Response from the University of Aberdeen Development Trust

The Trustees of the University of Aberdeen Development Trust welcome the opportunity to provide comments to the Committee on the Higher Education Governance (Scotland) Bill. It should be noted that the Trust is a separate charity, independent of the University of Aberdeen but which exists for the sole charitable purpose of raising funds to benefit the University.

It is rare that the Trust would feel obliged to comment on draft legislation. It is, therefore, a measure of our deep concern regarding the purpose, proposals and potential impact of this Bill on both the University of Aberdeen and the wider higher education sector in Scotland, that we submit this response. It is not evident what ‘problem’ in governance this Bill seeks to address and the case for many of the proposals appears more political than evidence based. It is evident, however, that the Bill risks creating a set of problems for universities which may have a detrimental effect on governance and perhaps more critically, undermine their ability to compete internationally. The documentation in support of the Bill has not outlined if it will enable Scotland’s universities to advance their competitive position. We are also aware that several of the proposals have come forward despite a majority of responses in the pre-legislative consultation expressing their opposition to them.

As a Trust which seeks to fundraise in support of the University a key concern, however, is that the Bill may result in either a loss of charitable status for the University or reclassification by the Office of National Statistics (ONS) as a public/government body. These are both consequences which would significantly inhibit the capacity of the Development Trust to raise funds through donations and philanthropic giving to the extent that we currently do. By way of context, it may be helpful to the Committee to note that the Trust raised £6.4M in donations in 2013/14 and is in the process of preparing for the launch of a major new fundraising with a multi-million pound target which will build on a previous campaign that closed in 2010, and raised over £150M. That income stream enables the University to invest in new facilities and staff, and to provide bursary support for students which simply would not be possible otherwise. Philanthropic giving and donations are a hugely important means by which the University can make public funding go further in support of students and ensuring institutions like Aberdeen can continue to provide a world class educational experience. As such, it seems self-evident that Scotland should help universities to harness philanthropy and we hope that the critical importance of this to the future of universities will be recognised and protected.

Impact of the Bill on the Autonomy and Competitiveness of Universities

We note that the Bill includes a range of proposals regarding what are quite detailed matters of the internal governance of Universities – the process of appointment of the Chair of a governing body, the composition of the governing body, and the composition of the academic board (Senate). At the general level, it is concerning that Government considers it appropriate to legislate on the internal governance of a charity. We are more concerned still that the Bill appears to give Ministers new and extensive powers over the internal governance of universities. This represents a fundamental diminution in the autonomy of universities and underlines the principle that universities should be independent from political control.
ONS Reclassification and Loss of Charitable Status

Aside from our concern about the consequences of the loss of institutional autonomy for Scottish society and the need for universities to fulfil their role as an independent voice in civic life, we are particularly concerned that the extension of Ministerial control over matters of internal governance will endanger the University’s charitable status and/or reclassification as a public/governmental body.

Such a reclassification or loss of charitable status would have far reaching financial implications for universities one of which would be with regard to fundraising. It is widely known that donors are reluctant to give to institutions who are not charities or who are government or quasi-government bodies. Over the past decade, the University of Aberdeen has been very successful in harnessing the goodwill of its alumni and wider stakeholders to help support major new projects such as the Sir Duncan Rice Library and the Suttie Centre for Teaching and Learning in Healthcare and for a range of scholarships to support students. All of that support has helped the University to deliver an improved student experience for Scottish students and to support the Scottish Government’s priorities for the economic, cultural and societal growth of Scotland. At a time when public finances are so stretched, Scotland can ill afford to cut off or significantly inhibit the option of philanthropic and charitable giving from its universities. This is a key issue which we would suggests needs to be at the fore of Parliament’s scrutiny of this Bill.

Ends

Mr Sandy Manson, Chair
On behalf of the Trustees of the University of Aberdeen Development Trust