

**UNIVERSITY OF DUNDEE**

**UNIVERSITY COURT**

A meeting of the University Court was held on 8 September 2016.

Present: Ronnie Bowie (in the Chair)  
Janice Aitken  
Richard Bint  
Professor Dame Sue Black  
Dr William Boyd  
Shirley Campbell  
Professor Stuart Cross  
Principal Professor Sir Pete Downes  
Jo Elliot  
Iain Howie  
Professor Tim Kelly  
Jane Marshall  
Sean O'Connor  
Dr Alison Reeves  
Karen Reid  
David Ritchie  
Professor Mairi Scott  
Denis Taylor  
Indrė Urbanavičiūtė

In Attendance: Wendy Alexander (Vice-Principal (International))  
Professor Nic Beech (Vice-Principal (Academic Planning & Performance))  
Andrew Hewett (Director of Finance)  
Dr Neale Laker (Director of Academic & Corporate Governance)  
Ian Leith (Director of Business Transformation) (Minute 7 only)  
Professor Karl Leydecker Vice-Principal (Learning & Teaching)  
Dr Jim McGeorge (University Secretary)  
Dr Christine Milburn (Policy Officer (Corporate Governance))  
Pam Milne (Director of Human Resources and Organisational Development)  
Professor Tim Newman (Vice-Principal (Research, Knowledge Exchange & Wider Impact))  
Thomas Veit (Director of External Relations)

Apologies: Lord Provost Bob Duncan  
Bernadette Malone  
Andrew Richmond  
Mark Beaumont (Rector)

The Chair welcomed Indrė Urbanavičiūtė and Sean O'Connor to their first official meeting as the DUSA President and Independent Student member of Court respectively.

1. **MINUTES**

**The Court decided:** to approve the minutes of the meeting on 6 June 2016.

2. **ACTION LOG**

**The Court decided:** to approve the Court Action Log.

3. **MATTERS ARISING**(1) Academic and Financial Sustainability (Minute 64)

The Court received an update from the Director of Human Resources & Organisational Development in relation to the savings project in the School of Humanities. The Director confirmed that the savings target had been achieved and outlined the review process which had been undertaken within the School. Members noted that as a result of the successful deployment of redundancy avoidance procedures, the Redundancy Committee approved by the Court on 6 June had not been required to meet.

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

(2) Use of Emergency Powers (Minute 71)

The Court received a report confirming the use of the Emergency Powers approved by the Court at its meeting on 6 June 2016. Members noted that the powers had been used on one occasion. The Emergency Committee had comprised the Principal, Chair of Court, Convener of the Finance & Policy Committee, and Janice Aitken (Member of Staff elected by the Senate) and it had approved a request to establish a panel to hear a matter in accordance with the Statute 16 grievance procedure. A panel consisting of Jo Elliot (Court), Wendy Alexander (Vice-Principal (international)), and Dr Faisal Khan (Senate) had met on 18 August to hear the grievance, which was not upheld.

**The Court decided:** (i) to homologate the decision to approve the formation and composition of a Committee to hear a grievance in accordance with Statute 16 part VI Grievance Procedures; and

(ii) to note the outcome of the hearing.

(3) Communications from the Senatus Academicus (Minute 73)

**The Court decided:** to ratify the decision taken at its meeting on 6 June 2016 to approve changes to Ordinance 39 to include the Degree of Master of Finance in the list of recognised University awards.

#### 4. CHAIRMAN'S UPDATE

The Chair updated members on his activities on behalf of the Court since the last meeting. In doing so he highlighted the value of the one-to-one meetings he had held with members of the Court since becoming Chair, and of his meetings with Officers in relation to planning for the Retreat and operational changes to support the Court in the conduct of its business.

The Court noted that the Chair was already engaged with the Committee of Scottish Chairs (CSC) and the Committee of University Chairs (CUC) having attended meetings of both groups alongside the retiring Chair, Eric Sanderson.

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

#### 5. PRINCIPAL'S UPDATE

The Court received an update from the Principal (**Appendix 1**) which highlighted recent news and sectoral matters of potential interest. Members were pleased to note the University's strong performance in league tables – in particular the National Student Survey (NSS) (8<sup>th</sup> in UK and 2<sup>nd</sup> in Scotland for overall student satisfaction, and 6<sup>th</sup> in UK on the average of all questions), inclusion in the Reuters 2016 top 20 most innovative universities in Europe (5<sup>th</sup> in UK and 1<sup>st</sup> in Scotland), and movement into the UK top 10 for graduate employment in the Destination of Leavers from Higher Education (DLHE) survey. Members noted that these achievements reflected the hard work and commitment of staff across the University during a period of major restructuring and financial constraint. In response to comments, the Vice-Principal (Learning & Teaching) confirmed that seven out of nine schools had at least one discipline within the top 10 in the NSS, and that the two remaining schools had taken significant steps toward improving their outcomes, with large improvements noted in this year's scores.

The Principal also drew members' attention to the Economic and Social Impact study commissioned by the University. The report illustrated the vital role of the University in driving the economy of east and central Scotland, with the University recognised as contributing over £740m to the Scottish economy annually. Members agreed that the study provided a valuable framework with which to engage stakeholders such as MSPs, local MPs, Research Councils, and businesses, as well as useful context for the decisions of the Court.

Finally, the Court noted the findings of the 'Audit of Higher Education in Scottish Universities' carried out by Audit Scotland which, while emphasising the strengths of the sector, was also explicit in setting out the unsustainable financial position of the sector and associated risks. The Principal highlighted key challenges for the sector for the coming year - in particular those resulting from the decision of the Scottish Government to pursue a 1 year budget agreement rather than a three-year spending review as had been anticipated. Through discussion, the Court highlighted the importance of sectoral engagement with the Chair of the Scottish Funding Council and the Scottish Government to address the misalignment between funding levels and the public commitment of the Deputy First Minister and Cabinet Secretary for Education & Skills to maintaining the strength and international competitiveness of Scottish Universities.

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

## 6. COURT OPERATIONS

The Chair of Court highlighted a number of changes introduced over the summer to enhance paperwork and documentation for Court, as well as the approach taken to improve the visibility of forward planning for Court Business. Members were pleased to note the developments and undertook to provide feedback to officers in relation to these changes.

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

## 7. BUSINESS TRANSFORMATION

The Director of Business Transformation presented an update to Court outlining progress in relation to key aspects of the programme, including: contract negotiations with the preferred supplier for the integrated business solution; consideration of risks; implementation timeframes for the Finance, Procurement, Payroll/Pensions, HR, Research and Student Services elements of the programme; and key appointments to the Business Transformation Team. The Court was especially pleased to hear of the level of due diligence undertaken in finalising the contract, and in turn the Director highlighted the level of commitment demonstrated to date by the chosen partner.

The Director went on to highlight the intention to develop a Target Operating Model (TOM) which would align Business Transformation and Professional Services to facilitate the delivery of the University Strategy to 2022, and he informed the Court that a series of key decisions in this respect would be required over the next six months to enable the design and definition of the future organisational structure and approach to service delivery. In response to questions the Director also outlined transition arrangements including product demonstrations, training, and phasing plans which were integral to the successful implementation of the programme. Members expressed particular interest in the cultural aspects of the programme in terms of change readiness, change management and leadership.

In response to questions, the University Secretary reminded members of the governance arrangements they had approved for the programme, including the Business Transformation Steering Group, regular reporting to each meeting of the Finance & Policy Committee, and the oversight of relevant periodic reports from the Internal Audit Team (Scott-Moncrieff) by the Audit Committee. The University Secretary undertook to consider whether the addition of a 'dashboard update' for Court in relation to the programme might be a helpful addition to the existing arrangements.

**The Court decided:** to note the update and await further updates at a future meeting of the Court.

## 8. GOVERNANCE

### (1) Higher Education Governance (Scotland) Act

The Director of Academic & Corporate Governance introduced a paper which summarised tentative proposals from the Higher Education Governance (Scotland)

Act Working Group of the Governance & Nominations Committee. Members were supportive of the draft proposals and noted that they would be discussed in detail by the Governance & Nominations Committee at its meeting on 3 October 2016, with a view to formal proposals being provided for consideration and approval by the Court at its meeting on 24 October 2016.

The Court was also supportive of the proposed interim arrangements, and associated changes to Ordinance 45 (Election of Member of Court by the Non-Teaching Staff), which had been designed to give flexibility to the term of office for the non-academic member of Court should it be required as part of the transition to alignment with the Act. Members noted that this approach would enable the issue of membership to be addressed without prejudging the outcome of further discussions on governance changes within the University or with the Scottish Government and/or Privy Council.

- The Court decided:**
- (i) to note the update;
  - (ii) to approve, subject to approval from the Senate and ratification at a subsequent meeting of the Court, changes to Ordinance 45 (Election of Member of Court by the Non-Teaching Staff) as set out in **Appendix 2**; and
  - (iii) to note that the election for the non-academic member of Court would be held as soon as possible in Semester 1 following the ratification of proposed changes at the meeting of Court on 24 October 2016.

(2) Membership of Court and its Committees

Noting the recommendation from the Governance & Nominations Committee, the Court approved the appointment of Mr Allan Murray as a lay member of Court in accordance with Statute 9(1)(I), for a period of 4 years with immediate effect.

Members also noted that the Governance & Nominations Committee would discuss the report from the appointing panel, including a number of other recommendations, in more detail at its meeting on 3 October 2016.

- The Court decided:**
- (i) to approve the appointment of Mr Allan Murray as a lay member of the Court in accordance with Statute 9(1)(I), for a period of 4 years to 31 July 2020; and
  - (ii) otherwise to note the report.

9. **DUSA EXECUTIVE MANIFESTO**

As in previous years, the President of the Dundee University Student's Association (DUSA) circulated its manifesto for the year ahead. Members noted that the manifesto was refreshed on an annual basis as a tool to communicate with new and existing students with regard to the structure and activities of the DUSA executive and also to aid in ensuring

continuity in the work of the Association. Members noted that this year the manifesto focused on the key themes of DUSA Advice, Raising and Giving, Change in Culture, Representation, Recognition, and Feedback, and in particular how these themes would improve the student experience.

Members were particularly interested to learn of the changing aspirations, needs and culture of the student body and asked that the President and the Independent Student member of Court give a presentation to a future meeting of the Court on this topic.

- The Court decided:**
- (i) to invite the President and Student Member of Court to give a presentation to a future meeting of the Court; and
  - (ii) otherwise to note the manifesto.

#### 10. **FINANCE & POLICY COMMITTEE**

The Court received a report from the meeting of the Finance & Policy Committee on 15 August 2016 (**Appendix 3**). Members noted in particular the Committee's discussions of the regular Business Transformation update report. Members also noted the update on progress in relation to the growth and savings projects, and it was agreed that these updates should be included as an appendix to the Finance & Policy Committee's minutes in future.

- The Court decided:**
- (i) to approve the terms of reference and remit of the Committee;
  - (ii) to approve the notional budget for the Remuneration Committee for 2016/17 in accordance with the Remuneration Policy approved in December 2015;
  - (iii) to approve an increase to the capitalisation threshold and its application to both future expenditure and expenditure already incurred; and
  - (iv) otherwise to note the update.

#### 11. **ANNUAL INSTITUTIONAL STATEMENT TO THE SFC ON QUALITY**

The Court received the University's annual statement to the SFC detailing the subject reviews that had been carried out over the past year. Members noted that the report was due to be submitted to the SFC by its deadline of 30 September 2016.

Members noted that this report was a fundamental element of QA framework arrangements, and in response to questions, the Director of Academic & Corporate Governance outlined plans for the Governance & Nominations Committee to further consider the approach to this aspect of reporting ahead of its approval by the Court in future years.

In approving the report the Court was asked to: confirm that it had considered the institution's arrangements for the management of academic standards and the quality of the

learning experience for AY 2015-16, including the scope and impact of these; confirm that the institution had effective arrangements to maintain standards and to assure and enhance the quality of its provision; and therefore to provide assurance to the Council that the academic standards and the quality of the learning provision at the University of Dundee continue to meet the requirements set by the Council.

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

12. **GOVERNOR DEVELOPMENT PROGRAMME**

Members received a copy of the Leadership Foundation for Higher Education Governor Development Programme and were encouraged to contact the Policy Officer (Corporate Governance) with an indication of their interest in attending sessions.

**The Court decided:** to note the circulation of the programme.

13. **PROFESSOR DAME SUE BLACK**

The Court congratulated fellow member, Professor Dame Sue Black, on the award of a DBE in HM The Queen's 90<sup>th</sup> Birthday Honours.

**The Court decided:** to congratulate Professor Dame Sue Black on her Damehood.

Mr Ronald Bowie  
Chair of Court  
University of Dundee

## APPENDIX 1

### PRINCIPAL'S UPDATE (Minute 5)

#### Introduction

1. I would like to start by welcoming Ronnie Bowie to his first meeting of the Court as Chair of Court. The relationship between the Principal and the Chair of Court is one I personally consider to be of great importance, and I have greatly welcomed the enthusiasm and commitment with which Ronnie has approached our meetings over the summer.
2. Although it is not typical for me to provide a report to the Court at the annual Retreat, with the Business Meeting being held at the start of the Retreat this year I felt that it would be appropriate to prepare a brief overview of some of the significant successes which have been publicised over the summer months, along with some of the key sector-level discussions I have taken part in. Many of these are illustrative of the importance and direct consequences of the strategic decisions which have been asked of the Court during a challenging period for both the sector and the University, and I hope that they will provide a helpful platform for sessions later in the retreat where members will be asked to give consideration to our future strategy and the branding of the University within the context of an external environment which remains highly challenging for Scottish Universities.

#### League Table Results

3. The Court has discussed on several occasions the impact of the University's performance in league tables on our ability to attract students from Scotland, the rest of the UK, and around the world. It is therefore pleasing to be able to highlight to the Court our strong performance in the National Student Survey (8<sup>th</sup> in the UK for overall student satisfaction and 2<sup>nd</sup> in Scotland in the NSS survey, and 6<sup>th</sup> in the UK on the average of all questions in the survey) (annex), our inclusion in the Reuters 2016 top 20 most innovative universities in Europe (5<sup>th</sup> in the UK and 1<sup>st</sup> in Scotland), and our movement into the UK Top 10 for graduate employment according to this year's Destinations of Leavers from Higher Education (DLHE) survey. This is the third year in a row that the University has achieved its highest ever NSS scores, showing improvements across the breadth of our activity, with former areas of weakness showing critical improvement, and our areas of existing strength continuing to perform at a top-class level.
4. These achievements are particularly impressive against the backdrop of the major restructuring and financial constraints which we have been addressing over the last 12 months, and reflect the hard work and commitment of staff across the University to our goals and values. Given the methodology applied in a number of league tables, our performance in the NSS bodes well for continued improvement in other influential league tables, and in doing so presents opportunities for us as we continue to develop our approach to marketing, communications and branding.

#### Economic and Social Impact Study

5. Over the summer, members were provided with copies of the [Economic and Social Impact Study](#) commissioned from the Fraser of Allander Institute by the University. The publication was launched at the 2016 Dundee Economic Summit, and clearly illustrates the University's vital role in driving the economy of east and central Scotland, with the University noted to: contribute over £740M to the Scottish economy annually; account for 1 in 12 jobs in Dundee; support more than 4,000 jobs across Dundee, Angus, Fife and Perth & Kinross; and support over 8,000 jobs across Scotland as a whole. The report, which received widespread attention in the press, has already proved to be both an excellent tool with which to engage with stakeholders such as MSPs, local MPs, research councils, and businesses, and also a significant reminder of the University's central role and responsibilities within Dundee and Scotland as both a major employer and a driver of business and innovation. In this respect it also provides useful context to the decisions which we take as a Court when looking to the future of the University, and may provide a useful framework for members in their own interactions with stakeholders.

#### HE Sector

6. In my last report I highlighted to members the appointment of Deputy First Minister, Mr John Swinney, as Cabinet Secretary for Education and Skills, and the overarching emphasis of the Scottish Government on the role of education in achieving the innovation and growth required to underpin the Scottish economy. This role is reflected in the involvement of universities in activities such as the 'Scotland Can Do' forum and the review of the Scottish Funding Council and Enterprise agencies, and on the basis of the factors already highlighted in my report I believe that, as an institution, we are in a strong position to contribute to, and shape, outcomes pertinent to our future.



7. I would also like to highlight to members the recent [‘Audit of Higher Education in Scottish Universities’](#) by Audit Scotland, the report of which provides a clear and insightful overview of the current financial situation for Scottish Higher Education, and in particular of the financial parameters which govern the future sustainability of the sector. While emphasising the strengths of the sector, including its reputation, contribution to economic growth, and innovative approach to income generation, the report, which was based on data from 2014/15, is explicit in setting out the unsustainable financial position of the sector while exploring risks to teaching funding, the availability of places, research funding, capital funding and overall sustainability which arise from a combination of increasing costs and the potential for further reductions in Scottish Government funding. This report comes at a time when the Deputy First Minister and Cabinet Secretary for Education and Skills has publically stated a commitment to maintain the strength and international competitiveness of Scottish Universities into the future, and at a time when the sector faces the challenge of planning for this future on the basis of a one year budget agreement with the Scottish Government rather than a three year spending review as anticipated. Universities Scotland has established a finance working group to undertake negotiations for the 2017/18 on behalf of the sector, and I am sure that members will agree that it is imperative that the parameters of these negotiations ensure an outcome which is compatible with the Deputy First Minister’s statement.

#### **Internal Matters**

8. A key feature of the work of the Court for the coming year will be the development of our strategy to 2022, with the work starting in earnest with sessions 2 and 3 later in the Retreat. The short-term nature of the financial negotiations with the Government present additional uncertainties within the operating environment against which this strategy is to be achieved, and I look forward to some lively discussions on our approach to maintaining our momentum toward our ambitious 25 year goal to be Scotland’s leading university, as well as reviewing the transformation which we have already made along the way during the last 5 years.

Professor Sir Pete Downes  
Principal & Vice-Chancellor

### National Student Survey

The National Student Survey (NSS) surveys final year undergraduate students each year. It asks them to rate their satisfaction with 22 different aspects of their university learning experience. 82% percent of students in their final year at the University completed the survey.

#### Dundee is in the UK's top 10

- The University of Dundee has been ranked **8th in the UK** for student experience, receiving its highest ever scores in the survey
- The University recorded **overall satisfaction of 91 per cent**, up on last year and well above the sector average of 86 per cent
- Students ranked us **1st in the UK** for Personal Development
- Students ranked us **3<sup>rd</sup>** in the UK for Learning Resources
- Students ranked up **4<sup>th</sup>** in the UK for Teaching
- Students ranked us **6<sup>th</sup>** in the UK for Academic Support
- Big improvements to scores and ranking for Assessment & Feedback (now ranked 21<sup>st</sup>) and Organisation & Management (39<sup>th</sup>)
- 100% satisfaction recorded by Physics students (top in the UK)
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#### 12 more subjects ranked in the top 10 nationally:

- Computing (3<sup>rd</sup>)
- Dentistry (3<sup>rd</sup>)
- Design (3<sup>rd</sup>)
- Fine Art (3<sup>rd</sup>)
- Others in Creative Art and Design (3<sup>rd</sup>)
- Maths (5<sup>th</sup>)
- Nursing (6<sup>th</sup>)
- Human and Social Geography (7<sup>th</sup>)
- Architecture (8<sup>th</sup>)
- Teacher Training (9<sup>th</sup>)
- Others in Education (10<sup>th</sup>)
- Philosophy (10<sup>th</sup>)

## APPENDIX 2

### ORDINANCE 45 - ELECTION OF MEMBER OF COURT BY THE NON-TEACHING STAFF (Minute 8(1))

- 1 The election of the member of Court elected by the Clerical, Manual and Technical Staff shall take place in the second semester to enable, whenever possible, an announcement of the successful candidate to be made at the latest by the last Court meeting of the academic year in which an election falls due. The period of office of the person elected shall be four years from the first day of August immediately following the election. The person elected shall be eligible for re-election but shall not hold office continuously for a longer period than 8 years.  
  

Provided that, as part of the transition arrangements for the introduction of the Higher Education Governance (Scotland) Act 2016 (the 'Act'), the period of office shall be reduced to one year in the first instance, renewable each year without election for a further year up to a maximum of four years, until such time as any new provisions relating to or resulting from the introduction of the Act are in force.
- 2 ~~(1)~~ The election shall be carried out in accordance with the Regulations approved by the University Court.  
  
~~(2) — Votes by part time staff whose weekly working hours total not less than fourteen hours shall count as half votes.<sup>1</sup>~~  
~~(3) — Staff whose weekly working hours total less than fourteen hours shall not be entitled to vote.~~
- 3 (1) If, for any reason, the election cannot be held in the second semester or, having been held, is declared invalid, then the election shall take place in semester time as soon as possible. The period of office of the person elected in a deferred election shall be four years from the first day of August immediately following the second semester in which the election should have been held.  
  
(2) In a deferred election, the period of office of the person due to demit office shall be extended until the deferred election has been held.
- 4 If a casual vacancy arises in this membership, an election to fill the vacancy shall take place in semester time as soon as possible after the date when the vacancy occurs. Election to a casual vacancy shall be in accordance with the same Regulations as for an ordinary vacancy.
- 5 The Secretary shall act as Returning Officer in this election and shall be responsible for keeping the electoral roll. He shall fix the date of the election. If for any reason the Secretary is unable to act as Returning Officer the Principal shall appoint a substitute.

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<sup>1</sup> As well as the transitional arrangements in relation to membership of Court in terms of the Act, the opportunity has been taken here to discontinue the use of half-votes for part-time staff in line with changes made to the election of Academic Council members previously. Using half-votes in this way effectively disenfranchises members of staff from particular groups who are more likely to hold part-time posts.

### APPENDIX 3

#### FINANCE & POLICY COMMITTEE (Minute 10)

A meeting of the Committee was held on 15 August 2016.

Present: Andrew Richmond (Convener)  
Professor Dame Sue Black  
Ronald Bowie  
Principal Professor Sir Pete Downes  
Iain Howie  
Professor Mairi Scott  
Jane Marshall  
Indrė Urbanavičiūtė

In Attendance: Professor Nic Beech (Vice-Principal (Academic Planning & Performance));  
Jo Elliot (Chair, Audit Committee);  
Dr Neale Laker (Director of Academic & Corporate Governance);  
Andrew Hewett (Director of Finance);  
Professor Karl Leydecker (Vice-Principal (Learning & Teaching));  
Dr Jim McGeorge (University Secretary);  
Kevin Mallett (Deputy Director of Finance);  
Colin McNally (Director of Campus Services);  
Trisha Meldrum (Senior Audit Manager, Audit Scotland (Item 3));  
Dr Christine Milburn (Policy Officer (Corporate Governance));  
Dr Elizabeth Rogers (Ambitious Futures Graduate Trainee).  
Karen Whyte (Audit Manager, Audit Scotland (Item 3));

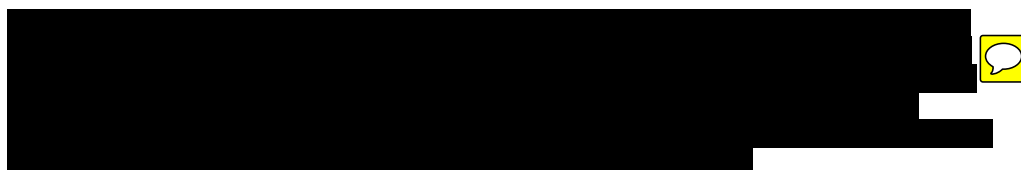
Apologies: Bernadette Malone and Wesley Rennison (Director of Strategic Planning).

#### 1. MINUTES

**Resolved:** to approve the minutes of the meeting of 9 May 2016.

#### 2. MATTERS ARISING

##### (1) Drug Discovery Unit (DDU)/CURE update (Minute 2 (2))



**Resolved:** to note the update and await a further report.

##### (2) Potential Changes to UODSS (Minute 2(3))

The Committee noted that the Pensions Sub-Group would be holding a meeting later in the day to discuss a scenario modelling report from Mercer.

**Resolved:** to note the update.

##### (3) Campus Services (Minute 7)

The Committee noted that the Director of Campus Services would present capital investment proposals from the UEG at the next meeting of the Committee on 3 October 2016.

**Resolved:** to note the report and await the capital investment plan.

### 3. **AUDIT SCOTLAND: AUDIT OF HIGHER EDUCATION IN SCOTTISH UNIVERSITIES**

The Senior Audit Manager and Audit Manager responsible for the Audit Scotland '[Audit of Higher Education in Scottish Universities](#)' report attended the meeting to present their findings to the Committee. The Committee noted that the scope of the report had focussed on how Higher Education (HE) was funded and delivered in Scotland, how it contributed to national strategic objectives, and how well equipped the sector was to deal with future financial challenges.

Members noted the report highlighted risks relating to teaching funding, the availability of places, research funding, capital funding and overall sustainability. It also identified future sectoral challenges arising from increasing costs, potential further reductions in Scottish Government funding, and risks to the ability of institutions to continue to increase income from other sources. In presenting the report, the Audit Manager also drew members' attention to the noted strengths of the Scottish HE sector, including the contribution of the sector to economic growth, outcomes for students, the sector's innovative approach to income generation, its proactive approach to the efficiency agenda, and the strength of the multiple lines of reporting for the public investments received. Focussing on the University of Dundee relative to other chartered institutions, the Audit Manager went on to highlight income trends and profiles for both student fees and research. Through discussion members noted that the audit was based upon figures from 2014/15 and that there had since been further decreases in funding and increases to cost pressures to the sector.

In response to questions the Audit Manager confirmed that the recommendations relating to the Scottish Funding Council and Scottish Government reflected a need to ensure that there was effective dialogue on priorities and appropriate funding to enable their effective delivery.

**Resolved:** to note the report and presentation.

### 4. **ANNUAL REVIEW OF REMIT AND TERMS OF REFERENCE**

Members considered the remit and terms of reference for the Committee and recommended a number of minor changes to the presentation of the membership. Members also proposed that the scope of the terms of reference be updated to reflect the broader nature of the regular updates now expected to be considered. The Director of Academic & Corporate Governance went on to suggest that the Committee's delegated powers should be updated to include approval thresholds for the total spend of projects in addition to the existing annual values. Members noted that this approach would clarify arrangements for projects which extend over several years and asked that the University Secretary and Directors of Academic & Corporate Governance and Finance give consideration to appropriate limits.

**Resolved:** to ask officers to refine the remit and terms of reference, and to otherwise endorse them to the Court for approval.

### 5. **YEAR END TIMETABLE**

The Director of Finance outlined the year-end timetable and highlighted the timeframe for the production of the annual accounts.

**Resolved:** to note the timetable.

### 6. **MANAGEMENT ACCOUNTS PERIOD 11/12**

The Committee received the management accounts for the period to the end of June 2016. The Director of Finance presented summary management accounts for the period to the end of July 2016 which were tabled at the meeting, and the Committee noted that the figures were still subject to final review and external audit.

The Committee noted an improvement in the projected operating surplus since the last meeting, with the period 12 accounts indicating a year-end operating surplus before exceptional items of £1.62m relative to the budget of £139k. In response to questions the Director highlighted factors which had contributed to the positive operating variance, which included improvements in school and directorate forecasts despite shortfalls in tuition fee income. In addition, a one-off receipt in respect of a commercialisation interest would mean a significantly higher overall out-turn on the year (£4.94m). In response to questions the Deputy Director of Finance confirmed that the improved out-turn for 2015/16 was unlikely to impact on the already-agreed budget for 2016/17, and drew attention to the fact that, at less than 1% of income, the projected surplus for 2015/16 was well below that recommended by Audit Scotland as being required for financial sustainability. Members noted that forecasting for

2016/17 would be reviewed once student intake student numbers were known, and that clearer forecasting was expected throughout 2016/17 as a consequence of the new management structure becoming further embedded.

The Committee also discussed a number of external risk exposures, in particular the potential impact of the recent strengthening of Sterling relative to the Nigerian Naira on student recruitment in some Schools.

**Resolved:** to note the period 11 accounts and the draft period 12 accounts.

## 7. REMUNERATION COMMITTEE

In line with the remit of the Remuneration Committee, the Finance & Policy Committee received a paper from the University Executive Group which set out proposals for the approach and budget for the remuneration of senior staff in 2016/17. The Committee noted that the review process continued to be improved as a result of the quality of discussions with Deans and Directors, and that the Remuneration Committee expected to have clearer ideas of budget requirements at an earlier stage in future rounds.

Following discussion of the context of the proposal, the Committee recommended that the Court approve the notional remuneration budget for 2016/17 of £107k.

**Resolved:** to recommend to Court that the notional budget for the Remuneration Committee be approved.

## 8. STUDENT RECRUITMENT UPDATE

The Vice-Principal (Learning & Teaching) introduced a paper from the Director of Student Recruitment & Admissions which outlined the recruitment position following confirmation of SQA results but prior to confirmation of A-Level results and clearing. Members noted that with regard to undergraduate Scottish/EU recruitment the University expected to meet its controlled caps, that it was well on target to meet the overall uncontrolled cap, and had met its MD40 commitments. Turning to undergraduate RUK recruitment figures, members noted that there had been improvement in the number of acceptances relative to the same point last year, but that a strong performance in clearing would still be required to deliver growth. Members also noted that full-fee uncontrolled acceptances were slightly down relative to 2015/16 and that a strong performance would also be required in clearing for this intake category.

The Committee also received an update on postgraduate taught recruitment for 2016/17. Members noted that the position had improved relative to earlier in the cycle, and that growth was expected over the full year, with a higher proportion of that growth relating to recruitment in Semester 2 than Semester 1.

The Vice-Principal told members that the University Executive Group had discussed enhancements to the way the University set and monitored student recruitment targets (and associated budgets), which would be taken forward over the coming weeks and lead to a revised approach being taken in the next planning and budgeting cycle. He also undertook to circulate an interim update report to members following the completion of clearing/matriculation.

Members highlighted the recent positive results for the University in the National Student Survey, in particular being placed in the top 10 in the UK with 91% overall satisfaction and a strengthening of positions across the full breadth of subjects. In response to questions the Vice-Principal confirmed the importance of this result in terms of both league table positions and future student recruitment. Members also congratulated the DUSA President on the NSS result for Student Associations, noting that they had been named 4<sup>th</sup> in the UK and number 1 in Scotland.

**Resolved:** (i) to note that the Vice-Principal (Learning & Teaching) would circulate interim update reports to members following the completion of clearing and matriculation; and

(ii) otherwise, to note the report.

## 9. PROJECTS UPDATE

The University Secretary introduced a paper which set out considerations for the future reporting of progress in relation to the key growth and savings projects approved by the Court at its meeting on 6 June 2016. The paper also included a brief interim update on progress relative to each of these projects. In response to questions members indicated a preference for 'reporting by exception' throughout the year, but also indicated that it would be useful to have a sense of how existing projects were proceeding, and of upcoming projects for future years.

Members went on to suggest officers consider the augmentation of the existing 'traffic light' updates with appropriate lead or success indicators.

Turning to the updates, members highlighted the importance of the Biomedical Sciences savings project and asked that further updates be provided in relation to this project given the associated provisions in the budget. Members also noted that it was intended that separate, bespoke updates would be provided for the Business Transformation programme.

The Committee asked that further consideration be given to a mechanism for ensuring that Court received regular updates on progress through provision of a high-level summary or equivalent means, and members suggested that the Convener take forward discussions with officers in this respect.

**Resolved:** to note the report and await future updates.

#### 10. BUSINESS TRANSFORMATION

The Committee received a report from the Director of Business Transformation which summarised key developments in the implementation of the Integrated Business Solution, including progress in relation to contractual negotiations with the preferred partner, TechnologyOne, and expected timelines for implementation. Members were pleased to note the strength of the due diligence undertaken during the contractual process, and that it was anticipated that the contract would be signed in late August/early September. Members also noted the internal communications and human resources challenges associated with the next phase of activity, and the University Secretary confirmed that an event had been arranged to ensure coordination in this respect in advance of the next meeting of the Programme Steering Group.

**Resolved:** to note the report.

#### 11. REVISED CAPITALISATION THRESHOLD

The Deputy Director of Finance outlined a proposal to amend the capitalisation threshold as defined in the Statement of Principal Accounting Policies within the Financial Statements. Members noted that the threshold had not been updated since 1994 and that the recommendation to bring the capitalisation threshold for equipment in line with that for buildings (an increase from £10,000 to £25,000 per item or group of items,) was based upon inflation, alignment with FRS102 rules for grant income, the opportunity to reduce implementation risk relating to the Business Transformation Programme, and alignment to Higher Education Sector norms.

In response to questions the Deputy Director confirmed that the University's External Auditors were supportive of the proposed change and that the Period 12 accounts provisionally incorporated a one off negative adjustment of £890k to reflect the new arrangements proposed. Members noted that a positive impact of £177k, £165k, and £133k was then anticipated in 2016/17, 2017/18 and 2018/19 respectively.

**Resolved:**

- (i) to endorse to the Court an increase in the capitalisation threshold for equipment from £10,000 to £25,000 per individual item or group of items; and
- (ii) to endorse the application of the new threshold to both future expenditure and to expenditure already incurred.

#### 12. PROCUREMENT

The Committee considered a paper which summarised the annual procurement report, the discussion of which had been deferred from the last meeting. The paper also outlined the rationale behind proposed changes to the Procurement team, and members noted that these were primarily aimed at improving effectiveness and meeting the expectations of the Business Transformation agenda. In introducing the paper the Head of Procurement highlighted the benefits of an increased focus on influencing up-front decisions rather than the post-tendering administration aspects of procurement. Members also noted that the business transformation programme would deliver improved management information to inform procurement decision-making.

In response to questions the Director of Finance confirmed that the benefits of the changes outlined were not incorporated in projections for the 2016/17 budget, but that they were accounted for in subsequent years.

**Resolved:** to note the report.

### 13. **CAMPUS SERVICES**

The Director of Campus Services gave a high-level summary of the approach and mechanism by which the Estates Strategy and specific capital investment proposals would be developed and brought to both the University Executive Group and Finance & Policy Committee for consideration. In response to questions the Director confirmed that a 1 year capital plan would be prepared for consideration at the next meeting of the Committee, with a 5 to 10 year plan being developed for consideration at a subsequent meeting.

The Director went on to highlight a number of projects which were currently in the pipeline, including the identification and development of accommodation for the Leverhulme Centre, Business School, and MA Liberal Arts project. He outlined a number of other key projects on the horizon, including: consideration of the replacement of the district heating system and Combined Heat and Power (CHP) Engines; re-cladding of the Tower Building; and the replacement of the Steam Generator in the College of Life Sciences.

The Director also informed the Committee that the first phase of the review of the directorate's organisational and management structure had been completed, and that Liaison Officers had been appointed to ensure effective communication between the Estates & Campus Services team and Schools and Directorates.

**Resolved:** to note the report and await the capital investment plan as noted in minute 2(3).

### 14. **ENDOWMENTS SUB-COMMITTEE**

The Committee received a report from the meeting of the Endowments Sub-Committee on 25 May 2016. Members noted changes to the membership of the Sub-Committee resulting from the retirement of Eric Sanderson as Chair of Court, and the appointment of Ronnie Bowie as his successor from 1 August 2016. The Convener also drew members' attention to the tender exercise for the fund management contract, which was being led by the procurement team.

**Resolved:** to note the report

### 15. **EU REFERENDUM OUTCOME RISKS**

Members received a high-level summary from the University Executive Group (UEG) which set out key issues and risks arising from the outcome of the UK Referendum on EU membership. Members noted that there was a high degree of uncertainty in relation to many matters and the direction which would be taken over the coming months, but that the UEG was closely monitoring the position and associated risks, including: the future fee status of EU students; the approach to freedom of movement and associated potential changes to the immigration and visa system; the attractiveness of the UK to students and staff; Scotland's place in the UK; and changes to UK and EU-wide research collaborations and funding.

**Resolved:** to note the report.

### 16. **FINANCIAL SUSTAINABILITY STRATEGY GROUP (FSSG): 'MIND THE GAP' – UNDERSTANDING THE FINANCIAL SUSTAINABILITY CHALLENGE**

The Committee received a copy of the report from the Financial Sustainability Strategy Group (FSSG) entitled '[Mind the Gap – Understanding the Financial Sustainability Challenge](#)'. Members noted that the report provided an overview of the relationship between the surpluses in the financial statements across the sector, the estimated sustainable cost of institutions, and the gap between them.

**Resolved:** to note the report.

### 17. **PENSIONS SUB-GROUP**

The Committee received the minutes from the meeting of the Pensions Sub-Group on 9 May 2016. Members noted that the Sub-Group had considered an overview of pension matters and legislation for the pensions sector from Mercer, and that it would meet again immediately following the meeting of the Finance & Policy Committee to discuss scenario modelling.

**Resolved:** to note the report.



**18. USE OF DELEGATED AUTHORITY**

The Director of Academic & Corporate Governance informed the Committee that there had been once instance of the use of delegated authority since the last meeting of the Committee. This related to a property disposal on 26 July 2016 in accordance with section 2.5(ii) of the Schedule of Delegation.

**Resolved:** to note the update

**19. DATE OF NEXT MEETING**

The Committee noted the next meeting of the Finance & Policy Committee was scheduled for 3 October 2016.

**Resolved:** to note the date.

**20. ACTION LOG**

The Committee noted the action log for Committee business. In particular members noted that work was on-going in relation to the development of a Future accommodation strategy, including breakdown of spread of accommodation types amongst student body.

**Resolved:** to note the log.