challenged, he shall ascertain the mind of the Council by a vote taken without debate.
- 9 The Chairman shall have power to adjourn a meeting, provided that only unfinished business shall be transacted at an adjourned meeting.
- 10 The Graduates' Council shall appoint a Business Committee with the following membership:  
The Principal or his/her nominee selected from the Vice Principals (ex officio)  
The Chairman of the University Court (ex officio)  
The Graduates' Council Assessors on the University Court (ex officio)  
The Convener of the Business Committee (ex officio)  
Six members of the Council to be elected at the annual meeting of the Council.  
President of DUSA or his/her nominee  
Such other persons, not exceeding three in number, as may be co-opted from time to time by the Business Committee.
- 11 (1) The period of office of the elected members of the Business Committee shall be three years at the end of which they shall not be eligible for re-election until the lapse of one year. The retiring Convener, however, shall be eligible for immediate re-election.  
  
(2) The period of office of members co-opted in terms of Regulation 10 shall be two years. Such co-opted members retiring shall be eligible for further co-option provided that no co-opted members shall serve continuously for more than four years in that capacity.
- 12 (1) The Business Committee shall at the meeting next before the annual meeting of the Council elect a Convener from its own membership, the period of whose office shall be one year from the date of the annual meeting of the Council. The Convener shall be eligible for re-election provided that no Convener shall serve continuously for more than four years.  
  
(2) If the member elected Convener would otherwise not be due to retire from the Business Committee at the next annual meeting of the Council, his or her election shall be deemed to create a vacancy, which may be filled by co-option.

(3) The Business Committee may at any time appoint a Vice-Convenor from among its members. The period of office of the Vice-Convenor shall be fixed by the Business Committee but shall not exceed the period for which the person appointed would otherwise have served as a member of the Committee.

(4) In the absence of the Convenor and the Vice-Convenor, if any, from any meeting a Chairman for the time being shall be elected by the meeting.

**13** ~~Three~~ Two new members of the Committee shall be elected each year. A casual vacancy may be filled by cooption at any meeting of the Business Committee and the person co-opted shall be a member for the unexpired period of office of his or her predecessor.

**14** Elections for the Business Committee shall be held at the annual meeting of the Council. The Secretary shall invite nominations ~~in the press notices~~ for the annual meeting ~~as well as~~ in the papers issued therefor. Nominations may be made by a proposer and seconder in writing accompanied by the candidate's consent in writing and shall reach the Secretary before the hour of the annual meeting. Nominations duly proposed and seconded of persons present may also be made at the meeting. The election shall be by ballot on voting papers provided at the meeting. In the event of a tie the elections shall be decided by the drawing of lots.

**15** Five members of the Business Committee shall form a quorum.

**16** The Secretary of the Graduates' Council shall be responsible for providing secretarial services to the Business Committee.

**17** The Business Committee shall deal with any matters on behalf of the Council and may act on behalf of the Council and report thereon to the Council. The Committee shall frame the programmes of business to be submitted to Council subject to the addition of items received in terms of Regulation 3. The Business Committee shall have the power to establish an Executive Sub-Committee or other Sub-Committees to act on its behalf.

**18** The Business Committee shall define the limits of the powers of the Sub-Committee which shall report on the exercise of the powers to the Committee.

**19** When a vacancy is due to occur in the office of the Council's Assessor on Court the Secretary shall intimate this in the business paper for the annual meeting immediately preceding the annual meeting at which the election will take place. Nominations shall be made by the proposer and seconder in writing accompanied by the candidate's consent in writing to the nomination, and shall reach the Secretary by the 31st December preceding the annual meeting at which the election will take place. An electronic ballot form, containing the names and designations of nominees, proposers and seconders will be available, for two months prior to the annual meeting, by accessing University of Dundee Alumni Online Community, by means of which voting will take place. For those without internet access, a postal vote will be available, on request. In this event, online voting will no longer be available as an option. Voting will close at 12 noon on the last working day preceding the date of the Annual Meeting and ballots will not be accepted after that deadline, nor at the Annual Meeting itself.

**20** The Secretary shall act as Returning Officer and a report of votes obtained through electronic voting will be made available to the meeting. Any additional votes obtained through postal ballot will be counted at the meeting and added to the total of electronic votes. The person receiving the highest number of votes will be declared elected. In the event of an equality of votes the Assessor shall be chosen by lot from among those persons receiving the same number of votes.

**21** In any year in which no nomination for Council's Assessor on Court comes forward by the deadline of 31 December preceding the annual meeting at which the election will take place, following consultation with the Secretary of the University, the Business Committee shall nominate a candidate who shall be appointed, subject to ratification by the University Court.

**22** In the event of a casual vacancy for a Graduates' Council Assessor occurring, following consultation with the Secretary of the University, the Business Committee shall nominate a candidate who shall be appointed as Assessor, subject to ratification by the University Court, for the remainder of the term falling vacant.

**23** These Regulations may be suspended (except insofar as doing so would result in a breach of data protection or other legislation, regulations or case-law) by a resolution passed by a two-thirds majority of members present and voting.

## APPENDIX 2

**PRINCIPAL'S REPORT  
DISCUSSION PAPER ON THE FUTURE DEVELOPMENT OF THE  
UNIVERSITY  
(Minute 41)**

**Mission**

*'to advance and diffuse knowledge, wisdom and understanding by teaching and research and by the example and influence of its corporate life'*

University Charter 1967

**Overall Direction**

1. The strategic framework (SF) for the period to 2012 defines the University's overarching objectives as:
  - achieving excellence in learning and teaching
  - promoting pure and applied research and scholarship at international levels of excellence, and
  - enabling staff and students to develop to the full in an environment of equal opportunity.

It also articulates a vision which promotes *translational* research, new approaches to *professional* education and training, *creative* and innovative working between disciplines and a focus on *contemporary* issues like globalisation, climate change and sustainability. The University will continue to be driven by academic initiative, transforming the lives of our students through higher learning and contributing to economic, social and cultural development through research and knowledge transfer – a University which is true to its founding mission interpreted for the modern world.

2. The SF also identifies seven key aims for the period to 2012 as follows:
  - aim 1 – attracting high-achieving students and those with high potential
  - aim 2 – providing the best student experience
  - aim 3 – increasing postgraduate activities
  - aim 4 – promoting research excellence and profitable partnerships
  - aim 5 – contributing to knowledge transfer and the development of Dundee and Scotland
  - aim 6 – improving the responsiveness of support services
  - aim 7 – ensuring the University's long term financial sustainability
3. These aims reinforce the overall direction of the University – aims 1-5 articulate the academic ambitions of the University and aims 5 and 6 recognise the importance of improved support services and the requirement to create headroom for investment in new academic initiatives and the further development of the University's infrastructure.
4. These aims will be difficult to achieve and have been expressed in the SF as a series of performance indicators and targets (annex) to ensure that progress is monitored. The requirements to increase the numbers of full time taught postgraduate students (target 3.1.1) and increase research income margin or overhead recovery (target 4.2.1) are particularly significant.

*Court has approved the key tenets of the Strategic Framework and should be assured that the focus is now on implementation. The targets in relation to taught postgraduate numbers and research overhead recovery are testing and progress is being carefully monitored.*

5. In addition to the challenge of implementation, the SF recognises three further challenges:

- defining college level academic strategies: by selecting key areas for investment based on academic merit, economic rationale and the scope for creating distinctiveness and competitiveness
  - achieving financial sustainability in the face of growing cost pressures and external competition
  - unlocking the productive capacity of University staff by developing and rewarding good performance
6. The key point to make here is that academic freedom to develop new education programmes and research initiatives is relatively unrestricted, conditioned only by the requirement to meet the relevant academic standards and contribute to the overall financial sustainability of the University. As a result, the aim will be to link support for new academic initiatives to their potential to generate additional income. Conversely, there will be close scrutiny of those parts of the University where the current arrangements are not generating the necessary academic results and/or a reasonable level of income.
7. The task of maintaining and developing the University's educational and research strengths falls to the colleges and schools and requires the commitment of all staff. In framing future plans a careful assessment will be made of the quality and financial sustainability of existing educational programmes and research performance. The RAE submissions provide a wealth of information and data about current research performance and this is a key moment to review progress, build on existing strengths and tackle areas of relative weakness. The introduction of the new Research Excellence Framework will of course put the spotlight on individual research performance with assessment and funding driven by bibliometric indicators of quality, external research income and research student numbers especially in the scientific disciplines. The next round of the national Enhancement-led Institutional Review (ELIR) which assesses teaching quality is timed for 2009 and, in preparation for this, College Heads and Deans are being asked to look critically at all aspects of educational provision to make sure that it is responsive to students' needs, effective and efficiently organised.

*Court will know that a great deal of work is under way in colleges and schools to develop new education and research initiatives and future meetings will consider the opportunities for growth and development and the barriers to change.*

#### Finance

8. The University aims to achieve a 3% surplus by 2011/12 at the latest. This will enable the University to invest in new academic initiatives and in the physical and technical infrastructure required to support them. The scale of this investment is set out in the Estate Strategy to be considered later on the agenda. The actions and targets set out in the Sustainability Review and in the SF were intended to move the University towards the 3% surplus.
9. The Sustainability Review reported its recommendations to the Court and Senate in February 2007. The key financial targets were to achieve increased income of £2.1m coupled with savings of £4.8m. The University is on track to meet these targets, once the full-year effect of the savings from the voluntary severance scheme has been achieved. This also assumes that the 'pension plus' scheme is implemented.
10. The initial aim was to save £3.5m of the £4.8m target through the voluntary severance scheme. So far, the following savings have been achieved through the scheme:

	Academic Staff £k	Support Staff £k	Total £k
CASE	242	131	373
CASS	730	400	1,130
CLS	154	0	154
CMDN	216	190	405
SASS	98	1,290	1,388
TOTAL	1,439	2,011	3,450

11. However, during the past year the financial background has become significantly more difficult. It is now clear that, even by achieving the sustainability review recommendations in full and meeting the further targets for generating additional income identified in the Strategic Framework, the University will only achieve break even.
12. There are two imminent challenges facing the University which exert additional pressures on the financial position:
  - the higher education spending plans of the Scottish Government, announced in November 2007, are very disappointing and below the conservative assumptions made by the University in its financial forecasts in June 2007. Taking out the effects of inflation (which the Government has assumed to be 2.7%), the proposed plans would mean growth rates in University funding for the three years from 2008/9 of -0.2%, +1.4% and +1.7%. The University had based its forecasting on an average real growth rate of 1.5%. The expected negative impact of the settlement on the University's income compared to the June 2007 forecast will be in the region of £1.3m in 2008/9 and £1.4m in 2009/10. There are early signs of some additional relief from Government (with a £10m injection for 2007/8 announced on 28 January) but these are small sums (c£700k for the University of Dundee) and they are non-recurrent.
  - the May 2008 salary increase is set at 3% and the October 2008 increase, the last of those agreed in the 2006 round of pay negotiations, is linked to the retail price index (RPI). In its forecasts, the University had assumed an increase of 2.5% in October, but with RPI currently running at around 4%, this could add an additional £1.2m to the University's cost pressures giving rise to a compound increase of 7.9% on pay costs resulting from the national settlement during 2008.
13. The University has already made provision for the cost of implementing the HERA job evaluation exercise, but until this exercise is complete, the final cost will not be known with any certainty.
14. In light of these additional pressures and in order to achieve the existing externally published target of a £2.7m operating deficit for 2008/9, the University needs to identify additional savings and/or income of £1.9m. Beyond that, to achieve the existing target of a £1m operating surplus for 2009/10, the University must identify an additional £1.2m of savings and/or improved income. It is conceivable that the SFC will alter the 2008-11 figures (ie -0.2%, +1.4% and +1.7%) to spread the pain more evenly but the uplift over the three year period will remain the same requiring aggregate savings of £3.1m (£1.9m + £1.2m) in years 1 and 2. Given the risks associated with the taught postgraduate and research overhead target it is both prudent and necessary to aim to close this gap through further cost reductions based on a continuation of the voluntary severance scheme.
15. In 2006/7, the University achieved a modest bottom-line surplus partly through property disposals (mainly old student residences). Likewise in 2007/8, the University expects to achieve a bottom-line surplus through similar disposals although this masks an underlying deficit – the key measure of the true financial position – of £3m. Disposals will have largely dried up by 2008/9, emphasising the ongoing importance of tackling the underlying revenue position through further reductions in costs.
16. In considering options to meet these financial pressures and obligations, the University will budget to meet both the May 2008 and October 2008 pay settlements in full and without delay. This means that efforts to improve the financial position by achieving savings through voluntary severance or by generating additional income will have to continue apace with decisions at the earliest possible time. The aim is still to avoid compulsory redundancies if at all possible, taking care in the voluntary severance process to find the right balance between future academic and SASS staffing levels and to protect areas of relative strength in the University.
17. Achieving the additional savings described in paragraph 14 (above) and meeting the targets contained in the Strategic Framework will enable the University to achieve the overall target of a 3% surplus by 2011/12 but the task of achieving this should not be underestimated. The requirement will be for new, more effective ways of working rather than simply a continuation of the existing arrangements with fewer staff.

18. Finally, there is an ongoing requirement for capital investment as set out in the revised estate strategy. The strategy proposes more modest spend on new build over the next few years although a small number of key schemes will continue. There will be a stronger focus on refurbishment and dealing with the maintenance backlog and a rescheduling of larger schemes beyond 2011/12. Improving environmental performance and increasing the intensity of space utilisation are also key features in the strategy.

*Court needs to be fully aware of the realities of the current financial position but it must also be alive to the opportunities for developing new academic initiatives through external funding, income generating activity and better use of existing resources. Maintaining and improving educational and research performance at a time of real constraint in public spending will require a much more disciplined and focused approach than we have been used to. The opportunity for continued application of the voluntary severance scheme and the scope for achieving greater efficiency through more effective workload planning and the introduction of a universal performance management system is now being explored with the agreement of Senate.*

#### Wider context

19. The Scottish Government has not articulated a clear policy for higher education or higher education funding although it has ruled out the possibility of introducing tuition fees. A 'Joint Future Thinking Taskforce on Universities' has been set up in the wake of the comprehensive spending review to consider 'the contribution which the Scottish university sector can make during the next 20 years to the Scottish economy, culture and society and the political priorities of the Scottish Government' and to determine 'what resources will be needed and how they will be provided'. The taskforce members include the Cabinet Secretary, senior civil servants, the Chair of the Scottish Funding Council (SFC) and representatives of Universities Scotland including four University Principals and the Principal of Glasgow School of Art and aims to complete its work by the summer of 2008.
20. It is difficult to judge the outcome of the Taskforce but, given the poor financial settlement for the period 2008-11 and the likelihood of a continued economic downturn, it is possible that the universities in Scotland may be challenged to think about the rationalisation of disciplines across institutional boundaries, the sustainability of four year degree programmes, the employability of graduates, improved efficiency both in academic and support service functions and practical issues like shared services and space utilisation. The University should certainly keep these issues on its radar screen.
21. As an interim step only, the Cabinet Secretary has issued a letter of guidance to the SFC covering the financial year 2008/9. The main priorities for higher education are:
- to maintain the unit of resource for learning and teaching in real terms
  - growth in undergraduate and taught post-graduate numbers (for excellence in performing arts, including dance; Crichton; and rural healthcare);
  - modest investment in sports provision
  - modest real terms increase in the Quality Research Grant;
  - modest growth in post-graduate research student numbers; and
  - a significant increase in Knowledge Transfer funding (including direction to the SFC to consider whether metrics are sufficiently weighted towards applied research).
22. The letter of guidance also confirms the Scottish Government's expectation that higher education institutions will make efficiency savings of two per cent per annum. No further details have been provided at this stage although senior civil servants have indicated that the savings are intended for redeployment within the sector rather than to be returned to the centre. It is expected that the Scottish Government will work with the SFC to identify how savings will be made and measured. These priorities are consistent with the University's overall plans. The annual grant letter is expected around mid March and this will inform the University's budget setting process.
23. The Scottish Government Economic Strategy, published at the end of last year, sets '---(an) immediate growth target to raise Scotland's GDP growth rate to the UK level by 2011' and puts

a premium on increasing business productivity and competitiveness, economic participation and population growth. This focus on the demand side of the economy suggests that we should consider in more detail the University's positioning on:

- international recruitment in support of population growth
- the employability skills of students
- support for business e.g. in relation to staff exchanges, knowledge transfer and student placements.

The Economic Strategy also highlights the sudden fall in the population of people in the 18-20 age group, particularly in the period 2010-2020 and this is a timely warning for the University as it considers its approach to student recruitment and the balance of the undergraduate and postgraduate economies over the next few years.

*Consideration is being given to the wider context in which the University is operating and to any further steps that could be taken to support Scotland's Economic Strategy and the streamlining of the University in response to limited growth in public spending over the next 5/6 years.*

### Conclusion

24. Universities are not immune from the general economic position currently characterised by predictions of slower growth, rising inflation and increasing energy prices. The constraints of public spending not just in universities but for our partners (in the NHS, schools, local government and Scottish Enterprise) will be particularly difficult over the next 2/3 years and come at a time when we have no financial headroom. The challenge is to continue striving for excellence in learning and teaching and research whilst dealing with the imperative of reducing core staffing costs and generating additional income.
25. This might seem like an impossible equation but during 2007 and the early part of 2008 – the toughest period for more than a decade – the University has completed a significant number of capital projects, introduced thirty-one new professors to the University, improved its research income, initiated a series of taught masters programmes and developed a series of new initiatives with external funding. This pattern of taking uncomfortable financial decisions alongside new initiatives which pave the way for the further growth and development of the University now has to be repeated into the future if we are to improve the education and research output of the University and meet its academic ambitions.

#### **Senate has therefore agreed to work through colleges and schools to refine**

- the academic aspirations and priorities of the University
- the preferred portfolio of academic activity
- the undergraduate/postgraduate mix
- the benefits (or not) of collaboration and the definition of preferred partnerships
- new approaches to financing progress

#### **Senate has also agreed to support a focus on delivery including**

- action required to meet TPG targets and sustain progress on the recovery of research overheads
- a more aggressive approach to increasing commercial income
- improved efficiency and effectiveness e.g. the introduction of academic workload models and SASS reviews
- the introduction of an effective system of performance management
- further reductions in the size of the estate, more intensive use of space, energy saving measures and a plan to tackle backlog maintenance (City and Ninewells)
- further reductions in core staffing costs

**--- and finally**

26. This note is intended to prompt discussion at the Court meeting and to provide the context for discussing other items on the agenda, particularly the report on voluntary severance and the estate strategy. Court's consideration of this note will also set the tone for the 2008/9-2009/10 budget setting process, the results of which will be reported at the 9 June meeting. There will be time set aside at the meeting for more detailed questions and discussion on the issues raised here.

Alan Langlands  
Principal & Vice-Chancellor

**Strategic Framework to 2012  
Quantified Targets**

<b>Objective</b>	<b>Performance Indicator</b>	<b>Target</b>
1.1	Entrance requirements stipulated to prospective entrants	1.1.1 Increase stipulated entrance requirements, where appropriate, initially as measured by UCAS points, by 8% from 2008/9 to 2011/12
1.1	Number of students entering at advanced level	1.1.2 Increase the number of full-time undergraduates admitted through advanced entry from 147 (2006/7) to 200 (2008/9) and 300 (2011/12)
1.1	Percentage of undergraduates from the European Union, excluding Scotland	1.1.3 Achieve a 'non-Scottish EU' uplift in the share of all undergraduates from 17% (2006/7) to 18% (2008/9) and 21% (2011/12)
1.1	Percentage of undergraduates from outside Europe.	1.1.4 Increase the proportion of non-EU undergraduates from 5% (2006/7), to 8% (2008/9) and 10% (2011/12)
1.2	Number of undergraduates entering via 'wider access' programmes	1.2.1 Increase levels of recruitment by this route from 72 (2006/7) to 100 in 2008/9 and 140 in 2011/12, while maintaining academic standards.
1.3	Number of short course overseas students	1.3.1 Increase the number of non-graduating, overseas students participating in undergraduate courses from 44 (2006/7) to 55 (2008/9) and 70 (2011/12)
2.1	Number of students participating in ERASMUS international exchanges	2.1.1 Increase from 2006/7 undergraduate exchange numbers of 42 outward/96 inward to 80/120 by 2008/9 and 120/120 by 2011/12
2.2	Progression rates : Year 1 to Year 2	2.2.1 Increase undergraduate progression rates after Year 1 from 81% (2005/6 entrants) to 85% (2008/9) and 90% by 2011/12
3.1	Numbers of full time taught postgraduate (TPG) students	3.1.1 From 1141 (2006/7) full time TPG students, increase to 1300 by 2008/9 and to 1650 by 2011/12
3.1	Percentage of full time TPG students from outside Europe	3.1.2 Increase the percentage of full time TPG students with overseas fees status from 37.5% in 2006/7 to 40% by 2008/9 and 50% by 2011/12

4.1	Level of direct research activity as measured by pay and non-pay expenditure	4.1.1 Increase direct expenditure on research from £38.9m in 2005/6 to £42m in 2008/9 and £47m in 2011/12
4.2	Research overhead recovery	4.2.1 Increase research income margin from £4.3m in 2005/6 to £7.4m in 2008/9 and £11.4m in 2011/12
4.2	Numbers of full time research postgraduate (RPG) students	4.2.2 From 399 full time RPG students in 2006/7, increase to 500 by 2008/9 and 650 by 2011/12
5.1	Commercialisation income	5.1.1 Increase commercialisation income from £1.5m in 2004/5 to £2.1m in 2008/9 and £2.6m in 2011/12
5.1	Spin out and start up company activity	5.1.2 Increase the number of assisted spinout and start up companies from 3 spinouts/1 start up in 2004/5 to 4/2 in 2008/9 and 2011/12
5.1	Level of development funding attracted for commercialisation	5.1.3 Increase development funding attracted from £0.9m in 2004/5 to £2.0m in 2008/9 and £3.0m in 2011/12
7.1	Operating surplus (deficit) achieved	7.1.1 Achieve an operating surplus of 3% by 2011/12

## APPENDIX 3

FINANCE & POLICY COMMITTEE  
(Minute 42)

A meeting of the Committee was held on 28 January 2008.

Present: Mr BWM Johnston (Convener), Principal Sir Alan Langlands, Mr WI Ball, Professor DH Boxer, Professor A Burchell, Mr IDM Wright.

In Attendance: Mr MPF Bogunovic (President of the Students' Association), Secretary, Director of Finance, Deputy Director of Finance, Director of Strategic Planning, Capital Projects & Development Manager and Clerk to Court.

## 1. MINUTES

**Resolved:** to approve the minute of the meeting on 26 November 2007.

## 2. MATTERS ARISING

(1) Financial Statements (Minute 2)

**Resolved:** to note that the Financial Statements were being proofread and would be published soon.

(2) Dundee Student Villages (DSV) (Minute 4(2))

**Resolved:** to note that Mr Wright would be discussing the matter of reporting the performance of DSV with the Director of Finance.

## 3. VOLUNTARY SEVERANCE

The Director of Finance provided the Committee with an update on the progress of the Voluntary Severance Scheme. To date £3.3m of savings from 101 posts had been approved. With some applications still outstanding, it was to be hoped that the University could achieve total savings from the scheme of between £3.5m and £3.7m. The in-year savings for 2007/8 arising from the scheme were forecast to be £2m, with a projection of £3.3m for 2008/9. The Principal signalled that, during the budget setting process for 2008/9, the University would be looking closely at further cost reductions, which could be supported by voluntary severance.

The Committee asked whether any staff had been re-engaged following severance. Officers reported that there were some instances of partial severance, where staff had reduced to a part-time contract whilst taking a *pro rata* voluntary severance payment. Voluntary severance savings were reflected in reduced staffing budgets, and staff recruitment was being tightly controlled by the College and Support Services' Staffing Sub-Committees.

The Director of Finance confirmed that the cost of each approved voluntary severance case was roughly equivalent to the annual saving.

## 4. MANAGEMENT ACCOUNTS – PERIOD 5

The Director of Finance presented the accounts for the year up to December 2007. These were showing an operating surplus, before voluntary severance costs, of £1.1m. This represented a favourable variance of £1.2m against the phased budget to date. The year-end forecast position was nevertheless for an operating deficit, before voluntary severance costs, of just under £3m, which was in line with the annual budget. The Director reported the updated individual forecast variances for each of the Colleges and for Student & Academic Support Services. It was now likely that, despite representation to the Scottish Funding Council, the University would experience around £0.5m clawback in respect of the part-time incentive premium.

The cash position was still forecast to be close to the current borrowing limit of £34m, although the current net cash position was £3m credit. This was mainly as a result of research income for projects paid in advance. The position would, however, unwind during February and

March, when the University would not receive funding council income, and net debt at the end of February was predicted to be in the region of £14m. The difference in financial year between the University and some of its funders might see the University receive money earlier than expected. The University could not, however, build its cashflow projections on assumptions of this nature.

The Committee discussed the quality of the University's previous five year financial projections. It was noted that the University's cost projections were generally accurate, whereas its income projections had sometimes proved too optimistic. There followed a discussion on the importance and difficulties of cash forecasting. The Director of Finance was working to improve the University's ability to make cash projections. It was noted that, at its next meeting, the Committee would receive a report outlining the cost and income projections associated with major capital projects approved and completed in the recent past.

The Committee turned to the capital expenditure report. The Committee noted the significant amounts of additional external income received by the University to fund its capital programme. This had allowed some enhancement of specifications to provide improved facilities.

The Committee discussed a number of individual projects, including the Medical Sciences Institute and the Ninewells Resource Unit, further work on which required to be started soon in order for the University to be able to recoup monies from the European Regional Development Fund. Officers were charged by the Committee with taking this issue forward.

The Committee indicated that it would follow the cash position closely as this had implications for the University's ability to afford the projects in the capital programme. The Director of Finance emphasised that the University was committed to achieving its externally published targets, in which case proposed expenditure on capital projects remained affordable.

#### 5. FINANCIAL PROJECTIONS

The Director of Finance presented a paper which laid out the effects of the recent funding settlement from the Scottish Government and the effects of the May and October 2008 pay awards on the University's financial position. To be able to meet the goal of a 3% surplus, the University would need to achieve the targets contained in the Strategic Framework to 2012 and also find additional income or cost reductions amounting to £3.1m over the period 2008 to 2010.

The Principal reported that the Senior Management Team had recently held an awayday at which the current financial position was discussed in depth, focussing in particular on the need for additional cost reductions. He wished to reassure the Committee that the University was pursuing this issue urgently and seriously. The whole University would be required to respond to the challenges it faced, and the position was therefore being communicated to senior academic and support service managers to ensure everyone fully understood the situation. The Principal was of the opinion that the Scottish Funding Council might attempt to smooth out the effects of the funding settlement by exploiting differences in the financial years of the Council and the Higher Education Institutions.

#### 6. NINEWELLS TEACHING AND LIBRARY ACCOMMODATION

The Committee considered a capital authorisation proposal from the School of Medicine for improved teaching and learning accommodation at Ninewells. The Secretary explained the necessity for the proposed improvements. Current accommodation was desperately in need of refurbishment to address changes to the delivery of the medical curriculum, which was increasingly focussed on small group teaching and the further integration of clinical teaching in the first year. The University's medical education provision would shortly undergo an inspection by the General Medical Council, and without a commitment to improve the state of the teaching and learning accommodation the University would undoubtedly receive harsh criticism from the Council. The Principal added that currently the University of Dundee was behind the other medical schools in Scotland in upgrading its accommodation for the new curriculum.

The project was split into three phases: phase 1 would see the extension of the Clinical Skills Centre into space vacated by the NHS Surgical Day Care Unit as well as the conversion of two

library modules to provide flexible teaching space to support small groups; phase 2 would see a new build adjacent to the Ninewells Library to house new teaching space as well as to house the Centre for Medical Education and the Distance Learning Centre, which would both move from Taypark House, freeing that building up for disposal; and phase 3 would see the conversion of remaining space in the library for integrated teaching and clinical skills training.

The Committee was fully supportive of the proposal, but was concerned that, in the current financial climate, it might prove unaffordable. The Principal reported that fundraising efforts were already underway for the project, and he was optimistic that these would bear fruit.

**Resolved:** to recommend to Court that it approve the capital authorisation proposal for improved medical teaching and learning accommodation at Ninewells, providing that, by funding the project, the University nevertheless maintained its overall borrowing level within the stated target of £28.9m for 2008/9.

#### 7. FRANKLAND BUILDING

The Secretary gave a brief report on the progress of the refurbishment of the Frankland Building. This project was now complete. Under the terms of the project the University had leased the building to the NHS for 25 years, and they had undertaken all refurbishment works to create the Dundee Dental Education Centre. Both the University and NHS Education for Scotland were now occupants of the building, and the University had access to high quality teaching facilities.

#### 8. TECHNOLOGY VENTURE FUND

The Director of Finance presented a paper reporting that since Court's approval of the Technology Venture Fund, the University had entered into an agreement with SIGMA Technology Management Ltd., whereby in return for a 25% proportion of the University's equity stake in future spin-out companies, SIGMA would provide spin-out companies with ready access to capital, to contributions of commercial expertise and key personnel to their management teams, and to assistance in business planning and market assessment. A condition of the agreement was that by November 2008, SIGMA would create a dedicated University of Dundee Venture Fund for the exclusive use of University of Dundee spin-out companies. The University's financial commitment to the venture was expected to be a total of £500k over the five years from 2008/9 to 2013/14, to be met through the University's Knowledge Transfer Grant. The total value of the fund after final closing was targeted to be between £8m and £10m.

The Committee learnt that the fund had now been established. The first closing of the scheme would be in March. To date £2m had been committed to the University of Dundee venture fund. It was expected that this would be matched by the Scottish Executive through schemes such as the Scottish Co-Investment Fund.

## APPENDIX 4

### COMMUNICATIONS FROM THE SENATUS ACADEMICUS (Minute 48)

#### 1. PRINCIPAL'S REPORT

The Senatus received a report from the Principal setting out progress thus far on the Sustainability Review, reviewing the wider context for Scottish higher education and considering actions required to support the future progress of the University. The paper was supplemented by a number of charts illustrating actual and target underlying surplus/deficit, actual and projected capital expenditure, financial results from 2002/3 and targets for 2007/8 to 2011/12 along with indicators of direct expenditure on research, research overhead recovery and full-time taught postgraduate numbers.

In his introduction to the paper, the Principal stressed his view that transformational change was vital to the future of the University. The main issue was how the University should pursue its ambitions for excellence, growth and development in a financially sustainable fashion. To do so it will be necessary to reduce costs and increase academic activity and reputation at the same time, in a context of continued financial constraint.

There are three main financial levers: cost reduction, increased income (primarily from taught postgraduate programmes) and improved research overhead recovery. To assist with this process of development the University has very limited internal resources and increasingly has to look to external partnership funding such as research pooling and the Wyeth collaboration. In addition it is necessary to acknowledge that the external environment is increasingly competitive both in Scotland and in the rest of the UK. In such an environment there will have to be an emphasis upon improved performance at both the discipline and individual levels. Fundamentally there is no option but change; to do nothing more than the University is currently doing will not allow the University to remain as it is. Pay inflation and reducing income from government will lead to relatively fast deterioration.

On the positive side however, while the last 12-18 months have seen significant financial pressures, the University has substantially increased its research income and improved its reputation. According to the national surveys, our students are content with their programmes; there has been a physical transformation of the campus, more than forty new professors have been appointed along with numbers of very good junior staff and overall we have reduced core funded staff numbers and increased the number of externally funded staff. In addition, staff retention has not suffered.

In the course of discussion the following views were expressed:

- a key challenge is to maintain morale at a time of financial constraint; it was important to ensure that staff felt empowered.
- it would not be easy to increase taught postgraduate numbers given the competition and attention should also be paid to undergraduate recruitment given the projected demographic downturn.
- concern was expressed that the current voluntary severance strategy had had a disproportionate impact on support staff and that any future voluntary severance scheme should be more targeted at academic staff.
- the use of performance management, while necessary, needed sensitive handling.
- the commitment to avoiding compulsory redundancy for as long as possible was acknowledged but it was also important to retain a clear focus on the quality of the student experience.
- while there had been quite significant changes over the last 18 months which some staff had found disconcerting, there were indications that change was being embraced and an acknowledgement that the traditional role of the academic was also changing radically.

- there was a need for additional financial incentives in particular for postgraduate programme development and sustainability.
- the possibility of personal pay incentives for recruitment of postgraduates and overhead recovery was mentioned.
- on incentives, it was noted that the University's pay restructuring had been relatively generous particularly for lecturer-grade staff and that promotions both to Senior Lecturers and Professors had continued in spite of the financial climate.
- on areas of relative weakness, it was acknowledged that while different disciplines operated in very different contexts, there were ways of identifying weakness: for example, the fact that a significant number of senior staff had not been returned in the recent RAE exercise.
- if the voluntary severance scheme was to continue then careful targeting was important as was the balance between academic and support staff.
- more transparency and a clearer sense of leadership with regard to dealing with problem areas might be helpful in the context of morale and mutual support.
- participation in postgraduate activity (or indeed undergraduate activity) was a key part of the expectations upon academic staff and could not be regarded as optional.
- provision of good quality teaching and academic support to taught postgraduates was essential particularly for students paying significant fees.
- on cost savings, it was thought that there might be additional scope in some areas (such as procurement) for additional savings.
- there was felt to be scope in continuing with more targeted voluntary severance to reduce costs by a further £3M spread across all Schools and Directorates.
- looking outward was thought to be important both in terms of performance and morale with comparisons being made with other similar universities.

In conclusion, it was generally agreed that members now had a clearer understanding of the parameters and the environment in which the University was operating. It was also acknowledged that the actions and development set out in the papers were the only rational way forward. Engagement in the process would take place in the Schools and Colleges with a clearer emphasis upon performance, progress and comparisons with our competitors.

**The Senatus decided:** to forward the report on its discussion to the Court.

## 2. PROFESSORES EMERITI

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

Professor J Hogg  
 Professor P B James  
 Professor R A Kennedy  
 Professor G A Watson

## 3. CHAIRS – SENIOR MANAGEMENT TEAM

**The Senatus decided:** to endorse the following:

- (1) a change in the designation of Professor Graham Ogden's Chair in 'Oral and Maxillofacial Surgery' to 'Oral Surgery'; and
- (2) the establishment of the Dr Pat McPherson Chair in Cancer Biology.

4. **DUSA EXECUTIVE ELECTIONS**

**Resolved:** to note that the DUSA Executive elections will be held on Friday 21 March 2008.

## APPENDIX 5

REMUNERATION COMMITTEE  
(Minute 49)

A meeting of the Committee was held on 17 December 2007.

Present: Mr Richard Burns (Convener), Mr John Milligan, Dr Janet Lowe.

In Attendance: Principal (for part of the meeting); other officers also attended parts of the meeting to advise on specific items.

1. The Convener welcomed Dr Lowe to her first meeting of the Committee. The Committee met to conduct a review of non-clinical Professorial and equivalently graded staff salaries.

2. Salary increases in addition to the nationally agreed settlement were agreed as follows:

<u>College</u>	<u>2007/8</u>
	<u>£</u>
Art, Science & Engineering:	14,877
Arts & Social Sciences	12,000
Life Sciences	15,000
Medicine, Dentistry & Nursing (non-clinical)	9,000
Student & Academic Support Services	9,500
Principal and Vice-Chancellor's Office	1,000
Principal and Vice-Chancellor	---

3. A total of £61,377 (cf £34,000 in 2006) was distributed selectively to 42 individuals from the eligible group of 164 members of staff. In reaching decisions on this matter, the Remuneration Committee took note of the relevant college and support services salaries over the last five years, issues of gender equity and University sector comparators.

4. Approval was given for a number of 'in-year' decisions which had been taken with the authority of the Principal and, where appropriate, the Chair of Court or another Court member.

- (i) A Compromise Agreement which had been reached with a senior member of staff.
- (ii) An in-year increase in salary for exceptional contribution, made to a member of staff in Support Services.
- (iii) Enhanced salary levels were agreed for two members of staff, one for an academic member of staff in the College of Arts and Social Sciences and one for a member of staff in Support Services. Both payments were made to retain these staff in Dundee.
- (iv) An enhanced removal package was agreed for an academic member of staff in the College of Art, Science and Engineering.
- (v) A revised salary level was agreed for an academic member of staff who had been absent from the University on unpaid leave and who had now returned.
- (vi) Two senior appointments were reported to the Committee, one a member of academic staff in the College of Arts & Social Sciences and one a member of staff in Support Services.
- (vii) A number of salary increases were reported for senior staff who are funded by the Wellcome Trust.

5. A voluntary severance application was approved for a senior member of staff in line with the University's current Voluntary Severance Scheme.

## APPENDIX 6

### HUMAN RESOURCES COMMITTEE (Minute 49)

A meeting of the Committee was held on 29 January 2008.

Present: Dr J Lowe (Convener), Professor RJ Abboud, Professor J Calderhead, Professor CP Downes, Dr H Marriage, Professor G Mires, Dr A Roger.

In Attendance: Dr DJ Duncan, Mrs K Gray, Mrs PA Milne.

Dr Lowe welcomed HR Officer Karen Gray to her first meeting of the HR Committee. Karen was replacing Julie Strachan who was currently working full time on the implementation of job evaluation.

#### 1. MINUTES OF PREVIOUS MEETING

**Resolved:** to approve the minutes of the meeting on 9 October 2007.

#### 2. MATTERS ARISING

##### Salary Sacrifice – Pension Plus (Minute 4(2))

The Director of Human Resources confirmed that it was still the University's intention to implement the scheme. It was hoped that open meetings would be held with staff in February with a view to implementing the scheme in April. UNISON and UNITE had both supported the scheme but DUCU had stated that they wished to ballot their members on this issue. It was the University's intention to have an 'opt-out' scheme. However, this would not be possible if DUCU voted against the scheme. Staff would have to 'opt-in' and it was acknowledged that this would lead to fewer staff taking part. It was noted that ballots had not taken place in most other universities who had implemented such schemes. Professor Abboud stated that he would be willing to raise this issue again with DUCU in an effort to persuade them to reconsider their position. The Chair thanked Professor Abboud for this helpful offer.

**Resolved:** to recommend that further discussion took place with DUCU regarding their position on this matter and to involve Professor Abboud in these discussions.

#### 3. FINANCIAL SUSTAINABILITY REVIEW

The Director of Human Resources reported on the Voluntary Severance Scheme (VS). The Senior Management Team (SMT) had to date approved 108 applications which had resulted in a full year saving of approximately £3.3 million. A further 24 cases were still to be finalised and 30 applications were 'on hold'. A full statistical breakdown would be available for the next meeting of Court. It was suggested that it would be useful for Court to see the breakdown of take up by staff group and what the total numbers employed were in each group.

In relation to the Sustainability Review, the University Secretary stated that he was confident that the original savings targets would be reached but he pointed out that there was further pressure on the University because of the financial settlement from the Scottish Government and the commitment to the inflation-related pay settlement in October 2008. RPI was currently running at around 4%.

There would be further discussion at Court as to how further savings could be achieved and this might include re-opening the VS scheme in some areas. The Director of Human Resources stressed that senior managers were still scrutinising vacancies, delaying re-filling posts to create savings and reviewing applications from staff who were currently listed as being 'on hold'.

The University Secretary also pointed out that there had been several meetings with the Campus Unions to explain the financial position of the University so that they had a clear understanding and were well informed. It was acknowledged, however, that more had to be done to ensure that all staff understood this in greater detail.

**Resolved:** to note the position and request that the final VS statistics be circulated to members of the HR Committee.

#### 4. HUMAN RESOURCES

(1) Framework Agreement and Job Evaluation

The Director of Human Resources summarised the position in relation to the Framework Agreement and job evaluation. She confirmed that the main focus was currently on completing job evaluation of all posts in the University. There had been a good response so far to the completion and returning of role outline forms from staff. More were still due to come in and staff who had not returned their form would be reminded and encouraged to do so. A huge effort was now going into matching the role outline forms to the generic role profiles. It was hoped that this exercise would be completed by March. It was noted that the funds clawed back by the Funding Council would not be released until the exercise had to been completed.

**Resolved:** to highlight the current position to Court.

(2) Performance Management

The Director of Human Resources informed the Committee that the introduction of a performance management system was a Key Performance Indicator for HR in the Strategic Framework document. As a result, a draft policy and procedure had been produced and one session had taken place with Heads of College and Deans to discuss the introduction and implementation of Performance Management. Another session was due to take place on 6 February 2008. The implementation would be from the 'top down' with the initial launch of the scheme being aimed at professorial and equivalently graded staff. Once comments had been gathered from the sessions and discussions had taken place with the unions, it was hoped to launch the scheme during the summer. Any training requirements to support implementation would be addressed during spring time/early summer. For all other staff, the current system of Review would remain in place in the meantime.

The aim of the scheme was to ensure that there was focus on the overarching University aims and objectives, how they translated into aims and objectives for Colleges, Schools and SASS Directorates and then a clear link between them and individuals' aims and objectives.

It was acknowledged that a slightly different arrangement might need to be put in place for clinical professors and it had been agreed in principle that linking this exercise with the job planning exercise would be advisable. The Director of Human Resources was already in discussion with NHS Tayside to identify how this might be achieved.

The Committee welcomed the progress which had been made on this issue to date and looked forward to hearing more about progress of implementation at the next meeting.

(3) Restructuring of the College of Medicine, Dentistry and Nursing

The Director of Human Resources reported that a group had now been formed at the College level to oversee the implementation of a new structure and that she was a member of this Group. The new structure retained the existing three schools but would create larger research divisions in the School of Medicine and involve a number of other related changes. The task of allocating staff to the new units had yet to take place and this was the next critical stage in the process. Once this had been done, further discussion would take place with staff in the College and the unions. A commitment had been made that there would be no redundancies as a result of the restructuring but it was acknowledged that the number of support posts in the College might be reduced. This in turn could mean that some of the staff 'on hold' as a result of the VS exercise might be released and their positions backfilled by staff currently based at Ninewells. However, it was stressed that it was not clear at this

stage how many posts exactly this could involve. The Committee commented that this restructuring presented an important opportunity to look at resources within this College and offered scope for possible savings.

(4) Change to Annual Leave Year

The Director of Human Resources reported that the change to the annual leave year had now been agreed by the three campus unions and as a result, the current leave year would be extended to 31 December 2008 with the new leave year beginning on 1 January 2009.

The issue of the Christmas closure as it applies to Ninewells was discussed as there had been a difficulty this year with a member of staff in one unit based at Ninewells. However, it was agreed that the current wording in contracts covering this issue should remain and that managers needed to use their discretion with regard to when offices were closed and when they needed to remain open.

**Resolved:** to recommend the change to the annual leave year for staff which would from 2009 run from January to December.

(5) Weekly Payroll

The Director of Human Resources reported that agreement had been reached with the unions with regard to dispensing with the weekly payroll. As from April 2008, all staff who were currently weekly paid would move to being monthly paid. Support in the form of an advance would be available to staff affected by this change to help with the transition.

**Resolved:** to recommend the move to having a monthly payroll only.

5. **EQUALITY AND DIVERSITY**

A report was received from the Equality and Diversity Officer which proposed that there should be mandatory training for all staff covering core Equality and Diversity issues. This was required to enable the University to meet its legal obligations in this area. It was proposed that an on line module would be completed by all staff. A provider of an on line package had visited the University to demonstrate the product and those who had attended the presentation, which had included union representatives, had responded positively. The same product was also currently being used by other universities and was receiving good reviews from staff. The Committee thought that such training should also be made available to lay members of Court.

The Committee noted the paper which outlined the Dignity at Work statistics. It was pleased to see that there had been a very small number of formal complaints.

**Resolved:** to recommend that training for all staff in equality and diversity issues should be mandatory.

6. **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.

The report from the Director of Management and Professional Development highlighted key areas of work. It was noted that Dr Vickers was attending the sessions with staff on Performance Management and that appropriate training would be put in place to support the implementation of the Performance Management Policy.

The report from the Director of Academic Professional Development also highlighted very positive work being done in a number of key areas.

The report from Generic Skills was received and while there were many positive comments received on the courses which were being offered, the take up of places on these courses was

disappointingly low. There was discussion around why this might be the case. It was pointed out that it was vitally important that Principal Investigators supported staff in their groups to participate in the Generic Skills Programme particularly in light of the fact that a very small number would continue with academic careers. It was also vital that the post-doctoral community was made aware of the opportunities for further training in this area and that post-doctoral researchers were encouraged to attend such training.

#### 7. HEALTH AND SAFETY

A report from the Director of Safety Services and minutes from the Health and Safety sub-Committee were received. It was agreed that the report was very helpful in highlighting current key issues. It was noted that the policy and guidance relating to catering at organised events had been reviewed and that the committee was now happy to approve this. A further policy on safety arrangements in relation to refurbishments was also welcomed.

**Resolved:** to approve the policy on catering at organised events and the policy on refurbishments.

#### 8. LOCAL JOINT COMMITTEES

(1) University/UNITE Joint Committee

The minutes of the meeting, held on 17 January 2008, were received.

(2) University/UNISON Joint Committee

The minutes of the meeting, held on 17 January 2008, were received.

(3) University/DUCU Committee

The University/DUCU Joint Committee meeting was still to take place.

#### 9. ACADEMIC ANNUAL REVIEW: PROBATIONARY STAFF

(1) College of Art, Science and Engineering

The minutes of the meeting, held on 18 December 2007, were received.

(2) College of Arts & Social Sciences

The minutes of the meeting, held on 12 December 2007, were received.

#### 10. READERSHIPS

It was noted that six members of staff had been promoted to Reader.

Dr Melaku Desta	CEPMLP	31 October 2007
Dr Lorens Holm	Architecture	31 October 2007
Dr Martyn Jones	Nursing & Midwifery	22 January 2008
Dr Colin Palmer	Biomedical Research Centre	22 January 2008
Dr Chris Reid	Computing	31 October 2007
Dr Calum Sutherland	Pathology & Neuroscience	22 January 2008