

**Agenda for a meeting of the Central Management Group
to be held at 10.30 am on Wednesday, 25 January 2012
in the Raeburn Room, Old College**

- | | | |
|--|---|----------|
| 1 | Minute of the meeting held on 14 November 2011 and electronic meeting concluded on 9 December 2011 | A |
| 2 | Matters Arising | |
| 3 | Principal's Business | |
| 3.1 | Principal's Communications | |
| 3.2 | Principal's Strategy Group | B |
| FOR DISCUSSION | | |
| 4 | Financial Update (Closed) | C |
| 5 | Proposal for special fee incentive scheme for Online Distance Learning programmes | D |
| 6 | REF Code of Practice (closed) | E |
| FOR INFORMATION/FORMAL APPROVAL | | |
| 7 | Reports and Financial Statements for year ended 31 July 2011 | F |
| 8 | Review of 2010/2011 Outturn versus Forecast (closed) | G |
| 9 | Quarter 1 Management Accounts Forecast 2011-2012(closed) | H |
| 10 | Draft Financial Regulations (closed) | I |
| 11 | Quarterly Health and Safety Report | J |
| 12 | Health and Safety Committee: Terms of Reference | K |
| 13 | Changes in public procurement law affecting University purchasing | L |
| 14 | Report from Estates Committee (closed) | M |
| 15 | Shared Academic Timetabling Project – Update | N |
| 16 | Fees Strategy Group Report (closed) | O |
| 17 | Admission Issues relating to 2012/2013 entry (closed) | P |
| 18 | Proposal to create a new Chair of Economics | Q |
| 19 | Proposals to create three Personal Chairs in the School of Informatics | R |
| 20 | Any Other Competent Business | |
| 21 | Date of next meeting | |

Wednesday, 7 March 2012 in the Raeburn Room, Old College

Central Management Group



Monday, 14 November 2011

MINUTE

Present: The Principal (in the chair)
Senior Vice-Principal Professor N Brown
Vice-Principal Professor M Bownes
Vice-Principal Professor C Breward
Vice-Principal Professor S Hillier
Vice-Principal Professor D Hounsell
Vice-Principal Professor R Kenway
Vice-Principal Professor D Miell
Vice-Principal Professor L Yellowlees
Professor J Seckl
Acting Vice-Principal Professor S Cunningham-Burley
Mr N A L Paul
Dr K Waldron

In attendance: Dr I Conn
Dr A R Cornish
Mr A Currie
Mr J Gorringe
Ms S Gupta
Mr D Waddell
Ms A Ridge (for item 15 only)
Dr K J Novosel

Apologies: Vice-Principal Professor C Jeffery
Vice-Principal Professor J Haywood
Vice-Principal Professor L Waterhouse
Ms F Boyd

1 MINUTE OF THE MEETING HELD ON 11 OCTOBER 2011 Paper A

The Minute of the meeting held on 11 October 2011 was approved as a correct record.

2 PRINCIPAL'S BUSINESS

2.1 Principal's Communications

The Principal reported on the following: Remembrance Service; recent positive media coverage of various activities within the University; current position on student applications for 2012/2013; current progress on improving student experience around academic and pastoral support; issues around the border agency; and various interactions with Scottish politicians.

2.2 Principal's Strategy Group Paper B

CMG noted the PSG report.

FOR DISCUSSION

3 FINANCE UPDATE (CLOSED)

Paper C

It was noted that the draft Reports and Financial Statements would be considered at the next meetings of the Finance and General Purposes Committee and Audit Committee prior to consideration and approval at Court on 12 December 2011. The Accounts recorded a surplus in 2010/2011 of £42m. CMG further noted the current position in respect of the USS valuation and that although a deficit assumption had been made this was not anticipated to result in required increases in either employer or employee contributions. It was confirmed that in respect of research grants the euro exchange rates were being closely monitored.

4 MAJOR PLANNING ROUND ISSUES 2012/2013 (CLOSED)

Paper E

The planning assumptions for 2012/2013 were approved by CMG noting these were based on the expectation that the Scottish Government's proposed Spending Review 2011, the draft budget for 2012/2013, and the draft Student Fees (Specification) (Scotland) Order 2011 would be approved and on the Scottish Funding Council's implementation of the Ministerial Letter of Guidance. CMG noted that, nevertheless, because the economic climate remained uncertain, both globally and particularly in the Eurozone, the risk of an emergency Spending Review at Westminster with consequent revisions to the Scottish Government budget and SFC settlement could not be ruled out.

CMG noted that the University continued to deliver a strong academic and financial performance and that Colleges and Support Groups had expeditiously built up reserves, maintained expenditure and increased income thus ensuring that the University was in a healthy position going forward. CMG took cognisance of the various cost pressures including salaries and pensions, utilities and financing of the capital programme as well as the continuing need to maximise income. Based on these assumptions an indicative uplift to core budgets of 3% was approved for 2012/2013. It was noted that further information on indicative changes to core budgets for 2013/2014 and 2014/2015 would be circulated shortly. CMG further suggested that it may be appropriate to review the current proposed funding available to the staff reward process.

5 STRATEGIC PLAN 2008-2012 TARGETS – ANNUAL PROGRESS REPORT

Paper F

CMG commended this useful report, noting the status of each of the 33 targets and that the majority had now been met, exceeded or were on track to be achieved. The targets which now were unlikely to be achieved were noted particularly including those associated with student satisfaction as measured by the NSS and philanthropic giving by alumni; the actions being taken to progress in these areas were also noted.

6 CHANCELLOR'S FELLOWSHIPS

Paper G

The proposals were fully supported and welcomed by CMG.

- 7 REPORT FROM STAFF COMMITTEE Paper H**
- CMG noted the report and welcomed the intention to convene a meeting of the Staff Committee early in the new year to focus on discussion on the people aspects of the new Strategic Plan. The Group further noted the information on taking forward a University wide mentoring scheme and progress on the development of a REF Code of Practice particularly welcoming the consultation with Colleges and Schools on the draft Code and recognising the importance of ensuring that the proposed process was robust. In terms of the new Appeals process the Group noted the number and outcome of appeals lodged from 1 April to 30 June 2011.
- 8 ENHANCED GUIDANCE ON ACADEMIC PROMOTIONS (CLOSED) Paper I**
- The proposal to initiate a project to develop guidance to improve the understanding of the current academic promotion process in respect of excellence in learning and teaching and other areas such as public engagement was approved by CMG.
- 9 DEVELOPMENT AND ALUMNI UPDATE (CLOSED) Paper J**
- CMG welcomed confirmation that the current University Campaign was close to achieving the target of £350m and was supportive of the opportunity taken to review the current successes. CMG endorsed the proposed changes to the delivery of Development & Alumni services including a restructuring of the department. The proposals would assist in better integration with Colleges and Support Groups and focus fundraising activity around the four themes of: research, heritage and culture, scholarship and bursaries, and capital projects.
- 10 SENATUS RESEARCHER EXPERIENCE COMMITTEE TASK GROUP REPORT: A STUDY OF PG CONVERSION RATES (CLOSED) Paper K**
- CMG was very supportive of the review undertaken by this Senatus Committee Task Group and commended and approved the excellent recommendations to improve the current conversion of an offer of a postgraduate place into acceptance and matriculation. It was noted that these recommendations were subject to appropriate resources being available.
- 11 UNITED NATIONS REGIONAL CENTRE OF EXPERTISE (UN RCE) IN EDUCATION FOR SUSTAINABLE DEVELOPMENT Paper L**
- The proposal to progress to the next stage of the United Nations RCE application process was approved, noting the intention to bid for the status of Scottish Regional Centre and the support of external stakeholders.
- FOR INFORMATION/FORMAL APPROVAL**
- 12 MANAGEMENT ACCOUNTS FOR THREE MONTHS TO 31 OCTOBER 2011 (CLOSED) Paper M**
- CMG noted the very positive position at the end of the first quarter, noting some slight concern on the decrease in research expenditure compared to the same period last financial year.

13 NPRAS SPACE RATES FOR 2012-2013 Paper N

CMG approved the revised NPRAS space rates to be applied for 2012/2013 planning and budgeting purposes which reflected the uplift required to meet building maintenance costs and increases in utility prices.

14 HIRING AGENCY WORKERS Paper O

It was noted that the Agency Workers Regulations 2010 had come into force on 1 October 2011 and that this Policy had been developed in light of the requirements of this new legislation. CMG approved the Hiring Agency Workers Policy to be applied across the University which would be challenging in those areas such as Accommodation Services with currently high levels of agency workers.

15 PRINCIPAL'S CAREER DEVELOPMENT PhD SCHOLARSHIPS Paper P

CMG fully supported the proposals set out in the paper and to increase the funding available to this scheme.

16 DATE OF NEXT MEETING

Wednesday, 25 January 2012 in the Raeburn Room, Old College.

Note of Electronic Meeting concluded on 9 December 2011

1 FEES STRATEGY GROUP: NOTE OF MEETING OF 18 NOVEMBER 2011 Paper A

CMG approved the proposals in respect of the PGT Distance Education Initiative, outstanding fee proposals, tuition fee policies 2012/2013 onwards and the timing for setting PGT tuition fees.

2 ACCOMMODATION SERVICES: STUDENT RENTS FOR 2012/13 AND INDICATIVE INCREASES FOR 2013/14 AND 2014/15 Paper B

It was noted that these proposals had been endorsed by the Fees Strategy Group and CMG approved the cross-subsidy of £1.831m from commercial surplus to student rents, the base increase in student rents of 2% for 2012/2013 and indicative increases for 2013/2014 of 2.5% and for 2014/2015 of 3.5%.

The University of Edinburgh

Central Management Group

25 January 2012

**Principal's Strategy Group Meeting
14 November 2011**

Amongst the items discussed were:

1. Planning Round Issues

Members discussed the current position.

2. Intake Targets Proposals

Members discussed the current position and agreed to finalise the targets once the Main Grant Letter is received from SFC.

3. Chancellor's Fellowships

Vice Principal Brown gave further information on the University initiative to recruit circa 75 Chancellor's Fellows.

4. Holyrood Development

The Group received an update on the current status of this project.

**Principal's Strategy Group Meeting
28 November 2011**

Amongst the items discussed were:

1. Framework of Proposals on Student Support

Members discussed, and gave their support to, the proposals outlined by Vice Principal Hounsell. The Group will meet again to discuss the proposals further in one week.

2. English Language Support for International Students

Members endorsed the proposal for the future funding of the English Language Teaching Centre.

3. REF2014: Code of Practice

Members discussed the paper and offered advice on the Code of Practice which outlines the University's approach to fulfilling Equality and Diversity responsibilities for REF2014.

**Principal's Strategy Group Meeting
5 December 2011**

Amongst the items discussed were:

1. Framework of Proposals on Student Support

Members endorsed the final aspects of the new Personal Tutor system including a 0.5% budgetary increase to Colleges and relevant Support Groups to assist with the implementation.

2. ELIR

PSG commended Assistant Principal Harrison for leading a very successful ELIR outcome for the University.

The University of Edinburgh

Central Management Group

25 January 2012

Finance Update

Brief description of the paper

The paper summarises the latest actions being taken to maintain the University's financial stability and the external factors that are having a bearing on future funding and costs.

Action requested

The Group is asked to note the content and approve the approach being taken.

Resource implications

Does the paper have resource implications? Yes

As detailed in the paper.

Risk assessment

Does the paper include a risk assessment? Yes

As detailed in the paper.

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the commercial interests of any person or organisation.

For how long must the paper be withheld? 2 years

Originator of the paper

Jon Gorringer, Director of Finance
17 January 2012

The University of Edinburgh

Central Management Group

25 January 2012

D

Proposal for special fee incentive scheme for Online Distance Learning programmes

Brief description of the paper

This paper proposes the removal of all online distance learning programmes from NPRAS due to the exceptional circumstances of this development, and lays out an alternative fee incentive scheme.

Action requested

CMG is invited to discuss and approve the proposal.

Resource implications

Does the paper have resource implications? Yes. Fee incentive schemes are set up with the aim of increasing the generation of fee income. Removing programmes from the NPRAS fee income incentive scheme has implications for the distribution of income between units, and additional administrative work.

Risk Assessment

Does the paper include a risk analysis? No.

Equality and Diversity

Does the paper have equality and diversity implications? No.

Freedom of Information

Can this paper be included in open business? Yes.

Originator of the paper

Professor Jeff Haywood
Helen Stocks
18 January 2012

Proposal for special fee incentive scheme for Online Distance Learning programmes

At CMG of 24 August 2011, it was noted in the paper from Fees Strategy Group in the section on the Distance Education Initiative that all Online Distance Learning (ODL) programmes would be included in NPRAS, as per the financial model for the ODL initiative.

However, on further exploration there are strong reasons for these programmes being treated outwith the NPRAS model.

The first concerns the agreed understanding between the three Support Groups that the load on support for ODL students and programmes differs significantly from that for on-campus students and programmes. To this end the Support Groups are agreed that the split of fee income that they receive through NPRAS is not appropriate to the split of workload falling on them from ODL programmes, therefore a split specific to ODL has been proposed¹ that distributes more to ISG and SASG.

The second consequence is for Colleges, where income from all teaching sources is aggregated, and it is therefore more complex to extract ODL fee income and pass it all without a College topslice to Schools that have earned it. The desire to pass on this level of fee income is to ensure that Schools are as incentivised as possible to embark on this new area of business, where uncertainty for them is higher than normal.

Placing all ODL programmes in a new and discrete budget line will eliminate these two problems. There will be a knock on effect of additional work at central level, which we are seeking ways to simplify with automatic flags for ODL programme in the student record system.

Proposed special fee incentive scheme

Scope: The scheme to include the fee income of all students on ODL programmes commencing 2011/12 or later, whether DEI funded or not. No programmes with students matriculated in 2010/11 or before will be included in the scheme. Note that students registered on a standalone ODL course but not matriculated on an ODL programme will be excluded from the scheme and conversely fee income paid by students matriculated on an ODL programme for a non-ODL course will be included in the scheme.

Distribution of fee income: On an absolute non-recurrent basis annually. 80% of fee income allocated to the College of the school owning the programme, the remaining 20% split CSG = 42.6%, ISG = 32.2% and SASG = 25.2% (i.e. 8.5%, 6.4%, 5.1%).

Administrative process:

- Fee income paid or due to be paid by students matriculated on the eligible programmes, to be extracted from SITS once annually on 31st March by Fees Section Registry, and details sent to nominated person in the School owning the programme for confirmation/querying.
- Once the fee income amount for an individual programme has been agreed between the School and Registry, Registry to make the internal transfer to the College.
- Once the amount of fee income for all programmes has been agreed for a given year, Registry to make the internal transfers to SGs per the above split.
- Fee income, whilst charged to the student by the course, will be presented by student/programme for the purpose of fee income allocation.

Duration of the scheme: To review the scheme and the exclusion from NPRAS (or the prevailing resource allocation system at the time) in 2016/17.

¹ NPRAS distribution to SGs is pro rata to recurrent budgets, which in 2011/12 are: CSG 58.0%, ISG 26.7%, SASG 15.2%; ODL distribution CSG 42.6%, ISG 32.2%, SASG 25.2%

The University of Edinburgh

Central Management Group

25 January 2012

REF 2014 - Code of Practice

Brief description of the paper

The attached Research Excellence Framework 2014 (REF 2014) - Code of Practice on Equality and Diversity (hereafter referred to as the Code of Practice), has been developed in accordance with the Higher Education Funding Council's (Hefce) 'Assessment Framework and Guidance on Submissions', and provides guidance on equality and diversity considerations when dealing with the selection of staff for the REF submission.

Action requested

CMG is asked to consider and advise upon the attached Code of Practice and recommend approval to Court.

Resource implications

There are resource implications involved in providing training and development for staff and in terms of staff time in implementing the Code of Practice.

Risk assessment

The Code of Practice provides guidance and advice on how to manage the selection of staff for submission in the REF 2014 exercise in accordance with Hefce Guidelines, employment law and good practice.

Equality and diversity

The Code addresses equality and diversity implications and ensures that the University is acting in accordance with its legal obligations and prevailing good practice on equality and diversity.

Freedom of information

Can this paper be included in open business? No

Originator of the paper

Sheila Gupta
Director of Human Resources

The University of Edinburgh

Central Management Group

25 January 2012

Reports and Financial Statements for year ended 31 July 2011

Brief description of the paper

Reports and Financial Statements for the Year to 31 July 2011.

Action requested

The draft Reports and Financial Statements were reviewed by the Finance and General Purposes Committee and the Audit Committee and at their meetings on 21 and 22 November and approved at the Court meeting in December 2011. Copies of the Financial Statements have been lodged with the Scottish Funding Council.

CMG is asked to note £42m surplus and the continuing financial strength of the University.

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? Yes

Originators of the paper

Jon Gorringe
Director of Finance



THE UNIVERSITY *of* EDINBURGH

Reports and Financial Statements for the year to **31 July 2011**

Scottish Charity Number SC005336



CONTENTS

	Pages
Principal's Report	2-5
Operating and Financial Review	7-10
Corporate Governance Statement	11-14
Responsibilities of the Court	15-16
Membership of Court and Committees	17-18
Auditor's Report	19
Financial Statements	
Group Income and Expenditure Account	20
Group Statement of Historical Cost Surpluses and Deficits	21
Group Statement of Total Recognised Gains and Losses	21
Balance Sheets	22-23
Group Cash Flow Statement	24
Notes to the Accounts – Note 1: Statement of Principal Accounting Policies	25-28
Notes to the Accounts – Notes 2 to 38	29-58
Five Year Summary	59

Principal's Report

For the year ended 31st July 2011

I am pleased to report that the University has had another very positive year. The overall financial performance of the University has remained strong, with a surplus of £42 million being achieved on a turnover which increased from £634 million to £651 million. This level of surplus was the result of continuing action to increase income and control costs across the University, to conserve resources against a background in which our Scottish Funding Council funding has been reduced by 5.3% in cash terms for 2011-2012. This financial success means that the University is well placed to continue to invest in support of its key strategic aims.

Students

International undergraduate and all categories of postgraduate students increased strongly last year delivering an overall £13.8 million increase in student fees.

The attractiveness of the University to students from around the world was reinforced by our performance in terms of employability in both the QS World University ranking in which the University was placed 15th and the best of our peers in the UK in a HESA survey, which showed that 94.5% of 2009-10 students leaving, were either in employment or further study six months after graduating.

Building on the quality of what we offer our students, we are using our strong financial performance to build a University wide Languages for All programme delivered by the College of Humanities and Social Science. After a successful pilot, the plan is to now offer free courses to 600 students per annum, covering all the major European languages, plus Russian, Arabic, Brazilian, Portuguese and Japanese. This activity fits perfectly with the University's aim of being a globally important university producing graduates with the skills to thrive in the global economy.

Distance Education Initiative

In the last year, a University wide project has commenced to substantially increase online distance learning at postgraduate level. Funding of £4.5 million over 5 years has been approved. This investment to reach new postgraduate student audiences is part of the University's strategy to both enhance its reputation by delivering modern, high quality education and an aim to diversify our income streams. The first courses launched are an MSc in Global Challenges led by the School of Social and Political Studies and a Master of Surgery (ChM) developed by the School of Clinical Sciences and Community Health.

We expect to be using our strong financial position to invest further in this area.

Research

The University continued to produce hugely diverse research throughout the past financial year which demonstrated its potential to improve our understanding of the world or simply to fascinate the world's media by its findings. Highlights include:

- One study, published in the journal "Economics and Human Biology" and compiled by Edinburgh University researchers, claimed that attractive people are not only selfish by nature, but also more self-sufficient and less likely to ask for help. The research was presented at the annual Nobel Laureate Meeting in Germany and attracted worldwide media attention.
- The scientists from the University's Roslin Institute, working with colleagues from Cambridge, developed genetically modified chickens which could stop bird flu outbreaks spreading within poultry flocks. The development will protect the health of domestic poultry and could also reduce the risk of new flu virus epidemics in humans.
- A University study evaluated a highly sensitive blood test which could help identify heart attacks in thousands of patients, who would otherwise have gone undiagnosed. The test, which identifies heart muscle damage, found that it detected heart attacks in a third more patients who were admitted to hospital with chest pain than previous tests.
- University of Edinburgh scientists created human kidneys from stem cells in a breakthrough which could result in transplant patients growing their own organs. The artificial organs were created in a laboratory using human amniotic fluid and animal foetal cells. The researchers hope they will grow into full-size organs when transplanted into a human. The breakthrough could lead to patients creating their own replacement organs without the risk of rejection, a common complication in transplant procedures.
- Elsewhere, researchers from the University's Business School, in conjunction with the School of GeoSciences, published research on the impact of climate change on important archaeological remains that have been frozen for centuries. Remains in some of the coldest places on earth are being exposed as warmer temperatures cause ice and hardened ground to thaw. The fragile materials at risk include ancient tombs, artefacts and human remains. They are often culturally significant, especially for indigenous populations. Scientists at the University of Edinburgh's Business School studied cases of damaged remains in three locations around the world – at permafrost in the Altai Mountains in central Asia, sea ice in Alaska and glaciers in the Rocky Mountains. They found coastal erosion caused by retreating sea ice is damaging remains in an Inuit village in Alaska, including a fourth-century coastal cemetery. Melting glaciers in the Rocky Mountains pose a threat to Native American human

Principal's Report

continued

remains and artefacts such as hunting tools, weapons and clothing.

- With our strong financial performance, we are looking to invest in around 100 Chancellors Fellows to attract the very best early career academic staff and also expand the number of scholarships for postgraduate research students. These actions are aimed to give a strong boost to our long-term research performance.

Estates

An important aspect both in investing in the future and in sustaining our current international competitiveness, is our continuing investment in our estate. We opened a number of new teaching and research facilities during the year. Major developments completed include the new veterinary teaching building at Easter Bush, which is a leading training centre and hospital for treatment of all kinds of animals. In June 2011, scientists from The Roslin Institute at the University of Edinburgh officially took up residence in a new purpose-built centre with partners from the Scottish Agricultural College. A total of 500 scientists now work at The Roslin Institute building on the outskirts of Edinburgh, which has received key funding from the Biotechnology and Biological Sciences Research Council (BBSRC). Research in this new building is aimed at improving the health and welfare of livestock animals and the sustainability of food production.

At Little France BioQuarter, the Scottish Centre for Regenerative Medicine will be operational later this year: this development brings together world leading basic stem cell research with established clinical excellence, to deliver a "bench-to-bedside" approach, aimed at developing new treatments for major diseases including cancer, heart disease, diabetes and also degenerative diseases such as multiple sclerosis, Parkinson's disease and liver failure.

We have also seen the completion of further phases of the main library redevelopment. The transformation has been impressive; the library is now a state of the art space for student study in the 21st century and it is gratifying to see that renewal of our existing estate is having a similar impact to the building of new facilities.

Over the coming year, a new Library facility at King's Buildings will be completed. This will provide facilities at King's Buildings to a similar standard as those in the Central Area of the city. It will be a first phase in providing students with a 'living heart' and focal point, encouraging students to remain longer at King's Buildings, enhancing the intellectual community of the campus.

An Edinburgh Centre on Climate Change (ECCC) is being developed. This is intended to be a centre for innovation, fostering collaborative working in support of workable solutions for a low carbon future. There are also plans to extend our

Combined Heat and Power capacity in the central area, to help lower energy consumption and to reduce carbon emissions.

Knowledge Transfer

The University's commercialisation and knowledge transfer activities continue to make a very positive impact on the economy. The University created 35 new companies in the year to July 2011 including a record 30 companies from the student base. The support provided by the student-focused Launch programme has been recognised as class-leading. Edinburgh has been shortlisted in the Entrepreneurial University of the Year category in the 2011 Times Higher Education Awards, as well as again being short-listed in the Education Investor awards. Our Licensing team concluded 65 agreements to transfer University technology to industry, including many SME's and our consultancy activities generated a record £5 million of new income.

International

The University has continued to pursue its international agenda with a range of exciting developments.

The Global Development Academy and the Global Environment & Society Academy were launched in October 2010 and June 2011 respectively. Together with the Global Health Academy, the academies bring together experts from across the University to tackle big issues facing the world.

The Confucius Institute goes from strength to strength and is now one of the most successful of its kind, being nominated 'Institute of the Year' for the fourth consecutive year.

The Princess Dashkova Russian Centre was officially opened in October 2010 providing a base for Russian research.

In February 2011 the University built on its longstanding ties with India by opening a new liaison office in Mumbai. The office will simplify communication and collaboration between the University and partners in Indian education, business and government. By working with partners within India, the University's presence in Mumbai will impact on wider society, helping to tackle a range of pressing concerns such as environmental challenges, economic development and health issues. To celebrate the launch, a series of public lectures was held in Delhi, Mumbai and Bangalore.

To coincide with the official opening, the University launched a new degree that trains students to aid in India's development. Students are being recruited for the University's masters programme on South Asia and International Development. The degree prepares students to work in areas in India, Pakistan, Bangladesh, Nepal and Sri Lanka. It will focus on issues such as the gap between rich and poor in the rapidly developing region and the impact of history on South Asian development.

Principal's Report

continued

In February the virtuoso violinist Nicola Benedetti backed a new scheme to support Italian Studies at the University of Edinburgh. The classical music star became patron of a scheme to provide scholarship opportunities for postgraduate students in Italian Studies at the University of Edinburgh. Scots-born Ms Benedetti, who is proud of her Italian heritage, launched the Nicola Benedetti Scholarship Fund to generate opportunities for students who otherwise may not have the chance to take part in Italian Studies at Edinburgh. The fund will seek to provide scholarships for Masters, PhD programmes and Postdoctoral Fellowships in Italian Studies including research in Italian visual arts, music, literature, history and philosophy.

It was announced in May 2011 that international animal welfare was to be the focus of a centre that aims to equip the next generation of vets to improve the plight of animals across the world. The Jeanne Marchig International Centre for Animal Welfare Education is to form an integral part of the University of Edinburgh's Royal (Dick) School of Veterinary Studies. Staff in the £2 million centre will collaborate with international partners to deliver wide ranging educational initiatives catering for different audiences and cultures. Education on animal welfare issues will also be strengthened for students at the Royal (Dick) School of Veterinary Studies.

A paper outlining the progress of the Internationalisation Strategy over the past two years and laying down a framework for the future of Edinburgh Global (2012-16) was approved by the Central Management Group in May 2011. The aim is that the next phase of Edinburgh Global will be fully harmonised with the University of Edinburgh Strategic Plan 2012-16.

Edinburgh International City of Learning was launched in June 2011. EICL brings together Edinburgh Universities, Colleges and the Education Authority in projects focusing on internationalisation, holistic global learning and citizenship, resurrecting the spirit of David Hume and the old traditional close working relationship between town and gown.

Fundraising

2010-11 was a record year for income to the University of Edinburgh Development Trust (the Trust), which received £23.4 million in income for University priorities, as per its Statement of Financial Activities. The income in 2009-10 was £10.23 million and the previous record was £12.5 million.

Major gift fundraising continues to generate the vast majority of the income for the Trust, although from a relatively small number of donations. During the year twenty-one major gifts in excess of £50,000 were received by the Trust towards various campaign projects. This was a decline on the previous year, in which the Trust received 27 major gifts, however the average value of

these gifts rose to more than £700,000.

Below I have highlighted some of the major gifts from donors that did not wish to remain anonymous.

- Dr J K Rowling provided £10 million to support the establishment of the Anne Rowling Regenerative Neurology Clinic. This clinic will place patients at the heart of research to improve outcomes for multiple sclerosis sufferers. It will focus on patient-based studies to help find treatments that could slow progression of the disease, working towards the eventual aim of stopping and reversing it. The Anne Rowling Regenerative Neurology Clinic is named after Ms Rowling's mother, who died of multiple sclerosis aged 45.
- The Alwaleed Bin Talal Foundation provided a further £2 million towards the Centre for Islamic Study in the Contemporary World. The Foundation has now donated £6 million towards the Centre with a further £2 million pledged.
- Through the generosity of the Worldwide Support for Development and Dr. Handa Haruhisha the Handa Chair in Japanese Chinese Relations was established with a donation of £200,000, the first instalment of a £1 million pledge.
- The Marchig Animal Welfare Trust continued its funding of the Royal (Dick) School of Veterinary Medicine with a further donation of £400,000 and Piggy Bank Kids also continued their long term relationship with the University with a donation of £250,000 in continued support for the Jennifer Brown Laboratories.
- Continuing support from Wolfson Microelectronics was demonstrated by a donation of £105,000 to the Wolfson Postgraduate Fund and the Binks Trust has established the Binks Trust International Postgraduate Scholarship fund with a donation of £200,000.

We are currently working to increase our success in this area by enhancing the Development and Alumni team.

Mergers

In Spring 2011, the Scottish Parliament formally gave its approval to the proposal for merger between Edinburgh College of Art and the University of Edinburgh. The merger took place as planned on 1 August 2011. The merger heralded a step change in academic collaboration between the two institutions, bringing considerable benefits to students, the arts and creative industries and, more widely, to Scottish Higher Education, society and the economy. I am certain that ECA can thrive academically and be financially sustainable within the University.

The University has also been taking forward the merger of the Medical Research Council's Human Genetics Unit based at Western General Hospital in Edinburgh, into the University to form

Principal's Report

continued

the Institute of Genetics and Molecular Medicine. This institute will bring together a powerful group of medical researchers to form one of the largest aggregates of human molecular genetics research capability in the UK. This merger took place on the 1st October 2011.

The success to date of the Roslin Institute since its merger into the College of Medicine and Veterinary Medicine in 2008, shows that not only has the University the capability to negotiate and integrate other institutions into the University, but also deliver a step change improvement in performance within a short period after the merger is complete.

The Way Ahead

In the last year we have seen a fundamental change in the way universities are to be funded following the announcement of the introduction of variable fees of up to £9000 for England and the reactive announcements by the devolved governments. For this university, the announcement of the Scottish Government's Spending Review has been encouraging. The funding reductions of 2011-12 are being reversed and should result in Edinburgh's overall funding keeping pace with our UK competition. Alongside the increased fees for rest of UK domiciled students, the University is introducing a very generous bursary scheme to continue to make it possible for young people from the rest of the UK to afford to come to Edinburgh. In addition, we are putting aside a fund in the region of £10 million to offer a larger number of Scottish domiciled students financial support. The level of certainty as to our funding, gives us a good base to continue to improve as a university across our wide range of internationally competitive activities.

It is enormously encouraging that the University has maintained its strong forward momentum during a very challenging economic and funding environment. This could not have been achieved without the skilled and committed community of staff, students and supporters ably guided by the University Court to whom I express my thanks.



Professor Sir Timothy O'Shea
Principal and Vice-Chancellor



Operating and Financial Review

For the year ended 31st July 2011

Scope of Financial Statements

The Financial Statements comprise the results of the activities carried out by the University as a legal entity, consolidated with the results of subsidiaries which cover an additional wide range of activity. These subsidiaries are involved in facilitating conferences; combined heat and power; and publishing operations, which for commercial, legal and taxation issues are channelled through limited companies. The subsidiaries transfer the whole of their taxable profits to the University by gift aid. During the year the University set up a new venture investment arm, Old College Capital to provide funding for spin-out companies and to participate in early stage investment rounds in University spin-outs. It also formed FloWave TT Ltd to build and run an advanced waketank test facility and Research into Results Ltd which delivers research and project management services in the area of international development.

Summary of Results for the Year

The University has delivered a very strong financial performance over the last financial year. This has been the result of strategic decisions taken in 2008, to push harder to diversify our income away from public funding and drive efficiency in all we do, against a background of planned reductions in UK Government spending following the Global Financial Crisis.

The income and expenditure position is summarised below

	2011 £m	2010 £m
Income	650.8	634.0
Expenditure	607.1	613.9
Operating Surplus	43.7	20.1
Loss on disposal of fixed assets	(0.1)	(1.0)
Other Items	(1.4)	(0.8)
Surplus Retained within general reserves	42.2	18.3

Not surprisingly the growth in turnover of the University has slowed to 2.6% compared to 7.2% in the previous year. This is the result of the contraction in our infrastructure funding from the Scottish Funding Council and research income falling, particularly from UK and Scottish Government bodies and health authorities.

The retained surplus for the year of £42.2 million reflects the University's success in growing non-governmental income and containing staff cost growth well below the rate of inflation. This level of surplus is the direct result of budget holders across the University retaining the benefits of their strong financial performance and effective cost control to provide the resources that will enable the University to maintain forward momentum as we move to a new funding environment for rest of UK students

and cope with large cuts in funding for teaching in 2011-12. From next year the cost of investment in new staff, rising non-staff costs and high inflation must also be met. The surplus also enables the University to fund capital spending on a sustainable basis at the level required to maintain and enhance our estate and infrastructure against a background of very large reductions in government capital funding.

Our strong performance in maintaining our growth in income from students has continued. Overall tuition fees grew by nearly 13% with again particularly strong growth in international student fees.

Student numbers	Taught			Research	Total
	Under-Graduate	Post-Graduate	Post-Graduate		
2010-11					
Scotland	8,304	2,021	1,610		11,935
Rest of the UK	5,891	843	704		7,438
EU non UK	1,718	861	666		3,245
Outwith EU	3,193	1,913	1,254		6,360
	19,106	5,638	4,234		28,978
2009-10					
Scotland	8,757	2,058	1,526		12,341
Rest of the UK	6,200	685	602		7,487
EU non UK	1,719	777	625		3,121
Outwith EU	2,851	1,458	1,135		5,444
	19,527	4,978	3,888		28,393

The slight reduction in the number of UK students was planned in order to bring actual student numbers into line with our numbers funded by government.

Despite the overall reduction in research grants and contracts income, it was encouraging to see that in the most competitive area of Research Councils we saw growth of just over 2%.

Other income increased by over 10%, the result of the very strong performance of many of our subsidiary companies. Increased profitability was achieved which was transferred by Gift Aid to the University. There was also an exceptional VAT recovery on utility costs incurred in previous years in excess of £1 million and the addition of the £5.6 million turnover from the first year of trading by Research into Results Limited.

Endowment and investment income increased by over 5% with endowment income buoyed by increased equity dividends and deposit growth boosting interest earned.

Expenditure continues to be carefully controlled. Annual pay awards continue to be very modest, with 0.4% awarded from August 2010. Caution has continued in the filling of vacant posts, and this and the effects of the Voluntary Severances achieved during the previous financial year resulted in overall staff costs

Operating and Financial Review

continued

falling by 2.5%. The most marked fall in staff numbers was against research grants and contract, a reduction of 215 as activity reduced.

Cash Flow

The net cash inflow from operating activities grew to £86 million from the level of £42 million seen in the previous two years. This was as a result of the increase in the surplus together with a near doubling in accruals and up front income deferred. Returns on investments net of the cost of servicing finance added a further £6 million.

£64 million was spent on purchases of tangible fixed assets which remained at a high level. This was partly funded by £22 million of external grants and £6 million from the sale of property received during the year with the balance met from general cash resources.

An overall net inflow of £56 million was reflected in an increase in bank deposit investments which includes both University resources and up front sponsor contributions retained.

Together bank deposit investments and cash held at the year end amounted to over £224 million, giving the University the resources to make the necessary capital and recurrent investments referred to by the Principal in his report.

Capital Programme

The University has continued to progress its estates strategy for the period up until 2020 over the last year.

Despite the global economic crisis, the University has delivered a significant programme over the past 3 years. Major projects underway or concluded during the year were:

- The phased re-development of the Library (a total project value of £58 million), continued at a cost of £7.9 million during the year;
- The £54 million Scottish Centre for Regenerative Medicine at the BioQuarter Little France where £17.5 million was spent to complete the building. Following fit-out, the building will be occupied from December this year;
- The £47 million Easter Bush Research Centre completed during the year and occupied by the University's Roslin Institute;
- The £44 million New Veterinary School completed during the year and operational from September this year;
- The occupation of the Adam Ferguson Building by the Business School and the William Robertson building (formerly the West Wing of the old Medical School) by the

School of History, Classics and Archaeology took place during the year with £2.5 million spent to complete this £33 million refurbishment programme;

- The purchase of additional development sites at the BioQuarter, Little France at a cost of £2.1 million. This is consistent with the University's long-term plans for involvement in the development of the Edinburgh BioQuarter;
- The £10.5 million Edinburgh Centre on Climate Change is at the design stage and is programmed to start on site this year; and
- The £9 million Kings Building Library started and is due for completion in early 2012.

As well as these major projects, other refurbishment and enhancement work continued to upgrade the physical and IT related infrastructure. Overall, £72 million was spent on capital building developments by the University and its partners with a further £25 million charged to recurrent expenditure, reflecting the refurbishment and long-term maintenance elements of the estates programme work undertaken.

Investment Performance

The total value of the endowment fund increased during the year from £200 million to £236 million as markets continued to recover. This reflected capital appreciation of £24 million and new receipts of £12 million. The overall performance of the funds was 15.1%, 2.3% above the benchmark set by the Investment Committee. Income from the endowments at £7.7 million increased by 4%.

Pensions

The University's staff are eligible to join one of two defined benefits pensions schemes – the University Superannuation Scheme (USS) for academic and more senior management and support staff, and the Staff Benefits Scheme (SBS) for support staff. Ahead of the reform of public sector pensions being pursued by the UK Government both the University's main pension schemes have, or are implementing changes in their benefits structures while maintaining a defined benefits pension scheme.

The USS scheme implemented a range of changes from October 2011 that address the long-term sustainability of the scheme. It is hoped that these changes will enable the March 2011 triennial valuation to avoid an increase in contribution rates. This valuation is likely though, to show the scheme in a deficit position. It should be noted this deficit will not be reported on the balance sheet in these accounts under FRS17 as USS is not able to calculate an individual employer's share of the overall deficit.

The scheme for support staff (SBS) implemented changes to its benefits structure, of which the move to Career average (CARE)

Operating and Financial Review

continued

for future service was the most significant, on the 1st January 2011. The FRS17 position of the scheme improved to a deficit of £65.8 million from £74.0 million a year earlier. Since the year-end equity values have fallen along with gilt yields, which is not encouraging ahead of a triennial valuation of the scheme at the end of March 2012.

Employment of Disabled Persons

The University has adopted a Disability Policy covering staff, students and members of the public. This policy states that "The University of Edinburgh is committed to a policy of equal opportunities for disabled staff and students and aims to create an environment which enables them to participate fully in the mainstream of University life".

Wherever practical the University policy in relation to staff is to:

- ensure that employees with disabilities are placed in jobs suited to their aptitudes, abilities and qualifications;
- ensure that disabled employees are considered for promotion according to their aptitudes, abilities and qualifications;
- ensure that disabled people are not disadvantaged when the renewal of fixed-term contracts is being considered; and
- make use of the services and advice offered by the Employment Service wherever appropriate so as to make it possible to recruit a disabled person or retain an existing employee who has become disabled.

Currently, 202 members of staff have declared that they have a disability.

Mergers

A year ago it was reported that the University was negotiating mergers the Edinburgh College of Art (ECA) and the Human Genetics Unit (HGU) of the Medical Research Council into the University.

The merger of ECA in August 2011 required substantial support from the Scottish Funding Council to meet restructuring and past liabilities for which we are grateful. Much of the funds were paid directly to ECA and we are encouraged by the financial improvement that was delivered by ECA in its last year as an independent institution. The merger of HGU in October 2011 involves a research institute with a strong research and financial position. We believe that both mergers will be at least financially neutral for the University in the short-term and will annually each add about £15 million to the University's turnover.

Creditor Payment Policy

The University has published standard terms and conditions of trade that will apply to payments to suppliers unless other terms and conditions are agreed prior to business taking place. The University's policy is to pay agreed invoices in accordance with the agreed terms of payment. At the year end the amount due to trade creditors was equivalent to 15 days of purchases from suppliers. The amount paid under the Late Payments of Commercial Debts (Interest) Act was nil.

Risks and Uncertainties

In this section we describe the principal risks that the Court believes could materially affect the University, its reputation, revenues, liquidity and capital resources. The nature of risk is such that other risks may arise, or risks not currently considered material may become so in future.

The University has an institution-wide risk management process, monitored by the Risk Management Committee, which reports to Court. This is detailed in the Corporate Governance Statement.

The delivery of our strategy is crucially reliant on growing our income from all sources at least as quickly as our UK and international competition. We have in place a number of University-wide activities and incentives to grow income from students, governments, other funders and customers.

We now have a clear indication of our funding from the SFC for the next three years. This is a major improvement compared to the position just a few months ago. The position on Rest of UK students is also now resolved. This is not to say that there are not still major financial risks that need managing. The impact of changes in the number and behaviour of EU and rest of UK students on Scotland is not certain and the University will have to carefully manage the position. The UK Research Councils have advised the University they are imposing 1% efficiency savings on all awarded grants, in addition to withdrawing price indexation.

The requirements of the UK Borders Agency are a concern. While the University should be able to protect its ability to continue to grow its international student numbers by gaining trusted partner status, our ability to continue to recruit the best staff from around the world is in doubt.

The new Bribery Act came into force on 1 July. The University has been working hard to provide policies, guidance and training to support the requirements of the Bribery Act and embed anti-bribery procedures into its operations.

Staff salary awards are arrived at through a national pay bargaining procedure. The last pay agreement resulted in a pay

Operating and Financial Review

continued

award of 0.4% in August 2010. Due to changes in the scheme design, contributions to the SBS pension scheme remain unchanged. Similar changes for USS should achieve the same result. The major cost pressure of the University is therefore presently well controlled.

The University has a vast portfolio of buildings and facilities which are crucial to the delivery of the Strategic Plan. It is a major challenge to invest sufficient funds in the development and maintenance of these assets to deliver facilities that are attractive to students and funders. It is important that the University has the space to attract new activities, as well as minimising building maintenance. This risk is mitigated by the new Estates' Strategy backed by actual and planned capital and recurrent spending on buildings.

The University's performance in the National Student Survey is managed by the University under the Vice-Principal for Academic Enhancement. This work is being supported by a very successful EUSA Teaching Award provided by the Students' Association, (EUSA). Capital building developments prioritise the refurbishment of teaching facilities and lecture theatres as well as the major library refurbishment project. The library transformation has received positive approval from student users.

There continues to be a number of other risks around the areas of staff recruitment and retention, financial sustainability and major change projects, which, though very major risks, are currently assessed as not being likely to crystallise, due to longstanding and effective risk mitigation measures.

Financial Strategy

The University Court has agreed a financial strategy to support the Strategic Plan. The strategy has a number of overriding themes:

- Long-term viability and matching resources with objectives;
- Maintaining productive capacity to meet current objectives;
- Financial development and investment;
- Evaluating strategic alternatives and managing risks; and
- Integrating financial and other corporate strategies.

Within these themes are set some key financial targets such as delivering consistent recurrent surpluses and maintaining an adequate level of expenditure on building maintenance and refurbishment. It also addresses investment management and liquidity. Overall, the financial strategy sets the financial framework within which major decisions to meet the overall University strategy are made. The University will review this strategy during 2011-12 as part of its preparation of the new 2012-2016 strategic plan.

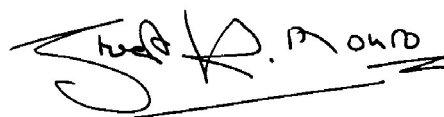
Looking Forward

A year ago we were uncertain as to the future funding environment. After the announcement by the UK and Scottish Government we have a clearer picture of our teaching and research funding in the years ahead. This gives us a clear planning horizon and is enabling the University to make a number of strategic investments to improve the academic performance of the University.

As we go forward, maintaining our number of students from the rest of the UK is important, with the withdrawal of the majority of public funding which currently meets their costs. We will aim to continue to grow our international teaching and research activity. With the large reduction in public funding for capital we are looking to take out long-term loan finance to sustain the size of capital building programme necessary for our long-term sustainability. We will also be working with the private sector to increase availability of attractive residential accommodation for our students.

I would like to conclude by first thanking Dr John Markland, my predecessor as Convenor of Finance and General Purposes Committee for his valued contribution over a ten year period. John has contributed through his outstanding leadership to the current strong position of the University. This report a year ago said that a key requirement of the University going forward was the need to be very quick in reacting to change and opportunities. The strong University performance of the last year and the many exciting developments occurring suggest that the Edinburgh staff, at all levels are meeting this challenge and making an outstanding contribution, for which I give my thanks.

The members of the Court of the University of Edinburgh who held office at the date of approval of this report and financial statements confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.



Professor Stuart Monro

Covener of Finance and General Purposes Committee

12 December 2011

Corporate Governance Statement

For the year ended 31st July 2011

Introduction and Statement of Compliance

The University of Edinburgh is committed to achieving the highest possible standards of corporate governance relevant to the higher education sector. This summary describes the manner in which the University has applied the principles set out in the UK Corporate Governance Code, June 2010, in so far as it applies to the higher education sector, and has taken due regard to the Turnbull Committee guidance on internal control as amended by the British Universities Finance Directors Group in its 2006 guidance. Its purpose is to help the reader of the financial statements understand how the principles have been applied, and to set out the basis for the Court's opinion that **the University has fully complied with that Code throughout the year ended 31 July 2011.**

University Governance

The University of Edinburgh is constituted by the Universities (Scotland) Acts 1858 to 1966.

The Universities (Scotland) Acts make specific provision for three major bodies in the Governance of the University – The Court, The Senate and The General Council.

The University Court

The University Court, the University's governing body, is a body corporate, with perpetual succession and a common seal. The present powers of the Court are defined in the Universities (Scotland) Act (1966) and include, inter alia, the amendment of the composition, powers and functions of bodies in the University and the creation of new bodies, the administration and management of the whole revenue and property of the University, internal arrangements of the University, staff appointments and, on the recommendation of Senate, the regulation of degrees, admission and discipline of students: it is responsible for ensuring that the Senate has in place effective arrangements for academic quality assurance and enhancement. The Court is responsible for the strategic development of the University, advised by the Principal in consultation with the Central Management Group.

The University Court has 22 members and is chaired by the Rector. It has a majority of lay members, including assessors appointed by the Chancellor and the City of Edinburgh Council and elected by the General Council: there are also staff and student members, with the Principal being an ex-officio member. The Principal acts as the Chief Executive Officer of the University. He is directly accountable to Court for the proper conduct of the institution's affairs. The Principal is also directly accountable to the Chief Executive Officer of the Scottish Funding Council for the University's proper use of funds deriving from Scottish Ministers, and compliance with the Financial Memorandum between the

Scottish Funding Council and the University. New co-opted members of Court and external members of Court Committees were appointed during 2010-11 through a process of open advertisement and interview; this robust transparent process has been very successful.

Court met six times during 2010-11 as agreed following the 2009-10 review of the effectiveness of Court and its Committees. Court also considered between meetings, by correspondence or through electronic means, any urgent matters which required Court approval and members were kept informed by electronic means of any significant issues affecting the University. Court consults with the Senate and the General Council as required by statute. The Court is committed to the Nolan Committee Principles regarding standards to be adopted in public life. It maintains a register of interest of its members and senior University officers which is publicly available for inspection; the interests of members of Court are published on the University's web site at: <http://www.ed.ac.uk/schools-departments/governance-strategic-planning/governance/university-court/overview>.

The Court has taken full account of the Guide for Members of Governing Bodies issued by the Committee of University Chairmen in November 2004 and revised in March 2009. It notes that compliance with this Guidance is not a formal requirement of the Scottish Funding Council. The Court believes that in all significant respects its operations are compliant with this Guidance. During 2010-11 the Court completed aspects of its review of its effectiveness which commenced in 2009-10, and has taken forward and implemented actions arising from this review, in particular, the agreement to the introduction of an improved induction process for new members of Court and a mentoring scheme. Court approved a revised statement of its responsibilities in June 2010 which it believes to be of a high standard. This statement and information on other governance arrangements within the University are available as part of the University's Freedom of Information publication scheme at <http://www.ed.ac.uk/schools-departments/governance-strategic-planning/governance/university-governance/overview>.

The Court has overall responsibility for the University's strategic development. It is actively engaged in the University's strategic planning processes and in monitoring progress against the strategic plan. The strategic plan operative during 2010-11 was adopted by the University Court at its June 2008 meeting: it covers the period 2008-12. During 2011-12, the University will take forward a review of the current plan to ascertain how best to articulate its future strategic vision and this process was initiated at a Court seminar in September 2011. The strategic planning process is led by the Principal with support from the Senior Vice Principal (with responsibility for Planning, Resources and Research Policy) and the Director of Planning.

Corporate Governance Statement

continued

The Court's Committee Structure

The Court has established several Committees, including a Finance and General Purposes Committee, an Audit Committee, a Nominations Committee, a Remuneration Committee, an Investment Committee, a Staff Committee, a Risk Management Committee, an Estates Committee, and a Health and Safety Committee. Each of these Committees is formally constituted with terms of reference and includes members of the Court, and conducts business both through regular meetings and by correspondence or through electronic communication when appropriate. There is also a Central Management Group that consists of senior academic and administrative managers who advise the Principal on senior management decisions and the allocation of budgets to Colleges and Support Services.

The **Finance and General Purposes Committee** oversees the University's financial affairs on behalf of the Court. This includes the design of the planning and budgeting process, approval of the resulting plan and budget in the context of the University's overall strategy, and ensuring adequate monitoring thereafter. It is chaired by the Vice Convener of the Court and includes a majority of lay members. It normally meets six times a year.

The **Audit Committee**, which is chaired by a lay member of the Court and consists of lay members of the Court and some external individuals, meets four times a year with the University's Internal and External Auditors in attendance. It is responsible for reviewing the University's annual reports and financial statements and any changes to accounting policies, and advising the Court accordingly. In addition, the Committee considers detailed reports from the Internal Audit service together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It has explicit responsibility for advising on the effectiveness of the University's risk management arrangements. The Committee also receives and considers reports from the Funding Council as they affect the University's business and monitors adherence to regulatory requirements. It has authority to investigate any matters within its terms of reference. Some senior University officers routinely attend meetings of the Audit Committee, but they are not members of the Committee and once a year the Committee meets the Internal and External Auditors on their own for independent discussions.

The Audit Committee also receives regular reports from the Internal and External Auditors which include recommendations for improvements in internal control. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The emphasis is on obtaining the relevant degree of assurance and not merely reports of exceptions. The Court receives the minutes of each Audit Committee meeting and an annual report of its proceedings.

The **Nominations Committee** considers nominations for co-opted membership of Court, nominations for membership of Court Committees and for Court's nominations on the Curators of Patronage. The arrangements to take forward the open advertisement and interview process for co-opted members of Court and external members of Court Committees are managed by the Nominations Committee. It is chaired by the Vice Convener of the Court, has a majority of lay members and normally meets three times a year.

The **Remuneration Committee** advises the Principal with regard to his responsibilities for setting professorial and equivalent academic and academic-related salaries. The lay members also consider the salary of the Principal and advise the Court as appropriate. It is chaired by the Vice Convener of the Court, has a majority of lay members and includes an external advisor. It meets as necessary, at least once a year.

The **Investment Committee** of the Court has responsibility for overseeing the University's Endowment Funds, other investment funds and deposit balances. It reports to Court via Finance and General Purposes Committee and normally meets twice a year.

The **Staff Committee** provides advice and guidance on the University's strategic human resources policies and objectives, and provides assurance that the University is monitoring its performance and managing its HR issues effectively. The Committee is chaired by a Vice Principal and its membership includes two members of the Court. The Committee normally meets three times a year.

The **Risk Management Committee** supports and advises the Central Management Group, and through it the University Court, on the implementation and monitoring of the University's risk management policy and strategy. It ensures that the identification and evaluation of key risks that threaten achievement of the University's objectives is carried out; that a register of these risks is maintained; that risks are being actively managed, with the appropriate strategies in place and working effectively; and contributes to raising awareness of risk generally across the University and to maintaining the profile of risk management. The Committee is chaired by the Director of Corporate Services and its membership includes one member of Court. The Committee normally meets four times a year.

The **Estates Committee** oversees the preparation, periodic review and implementation of the University's Estate Strategy and its links to corporate and other business plans. It advises on property portfolio transactions (acquisitions and disposals), matters relating to strategic and major capital developments, significant items related to the amount and deployment of Estates and Buildings recurrent budget, and operational matters for which the Director of Estates wishes advice or support including

Corporate Governance Statement

continued

allocation of a previously agreed budgets (e.g. Maintenance Programmes, Small Capital Projects) across Colleges and Support Groups. The Committee has introduced the 'gateway' methodology for the approval and management of major projects. The Committee is chaired by the Senior Vice Principal (Planning, Resources and Research Policy) and its membership includes two members of Court. The Committee normally meets four times a year.

The **Health and Safety Committee** provides oversight and guidance to the University's Health and Safety Services department (which also includes Occupational Health, Occupational Hygiene Unit, Fire Safety and Radiation Protection functions) and advises the Court in regard to compliance with its statutory responsibilities in this area. It is chaired by the Director of Corporate Services and meets at least twice a year.

The **Central Management Group**, whilst formally advisory to the Principal, is the senior body for consideration of management issues. Its members are, between them, responsible and accountable for all components of the University's budget, both income and expenditure. As such it plays an important part in the internal governance and academic operations of the University, and brings together the academic, financial, human resources and accommodation aspects of planning. It is advised by the Risk Management Committee in regard to formulation and implementation of risk management policy. It reports through the Finance and General Purposes Committee to Court. The Central Management Group is chaired by the Principal; it normally meets eight times each year.

The Senate

The Senate is the academic authority of the University and draws its membership from the academic staff and students of the University. Its role is to superintend and regulate the teaching and discipline of the University and to promote research.

The General Council

The General Council consists mainly of graduates and includes eligible academic staff and a more limited number from other related categories. It has a statutory right to comment on matters which affect the well-being and prosperity of the University and to be consulted on Ordinances and Resolutions.

The University's System of Internal Control

The University Court is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material mis-statement or

loss.

The internal control environment includes delegated authorities, policies, procedural and system controls, planning and budgetary processes, professional capability in specialist areas, governance structures and management reporting. The revised Delegated Authorisation Schedule approved by Court in June 2010 continues to be reviewed and appropriately amended to ensure it remains fit for purpose. The senior management team receives regular reports on the University's performance, including appropriate performance indicators, and considers any control issues brought to its attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit which include recommendations for improvement.

The University operates processes for the identification, evaluation and management of significant risks. The risk management framework established in the University includes a Risk Management Committee as a formal Court Committee, which oversees implementation of the Risk Management Policy adopted in 2002. In June 2011, Court considered and approved the University's Risk Policy Statement. The University Risk Register focuses primarily on risks related to the attainment of the University's strategic objectives and identifies responsibility for the overall management of each risk. The Register is reviewed annually by the Risk Management Committee and considered by the Central Management Group, the Audit Committee, and the Finance and General Purposes Committee prior to consideration and approval by Court; the most recent update was adopted by Court on 20 June 2011 and aligns to the University Strategic Plan 2008-12.

College, Support Group and subsidiary company risk registers ensure key operational risks are identified and managed by the relevant sub-organisation within the University. All major projects have risk registers and risk assessment is incorporated into planning and decision making processes: risk assessment training and awareness are promoted through the management structure. The University's major risks are regularly reviewed and there are year end processes to obtain further assurances on the adequacy of the management of key risks and to document the sources of assurances for each major risk.

Internal Audit undertake an independent review of the operation of the overall risk management process, having regard to best practice as recommended by professional institutes and other relevant organisations. The Audit Committee considered the Internal Audit report on this matter at its meeting on 29 September 2011 and expressed itself satisfied with the outcome.

By its 12 December 2011 meeting, the Court had received the

Corporate Governance Statement

continued

Audit Committee and Risk Management Committee reports for the year ended 31 July 2011; it also had taken account of relevant events since 31 July 2011. The Audit Committee in particular is responsible for advising Court on the effectiveness of policies and procedures for risk assessment and risk management. The Court considers, on the recommendation of the Audit Committee that a risk management process wholly compliant with the guidance provided by the UK Corporate Governance Code, in so far as its provisions apply to the higher education sector, has been in place throughout the year ended 31 July 2011.

In reaching this view, the Court's confirmation of the effectiveness of the system of internal control has also been informed by the following:

- a. the Internal Audit Service's annual report to the Audit Committee on the adequacy and effectiveness of systems of internal control including governance and risk management, together with recommendations for improvement, along with the Principal's expression of satisfaction with the performance of the Internal Audit service in his capacity as Accountable Officer;
- b. the Risk Management Committee's Annual Report to the Audit Committee regarding its operation;
- c. comments made by the External Auditors in their Highlights Memorandum and other reports; and
- d. the work of managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by any relevant comments made by other external agencies (e.g. the Quality Assurance Agency for Higher Education, SFC).

Charitable Status

The University had charitable status (No. SC005336) under the legislative framework operative throughout the 2010-11 financial year. The University Court considers that the University meets the 'Charity Test' set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005. It will take such actions as are necessary to ensure continued full compliance with the legislation and retention of charitable status.

The University's endowments are administered as the University of Edinburgh Endowment Fund, overseen by the Investment Committee. Professional fund managers are employed by that Committee on behalf of the University Court. Investment income is applied for the specific purposes of the relevant endowments, or in the case of other investment funds, for the University's general purposes. All of those purposes are charitable for the purposes of the legislation.

Income derived from philanthropic donations and benefactions

arising from the University's Development activities is disbursed by a Trust with separate charitable status: The University of Edinburgh Development Trust. The Board of Trustees includes individuals external to the University. The Convener is a former member of the Court. The Trustees meet twice a year. All disbursements are applied for the specific purposes of the relevant donations and benefactions, or in the case of general donations and benefactions, for the University's general purposes. All of those purposes are charitable for the purposes of the legislation

Going concern

The University's activities and the factors likely to affect its future development, performance and position are set out in the Operating and Financial Review and the Principal's Report. The financial position of the University, its cash flows and liquidity are set out in more detail in the Notes to the Financial Statements.

The University has considerable financial resources and its current forecasts and projections show it to be well placed to successfully manage its activities despite the risks and uncertainties highlighted in the Reports and Financial Statements.

Court is satisfied that the University has adequate resources to continue in operation for the foreseeable future and for this reason, the going concern basis continues to be adopted in the preparation of the Financial Statements.

Responsibilities of the Court

On 21 June 2010 the Court adopted a revised **Statement of Primary Responsibilities**, as set out below.

The Court's primary responsibilities are:

I. Strategic Direction

1. To determine the mission and vision of the University and its major priorities as expressed in strategic plans, long term academic and business plans.
2. To ensure that the mission and strategic vision of the University takes proper account of the interests of stakeholders, including students, staff, alumni, the wider community and funding bodies.
3. To approve financial, estates, and human resources strategies in support of institutional objectives and priorities.
4. To ensure strategies are in place to enhance the student experience.
5. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should where possible, be benchmarked against other comparable Universities.
6. To promote and safeguard the reputation and values of the University.

II. Governance: responsibilities in relation to Management and Senate

1. To appoint the Principal as chief executive, including the terms and conditions of such an appointment, and to put in place suitable arrangements for monitoring his/her performance.
2. To delegate authority to the Principal {as chief executive} for the academic, corporate, financial, estate and HR Management of the University subject to reserving such matters to itself as the Court thinks appropriate.
3. To establish and keep under regular review the policies, procedures and limits within which such management functions shall be undertaken by and under the authority of the Principal.
4. To appoint a Secretary to the Court and to ensure that if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
5. To review decisions made by the Senate as prescribed in statute.
6. To ensure that the Senate has processes in place for monitoring and reporting the quality of education provision, and to monitor quality enhancement arrangements.

III. Governance: Exercise of Controls

1. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, arrangements for internal and external audit and regularly reviewed schedules of delegated authority.
2. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements and to have overall responsibility for the University's assets, property and estates.
3. To ensure that appropriate arrangements are in place for the management of health, safety and security in respect of students, staff and other persons affected by the University's operations.
4. To ensure that appropriate arrangements are in place for promoting equality of opportunity in respect of students, staff and other persons making use of University services or facilities.

IV. Governance: Corporate responsibilities

1. To be the University's legal authority and as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
2. To be the employing authority for all staff in the University and to ensure that obligations thereto are met including with regard to the welfare, development and reward of employees.
3. To put in place appropriate arrangements for determining, and regular review of the performance, remuneration and conditions of service of senior staff.
4. To make provision for the general welfare of students, in consultation with the Senate and EUSA.
5. To act as trustee for, or make appropriate alternative arrangements for the trusteeship of, any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
6. To make appropriate arrangements compliant with relevant legislation, for the trusteeship of any pensions scheme established by the Court for University employees and to employ the employer-nominated trustees.
7. To ensure that at all times it operates within the terms of the Universities (Scotland) Acts 1858-1966, Ordinances and Resolutions made under those Acts and any other relevant legislation; and that appropriate advice is available to enable this to happen.
8. To ensure that the University acts ethically, responsibly and with respect for society at large and the sustainability of the environment.

Responsibilities of the Court

continued

V. Effectiveness and transparency

1. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
2. To ensure that procedures are in place in the University for handling internal grievances, conflicts of interest and public interest disclosure.
3. To put in place arrangements for the appointment of co-opted members of the Court, so as to maintain a broad balance of expertise taking account of the principles of equal opportunity.
4. To establish processes to monitor and evaluate the performance and effectiveness of the Court itself and that of its committees.

These primary responsibilities include those pertaining to financial matters as stated above. The detailed requirements relating to financial matters are governed by law, agreements and regulations as decreed by various bodies, and are stated as follows:

Statement of Responsibilities Relating to the Reports and Financial Statements

The detailed requirements relating to financial matters are governed by law, agreements and regulations as decreed by various bodies, and are stated as follows:

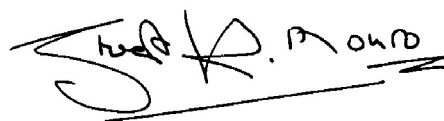
The Court is responsible for keeping proper accounting records, which disclose, with reasonable accuracy, the financial position of the University at any time and enable it to ensure that the financial statements are prepared in accordance with the Universities (Scotland) Acts 1858-1966, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of the University of Edinburgh, the University Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Court has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- financial statements are prepared on the going concern basis.

The Court has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given, and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and hence to take reasonable steps to prevent and detect fraud; and
- secure the economical, efficient and effective management of the University's resources and expenditure.



Professor Stuart Monro
Vice-Convener

12 December 2011

Membership of Court and Committees

Membership of Court and Committees

Members of the University Court during the year ended 31 July 2011, and their attendance at the meetings held during their membership in that year, together with members serving in the period after 31 July 2011 and up to the date on which the Financial Statements were approved, were as follows:

Court Membership

The Rector (Convener), Mr I Macwhirter (5/6)
 The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (6/6)
 The Chancellor's Assessor, Lord Cameron of Lochbroom (2/2) (until 17 December 2010)
 Sheriff Principal E F Bowen QC (from 17 October 2011)

General Council Assessors

Mr D A Connell (3/6) (until 31 July 2011)
 Mr A Johnston (from 1 August 2011)
 Professor A M Smyth (6/6)
 Mrs M Tait (5/6)

Senatus Academicus Assessors

Professor L Yellowlees (4/6) (until 31 July 2011)
 Professor D J Finnegan (5/6)
 Dr M Aliotta (3/6)
 Professor J Ansell (6/6)
 Professor A Harmar (from 1 September 2011)

City of Edinburgh Council Assessor

Rt Hon G Grubb, Lord Provost (2/6)

Co-opted Members

Dr J A Markland (Vice-Convener) (6/6) (until 31 August 2011)
 Professor S Monro (6/6) (Vice-Convener from 1 September 2011)
 Professor J Barbour (2/6)
 Mr P Budd (3/6)
 Dr C Masters (from 1 September 2011)
 Mr G M Murray (6/6)
 Mrs E Noad (from 1 September 2011)
 Ms A Richards (5/6)
 Ms G M Stewart (5/6) (until 31 August 2011)
 Mr D Workman (0/6)¹

Non-Teaching Staff Assessor

Mr D Brook (4/6)

Student Members

Ms L Rawlings (5/5) (until 12 June 2011)
 Ms S Wise (3/5) (until 12 June 2011)
 Mr M McPherson (1/1) (from 13 June 2011)
 Mr M Williamson (1/1) (from 13 June 2011)

Members of the Finance and General Purposes Committee, the Audit Committee, the Nominations Committee, the Remuneration Committee, the Risk Management Committee and the Estate Committee during the year ended 31 July 2011 and their attendance at the meetings held during their membership in that year, together with members serving in the period after 31 July 2011 and up to the date on which the Financial Statements were approved were as follows:

Finance and General Purposes Committee

Convener: Dr J A Markland (7/7) (until 31 August 2011)
 Professor S Monro (6/7) (Convener from 1 September 2011)
 The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (7/7)
 Vice-Principal, Professor A McMahon (7/7) (until 31 July 2011)
 Senior Vice-Principal, Professor N Brown (from 1 August 2011)
 Dr K Waldron, University Secretary (5/7)
 Mr J Gorringe, Director of Finance (6/7)
 Ms L Rawlings, President of the Students' Association (5/7) (until 12 June 2011)
 Mr M McPherson, President of the Students' Association (from 13 June 2011)
 Professor J Barbour (2/7)
 Mr D A Connell (6/7) (until 31 July 2011)
 Professor A M Smyth (from 1 September 2011)
 Dr M Aliotta (2/7)
 Mr G M Murray (7/7)
 Dr C Masters (from 1 September 2011)

Audit Committee

Convener: Ms G M Stewart (4/4) (until 31 August 2011)
 Ms A Richards (4/4) (Convener from 1 September 2011)
 Mr D Bentley, External Member (2/2) (until 31 December 2010)
 Mr P Budd (3/4)
 Mr M Sinclair, External Member (4/4)
 Professor A M Smyth (4/4) (until 31 August 2011)
 Mr A Johnston (from 1 September 2011)
 Mr A Trotter, External Member (2/2) (from 21 February 2011)
 Mrs E Noad (from 1 September 2011)

¹ Related Party: Mr Workman was also Chairman of the Board of Governors of The Edinburgh College of Art

Membership of Court and Committees

continued

Nominations Committee

Convener: Dr J A Markland (3/4) (until 31 August 2011)
 Professor S Monro (1/1) (from 28 March 2011) (Convener from 1 September 2011)
 The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (4/4)
 Lord Cameron of Lochbroom (1/1) (until 17 December 2010)
 Mrs E Noad (from 1 September 2011)
 Professor A M Smyth (3/4)
 Ms G M Stewart (2/4) (until 31 August 2011)
 Dr K Waldron, University Secretary (4/4)
 Professor L Yellowlees (1/4) (until 31 July 2011)
 Professor J Ansell (from 7 November 2011)

Remuneration Committee

Convener: Dr J A Markland (2/3) (until 31 August 2011)
 Professor S Monro (3/3) (Convener from 1 September 2011)
 The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (3/3)
 Ms G M Stewart (2/3) (until 31 August 2011)
 Mr D Workman (2/3)
 Dr C Masters (from 1 September 2011)
 Ms A Richards (from 1 September 2011)

Risk Management Committee

Convener: Mr N Paul, Director of Corporate Services (4/4)
 Mr F Gribben, College Registrar, Humanities and Social Science (4/4)
 Mr H Edmiston, College Registrar, Medicine and Veterinary Medicine (3/4)
 Dr B Nelson, College Registrar, Science and Engineering (4/4)
 Dr K Waldron, University Secretary (2/3) (from 1 October 2010)
 Mr M Cornish, University Secretary (1/1) (until 30 September 2010)
 Mr J Gorringer, Director of Finance (4/4)
 Mr B Gilmore, Director of IT Infrastructure (3/4)
 Dr T Harrison, Assistant Principal Academic Standards and Quality Assurance (3/4)
 Mrs M Tait (from 1 September 2011)
 Dr J Markland (1/4) (until 31 Aug 2011)
 Professor J Ansell (3/4)

Estates Committee

Convener: Vice-Principal, Professor A McMahon (4/4) (until 31 July 2011)
 Convener: Senior Vice-Principal, Professor N Brown (from 1 August 2011)
 Mr P Budd (2/4)
 Mr M Murray (4/4)

Mr N Paul, Director of Corporate Services (1/4)
 Mr M Cornish, University Secretary (0/1) (until 31 September 2010)
 Dr K Waldron, University Secretary (3/3) (from 1 October 2010)
 Vice-Principal Professor J Haywood (4/4)
 Dr A Cornish, Director of Planning (3/4)
 Mr A Currie, Director of Estates and Buildings (4/4)
 Mr J Gorringer, Director of Finance (3/4)
 Vice-Principal Y Dawkins (1/4) (until 31 July 2011)
 Vice-Principal Professor M Bownes (from 1 August 2011)
 Mr L Golightly, College Registrar, Medicine and Veterinary Medicine (1/1) (until 30 November 2010)
 Mr H Edmiston, College Registrar, Medicine and Veterinary Medicine (3/3) (from 1 December 2010)
 Mr F Gribben, College Registrar, Humanities and Social Science (2/2) (until 31 December 2010)
 Vice-Principal Professor D Miell (1/2) (from 1 January 2011)
 Dr J Martin, Deputy Head of College of Science and Engineering (2/2) (until 31 December 2010)
 Dr B Nelson, College Registrar, Science and Engineering (2/2) (from 1 January 2011)
 Mr R Kington, Director of Accommodation (4/4)
 Ms L Rawlings, President of the Students' Association (2/4) (until 12 June 2011)
 Mr M McPherson, President of the Students' Association (from 13 June 2011)

Independent Auditor's Report to the Members of the University Court of the University of Edinburgh

We have audited the Group and University financial statements of the University of Edinburgh for the year ended 31 July 2011 set out on pages 20 to 58. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University Court of the University of Edinburgh as a body, in accordance with the Universities (Scotland) Acts 1858-1966. Our audit work has been undertaken so that we might state to the University Court of the University of Edinburgh those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University Court of the University of Edinburgh, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the University Court of the University of Edinburgh and auditor

As explained more fully in the Statement of Responsibilities Relating to the Reports and Financial Statements set out on page 16, the University Court of the University of Edinburgh is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the University Court of the University of Edinburgh and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Principals Report, Operating and Financial Review, Corporate Governance Statement and Membership of Court and Committees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2011 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice: accounting for further and higher education.

Opinion on other matters prescribed by the terms of our engagement

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation, and any other terms and conditions attached to them; and
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum.

Matters on which, under the terms of our engagement, we are required to report by exception

We have nothing to report in respect of the following matters where the terms of our engagement require us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



M J Rowley
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
EH1 2EG

15 December 2011

Group Income and Expenditure Account

For the year ended 31 July 2011

	Note	2011 £ 000's	2010 £ 000's
INCOME			
Funding council grants	2	189,508	197,778
Tuition fees and education contracts	3	123,800	109,940
Research grants and contracts	4	180,990	185,279
Other income	5	146,408	131,391
Endowment and investment income	6	10,123	9,591
Total Income		650,829	633,979
EXPENDITURE			
Staff costs	7	331,177	339,749
Other operating expenses	9	245,528	243,008
Depreciation	13	25,579	24,333
Interest payable	10	4,798	6,745
Total Expenditure		607,082	613,835
SURPLUS ON CONTINUING OPERATIONS AFTER DEPRECIATION OF ASSETS AT VALUATION AND BEFORE TAXATION			
		43,747	20,144
Loss on disposal of fixed assets	13	(66)	(997)
SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION AND DISPOSAL OF ASSETS BUT BEFORE TAXATION			
		43,681	19,147
Taxation	11	(20)	(3)
SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION AND TAXATION AND BEFORE MINORITY INTEREST			
		43,661	19,144
Minority interest		16	(8)
SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION, TAXATION AND MINORITY INTEREST			
		43,677	19,136
Surplus transferred to accumulated income in endowment funds		(1,454)	(820)
SURPLUS FOR THE YEAR RETAINED WITHIN GENERAL RESERVES	12	42,223	18,316

The Group Income and Expenditure account is in respect of continuing activities.

Group Statement of Historical Cost Surpluses and Deficits

For the year ended 31 July 2011

	Note	2011 £ 000's	2010 £ 000's
SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION AND BEFORE TAXATION			
		43,747	20,144
Loss on disposal of fixed assets in the year	13	(66)	(997)
Realisation of revaluation gains of previous years	24	603	897
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	24	6,700	6,700
On impairment of fixed assets	24	4,139	-
HISTORICAL COST SURPLUS BEFORE TAXATION		55,123	26,744
HISTORICAL COST SURPLUS AFTER TAXATION, MINORITY INTEREST AND TRANSFERS FROM/TO SPECIFIC ENDOWMENT FUNDS		53,665	25,913

Group Statement of Total Recognised Gains and Losses

For the year ended 31 July 2011

	Note	2011 £ 000's	2010 Restated £ 000's
SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION, TAXATION AND MINORITY INTEREST			
		43,677	19,136
Appreciation/(Depreciation) on fixed asset investments	14	390	578
Appreciation/(Depreciation) on endowment asset investments	15	22,833	32,187
Charges on endowment asset investments	15	(368)	(313)
Unrealised surplus on revaluation of tangible fixed assets - Land & buildings	13	-	34,066
Unrealised surplus on revaluation of tangible fixed assets - Heritage assets	34 & 35	-	9,351
Consolidated share of Scottish Universities Environmental Research Centre joint activity	24	-	(131)
New endowments	22	12,695	3,481
Endowments transferred to deferred capital grants	22	(450)	(573)
Actuarial gain in respect of pension schemes arising from a change to the inflation assumption	31	-	20,162
Actuarial gain in respect of pension schemes	31	7,453	14,072
TOTAL GAIN RELATING TO THE YEAR		86,230	132,016
Prior Year Adjustment		158,703	-
TOTAL GAIN RECOGNISED SINCE LAST FINANCIAL STATEMENTS		244,933	132,016
Reconciliation:			
Opening reserves and endowments as at 1 August (restated)		1,117,718	985,702
Total recognised gains relating to the year		86,230	132,016
Closing reserves and endowments at 31 July		1,203,948	1,117,718

BALANCE SHEETS

as at 31 July 2011

	Note	Group		University	
		2011 £ 000's	2010 Restated £ 000's	2011 £ 000's	2010 Restated £ 000's
FIXED ASSETS					
Tangible assets	13	1,323,685	1,276,001	1,318,793	1,270,365
Investments	14	23,561	22,175	24,034	22,608
		1,347,246	1,298,176	1,342,827	1,292,973
ENDOWMENT ASSETS					
	15	236,512	200,348	236,512	200,348
CURRENT ASSETS					
Stocks and stores in hand		2,197	1,972	1,701	1,557
Debtors	16	85,016	85,274	83,861	82,720
Assets held for resale		4,955	-	4,955	-
Investments: bank deposits	30	211,082	154,942	193,831	148,180
Cash at bank and in hand	30	12,979	14,772	2,972	7,818
		316,229	256,960	287,320	240,275
CREDITORS: Amounts falling due within one year	17	(230,048)	(219,408)	(204,445)	(206,113)
NET CURRENT ASSETS		86,181	37,552	82,875	34,162
TOTAL ASSETS LESS CURRENT LIABILITIES		1,669,939	1,536,076	1,662,214	1,527,483
CREDITORS: Amounts falling due after more than one year	18	(54,025)	(55,169)	(53,925)	(55,169)
PROVISIONS FOR LIABILITIES AND CHARGES	20	(6,800)	(8,077)	(6,800)	(8,077)
TOTAL NET ASSETS EXCLUDING PENSIONS LIABILITIES		1,609,114	1,472,830	1,601,489	1,464,237
PENSION LIABILITIES	31	(68,174)	(76,833)	(68,174)	(76,833)
TOTAL NET ASSETS INCLUDING PENSION LIABILITIES		1,540,940	1,395,997	1,533,315	1,387,404

BALANCE SHEETS

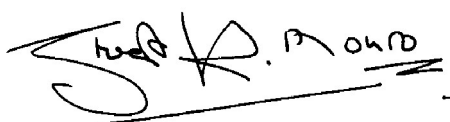
as at 31 July 2011

Represented by:	Note	Group		University	
		2011 £ 000's	2010 Restated £ 000's	2011 £ 000's	2010 Restated £ 000's
DEFERRED CAPITAL GRANTS	21	336,992	278,263	334,384	274,949
ENDOWMENTS					
Expendable	22	158,686	137,000	158,686	137,000
Permanent	22	77,826	63,348	77,826	63,348
		236,512	200,348	236,512	200,348
RESERVES					
Revaluation Reserve	23	717,272	728,324	717,272	728,324
General Reserve excluding pension reserve	24	318,338	265,879	313,321	260,616
Pension Reserve	31	(68,174)	(76,833)	(68,174)	(76,833)
General Reserve including pension reserve		250,164	189,046	245,147	183,783
Total Reserves		967,436	917,370	962,419	912,107
MINORITY INTERESTS		-	16	-	-
TOTAL FUNDS		1,540,940	1,395,997	1,533,315	1,387,404

The financial statements on pages 20 to 58 were adopted by Court on 12 December 2011 and were signed on its behalf by:



Professor Sir Timothy O'Shea
Principal



Professor S Monro
Member of the University Court



J P Gorringe
Director of Finance

Group Cash Flow Statement

For the year ended 31 July 2011

	Note	2011 £ 000's	2010 £ 000's
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	85,992	42,425
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	26	6,339	6,069
TAXATION	11	(20)	(3)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	27	(32,410)	(54,089)
MANAGEMENT OF LIQUID RESOURCES	28	(56,140)	7,521
FINANCING	29	(1,194)	(1,172)
INCREASE IN CASH IN THE PERIOD	30	2,567	751
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)			
(Decrease)/Increase in cash in the period		2,567	751
Cash inflow/(outflow) from decrease/(increase) in liquid resources	28	56,140	(7,521)
Change in net debt resulting from cashflows	29	1,194	1,172
Movement in net funds for the period	30	59,901	(5,598)
Net funds at start of year	30	113,950	119,548
Net funds at close of year	30	173,851	113,950

Notes to the Financial Statements

For the year ended 31 July 2011

1. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The accounting policies selected follow the principles laid out in FRS18 and have been applied consistently in dealing with items considered material in relation to the financial statements.

i. Accounting Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of Endowment Asset Investments, Heritage Assets and certain Land and Buildings, and in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education 2007 (SORP07) and applicable accounting standards.

ii. Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the University and all subsidiary undertakings including quasi-subsidiaries for the financial year to 31 July. Intra-group transactions are eliminated on consolidation. A list of the subsidiary undertakings is included in note 14.

The consolidated financial statements do not include those of the University of Edinburgh Students' Association as it is a separate charity in which the University has no financial interest and no control or significant influence over policy decisions.

iii. Recognition of Income

Tuition fees for each academic year are recognised in full in the financial year in which they are chargeable with the exception of fees for postgraduate students with non-standard start dates where only the portion of the fee related to the financial year is recognised. The fee elements of bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All income from funding council grants is disclosed separately and annual "block" funding awards are recognised in the year of receipt.

Specific grants for special purposes are accounted for on an accruals basis and included in income to the extent of the expenditure incurred during the year. Grants for specific buildings and equipment are deferred to the extent that the related expenditure is capitalised and amortised over the useful life of the fixed asset.

Income from Restricted Donations and Research Grants

and Contracts is included to the extent of the expenditure incurred during the year, together with any related contributions towards infrastructure costs.

Income from endowments is credited to Income and Expenditure on a receivable basis. Any unspent income is retained as accumulated income and disclosed in the Balance Sheet.

All income from short-term deposits and investments is credited to the Income and Expenditure Account on a receivable basis.

Income from the sale of goods and services is credited to the Income and Expenditure Account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Income from general fundraising and donations received supporting the general purposes of the University or individual departments is recognised in the year it is receivable.

Any increase in value arising on the revaluation of fixed assets investments is carried as a credit to the revaluation reserve, via the statement of total recognised gains and losses; a diminution in value is charged to the income and expenditure account as a debit, to the extent that it is not covered by a previous revaluation surplus.

Changes to the market value of endowment investments are reported in the statement of total recognised gains and losses and as increases or decreases to Endowment Assets and Funds.

iv. Research and Development Expenditure

Income from Research Grants & Contracts is included to the extent that related expenditure is incurred during the year. Research and development costs incurred by the University on its own behalf are written off in the year incurred with the exception of any equipment or software that is capitalised in line with the University's accounting policy.

v. Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the

Notes to the Financial Statements

continued

remaining balance of the obligations.

Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

vi. Land and Buildings

Messrs Gerard Eve, an independent firm of Chartered Surveyors, valued University land and buildings as at 1 August 2009. The majority of buildings were valued on the depreciated replacement cost basis. Certain other buildings, mainly residential accommodation, retail properties and land were valued on existing use or open market value bases. The University complies with the requirements of FRS 15: Tangible Fixed Assets, through a review of the above valuations within the required five-year cycle specified by the reporting standard.

Additions since 1 August 2009, including buildings under construction are shown at cost. Depreciation on buildings has been provided on a straight-line basis using an assessment of the expected useful life of each building as assessed by the University's qualified valuers. No depreciation is provided on land. The range of lives used for the majority of buildings is as follows:

- Major infrastructure plant: 10 to 15 years
- System built properties: 15 to 25 years
- General buildings: 50 to 80 years
- Historic and legacy properties 100 years

Other lives within this range are applied to reflect the circumstances of specific buildings. Where buildings are depreciated over a period greater than 50 years, the carrying value is subject to an annual impairment review in accordance with FRS 11: Impairment of fixed assets and goodwill. Buildings under construction are not depreciated.

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future value to the institution beyond its previously assessed value, the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned. Assets under construction are stated at cost and are not depreciated until the period in which they are brought into use.

vii. Repairs and maintenance

The above expected useful lives reflect the University policy of maintaining buildings to functional and regulatory

compliance standards through a planned refurbishment programme that is reviewed annually. The expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Income and Expenditure Account in the year it is incurred.

viii. Acquisition with the aid of specific grants

Where buildings are constructed or acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.

All land and buildings are included in the Balance Sheet with the exception of the New College Divinity complex on the Mound, which is regarded as inalienable, and two farms, which form part of agricultural tenancies. In addition, the University occupies various premises owned by the NHS and the main locations are subject to formal rentals and service charges which are reflected in the Income and Expenditure Account. Some NHS premises are, however, occupied under arrangements such as historic "knock for knock" agreements. It is not possible to attribute value to these arrangements and hence these assets are not included in the financial statements.

ix. Assets held for Resale

Assets held for resale are stated at market value and are disclosed as current assets within one year of sale.

x. Equipment

Equipment, including micro-computers and software, costing less than £25,000 per individual item or group of related items, is written off in the year of acquisition with the exception of certain new furniture. All other equipment, the purchase or external development costs of major new applications software and the initial complement of furniture acquired as part of the initial fit out of a newly constructed building, is capitalised. All University capitalised equipment is stated at cost and depreciated over a four-year period from the year in which the equipment, software or building is commissioned.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grant is treated as a deferred capital grant and released to income over a four year period.

Donated equipment is capitalised at depreciated replacement cost at the date of receipt and is depreciated

Notes to the Financial Statements

continued

over a four-year period.

It has been recognised that building plant acquired by the University's subsidiary, UoE Utilities Supply Company, has a long operating life and is depreciated over a ten year period. Certain other subsidiaries provide different rates of depreciation to that of the parent. These have an immaterial effect on the results of the group.

xi. Heritage Assets

Heritage assets are defined as assets that are held principally for their contribution to knowledge and culture and the accounting for these assets is governed by FRS 30. FRS 30 has been adopted for the first time in these financial statements. Implementation of this accounting policy has been accounted for as a prior year adjustment and the comparative figures that are impacted by the introduction of FRS 30 have been restated accordingly (note 35).

Heritage Assets forming part of the main University collections before 2006

Heritage assets, forming part of the main University collections and valued in 2006, are capitalised and recognised in the balance sheet. Over the 12 months of 2006, The University's Centre for Research Collections undertook a major project to value the University's formally curated collections, using a combination of methods. These were by external valuers (mainly specialist auction houses and dealers from Sotheby's, Bernard Quaritch and Graham Wells), peer valuations and some in-house valuations. Annually, since 2006, the overall valuation of items is reviewed and uplifted if required, commensurate with market activity, assessed internally by University Collections.

Heritage Assets acquired since 2006

Heritage assets acquired since 2006 and valued at over £25,000 are capitalised and recognised in the balance sheet when appropriate valuations are available. Donated assets that are capitalised are reported in the income and expenditure account at valuation. Valuations are performed by internal curatorial experts or by specialist external valuers. Not all donated assets are subject to valuation because the cost of the valuation is not considered to be commensurate with the benefits to users of the financial statements. Heritage assets that are irreplaceable originals or for which no reliable value can be attributed are not capitalised in the accounts.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. They are subject to impairment reviews if damage or deterioration is reported. They are maintained and the cost of maintenance charged to the income and expenditure accounts as incurred.

Further information is given in note 34.

xii. Investments

The University's investments continue to be administered by an external fund manager and comprise the following main funds:

- University of Edinburgh Endowment Fund which holds endowment and general fund investments; and
- University of Edinburgh General Reserve Fund.

Listed investments held as fixed assets or endowment assets are shown at market value. Investments in subsidiary companies are shown at the lower of cost or net realisable value and the investments in associates, where material are shown in the consolidated balance sheet at the attributable share of net assets.

Current asset investments include temporary and money market deposits and are included at the lower of cost and net realisable value.

xiii. Endowments

Restricted expendable endowments are those where both the capital and interest are expended for the purpose specified by the donor.

Restricted permanent endowments are those where the capital is retained on a permanent basis and the interest is expended for the purpose specified by the donor.

xiv. Stocks

Stocks for resale and other stocks are included at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

xv. Cash flows and liquid resources

Cash flows comprise increases and decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments however liquid are included as cash.

Notes to the Financial Statements

continued

Liquid resources comprise assets held as readily disposable store of value. They include cash term deposits and bank notice accounts held as part of the University's treasury management activities. They exclude any such assets held as part of fixed asset and endowment asset investments.

xvi. Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the Income and Expenditure Account.

xvii. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapters 2 and 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The University's subsidiary companies, except those with charitable status are liable to corporation tax. Charitable subsidiaries are exempt from taxation under the same legislation as the University. The charge for taxation is based on the profit or loss for the year after charging the cost of any Gift Aid payment payable to the University. The charge for taxation also takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

xviii. Pensions

The University and certain subsidiaries participate in three separately administered, externally funded, defined benefit pension schemes, all of which are contracted out of the State Earnings-Related Pension Scheme. The schemes are:

- Universities Superannuation Scheme (USS);
- University of Edinburgh Staff Benefits Scheme (EUSBS); and

- Strathclyde Pension Fund (SPF).

Each fund is valued every three years by independent actuaries. Additionally, the actuaries review the progress of the schemes in each of the intervening years.

The University also participates in the Scottish Teachers Superannuation Scheme (STSS), an unfunded, defined benefit pension scheme which is also contracted out of the State Earnings-Related Pension Scheme. The scheme has a notional fund which is revalued on a five year cycle by the Government Actuary.

The expected cost of providing staff pensions to employees contributing to EUSBS and SPF schemes is recognised in the Income and Expenditure Account, on a systematic basis over the expected average remaining lives of members of the funds, in accordance with FRS 17: Retirement Benefits, and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

Contributions to the other schemes are charged in the Income and Expenditure Account so as to spread the cost of providing pensions over the employees' working lives within the organisation. The contribution charges are recognised in the accounting periods in which they arise. Variations in pension costs as a result of actuarial valuations or premature retirement schemes are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged in the Income and Expenditure Account are treated as provisions in the Balance Sheet.

The University also contributes to The Federated Superannuation System (FSSU), a defined contribution pension scheme which is not contracted out of the State Earnings-Related Pension Scheme. Contributions are charged in the Income and Expenditure Account as they become payable in accordance with the rules of the scheme.

A small number of subsidiary company employees are members of other defined contribution schemes. Contributions are charged in the Income and Expenditure Account in the year in which they become payable.

xix. Comparatives

In compliance with FRS28: Corresponding Amounts, prior year figures disclosed have been adjusted where required in order that they are directly comparable with the amount shown in respect of the current financial year.

Notes to the Financial Statements

continued

	2011	2010
	£ 000's	£ 000's
2. FUNDING COUNCIL GRANTS		
Recurrent grant		
Teaching	79,392	80,883
Research	82,160	79,897
Specific grants		
Information systems	5,871	4,662
Infrastructure grants for research, teaching and learning	6,645	14,163
Other including research pooling	12,482	15,521
Deferred capital grants released in year		
Buildings (note 21)	2,262	2,113
Equipment (note 21)	696	539
	189,508	197,778
3. TUITION FEES AND EDUCATION CONTRACTS		
UK and EU higher education students	48,682	48,044
Full-time students charged overseas fees	68,652	55,580
Research training support grants	2,032	2,117
Short course and other fees and support grants	4,434	4,199
	123,800	109,940
4. RESEARCH GRANTS AND CONTRACTS		
Research councils	84,212	82,341
UK based charities	42,999	44,480
UK central government bodies, local and health authorities	17,781	21,345
UK industry, commerce and public corporations	10,080	10,286
EU government bodies	17,329	17,511
EU other	721	1,152
Other overseas	4,463	4,227
Other sources	3,405	3,937
	180,990	185,279

The figures for research income include the University's share of the research activity of the Scottish Universities Environmental Research Centre (SUERC), a joint activity with the University of Glasgow.

Deferred capital grants: Research income of £6,660,000 (2010 - £2,039,000) has been deferred (see note 21) to match purchases of items of equipment costing in excess of £25,000 which have been capitalised. The above income includes Deferred capital grants released during the year of £3,260,000 (see note 21) (2010 - £2,522,000).

Notes to the Financial Statements

continued

	2011	2010
	£ 000's	£ 000's
5. OTHER INCOME		
Residences, catering and conferences	39,434	39,594
Specific grants, donations and other designated income:		
Academic and related activities	34,149	31,331
Academic services and support activities	10,029	8,947
General Income :		
Academic and related activities	24,163	23,738
Income generating, academic services & support activities	34,245	23,758
Released from deferred capital grants		
Buildings (note 21)	2,023	1,832
Equipment (note 21)	2,365	2,191
	146,408	131,391
6. ENDOWMENT AND INVESTMENT INCOME		
Income from expendable endowments	5,210	5,105
Income from permanent endowments	2,473	2,281
Other investment income	475	719
Other interest receivable	1,965	1,486
	10,123	9,591
	2011	2010
	Number	Number
7. STAFF		
Staff numbers (expressed as full time equivalents as at 31 July) were as follows :		
Academic and related support	3,339	3,252
Research grants and contracts	1,698	1,913
Library, computer and other academic support services	511	509
Administration and central services	518	519
Premises	649	622
Other including income generating operations	102	91
Residences and catering operations	438	435
	7,255	7,341
Staff numbers (expressed as an employee count) were as follows :		
Staff on open ended contracts	6,134	6,090
Staff on fixed term contracts	1,885	1,982
	8,019	8,072
Percentage of employees on fixed term contracts	23.51%	24.5%

The percentage of staff on fixed term contracts is measured and monitored by the University but no analysis of the related fixed term staff cost is maintained.

Notes to the Financial Statements

continued

	2011 £ 000's	2010 £ 000's
7. STAFF (Continued)		
Analysis of the cost of the above staff by activity:		
Academic and related support	176,766	175,591
Research grants and contracts	83,203	85,624
Library, computer and other academic support services	21,172	21,149
Administration and central services	22,456	25,365
Premises	15,987	15,453
Other including income generating operations	4,691	4,757
Residences and catering operations	10,306	9,925
Unfunded pensions	(606)	668
Pension costs less employer contributions payable (note 31)	(2,798)	1,217
	331,177	339,749
Analysis of the above staff cost by type:		
Salaries and wages	257,721	258,934
Social security costs	20,899	20,799
Other pension costs (note 31)	50,864	54,627
Severance costs	2,299	4,721
Unfunded pensions	(606)	668
	331,177	339,749

8. SENIOR POST HOLDERS

The following note details the remuneration levels, excluding employer's pension contributions, employers' national Insurance, and compensation payments, of higher paid staff. The remuneration includes payment made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment which are excluded from the University's Income and Expenditure Account. With effect from 1 January 2008 the University introduced a pension salary sacrifice arrangement for members of the USS and SBS schemes. Staff participating in the scheme elect to give up a portion of their contractual gross salary equal to their employees' pension contribution and this is reflected in the remuneration levels detailed below. In return the University employer's contribution is increased.

The number of staff, including senior post-holders and the Principal, who received remuneration in the following ranges was:

	2011 Number	2010 Number
£70,000 - £79,999	73	87
£80,000 - £89,999	67	68
£90,000 - £99,999	43	37
£100,000 - £109,999	22	21
£110,000 - £119,999	22	19
£120,000 - £129,999	18	18
£130,000 - £139,999	8	11
£140,000 - £149,999	7	8
£150,000 - £159,999	13	15
£160,000 - £169,999	8	8
£170,000 - £179,999	9	8
£180,000 - £189,999	8	3
£190,000 - £199,999	3	9
£200,000 - £209,999	1	3
£210,000 - £219,999	-	1
£220,000 - £229,999	1	2
£240,000 - £249,999	1	-
£270,000 - £279,999	1	-
£280,000 - £289,999	1	1
	306	319

Staff are included in the range that reflects their annual remuneration for that year.

Notes to the Financial Statements

continued

Emoluments of the Principal	2011 £ 000's	2010 £ 000's
Remuneration	229	229
Benefits in kind	2	2
	231	231
Pension contributions	55	54
	286	285

Regular pension contributions for the Principal, paid to the USS at the same rate as for other academic staff amounted to £54,702 (2010 - £53,886).

Compensation for loss of office

Payments in compensation for loss of office exceeding £100,000 were payable to four members of staff during the year of which one was a senior member of staff earning in excess of £70,000.

	2011 £ 000's	2010 £ 000's
Payments to USS for enhanced pension benefits	254	93
Other payments in respect of loss of office	322	317
	576	410

The severance pay was in accordance with the Remuneration Committee policy

	2011 £ 000's	2010 £ 000's
9. ANALYSIS OF OTHER OPERATING EXPENSES BY ACTIVITY		
Academic and related expenditure	57,407	57,782
Research grants and contracts	61,925	63,809
Library, computer and other academic support services	14,237	12,121
Administration and central services	16,075	14,754
Premises - Refurbishment and maintenance	36,071	43,457
- Utility costs	13,245	12,425
- Other premises costs	8,628	8,760
Other including income generating operations	18,719	9,652
Residences and catering operations	19,221	20,248
	245,528	243,008

Other operating expenses include:

Operating lease rentals

1,605 2,022

Fees charged by external auditors:

 Audit of these financial statements

63 58

 Audit of financial statements of subsidiaries pursuant to legislation

41 36

 Taxation services *

234 36

 Non-audit services

46 67

*Taxation services includes exceptional fees in respect of the agreement of a retrospective VAT partial recovery for years to 1996 included in income for the year.

Notes to the Financial Statements

continued

	2011 £ 000's	2010 £ 000's
10. INTEREST PAYABLE		
Bank and other loans	2,949	2,967
Finance leases	257	249
Net charge on pension scheme assets and liabilities (note 31)	1,592	3,529
	4,798	6,745
11. TAXATION		
UK corporation tax charge on subsidiaries' profits	20	3
12. SURPLUS FOR THE YEAR		
The Group surplus for the period is made up as follows: University's surplus for the period excluding surpluses paid under Gift Aid to the University by subsidiaries	37,370	14,576
Surplus generated by subsidiary undertakings	4,853	3,740
Total	42,223	18,316

13. TANGIBLE ASSETS

Group	Land and Buildings	Buildings under Construction	Equipment	Heritage Assets (Note 34)	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Cost or valuation					
As at 1 August 2010 as previously stated	1,053,740	62,202	81,707	-	1,197,649
Prior Year adjustments	-	-	-	158,703	158,703
As at 1 August 2010 as restated	1,053,740	62,202	81,707	158,703	1,356,352
Additions at cost	72,019	1,615	14,485	41	88,160
Transfers	61,609	(61,609)	-	-	-
Transfers to assets for resale	(11,571)	-	-	-	(11,571)
Disposals	(6,245)	-	(2,268)	-	(8,513)
As at 31 July 2011	1,169,552	2,208	93,924	158,744	1,424,428
Depreciation					
As at 1 August 2010	20,240	-	60,111	-	80,351
Impairment	4,139	-	-	-	4,139
Charge for the year	14,812	-	10,767	-	25,579
Transfers to assets for resale	(6,616)	-	-	-	(6,616)
Disposals	(546)	-	(2,164)	-	(2,710)
As at 31 July 2011	32,029	-	68,714	-	100,743
Net book value					
As at 31 July 2011	1,137,523	2,208	25,210	158,744	1,323,685
As at 31 July 2010 as restated	1,033,500	62,202	21,596	158,703	1,276,001

All land and buildings are held on a freehold basis with the exception of the new medical school at the Royal Infirmary of Edinburgh at Little France. This is constructed on land held under a long leasehold of 130 years.

Notes to the Financial Statements

continued

Under the requirement of FRS15 Tangible Fixed Assets, a revaluation of Land and Buildings was performed by Messrs Gerald Eve, Chartered Surveyors, as at 1 August 2009 and has been reflected in these accounts. Valuations were established on the following bases:

- The majority of buildings were valued on the depreciated replacement cost basis.
- Certain other buildings, mainly residential accommodation, retail properties and land were valued on existing use or open market value bases.
- Valuations were carried out in compliance with the RICS valuation standards (the “Red Book”)
- Where buildings were under construction and were not included in the valuation they are stated at cost above.

Losses on disposals of land and building fixed assets amounted to £66,000 (2010 – Loss £997,000).

Land and Buildings with a net book value of £167,327,000 (2010 - £140,391,000) have been financed from Exchequer Funds. Should these assets be sold, the University may be liable, under the terms of the Financial Memorandum with the Scottish Funding Council, to surrender the proceeds.

13. TANGIBLE ASSETS (Continued)

University

	Land and Buildings	Buildings under Construction	Equipment	Heritage Assets (Note 34)	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Cost or valuation					
As at 1 August 2010 as previously stated	1,050,608	62,202	69,577	-	1,182,387
Prior Year adjustments	-	-	-	158,703	158,703
As at 1 August 2010 as restated	1,050,608	62,202	69,577	158,703	1,341,090
Additions at cost	71,581	1,615	14,345	41	87,582
Transfers	61,609	(61,609)	-	-	-
Transfers to assets for resale	(11,571)	-	-	-	(11,571)
Disposals	(6,245)	-	(2,268)	-	(8,513)
As at 31 July 2011	1,165,982	2,208	81,654	158,744	1,408,588
Depreciation					
As at 1 August 2010	18,649	-	52,076	-	70,725
Impairment	4,139	-	-	-	4,139
Charge for the year	14,632	-	9,625	-	24,257
Transfer to assets for resale	(6,616)	-	-	-	(6,616)
Disposals	(546)	-	(2,164)	-	(2,710)
As at 31 July 2011	30,258	-	59,537	-	89,795
Net book value					
As at 31 July 2011	1,135,724	2,208	22,117	158,744	1,318,793
As at 31 July 2010 as restated	1,031,959	62,202	17,501	158,703	1,270,365

There is a standard security over various properties belonging to the University which has been granted as part of loan arrangements. A standard security had been granted over a property in favour of the University of Edinburgh Staff Benefit Scheme and standard securities over further properties were granted during the year as part of pension funding guarantee arrangements.

The net book value of tangible fixed assets includes an amount of £2,438,788 (2010 - £2,468,644) of buildings, fixtures and fittings held under finance leases. The depreciation charge on these assets for the year was £29,856 (2010 - £30,272).

Notes to the Financial Statements

continued

Net book value historical cost equivalent

	Group		University	
	2011 £ 000's	2010 £ 000's	2011 £ 000's	2010 £ 000's
Land and Buildings and Buildings under Construction	644,762	584,883	642,964	583,343
Equipment	25,211	21,596	22,117	17,501
	669,973	606,479	665,081	600,844

The group depreciation charge has been matched by:

	2011 £ 000's	2010 £ 000's
Deferred capital grants released (note 21)	10,606	9,197
Revaluation reserve transferred to general reserves (note 23)	7,303	7,250
Earnings in subsidiaries	1,321	1,354
General income	6,349	6,532
	25,579	24,333

14. INVESTMENTS WITHIN FIXED ASSETS

	Group		University	
	2011 £ 000's	2010 £ 000's	2011 £ 000's	2010 £ 000's
Movements in the year				
University General Reserve Fund				
Balance at 1 August	18,589	15,583	18,589	15,583
Disposals	(270)	-	(270)	-
Net appreciation	1,066	3,006	1,066	3,006
Balance at 31 July	19,385	18,589	19,385	18,589
University General Fund				
Balance at 1 August	3,505	2,927	3,505	2,927
Net appreciation	390	578	390	578
Balance at 31 July	3,895	3,505	3,895	3,505
Other Investments				
Balance at 1 August	81	81	514	1,789
Additions	200	-	-	-
Loans Repaid	-	-	-	(1,350)
Loans Advanced	-	-	240	-
Loan provisions released	-	-	-	75
Balance at 31 July	281	81	754	514
Total Investments within Fixed Assets	23,561	22,175	24,034	22,608
Represented by:				
Investment in subsidiary companies at cost	-	-	358	358
Loans to subsidiary companies	-	-	315	75
Fixed interest stocks	11,711	11,937	11,706	11,937
Equities	11,524	10,070	11,524	9,936
Bank deposits held at fund managers	45	58	45	58
Working capital	-	29	5	163
Other investments	281	81	81	81
Total investments within fixed assets	23,561	22,175	24,034	22,608
Investments at cost	20,586	20,499	21,141	20,932

Notes to the Financial Statements

continued

14. INVESTMENTS WITHIN FIXED ASSETS (continued)

Subsidiary undertakings comprise companies registered in Scotland as follows:

Edinburgh Research and Innovation Limited

The University owns 100 per cent of the issued share capital of Edinburgh Research and Innovation Limited, consisting of 2 ordinary shares of £1 each. The Company's main activities are concerned with the negotiation of research and consultancy contracts with industry and commerce on behalf of the University of Edinburgh. It is also responsible for the commercial exploitation of intellectual property arising from research within the University.

Edinburgh University Press Limited

Edinburgh University Press Limited is a registered Scottish charity, incorporated as a limited company, of which the University owns 100 per cent of the issued share capital of 357,482 ordinary shares of £1 each. The principal activity of Edinburgh University Press Limited is the publication of educational books and journals.

UoE Accommodation Limited

The University owns 100 per cent of the issued share capital of UoE Accommodation Limited, consisting of 2 ordinary shares of £1 each. The Company's main activities are concerned with non-student lettings for the University of Edinburgh.

The University of Edinburgh Development Trust

The University of Edinburgh Development Trust is a charity registered in Scotland, Registered Charity No SC004307. The trust is classed as a "Quasi-subsidiary" of the University under the guidelines of FRS5: Reporting the Substance of Transactions. The primary purpose of the Trust is to act as a fundraiser for the University and to hold and allocate funds for the benefit of the University.

Edinburgh Technology Fund Limited

The University owns 100 per cent of the issued share capital of Edinburgh Technology Fund Limited, consisting of 6,000 "A" ordinary shares of £1 each. The principal activity of the company is the management of investment funds providing seedcorn venture capital for early stage high technology developments and the management of its portfolio of investments made using its funds.

UoE Utilities Supply Company Limited

The University owns 100 per cent of the issued share capital of UoE Utilities Supply Company Limited, consisting of 2 ordinary shares of £1. This company was set up to provide utilities services to the University.

UoE HPCX Limited

The University owns 100 per cent of the share capital of UoE HPCX Limited consisting of 1 ordinary share of £1. The company's principal activity is the provision of high performance computing services.

Flowave TT Limited

The University owns 100 per cent of the issued share capital of Flowave TT Limited, consisting of 1 ordinary share of £1 each. The Company's principal activity is the development and subsequent operation of land based facilities for the testing of marine energy and other devices in simulated wave and tidal current conditions.

Old College Capital LLP

The University is the sole limited partner of Old College Capital LLP. The main purposes of the partnership include making early and mid stage investments into selected companies that emerge from the University .

SSTRIC Limited

The University Court is the sole member of SSTRIC Limited, a company limited by guarantee.

Research into Results Limited

The University owns 100 per cent of the issued share capital of Research into Results Limited, consisting of 2 ordinary shares of £1 each. The Company's principal activity is the delivery of research and project management services in the area of international development.

Associated undertakings include the following:

Edinburgh Technology Transfer Centre Limited

The University Court is a member of Edinburgh Technology Transfer Centre Limited. The company, registered in Scotland and limited by guarantees of £1 from each of two members, is consolidated in these financial statements.

Roslin Cells Limited

Following the acquisition of Roslin Institute, the University now nominates one member of Roslin Cells, a company limited by guarantees of £1 from each of two members. No share of the accounts of that body is consolidated on the ground of materiality.

In addition to the above subsidiary and associate undertakings the Group and University nominate members of other companies limited by guarantee and have also acquired in excess of 20% of the issued capital of several start-up companies limited by shares, under seedcorn funding and spin-off arrangements. No consolidation is made in these accounts and no investment value is reflected, on the basis of materiality.

Notes to the Financial Statements

continued

	Group and University	
	2011	2010
	£ 000's	£ 000's
15. ENDOWMENT ASSETS		
As at 1 August	200,348	164,746
New endowments investment (note 27)	11,135	6,205
Disposal of investments	(1,617)	(1,105)
Increase in market value of investments (note 22)	22,833	32,187
Charges on investments	(368)	(313)
Increase/(Decrease) in cash balances held by the University and Development Trust	4,360	(1,561)
(Decrease)/Increase in working capital	(179)	185
Increase in cash balances held by fund manager	-	4
As at 31 July	236,512	200,348
Represented by :		
Fixed interest stocks	50,474	49,256
Equities – property	9,705	7,941
Equities – other	166,056	133,536
Bank deposits held at fund managers	4,490	8,009
Cash balance held by the University and Development Trust (note 30)	4,450	90
Working capital	1,337	1,516
Total endowment assets	236,512	200,348
Endowment Assets – at cost	182,788	158,536

	Group		University	
	2011	2010	2011	2010
	£ 000's	£ 000's	£ 000's	£ 000's
16. DEBTORS				
Amounts falling due within one year				
Debtors	77,029	78,890	70,755	72,996
Amounts owing from subsidiary companies	-	-	5,445	3,870
Prepayments and accrued income	7,987	6,384	7,661	5,854
	85,016	85,274	83,861	82,720

Notes to the Financial Statements

continued

	Group		University	
	2011 £ 000's	2010 £ 000's	2011 £ 000's	2010 £ 000's
17. CREDITORS				
Amounts falling due within one year				
Unsecured loans (note 19)	1,141	1,125	1,141	1,125
Finance lease (note 19)	106	72	106	72
Creditors	32,098	23,905	28,601	21,777
Social security and other taxation payable	7,766	7,507	7,609	7,474
Accruals and deferred income	188,937	186,799	166,988	175,665
	230,048	219,408	204,445	206,113

	2011 £ 000's	2010 £ 000's	2011 £ 000's	2010 £ 000's
18. CREDITORS				
Amounts falling due after more than one year				
Bank loans (note 19)	51,639	52,777	51,639	52,777
Obligations under finance leases (note 19)	1,774	1,880	1,774	1,880
Other creditors	612	512	512	512
	54,025	55,169	53,925	55,169

	Group and University	
	2011 £ 000's	2010 £ 000's
19. BORROWINGS		
Bank loans		
Bank loans are repayable as follows:		
In one year or less	1,141	1,125
Between two and five years	14,169	4,478
In five years or more	37,470	48,299
	52,780	53,902
Less: falling due within one year (note 17)	1,141	1,125
Total bank loans (note 18)	51,639	52,777

Borrowings consist of long term credit facilities and one unsecured loan with a fixed interest rate of 5.5% p.a.

The University's long term credit facilities are as follows:

- £10,000,000 at a fixed rate of 6.99% p.a., repayable in 2015;
- £30,000,000 at a fixed rate of 6.98% p.a., repayable in equal instalments between years 2026 and 2030; and
- £11,620,000 at an annual interest rate of 0.23% above Bank of England base rate, repayable between 2011 and 2025.

	2011 £ 000's	2010 £ 000's
Finance leases		
Obligations under finance leases		
fall due as follows:		
In one year	106	72
Between two and five years	542	492
After five years	1,232	1,388
	1,880	1,952

Notes to the Financial Statements

continued

	Group and University	
	2011 £ 000's	2010 £ 000's
20. PROVISIONS FOR LIABILITIES AND CHARGES		
Unfunded pensions		
As at 1 August	8,077	7,782
Utilised in year	(615)	(612)
Transfer from Income and Expenditure Account	(662)	907
As at 31 July	6,800	8,077

In compliance with FRS 12: Provisions, Contingent Liabilities and Contingent Assets the above provisions relate only to contractual and legal obligations of the University.

The University has a liability for pensions payable to former members of Moray House staff who have taken early retirement and in respect of the supplementation of FSSU and State pensions granted to former members of the University staff. These represent the unfunded liabilities in respect of pension commitments outwith the defined benefit pension schemes participated in by the University.

21. DEFERRED CAPITAL GRANTS

Group	Funding Council £ 000's	Other grants and benefactions £ 000's	Research Income £ 000's	Total £ 000's
As at 1 August				
Buildings	140,391	127,235	-	267,626
Equipment	1,294	5,737	3,606	10,637
	141,685	132,972	3,606	278,263
Cash receivable				
Buildings	27,732	31,001	-	58,733
Equipment	1,172	2,424	6,660	10,256
	28,904	33,425	6,660	68,989
Transfer from endowment funds				
Buildings	-	450	-	450
Released to Income and Expenditure Account				
Buildings	2,262	2,023	-	4,285
Equipment	696	2,365	3,260	6,321
	2,958	4,388	3,260	10,606
Disposal of Equipment	-	-	104	104
As at 31 July				
Buildings	165,861	156,663	-	322,524
Equipment	1,770	5,796	6,902	14,468
	167,631	162,459	6,902	336,992

Notes to the Financial Statements

continued

University	Funding Council	Other grants and benefactions	Research Income	Total
	£ 000's	£ 000's	£ 000's	£ 000's
As at 1 August				
Buildings	140,391	125,794	-	266,185
Equipment	1,294	3,864	3,606	8,764
	141,685	129,658	3,606	274,949
Cash receivable				
Buildings	27,732	31,001	-	58,733
Equipment	1,172	2,424	6,660	10,256
	28,904	33,425	6,660	68,989
Transfer from endowment funds				
Buildings	-	450	-	450
Released to Income and Expenditure Account				
Buildings	2,262	1,890	-	4,152
Equipment	696	1,792	3,260	5,748
	2,958	3,682	3,260	9,900
Disposal of Equipment	-	-	104	104
As at 31 July				
Buildings	165,861	155,355	-	321,216
Equipment	1,770	4,496	6,902	13,168
	167,631	159,851	6,902	334,384

	Group and University			
	Restricted Permanent	Restricted Expendable	2011 Total	2010 Total
	£ 000's	£ 000's	£ 000's	£ 000's
22. ENDOWMENT FUNDS				
Capital	55,377	119,806	175,183	144,191
Accumulated income	7,971	17,194	25,165	20,555
As at 1 August	63,348	137,000	200,348	164,746
New endowments	7,645	5,050	12,695	3,481
Appreciation of endowment investments	7,225	15,608	22,833	32,187
Investment charge on capital	(116)	(252)	(368)	(313)
Investment income for the year (note 6)	2,473	5,210	7,683	7,386
Expenditure for the year	(2,299)	(3,930)	(6,229)	(6,566)
Transferred to Deferred Capital Grants	(450)	-	(450)	(573)
As at 31 July	77,826	158,686	236,512	200,348
Represented by:				
Capital	68,749	138,049	206,798	175,183
Accumulated income	9,077	20,637	29,714	25,165
	77,826	158,686	236,512	200,348

Notes to the Financial Statements

continued

	Group and University	
	Total 2011 £ 000's	Total 2010 Restated £ 000's
23. REVALUATION RESERVE		
As at 1 August as previously stated	569,621	542,574
Prior year adjustment (note 35)	158,703	149,352
As at 1 August as restated	728,324	691,926
Revaluation of tangible assets during the year - Land & Buildings	-	34,066
Revaluation of tangible assets during the year - Heritage Assets (note 35)	-	9,351
Increase in investment during the year	390	578
Transfer to general reserve - depreciation on revalued assets (note 24)	(6,700)	(6,700)
Disposals in the year (note 24)	(603)	(897)
Impairment in the year	(4,139)	-
As at 31 July	717,272	728,324

	Group	Group	University	University
	2011 £ 000's	2010 £ 000's	2011 £ 000's	2010 £ 000's
24. MOVEMENT ON RESERVES				
GENERAL RESERVE INCLUDING PENSION LIABILITY				
At 1 August	189,046	129,030	183,783	124,240
Consolidate share of SUERC joint activity at 1 August	-	(131)	-	-
Surplus attributable to the year	42,223	18,316	42,469	17,712
Depreciation on revalued assets (note 23)	6,700	6,700	6,700	6,700
Realisation of revaluation gains of previous years	603	897	603	897
Impairment on revalued assets	4,139	-	4,139	-
Pension actuarial gain	7,453	34,234	7,453	34,234
Balance at 31 July	250,164	189,046	245,147	183,783
Represented by:				
INCOME AND EXPENDITURE ACCOUNT				
At 1 August as previously stated	265,879	235,351	260,616	230,561
Consolidate share of SUERC Joint activity at 1 August	-	(131)	-	-
Surplus attributable to the year	42,223	18,316	42,469	17,712
Transfer from pension reserve	(1,206)	4,746	(1,206)	4,746
Transfer from revaluation reserve	11,442	7,597	11,442	7,597
Balance at 31 July	318,338	265,879	313,321	260,616

Notes to the Financial Statements

continued

	Group and University	
	2011 £ 000's	2010 £ 000's
24. MOVEMENT OF RESERVES (CONTINUED)		
PENSION RESERVE		
At 1 August	(76,833)	(106,321)
Current service cost	(9,605)	(14,057)
Past service cost	-	-
Employer contributions	12,347	12,784
Contributions in respect of unfunded benefits	56	56
Net finance cost to assets (note 10)	(1,592)	(3,529)
Transfer to/(from)come and Expenditure Account	1,206	(4,746)
Actuarial gain (note 31)	7,453	34,234
At 31 July	(68,174)	(76,833)
25. RECONCILIATION OF CONSOLIDATED SURPLUS BEFORE TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Surplus before tax and minority interest		
	43,681	19,147
Pension service cost in excess of contributions payable (note 31)	(2,798)	1,217
Depreciation (note 13)	25,579	24,333
Impairment of fixed assets (note 13)	4,139	1,930
Increase in fixed asset investment: General Reserve Fund (note 14)	(1,066)	(3,006)
Deferred capital grants released to income (note 21)	(10,710)	(9,197)
Loss on disposal of fixed assets	66	997
Donation of the heritage assets	(41)	-
Bank, other loan & finance lease interest payable (note 10)	3,206	3,216
Net interest on pension scheme assets (note 10)	1,592	3,529
(Increase)/Decrease in stocks	(225)	156
Decrease/(Increase) in debtors	657	(2,185)
Increase in accruals and deferred income	24,887	14,498
Increase/(Decrease) in creditors	8,425	(2,881)
(Decrease)/Increase in provisions (note 20)	(1,277)	295
Endowment income (note 22)	(7,683)	(7,386)
Other investment income (note 6)	(475)	(719)
Interest receivable (note 6)	(1,965)	(1,519)
NET CASH INFLOW FROM OPERATING ACTIVITIES	85,992	42,425
26. RETURN ON INVESTMENT AND SERVICING OF FINANCE		
Endowment funds dividends and interest received	7,862	7,208
Other investment income	475	719
Interest received	1,212	1,361
Interest paid	(2,953)	(2,970)
Finance lease interest paid	(257)	(249)
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	6,339	6,069

Notes to the Financial Statements

continued

	Group	
	2011 £ 000's	2010 £ 000's
27. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchases of tangible assets	(64,032)	(74,059)
Proceeds from sale of fixed assets	5,736	381
Purchase of investments	(200)	-
Proceeds from the sale of investments	270	-
Deferred capital grants received - funding councils and research equipment	10,782	11,913
Deferred capital grants received - other capital benefactions	11,857	9,295
Purchase of endowment investment assets (note 15)	(11,135)	(6,205)
Disposal of endowment investment assets (note 15)	1,617	1,105
New endowments received (note 22)	12,695	3,481
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(32,410)	(54,089)
28. MANAGEMENT OF LIQUID RESOURCES		
(Increase)/Decrease in deposits	(56,140)	7,521
NET CASH (OUTFLOW)/INFLOW FROM THE MANAGEMENT OF LIQUID RESOURCES	(56,140)	7,521
29. FINANCING		
Loan repayments	(1,122)	(1,107)
Capital repayment of finance lease obligations	(72)	(65)
NET CASH OUTFLOW FROM FINANCING	(1,194)	(1,172)

30. ANALYSIS OF NET FUNDS

	As at 1 August 2010 £ 000's	Cashflows £ 000's	Other Changes £ 000's	As at 31 July 2011 £ 000's
Cash in hand and at bank	14,772	(1,793)	-	12,979
Endowment assets:				
Cash balance held by University (note 15)	90	4,360	-	4,450
Total cash in hand and at bank	14,862	2,567	-	17,429
Debt due within 1 year	(1,125)	1,125	(1,141)	(1,141)
Debt due after 1 year	(52,777)	(3)	1,141	(51,639)
Finance leases	(1,952)	72	-	(1,880)
Current asset investments:				
Bank deposits	154,942	56,140	-	211,082
TOTAL FUNDS	113,950	59,901	-	173,851

Notes to the Financial Statements

continued

31. PENSION FUNDS

UNIVERSITY PENSION SCHEMES

The University participates in two active Pension schemes; the Universities Superannuation Scheme (USS) and The University of Edinburgh Staff Benefits Scheme (EUSBS). The University also makes contributions to other legacy pension schemes that are closed to new employees. Some former employees of Moray House Institute of Education are covered by the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). The Federated Superannuation Scheme for Universities (FSSU) covers a small number of academic staff that did not transfer to USS when it was introduced in 1975.

Total pension costs for the year for the University of Edinburgh were as follows:

	Year to 31 July 2011 £ 000's	Year to 31 July 2010 £ 000's
USS – Contributions paid	40,799	39,996
EUSBS – Charge to Income and Expenditure Account	9,300	13,661
STSS – Contributions paid	178	271
SPF – Charge to Income and Expenditure Account	305	396
FSSU – Charge to Income and Expenditure Account	-	1
Other – Charge to Income and Expenditure Account	282	302
	50,864	54,627

	Year to 31 July 2011 £ 000's	Year to 31 July 2010 £ 000's
Outstanding contributions to pension schemes at the Balance Sheet date were as follows:		
The Universities Superannuation Scheme	3,551	-
The University of Edinburgh Staff Benefits Scheme	997	-
Scottish Teachers Superannuation Scheme (STSS)	-	10
The pension cost excludes:		
Payments made to USS on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment and which are excluded from the University's Income and Expenditure Account	213	209
Payment to retired members in respect of the FSSU Supplementation scheme	16	16

Notes to the Financial Statements

continued

Pensions salary sacrifice arrangement – pensions

With effect from 1 January 2008 members of the USS and EUSBS schemes may elect to give up a portion of their contractual gross pay equal to their employees' pension contribution. In return the University increases its contributions to cover both the employee and employer elements of the pension contribution. This pension salary sacrifice arrangement is referred to within the University as the "pensions +" scheme. No change to staff pensionable salaries or total pension scheme contributions arises from this arrangement. The majority of staff accepted this change to their terms and conditions which results in a reduction in their gross but not their net "take-home" pay. The "pensions+" salary sacrifice arrangement is reported in the financial records and financial statements of the University as follows:

- salaries and wages reflect the reduced gross pay earned by staff
- pension costs in the above note and pension contributions to the USS and EUSBS schemes disclosed in this Pensions note in compliance with Financial Reporting Standard 17: Retirement Benefits (FRS17) include both the employee and employer elements of the pension contributions; and
- employers contribution percentage rates quoted in the above notes represent only the employer's contribution rates specified by the scheme trustees and exclude employees' contribution percentage rates.

The Universities Superannuation Scheme (USS)

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

Notes to the Financial Statements

continued

Standard mortality tables were used as follows:

Male members' mortality PA92 MC YoB tables – rated down 1 year

Female members' mortality PA92 MC YoB tables - no age rating

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65 22.8 (24.8) years

Males (females) currently aged 45 24.0 (25.9) years

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 107% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The scheme-wide contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, increased the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fluctuate and as at 31 March 2011 the market's assessment of inflation has increased slightly. The government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Prices Index to the Consumer Prices Index. The actuary has taken this all into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% pa to 2.9% pa. The actuary has estimated that the funding level as at 31 March 2011 under the scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 million). Over the past twelve months, the funding level has improved from 91%, as at 31 March 2010 to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the three years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is as at 31 March 2011 and this will incorporate updated assumptions agreed by the trustee company.

With effect from 1 October 2011, new joiners to the scheme will join the new revalued benefits section rather than the existing final salary section. This change will have an impact, expected to be positive, on the future funding levels.

On the FRS17 basis, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

Notes to the Financial Statements

continued

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in Assumption	Impact on scheme liabilities
Valuation Rate of Interest	Increase/decrease by 0.50%	Increase/decrease by £2.2 billion
Rate of pension increases	Increase/decrease by 0.50%	Increase/decrease by £1.5 billion
Rate of salary growth	Increase/decrease by 0.50%	Increase/decrease by £0.7 billion
Rate of mortality	More prudent assumption (move to long cohort future improvements from the medium cohort adopted at the valuation)	Increase by £1.6 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee needs to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the introduction of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

The next formal triennial actuarial valuation is as at 31 March 2011 and will incorporate allowance for scheme benefit changes and any changes the trustee makes to the underlying actuarial assumptions. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2011, USS had over 142,000 active members. As at 31 July 2011 the institution had 4,600 active members participating in the scheme.

The contribution rate payable by the institution was 16% of pensionable salaries.

The University of Edinburgh Staff Benefits Scheme (EUSBS)

This is an externally funded defined benefit scheme which is contracted out of the State Second Pension (S2P) Scheme. The assets of the scheme are held in a separate trustee-administered fund. The latest formal triennial actuarial valuation of the scheme was carried out as at 31 March 2009. This was the second valuation under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in this note.

Notes to the Financial Statements

continued

The 2009 valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments. To calculate the technical provisions, it was assumed that the valuation rate of interest would be 5.85%, salary increases would be 4.0% per annum and pensions would increase by 3.0% per annum. Standard mortality tables were used as follows:

Male and Female members' mortality: 110% of SAPS tables with medium cohort projections and a 1% underpin to future improvements projected by birth year.

Use of these mortality tables reasonably reflects the actual EUSBS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65 22.8 (24.8) years
Males (females) currently aged 45 24.0 (25.9) years

At the valuation date, the value of the assets of the scheme was £155.2 million and the value of the scheme's technical provisions was £250.1 million indicating a deficit of £94.9 million (2006 - £22.5m). The assets therefore were sufficient to cover 62% (2006 - 90%) of the benefits which had accrued to members after allowing for expected future increases in earnings. The actuary also valued the scheme on a number of other bases. Under the Pension Protection Fund regulations the Scheme was 52% (2006 - 82%) funded; on a buy-out basis the assets would have been approximately 36% (2006 - 59%) of the amount necessary to secure all the SBS benefits with an insurance company.

The scheme-wide contribution rate required for future service benefits alone at the date of the valuation was 20.3% of pensionable salaries and the trustees, on the advice of the actuary, maintained the institution contribution rate to 20.3% of pensionable salaries from 1 Aug 2009. Since 31 March 2009 global investment markets have continued to fluctuate and at 31 March 2011 the actuary has estimated that the funding level under the new scheme specific funding regime had improved to 77% (a deficit of £67.6 million). This estimate is based on the funding level at 31 March 2009, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). Legal opinion has been obtained by the Trustees that future increases for most benefits will in future be based on CPI, however pension increases in payment in respect of benefits earned from 1 January 2011 will still be linked to CPI. Taking this into account, the actuary has estimated the funding level under the new scheme specific funding regime had further improved at 31 March 2011 to 82% (a deficit of £50.8 million).

The following FRS17 results are also based on full actuarial calculations using the data provided by the Scheme's administrators for the 2009 actuarial valuation. The actuaries are satisfied that the approach of rolling forward the previous valuation data to 31 July 2011 does not introduce any material distortion in the results, provided that the actual experience of the Fund has been broadly in line with their assumptions.

The major assumptions used by the actuary at each year end were as follows:

	At 31 July 2011	At 31 July 2010	At 31 July 2009
Rate of increase in salaries	4.50%	4.25%	4.50%
Rate of increase in pensions in payment (see note)	2.70%	2.75%	3.50%
Discount rate	5.60%	5.60%	6.00%
Inflation assumption (see note)	2.70%	2.75%	3.50%

Note: The assumption in respect of the rate of increase in pensions and the inflation assumption from 31 July 2010 are based on CPI. Assumptions in previous years were based on RPI.

Notes to the Financial Statements

continued

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are as follows:

	At 31 July 2011	At 31 July 2010
Retiring today		
Males	20.4	20.3
Females	23.0	22.9
Retiring in 20 years		
Males	22.3	22.2
Females	24.9	24.8

The total assets and liabilities in the scheme measured in accordance with the requirements of FRS17 and the expected rate of return were as follows:

	Long term rate of return	Value at 31 July 2011 £ million	Long term rate of return	Value at 31 July 2010 £ million	Long term rate of return	Value at 31 July 2009 £ million
Equities	8.00%	130.2	8.00%	127.0	8.40%	107.2
Bonds	4.10%	58.8	4.26%	62.3	5.16%	55.0
Property	7.00%	22.9	7.00%	6.8	6.35%	6.1
Private equity	7.00%	10.9	7.00%	10.9	6.35%	6.0
Other - mainly cash	1.50%	1.3	0.50%	1.2	4.50%	2.5
Total market value of assets		224.1		208.2		176.8
Present value of scheme liabilities		(289.9)		(282.2)		(278.4)
Deficit in the scheme		(65.8)		(74.0)		(101.6)

The expected cost of providing staff pensions to employees contributing to the EUSBS scheme is recognised in the Income and Expenditure Account on a systematic basis over the expected average remaining lives of members of the funds, in accordance with Financial Reporting Standard 17: Retirement Benefits (FRS17) and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

The contribution rate payable by the University was 20.3% of pensionable salary.

Scottish Teachers Superannuation Scheme (STSS)

The University participates in the Scottish Teachers Superannuation Scheme (STSS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). Under the definitions set out in FRS17, the STSS is a multi employer pension scheme. The University of Edinburgh is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS17 and has accounted for its contributions as if it were a defined contribution scheme. The following information is available on the scheme:

The last full actuarial valuation of the scheme was at 31st March 2005 and was carried out using the prospective benefit method. The 2005 actuarial valuation was carried out using an approach known as 'superannuation contributions adjusted for past experience' (SCAPE). At the valuation date the present value of scheme liabilities was £19,310 million. The assumptions used (to which the valuation results were particularly sensitive) are shown in the table below.

	March 2005 Valuation
Gross rate of return	6.5%
Real rate of return in excess of prices	3.5%
Real rate of return in excess of earnings	2.0%
Rate of real earnings growth	1.5%
Mortality for new members	PA92 tables rated down 2 years for males and 1 years for females
Mortality for existing & deferred members	PA92 tables rated down 1.5 years for males and 0.5 years for females
Mortality for existing pensioners	PMA 92 tables rated down 1 year for males

Notes to the Financial Statements

continued

The assumed life expectancy at age 60 of existing pensioners was 25.5 years for men and 27.5 years for women.

The results of the above valuation were rolled forward to calculate an updated liability of £24.37 billion at 31st March 2010. The main changes in assumptions used were as follows:

	March 2010 Valuation
Gross rate of return	4.6%
Real rate of return in excess of prices	1.8%
Real rate of return in excess of earnings	0.3%

As the scheme is unfunded, no surplus or shortfall can be identified. On the advice of the actuary, it was agreed to increase the institution contribution rate by 1.4% to 14.9% of pensionable salaries as from 1st April 2009. Future pension contribution rates will be set by the schemes actuary at a level to meet the cost of pensions as they accrue.

Strathclyde Pension Fund (SPF)

This is an externally funded, multi-employer, defined benefits scheme which is contracted out of the State Second Pension (S2P) Scheme. The last full valuation was carried out at 31 March 2008 by a qualified independent actuary. To update this to provide appropriate information in respect of the former Moray House staff members, the actuary has used the following valuation data:

- The membership data submitted for the valuation at 31 March 2008 and
- Other relevant information provided by Glasgow City Council as the administering authority in the Fund in relation to the University in the period since the previous valuation, estimated where necessary.

The actuaries are satisfied that the approach of rolling forward the previous valuation data to 31 July 2011 does not introduce any material distortion in the results, provided that the actual experience of the Fund has been broadly in line with their assumptions.

The major assumptions used by the actuary at each year end were as follows:

	At 31 July 2011	At 31 July 2010	At 31 July 2009
Rate of increase of salaries(see note)	4.5%	4.3%	4.5%
Rate of increase in pensions in payment (see note)	2.7%	2.8%	3.5%
Discount rate	5.6%	5.6%	6.0%
Inflation assumption (see note)	2.7%	2.8%	3.5%

Note : The salary increase assumption is 2% p.a. until 31 July 2013, reverting to the long term assumption shown thereafter. The assumption in respect of the rate of increase in pensions and the inflation assumption at 31 July 2011 are based on CPI. Prior years assumptions were based on RPI.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are as follows:

	At 31 July 2011	At 31 July 2010
Current Pensioners		
Males	20.6	20.3
Females	23.9	22.9
Future Pensioners		
Males	22.6	22.2
Females	26.0	24.8

Notes to the Financial Statements

continued

The assets in the total fund at year end amounted to £10,983 million (2010 : £9,847 million). The fair value of the University's asset share and liabilities in the scheme were measured in accordance with the requirements of FRS17 and the expected rates of return were as follows:

	Long term rate of return	Value at 31 July 2011 £ million	Long term rate of return	Value at 31 July 2010 £ million	Long term rate of return	Value at 31 July 2009 £ million
Equities	7.0%	14,455	8.00%	13,264	8.40%	11,709
Bonds	4.7%	2,473	4.50%	2,476	5.20%	2,311
Property	5.1%	1,141	7.00%	1,238	6.40%	1,078
Other - mainly cash	4.0%	951	0.50%	707	4.50%	308
Total market value of assets		19,020		17,685		15,406
Present value of scheme liabilities						
- Funded		(20,435)		(19,785)		(19,766)
- Unfunded		(772)		(737)		(761)
Deficit in the scheme - net pension liability		(2,187)		(2,837)		(5,121)

On the basis of the actuary's calculations, the asset share in respect of the University at that date was 0.173% (2010: 0.180%).

The expected cost of providing staff pensions to employees contributing to the SPF scheme is recognised in the Income and Expenditure Account on a systematic basis over the expected average remaining lives of members of the funds, in accordance with FRS17 and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

The contribution rate payable by the University is 21.1% of pensionable salary. In addition further contributions of £176,000 will be made for the year ending 31 March 2012.

The Federated Superannuation Scheme for Universities (FSSU)

This defined contribution scheme is closed to new members and there are no active members. The University has 25 deferred members participating in this scheme.

FRS17 Disclosures

The following amounts were measured in accordance with the requirements of FRS17 in respect of EUSBS and SPF and have been recognised in these financial statements.

Analysis of the amount charged to staff costs (note 7) within operating surplus

	Year to 31 July 2011 £ 000's	Year to 31 July 2010 £ 000's
Current service cost	9,605	14,057
Past service cost	-	-
Total operating charge	9,605	14,057
Less contributions paid	12,403	12,840
Pensions costs less contributions payable (note 7)	(2,798)	1,217

Analysis of the amount debited to other finance cost

Expected return on pension scheme assets	15,438	14,090
Interest on pension scheme liabilities	(17,030)	(17,619)
Net cost to pension scheme assets (note 10)	(1,592)	(3,529)

Notes to the Financial Statements

continued

Analysis of the amount recognised in the statement of recognised gains and losses (STRGL)

	Year to 31 July 2011 £ 000's	Year to 31 July 2010 £ 000's
Difference between expected and actual return on scheme assets	2,714	18,579
Experience gains/(losses) arising on scheme liabilities	539	(4,422)
Changes in bases of assumptions from RPI to CPI	-	20,162
Other changes in assumptions underlying the present value of the scheme liabilities	4,200	(85)
Actuarial gain recognised in the STRGL	7,453	34,234

Movement in deficit during year

	Year to 31 July 2011 £ 000's	Year to 31 July 2010 £ 000's
Deficit in schemes at 1 August	76,833	106,321
Movement in year:		
Employer service cost (net of employee contributions)	9,605	14,057
Employer contributions	(12,403)	(12,840)
Net interest/return on assets	1,592	3,529
Actuarial (gain)	(7,453)	(34,234)
Deficit in schemes at 31 July	68,174	76,833

Asset and Liability Reconciliation

Reconciliation of Liabilities

Liabilities at start of period	302,722	298,527
Service cost	9,605	14,057
Interest cost	17,030	17,619
Employee contributions	299	212
Actuarial gain	(4,739)	(15,655)
Benefits paid – funded	(13,754)	(11,985)
Benefits paid – unfunded	(56)	(53)
Liabilities at end of period	311,107	302,722

Reconciliation of Assets

Assets at start of period	225,889	192,206
Expected return on assets	15,438	14,090
Actuarial gain	2,714	18,579
Employer contributions	12,403	12,840
Employee contributions	299	212
Benefits paid - funded	(13,754)	(11,985)
Benefits paid - unfunded	(56)	(53)
Assets at end of period	242,933	225,889

Notes to the Financial Statements

continued

History of experience gains and losses:	Year to 31 July 2011	Year to 31 July 2010	Year to 31 July 2009	Year to 31 July 2008	Year to 31 July 2007
Difference between the expected and actual return on assets:					
Amount £000's	2,714	18,579	(30,940)	(36,911)	5,180
Percentage of scheme assets	1.12%	8.1%	(16.1)%	(18.0)%	2.3%
Experience (losses) and gain on scheme liabilities:					
Amount £000's	539	(4,422)	10,530	(3,719)	(2,686)
Percentage of scheme liabilities	0.2%	(1.4)%	3.5%	(1.3)%	(1.1)%
Total amount recognised in STRGL:					
Amount £000's	7,453	34,234	(18,756)	(55,938)	23,191
Percentage of scheme liabilities	2.4%	11.3%	(6.3)%	(19.3)%	9.2%

32. CAPITAL COMMITMENTS

	Group and University	
	2011 £ 000's	2010 £000's
Commitments contracted for at 31 July	14,600	61,413

Of the above commitments, £6,227,000 (2010: £40,191,000) will be funded through grants and benefactions.

33. FINANCIAL COMMITMENTS

At 31 July the Group and University had the following commitments under non-cancellable operating leases:

	2011 £ 000's	2010 £ 000's
Land and Buildings		
Expiring within one year	146	65
Expiring within two to five years	825	723
Expiring in over five years	2,380	1,501
	3,351	2,289
Other		
Expiring within one year	35	169
Expiring within two to five years	447	54
Expiring in over five years	13	-
	495	223
Total Financial Commitments	3,846	2,512

Notes to the Financial Statements

continued

34. HERITAGE ASSETS

Since its foundation in 1583 the University of Edinburgh has acquired extensive collections of heritage assets to support its teaching, research and public engagement. These assets comprise printed, manuscript and photographic material, as well as objects, such as paintings, sculpture, and natural history, geology and anatomy specimens. Often the strengths of the collections relate to the University's own specialist areas of excellence, but their breadth means they appeal to a wide range of users from publishers to genealogists. In total these collections extend to around 50 kilometres of materials from a rare book to a potted specimen in the natural history collection. Many of these items are deemed of national importance while others, such as the historic musical instrument collection (EUCHMI) and some of the Islamic manuscripts are regarded as world-class research and heritage resources. For these reasons, the heritage assets held in University Collections at Edinburgh make a telling contribution to scholarly endeavour, teaching and learning, the promotion of innovation and the dissemination of knowledge for the public benefit.

A. THE MAIN COLLECTIONS ARE AS FOLLOWS:

Library Special Collections of Rare Books, Manuscripts and Archives

The Special Collections comprise some 35 kilometres of material including about 400,000 rare books. Among the collections are numerous treasures, including fine medieval Western and Islamic manuscripts, Shakespeare quartos and early Scottish books. There are over 300 discrete collections formed by notable individuals, including the libraries of Adam Smith, Hugh MacDiarmid, William Drummond and the founder of the Library, Clement Litill. Major archival collections include the David Laing collection of early British manuscripts, and extensive collections of literary, scientific, medical and architectural papers. The University Archives maintains the official records of the University and the activities of its staff and students going back to the 16th century.

New College Library is one of the world's largest repositories of early and special books on theology and religious studies, including a collection of incunabula, Scottish manuscripts and a vast accumulation of pamphlets. Part of the collection is on long-term deposit from the Church of Scotland. In total there are over 250,000 volumes in the New College Collection.

Edinburgh University Collection of Historic Musical Instruments (EUCHMI)

Containing some 3,500 stringed, wind and percussion instruments, the John Donaldson Collection includes many items of international importance. As well as being used for teaching and research, parts of the Collection are on public display and may be seen in the Reid Concert Hall Museum of Instruments. The Collections' galleries, built in 1859 and still with their original showcases, are believed to comprise the earliest surviving purpose-built musical museum in the world.

The Raymond Russell Collection of Early Keyboard Instruments is one of the most important collections of its kind, and attracts musicians, instrument makers, organologists, as well as students and non-professional visitors from all over the world. It consists of over 50 instruments dating from the end of the 16th Century through to the beginning of the 19th Century. Instrument types include the harpsichord, spinet, virginal, clavichord, organ and piano. All are authentic examples from the historical period, many of which retain important and interesting original features. The Collection is on display at St Cecilia's Hall Museum of Instruments, the oldest surviving purpose-built concert hall in Scotland.

Both Collections have Full Accreditation status with MLA, The Council for Museums, Archives and Libraries and both Collections are Recognised Collections of National Significance to Scotland

The Fine Art Collections

The University holds around 1,400 works of art in its collections. The Fine Art Collections are notable for their emphasis on Dutch and Flemish art of the 17th and 18th centuries, Scottish portraits, and modern Scottish art. Both abstract and figurative traditions are well represented. Many important artists are represented such as, Sir Henry Raeburn, Joan Eardley, Anne Redpath, Elizabeth Blackadder, FCB Cadell, SJ Peplow, William MacTaggart, Paule Furneaux, Barbara Rae, John Bellany, Eduardo Paolozzi and international artists such as Ruisdael, Ten Oever, Giambologna, Adriaen de Vries, Picasso, Bonnard, and Max Ernst.

The Fine Art Collections Acquisition Policy is based upon these strengths, and has as one of its main aims the further enhancement of its

Notes to the Financial Statements

continued

20th century Scottish collections, and the establishment of a 21st century collection. There is also scope for developing the contemporary element of the Portrait and Bust Collection.

The collections are managed by the Museums Support Team, and can be seen on display throughout the University, enhancing public, private and student spaces. Many of the most important portraits and portrait busts are on view in the public spaces of Old College and the Chancellor's Building, Little France. The Talbot Rice Gallery is the University's public gallery where a changing exhibition programme is presented including from time to time exhibitions drawn from the University collections.

The University's collecting area will be defined not in terms of geographical boundary, but by association with the University and its related institutions including its past and present staff and students.

This Collection has Full Accreditation status with MLA: The Council for Museums, Archives and Libraries

Cockburn Museum of Geology

Originally defined in 1873 as "a museum for the teaching of geology" the Collections are made up of objects which reflect the entire geological spectrum. Over 130,000 specimens including rocks, minerals, ores, fossils, historical documents, manuscripts and samples (e.g. the Hall collection of early experimental material), maps (geological and topographic), photographs and computer data. These are housed in glass-enclosed presentation cases above sets of locked cabinets that house drawers that contain much of the collected material. Economic ores and other rock specimens are also housed in the Grant Institute basement, whilst a range of all the material is housed in storage space in other areas of the former Geology & Geophysics department.

The collection is derived from global sources, with an emphasis on Scotland and the British Isles but not to the extent of excluding material from elsewhere. Mantle nodule material, for example, mainly comes from South Africa, Siberia and Brazil. The collection covers the time period 1790-present in terms of the historical documents and maps, but covers the whole time period of Earth history in the case of the geological specimens (billions of years).

This Collection has Full Accreditation status with MLA, The Council for Museums, Archives and Libraries

Natural History Collections

Still housed in those areas of the Ashworth Laboratories originally created for them by Sir Robert Lorimer, the Collections contain several thousands of zoological specimens. Their national importance is that they remain one of the few University Natural History Collections which are still largely intact with respect to the invertebrate material and much vertebrate skeletal material. The Collections still form an integral part of the teaching of biological sciences in the University, as well as being open to view by the general public.

This Collection has Full Registration status with the MLA, Council for Museums, Libraries & Archives

Museum Heritage Collection

In January 2004, University Collections Advisory Committee recognised the need to conduct an audit of the University's museum collections not in the formal sense of its museums and collections, but the numerous cultural items in offices, meeting rooms, corridors and laboratories across the University. The resulting Audit is a database of the distributed collection of the University. This collection comprises around 1,200 items.

School of Scottish Studies Collections

The collections of the School of Scottish Studies include a tape archive of over ten thousand hours of recordings, a photographic archive with over ten thousand prints and several thousand slides, a video collection, a research library and manuscript materials and paintings by Scottish artists or of Scottish subjects.

Notes to the Financial Statements

continued

School of Chemistry Museum

The School Museum has a collection of exhibits housed in the Joseph Black building. Items of note include Crum Brown's Model of NaCl, items used in the determination of the structure of DNA, photos of the first and oldest Chemistry Society in the world, press cuttings from the 1920s, testimonials and portraits of Joseph Black.

B. UNIVERSITY POLICIES ON ACQUISITIONS, PRESERVATION, MANAGEMENT AND DISPOSAL

University of Edinburgh Museums & Galleries Collections Policies Document 2010-2015, Library Collections Policy etc are available on the website at <http://www.ed.ac.uk/schools-departments/information-services/services/library-museumgallery/crc/collections/museum-support>.

C. HERITAGE ASSETS CAPITALISED

Valuations: Over the 12 months of 2006, University Collections undertook a major project to value the University's formally curated collections, by a combination of methods. These were by external valuers (mainly specialist auction houses and dealers from Sotheby's, Bernard Quaritch and Graham Wells), peer valuations and some in-house valuations. Annually since 2006, the overall valuation of items is reviewed and an uplift applied if required, commensurate with market activity, assessed internally by University Collections.

Collection	Method Valuation	Valuation Undertaken by	Information on qualifications of valuers can be found at
Library Special Collections of Rare Books, Manuscripts and Archives	External	Bernard Quaritch Ltd	http://www.quaritch.com/
Edinburgh University Collection of Historic Musical Instruments (EUCHMI)	External	Sothebys	http://www.sothebys.com/
The Fine Art Collections	External	Sothebys and Paolozzi Foundation	http://www.sothebys.com/ Not available
Cockburn Museum of Geology	Internal	Dr John Scally	http://www.ed.ac.uk/schools-departments/information-services/services/library-museum-gallery/museums-and-galleries
Natural History Collections	External	Dr Margaret Reilly, Hunterian Museum, Glasgow	http://www.gla.ac.uk/hunterian/
Museum Heritage Collection	Internal	Dr John Scally	http://www.ed.ac.uk/schools-departments/information-services/services/library-museum-gallery/museums-and-galleries
School of Scottish Studies Collections	External	Scottish Sound Archive	http://ssa.nls.uk/
School of Chemistry	Internal	Dr John Scally	http://www.ed.ac.uk/schools-departments/information-services/services/library-museum-gallery/museums-and-galleries

D. ADDITIONS AND DISPOSALS

For heritage assets received since 2006, as detailed in the accounting policy, Works of art and other valuable artefacts (heritage assets) that are valued at over £25,000 are capitalised and recognised in the balance sheet provided appropriate valuations are available. Since 2006 the University has received a large number of donated assets in addition to heritage assets bought by the University's Centre for Research Collections. Donated assets are not valued unless they are of special interest as the cost of doing so is not commensurate with the benefits of users of the financial statements. Donated assets that are capitalised are reported in the profit and loss account at valuation.

Notes to the Financial Statements

continued

There have been two acquisitions during this period that are over £25,000 and for which appropriate valuations exist. These are:

- Darwin – The Origin of Species (1st Edition) 2010-11 £41,000.
- Palozzi Collection of prints, works and sculptures was acquired for the new Informatics Forum, Potterrow, 2009-10 £221,000.

The University does not normally dispose of its heritage assets and there have been no disposals during this period.

	2007	2008	2009	2010	2011
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Opening balance as at 1 Aug	147,455	147,455	148,131	149,352	158,703
Additions	-	-	221	-	41
Revaluation	-	676	1,000	9,351	-
Closing balance as at 31 July	147,455	148,131	149,352	158,703	158,744

The University also loans out and receives loans of heritage assets.

On loan from the University to:

National Galleries of Scotland - Part of the Torrie Collection £24 million.

National Libraries of Scotland - Shakespeare Prints and Manuscripts £9 million.

On loan to the University from:

National Gallery of Scotland - Various casts which are on display in Archaeology £15,000.

35. PRIOR YEAR ADJUSTMENT

The prior year adjustments relate to the first time implementation of the Financial Reporting Standard 30 'Heritage Assets' which the University has fully adopted in these financial statements.

The impact of recognising the value of heritage assets is to increase the value of fixed assets reported by £158,703,000 at 1 August 2010 and to reflect this in an equivalent increase in revaluation reserves at that date as follows:.

	note	Reported in 2010 £ 000's	Restatement Adjustment £ 000's	Restated Amount £ 000's
Revaluation Reserve at 1 August 2009	23 & 34	542,574	149,352	691,926
Revaluation Reserve at 1 August 2010	23 & 34	569,621	158,703	728,324
Tangible assets at cost or valuation at 1 August 2010	13 & 34	1,197,649	158,703	1,356,352

There was no impact on income, expenditure or the reported surplus in 2009-10.

Financial Reporting Standard 30 'Heritage Assets' requires heritage assets to be reported as tangible fixed assets in the balance sheet where information is available on cost or valuation, and adds further disclosure requirements which are covered by note 34 to these financial statements. Note 1 xi Statement of Principal Accounting Policies - Heritage Assets, details the accounting policies adopted for the University's holding of heritage assets and the extent to which these assets are recognised in the balance sheet.

Notes to the Financial Statements

continued

36. STUDENT SUPPORT FUNDS

	2010-11 HE Childcare £ 000's	2010-11 HE Discretionary Undergraduate £ 000's	2010-11 HE Discretionary Postgraduate £ 000's	2010-11 Total £ 000's	2009-10 Total £ 000's
Balance brought forward	20	82	-	102	11
Allocation received in year	279	820	225	1,324	1,219
Expenditure	(66)	(1,047)	(127)	(1,240)	(1,128)
Virements	(167)	167	-	-	-
Balance carried forward	66	22	98	186	102
Payable as clawback	38	-	76	114	-
Retained by institution for students	28	22	22	72	102

37. RELATED PARTY TRANSACTIONS

Due to the nature of the University's operations and the composition of Court (being drawn from local public and private organisations) it is inevitable that transactions will take place with organisations in which a member of Court may have an interest. All transactions involving organisations in which a member of Court may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. All the transactions with related parties are conducted on normal commercial terms, or on the basis of a simple recharge of direct costs incurred.

38. POST BALANCE SHEET EVENTS

The University merged with the Edinburgh College of Art on 1 August 2011 and with the Human Genetic's Unit of the Medical Research Council from the 1 October 2011.

Five Year Financial Summary

GROUP INCOME & EXPENDITURE ACCOUNT FOR THE YEAR TO 31 JULY	2011 £ 000's	2010 £ 000's	2009 £ 000's	2008 £ 000's	2007 £ 000's
Total Income	650,829	633,979	591,533	555,319	479,501
Surplus on continuing operations*	43,743	20,133	3,901	5,405	8,127
(Loss)/gains on disposal of assets	(66)	(997)	(77)	471	8,476
Transfers (to)/from endowment reserves	(1,454)	(820)	142	(674)	(1,131)
Surplus retained within general reserves	42,223	18,316	3,966	5,202	15,472
* After tax and minority interest					
GROUP BALANCE SHEET** AS AT 31 JULY	2011 £million	2010 £million	2009 £million	2008 £million	2007 £million
Fixed assets	1,347	1,298	1,204	1,177	1,022
Endowment assets	237	200	165	185	212
Net current assets	86	38	40	53	61
Non-current liabilities and provisions	(61)	(63)	(64)	(69)	(70)
Pension liability	(68)	(77)	(106)	(84)	(29)
TOTAL NET ASSETS	1,541	1,396	1,239	1,262	1,196
Represented by funding:					
Deferred capital grants	337	278	254	241	224
Endowments	237	200	165	185	212
Total reserves	967	918	820	836	760
TOTAL FUNDS	1,541	1,396	1,239	1,262	1,196
**Prior years are restated to include the recognition of the value of heritage assets					
Staff numbers (expressed as full time equivalents) as at 31 July	7,255	7,341	7,364	7,368	6,862



The University of Edinburgh

Central Management Group

25 January 2012

Outturn 2010-11 versus Quarter 3 Forecast

Brief description of the paper

The paper seeks to compare the University's financial outturn for 2010-11 with the Quarter 3 forecast prepared in Spring 2011.

Action requested

The paper is for information.

Resource implications

As indicated in the paper.

Risk assessment

The continuing financial health of the University.

Equality and diversity

None.

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the commercial interests of any person or organisation.

Originator of the paper

David C.I.Montgomery, Deputy Director of Finance
Jon Gorringe, Director of Finance

15 November 2011

To be presented by

Jon Gorringe, Director of Finance



The University of Edinburgh

Central Management Group

25 January 2012

Quarter 1 Management Accounts Forecast 2011-12

Brief description of the paper

The University Group's top-level Quarter 1 Management Accounts Forecast for 2011-12 is presented. This forecast is presented on a group basis (i.e. including subsidiary companies), as in the annual accounts.

Action requested

The paper is for information and discussion.

Resource implications

As indicated in the paper.

Risk Assessment

The continuing financial health of the University.

Equality and Diversity

None.

Any other relevant information

None.

Originator of the paper

David C.I.Montgomery
Deputy Director of Finance

29 November 2011

Freedom of information

Can this paper be included in open business? No

Its disclosure would substantially prejudice the commercial interests of any person or organisation

For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)

The paper should be withheld until after publication of the University's Annual Accounts for 2011-12 (i.e. 31st December 2012).

The University of Edinburgh

Central Management Group

25 January 2012

Draft Financial Regulations

Brief description of the paper

This paper seeks to start the consultation process on the draft Financial Regulations of the University of Edinburgh.

Action requested

Members of CMG are invited to comment on the draft regulations.

Risk assessment

Does the paper include a risk assessment? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? No

Originators of the paper

Jon Gorringe
Director of Finance



The University of Edinburgh

Central Management Group

25 January 2012

Quarterly Health and Safety Report: (Oct - Dec 2011); incorporating the Report from the meeting of Health and Safety Committee, held on 13 October 2011.

Brief description of the paper

This Paper presents information on accidents/ incidents statistics, and other developments and issues in health and safety, which have occurred during the quarterly period October to December 2011, and includes the Report from the meeting of the University Health and Safety Committee, held on 13 October 2011.

Six incidents which were Reportable to the Enforcing Authorities are summarised, four of which were Reportable because a member of the public (postgraduate or undergraduate) attended hospital for assessment and/or treatment. 1 Specified Major Injury was reported; 1 injury which led to more than 3 days absence from work is also included.

Developments and issues covered in the Report from Health and Safety Committee include: (1) Fringe/Festival Health and Safety Arrangements (2) University Emergency Telephone Numbers (3) Accident in Old College (4) Radiation Protection Unit Annual Report 2010/11 (5) Aon Partnership Auditing Programme (6) Case of Reportable Disease (7) HSE Visits (8) University Water Policy (9) Biosafety Training Institute (10) Edinburgh College of Art.

Action requested

CMG is requested to note the content of this paper, including the more detailed accident etc. statistical information in the Appendix.

Resource implications

Does the paper have resource implications? No

No direct resource implications.

Risk Assessment

Not relevant.

Equality and Diversity

No particular equality and diversity implications attach to the above.

Any other relevant information

None

Originator of the paper

Karen Darling/Alastair G. Reid, Deputy/Director of Health and Safety, 13th January 2012

Freedom of information

Can this paper be included in open business? Yes

Health and Safety Quarterly Report 2011/2012

Quarterly reporting period: 1st October 2011 – 31st December 2011

Accidents and Incidents

Type of Accident/Incident	Qtr 1 Oct '11 – 31 Dec '11	Qtr 1 Oct '10 – 31 Dec '10	Year to Date 1 Oct '11 – 31 Dec '11	Year to Date 1 Oct '10 – 31 Dec '10
Fatality	0	0	0	0
Specified Major Injury	1	2	1	2
> 3 day Absence	1	2	1	2
Public to Hospital	4	1	4	1
Reportable Dangerous Occurrences	0	1	0	1
Diseases	0	1	0	1
Total Reportable Accidents / Incidents	6	7	6	7
Total Non-Reportable Accidents / Incidents	116	112	116	112
Total Accidents / Incidents	122	119	122	119

Further information by College/Support Group is shown in Appendix One

The incidents reported to the Enforcing Authorities during the quarter comprise:

- Undergraduate tripped on kerb twisting ankle. IP attended hospital for treatment. *(Public to Hospital)*
- Undergraduate inserted glass pipette into pipette filler. The pipette shattered in IP's hand resulting in lacerations and nerve damage to hand and fingers. IP attended hospital for treatment. Students have been demonstrated correct technique and consideration is being given to the use of plastic pipettes where appropriate. *(Public to Hospital)*
- Employee was struck on head and neck by table which had been propped up against a wall during a furniture moving operation. The IP had pushed a chair against the wall which then caused the table to fall. IP was unconscious briefly and was taken to hospital as a precaution. *(SMI)*
- Undergraduate was sitting at a bench then stood up quickly, and struck her head on the support bracket of an electrical supply box, positioned on the wall. IP felt dizzy and nauseous and was taken to hospital as a precaution. *(Public to Hospital)*
- Postgraduate was splashed on face and neck by solution of dichloromethane, resin and dilute acid, whilst mixing a solution. The cap of the container came off due to build-up of pressure, causing a small amount to be released. IP washed area for 10 minutes and was taken to hospital as a precaution. The risk assessment for this activity has been updated and full face masks are to be used when volatile substances are being mixed in sealed containers. *(Public to Hospital)*
- Employee caught two fingers in the door when leaving a room and sustained a severe cut to index finger causing damage to the bone. IP was taken to hospital. The door was not defective and is not fitted with a door closer. *(>3 Day Injury)*

Accidents & Incidents

Quarterly period: 01/10/2011 – 31/12/2011

Year to Date Period: 01/10/2011 – 31/12/2011

(First Quarter)

COLLEGE / GROUP	REPORTABLE (TO HSE) ACCIDENTS / INCIDENTS														TOTAL Non-Reportable Accidents / Incidents		TOTAL ACCIDENTS / INCIDENTS	
	Fatality		Specified Major Injury		>3 day absence		Public to Hospital		Dangerous Occurrences		Diseases		TOTAL Reportable Acc / Inc		Qtr	Ytd	Qtr	Ytd
	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd	Qtr	Ytd				
Humanities & Social Science	-	-	-	-	-	-	1	1	-	-	-	-	1	1	6	6	7	7
Science & Engineering	-	-	-	-	-	-	2	2	-	-	-	-	2	2	34	34	36	36
Medicine & Veterinary Med.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33	33	33	33
SASG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	2	2
Corporate Services Group	-	-	1	1	1	1	1	1	-	-	-	-	3	3	40	40	43	43
ISG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
Other Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0
UNIVERSITY	-	-	1	1	1	1	4	4	-	-	-	-	6	6	116	116	122	122

* Units noted below taken from organisational hierarchy report 03/08/11 - <http://www.ed.ac.uk/schools-departments/governance-strategic-planning/organisational-hierarchy/current-org-hierarchy>

SASG: Student and Academic Services Group: Biological Services, Communications and Marketing, Development and Alumni, Governance and Strategic Planning, Student and Academic Services, Student Recruitment and Admissions, Student Services

ISG: Information Services Group: Applications, Digital Curation Centre, EDINA & Data Library, Information Services Corporate, Infrastructure, Library and Collections, User Services Division

CSG: Corporate Services Group: Accommodation Services, Centre for sport and Exercise, Corporate Services Group, Edinburgh Research and Innovation, Edinburgh University Press, Estates and Buildings, Finance, Human Resources, Internal Audit, Procurement Office (inc. Printing Services)

Other: Students Association, Sports Union, Talbot Rice Gallery, Associated Institutions.

REPORT FROM THE MEETING OF THE UNIVERSITY HEALTH AND SAFETY COMMITTEE, HELD ON THURSDAY, 13TH OCTOBER 2011

1. FRINGE / FESTIVAL HEALTH AND SAFETY ARRANGEMENTS

Significant improvements in planning and implementation for festival events have taken place since 2009, when Sygma Safety Ltd., a specialist event health and safety consultant were initially contracted. Improvements include communication and cooperation between the relevant groups / stakeholders, pedestrian / traffic interface in and around Bristo Square and the introduction of Venue Standard Operating Procedure documents for all relevant buildings.

The University's focus on fringe / festival issues and the utilisation of Sygma Safety's services has helped to ensure the University is in a stronger position in overseeing the management of health and safety within University buildings during festival events. The services of Sygma Safety have been retained for another 3 years by the Festivals Office to offer continuing expert assistance during the immediate run up to and for the duration of the August fringe / festival events.

2. UNIVERSITY EMERGENCY TELEPHONE NUMBERS

The University's emergency procedure is being reviewed for those circumstances involving a casualty who requires medical attention. In such circumstances the emergency services telephone operator requires to speak directly with the person dealing with the casualty in order to receive ongoing information on the status of the injured person, and to give specific advice on how to assist them, before further medical assistance arrives. Discussions are taking place between Health and Safety, Security and Telephones to identify the most effective means of achieving this.

3. ACCIDENT IN OLD COLLEGE

An accident which took place earlier this year involving a child, who was a guest at a wedding in the Playfair Library, Old College resulted in the child sustaining a fracture to her leg. This accident was reported to the Health and Safety Executive (HSE) and an inspector from HSE visited the site as part of their formal accident investigation. The HSE Inspector found no fault with the arrangements in place in the Playfair Library for the wedding in question. The University's liability insurers also carried out an accident investigation, and concluded that they would seek to repudiate any civil claim for damages made in relation to this unfortunate incident.

4. RADIATION PROTECTION UNIT ANNUAL REPORT 2010/2011

The University Radiation Protection Adviser (URPA) presented the Radiation Protection Unit (RPU) Annual Report 2010/2011. There were no serious incidents or personal doses in excess of the derived maximum permissible limits during this reporting period.

A number of routine visits were made by the Scottish Environmental Protection Agency (SEPA) and by the Counter Terrorist Security Adviser from Lothian and Borders Police.

RADIATION PROTECTION UNIT ANNUAL REPORT 2010/2011 (cont.)

The URPA discussed the number of new and modified applications for Radioactive Substances Act Certificates currently being processed, noting the significant time resource required by the RPU to prepare these applications, and the significant timeframe required by SEPA to process them.

An online web training package for Radiation Protection Supervisors (RPSs) is currently under development. It was noted that the RPU loaned a number of pieces of radiation equipment at short notice to Japan for monitoring purposes following issues with the Fukushima nuclear reactor site.

5. AON PARTNERSHIP AUDITING PROGRAMME

The next phase of health and safety audits undertaken by Aon Risk Services, in partnership with the Health and Safety Department, will consider the risks associated with international travel. This exercise will consider risk assessments, travel insurance and travel arrangements as well as the potential for coordinating travel with sustainability issues and has had key input from the Director of the International Office.

6. CASE OF REPORTABLE DISEASE

The Occupational Health Manager noted a case of occupational asthma which was reportable to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995.

7. HSE VISITS

The Health and Safety Executive (HSE) has made a number of visits to the University in the last few months. An HSE Inspector from the Field Operations Division, carried out a formal accident investigation into the accident in the Playfair Library, Old College (item 4. above). An HSE Occupational Hygienist visited a number of Schools as part of an information gathering exercise, on control of work with nanoparticles and nanotubes, which the HSE is conducting across UK universities. A Visiting Officer from the local Edinburgh HSE office, carried out a satisfactory slips, trips and falls visit to Easter Bush Veterinary Centre, taking the opportunity afforded by a previous RIDDOR Reportable accident, to demonstrate their expertise in this area.

An HSE Biological Agents Unit (BAU) Specialist Inspector visited all of the University's working Containment Level (CL) 3 laboratories, the highest level of containment operating at this University. Reports from this visit have now been received from the HSE. The interface between local operation of the CL3 facility, and Estates and Buildings' responsibility for ventilation which is part of the fabric of the building, was highlighted as an area which had potential for improvement.

In April 2012 the HSE will introduce a charging regime for visits which result in enforcement action, for example a letter or a Prohibition / Improvement Notice being served on an organisation.

8. UNIVERSITY WATER POLICY

The University's drinking water policy introduced in 2009 is currently being reviewed. The University has retained the services of Dr. Nick Hill from the Water Hygiene Centre to advise on all aspects of water management and work has begun on revising the University's arrangements, including those for the routine microbiological testing of drinking water together with maintenance, inspection and temperature testing.

9. BIOSAFETY TRAINING INSTITUTE

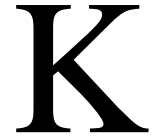
The University of Edinburgh's Biosafety Training Institute (BTI), an accredited biosafety training centre formed originally as a strategic alliance between a number of Scottish Universities, under the banner of the CHASTE Project, continues to offer 5-day Level 1 biosafety training courses. These courses are now UoE/BTI branded, have been well attended and have received very positive feedback. A number of candidates, who also fulfil specified criteria on length of experience, have gone on to register with the Institute of Safety in Technology and Research (ISTR) as Biosafety Practitioners. Further courses are planned and work continues on presenting part or all of the accredited course as an e-learning package.

The future arrangements regarding the accreditation of this Level 1 course are under review by the Institute of Safety in Technology and Research (ISTR). A Level 2 Biosafety Professional accreditation scheme is also under development by ISTR.

10. EDINBURGH COLLEGE OF ART

The Committee was informed of the health and safety arrangements in place following the merger with the Edinburgh College of Art. The College of Art previously had a part-time Safety Adviser, and this role will be advertised shortly following the resignation of the previous post holder.

Consideration will be given to the appointment of an academic member of staff from the College of Art, on Health and Safety Committee, to increase the representation from those working within teaching / research.



The University of Edinburgh

Central Management Group

25 January 2012

Revised Terms of Reference for the University Health and Safety Committee

Brief description of the paper

This paper sets out proposed revisions to the Terms of Reference for the University Health and Safety Committee. Discussions with Trade Union colleagues over the last two to three years, coupled with a further Review of Effectiveness of the Committee, have indicated the need for these revisions.

As a requirement of University Court, in order to ensure a consistent format is used on all corporate Committees, the University Health and Safety Committee is required to use a recommended format for the Terms of Reference. The Director of Health and Safety produced the original Terms of Reference for the University Health and Safety Committee in liaison with the Policy and Planning Section, in April 2007.

In light of the agreement by the Committee to the changes to the membership proposed at the last meeting, the Terms of Reference for the University Health and Safety Committee has now been amended to include these changes.

The most significant changes are:

1. The number of Trade Union places on the Committee increases from 3 to 4, to continue to accommodate all of the Unions with which the University negotiates, with the addition of a seat for a representative from the Joint Union Liaison Committee (JULC)
2. One additional management representative has been added to the Committee to represent the Student Services area.
3. The University Radiation Protection Adviser will no longer be a member of the Committee, but will be asked to attend and report, as will other similar senior specialists from the Health and Safety Department, as and when required.

The proposed new Terms of Reference are presented with all amendments highlighted.

Action requested

CMG is requested to note the content of this paper, and to recommend to Court approval of the revised version of the Health and Safety Committee's Terms of Reference.

Resource implications

Does the paper have resource implications? No

No direct resource implications.

Risk Assessment

Not relevant.

Equality and Diversity

No particular equality and diversity implications attach to the above.

Any other relevant information

None

Originator of the paper

Alastair G. Reid, Director of Health and Safety, 3rd October 2011

Freedom of information

Can this paper be included in open business? Yes

HEALTH AND SAFETY COMMITTEE

1. Purpose

To **contribute to the development of** policy, and monitor performance in all areas of occupational safety and health within the University.

2. Composition

2.1 The Committee shall be comprised as follows:

- (i) Ex-officio members: The Director of Corporate Services (Convener), Director of Health and Safety, Deputy Director of Health and Safety, Occupational Health Manager, and the Physician in Charge of the University Health Service.
- (ii) Subject area representatives – University staff with particular expertise or interest in health and safety matters to reflect the range of disciplines within and hence the risk profile of, the University: **biological / biomedical sciences, physical sciences, veterinary sciences, catering / residences, information technology, estates and buildings, and low risk (office type) environments.**
- (iii) Trade Union representatives: Each of the three recognised Trade Unions (UCU, UNISON and UNITE) will nominate one representative to be a member of this Committee; **one additional joint representative of the three recognised trade unions will also be nominated by the Joint Unions Liaison Committee (JULC).**
- (iv) Up to **four** management representatives. These currently come from the following areas; Estates and Buildings, Human Resources, **Student Services.**
- (v) A representative of the Students' Association. This will normally be the President of the Students' Association who will remain a member of the Committee for the length of his/her term of office.
- (vi) A legal expert specialising in occupational safety and health.

2.2 Membership is compliant with the requirements of the Safety Committees and Safety Representatives Regulations.

2.3 All non-ex officio members of this Committee will be invited to join the Committee by the Convener and will be appointed for a period of three years, renewable up to a normal maximum of two consecutive terms of office.

2.4 The Director of Corporate Services shall be the Convener of this Committee. **The Director of Health and Safety will deputise as the Convener should the Convener be absent for the duration of the meeting.**

2.5 The **Director** / Deputy Director of Health and Safety shall act as Secretary to the Committee.

2.6 All members of the Health and Safety Committee are expected to comply with the University's Code of Conduct as set out in the University's Handbook and

declare any interests which may conflict with their responsibilities as Members of the Health and Safety Committee.

- 2.7 Other individuals from within or outwith the University may also be invited to attend meetings from time to time to provide the Committee with information on specific items on the agenda.

3. Meetings

- 3.1 The Committee will meet as required to fulfil its remit and will meet at least twice in each academic session.
- 3.2 Minutes, agendas and papers will normally be circulated to members of the Committee at least five days in advance of the meeting. Late papers may be circulated up to two days before the meeting. Only in the case of extreme urgency and with the agreement of the Convener will papers be tabled at meetings of the Committee.
- 3.3 Non-contentious or urgent matters not on the agenda may be considered at a meeting subject to the agreement of the Convener of the meeting and the majority of members present.
- 3.4 Papers will indicate the originator/s and purpose of the paper, the matter/s which the Committee is being asked to consider and any action/s required and confirm the status of the paper in respect of freedom of information legislation.
- 3.5 Eight members of the Committee shall be a quorum. This number must include the Convener or the Director of Health and Safety.
- 3.6 A formal minute will be kept of proceedings and submitted for approval at the next meeting of the Committee. The draft minute will be agreed with the Convener of the Committee prior to circulation and in the case of the absence of the Convener at a meeting the Committee member appointed to act as Convener for the duration of that specific meeting.
- 3.7 Where necessary the Committee may also function between meetings through correspondence and any decision(s) taken formally ratified at the next meeting of the Committee.

4. Remit

- 4.1 To oversee the implementation and operation of the University's health and safety policy and arrangements, to ensure that key risks are identified, and that appropriate control measures are implemented.
- 4.2 To ensure that a suitable health and safety management structure is in place within the University, to maximise the protection of the health of staff, students and visitors.

- 4.3 To encourage the sharing of best practice within the University community with regard to occupational safety and health, and **wellbeing**, and providing a forum for discussion of issues of concern.
- 4.4 To monitor health and safety performance throughout the University, to ensure satisfactory legislative compliance.
- 4.5 To ensure that senior management is fully informed with regard to significant issues and developments in occupational safety and health, to ensure compliance with legislative and common law requirements.

5. Other

- 5.1 The Committee will from time to time undertake a review of its own performance and effectiveness as part of the overall review of Court and its Committees and report thereon to Court.
- 5.2 In order to fulfil its remit the Committee may obtain external professional advice as necessary.
- 5.3 Reports on the main points discussed at each meeting will be provided to the subsequent meeting of the Central Management Group and thereafter reported to the Finance and General Purposes Committee and Court.
- 5.4 Membership of the Committee will be published on the University's website in accordance with the University's agreed publication scheme.



The University of Edinburgh

Central Management Group

25 January 2012

Changes in public procurement law affecting University purchasing

Brief Description of Paper

The purpose of this paper is to update on changes in public procurement law affecting University purchasing:

- (a) Raised Thresholds for advertising in OJEU;
- (b) consultation on Modernising EU procurement ; and
- (c) other steps being taken to help delegated authorities with compliance.

Resource Implications

Does the paper have resource implications? Yes

The six key areas prioritised to meet the University's strategic and operational goals will require resources being shared during the current planning round.

Risk Assessment

The increase in case law since the public procurement Remedies Directive (Dec 2009) and the new requirements of the Equality and Bribery Acts (2011) demonstrates that our University's devolved and collaborative procurement is at a greater risk of challenge.

New EU law brings opportunities to reduce risk but will still require diligence to ensure that the University is fully compliant. The Director of Procurement and her team are mitigating risks by advising colleagues, providing an annual report to the Risk Management Committee and offering staff training.

Freedom of Information

Can this paper be included in open business? Yes

Originator of the paper

Karen Bowman Director of Procurement

09 January 2012

Changes in public procurement law affecting University purchasing

Following October's Procurement Report, CMG will be aware of the achievements to date and strategic steps to meet the University's strategic and operational goals:

- Efficiency (vfm)
- Engagement
- People and Skills
- E-procurement
- External income generation
- Flexible framework (social responsibility and sustainability)

The key legal changes to be taken into account by those with delegated authority are:

- (a) Raised Thresholds for advertising in OJEU;
- (b) consultation on Modernising EU procurement;
- (c) other steps to be taken to help with our legal compliance.

(a) Raised Thresholds for advertising in OJEU

(i) Delegated authority

Irrespective of the University delegated authority levels, the principles of EU public procurement and probity in spending funding (restricted or unrestricted) is critical.

CMG is reminded that the responsibility for legal compliance is delegated on behalf of the University Court to the Principal or Heads of College - up to certain thresholds. They can further sub-delegate formally to Heads of Schools or equivalent Research Principal Investigators or School Administrators etc to deal with compliance. Works (capital) and estates-related services are delegated to the Estates Committee and managed by Director of Estates and Buildings and his teams.

The University Procurement Office continues to deliver an on demand professional service to the institution and influence the HE sector both in Scotland and the rest of the UK. It is not responsible for purchasing. The team provides a procurement specialist for all projects above OJEU levels. The Director of Procurement is responsible for engaging on behalf of the University in framework agreements, either let by her team or through collaboration with APUC or other contracting authorities eg Scottish Procurement.

(ii) Thresholds for advertising requirements in the Official Journal of the EU are with effect from 1 January 2012 – 31 December 2013, as follows (ex VAT):

Supplies	Services	Works
£173,934	£173,934	£4,348,350
€200,000	€200,000	€5,000,000

Further information can be found at the following URL:

<http://www.ed.ac.uk/schools-departments/procurement/news/new-ojeu>

(iii) Aggregation of planned expenditure on similar goods and services across the University is required and the total threshold for Services or Supplies includes equipment and installation, training, licences, and maintenance estimate over 48 months.

(iv) The University Threshold for approval of plans remains £50,000 (ex VAT) as agreed by CMG ie those with delegated authority require to seek the Director of Procurement's approval for plans, 'adequate advertising' and formal tenders for a compliant Procurement Journey. This is to consider if aggregation or frameworks apply as one legal entity.

Guidance was issued in the Planning Round on the Procurement website:

<http://www.ed.ac.uk/schools-departments/procurement/policies-procedures/planning-2012>

(b) consultation on Modernising EU procurement

CMG approved comments on a *green paper* last year which assisted the Scottish and UK Governments to influence EU debates on modernising public procurement laws. The draft Directives were issued for consultation on 23 Dec. 2011 to 20 Jan. 2012 and now cover two separate but very similar regimes for:

- Public procurement
- Concessions¹

Both Directives allow more flexibility in evaluating social, environmental and life cycle costs. There are permissions around competitive dialogue/negotiated procedures which, whilst not being simply an option, are not just constrained to high complexity areas. New Procurement routes for 'innovation partnerships' and obligations to offer 'lots' and accept simpler supplier statements for pre-selection, are all intended to encourage SME bidders to win more public procurements. But this will increase our workloads.

¹ 'concession' is defined in the new Directives as *contracts for pecuniary interest concluded between one or more economic operators and one or more contracting authorities or entities and having as their object the acquisition of works or services where the consideration consists, normally, in the right to exploit the works or services that are the subject of the contract. The execution of these works or services are subject to specific binding obligations defined by the contracting authority or entity which are legally enforceable.*

The works threshold applies to this, and to any **services concessions** being acquired in future. Concessions are usually long term, complex arrangements where a contractor assumes responsibilities and risks traditionally borne by the contracting authorities as normally falling within their remit. It can cover certain joint ventures, private finance or shared financing (PFI /PPP) e.g. where the demand risk or ROI risk now transfers. We have experience of projects which would be such 'concessions' in the University. Again the aggregation rules apply - an issue for works and services here.

These are currently only proposals and the Director of Procurement has submitted comments to the Scottish Government following consultation with key internal stakeholders, and approval from the Director of Corporate Services. We support proposals that the EU consider raising all Thresholds and remove academic research out of the regime. The outcome of this consultation is uncertain and it is unlikely that the University could be become exempted as not a 'public contracting authority'; a political issue given the key Scottish Government Procurement Reforms.

The new laws will be further consulted upon in 2013, and enacted in Scots Law 2014.

(c) Other steps for compliance

External legal advisors have updated the University's terms and conditions of purchase which cover the following categories and can be accessed at:

<http://www.ed.ac.uk/schools-departments/procurement/supplying>

- [Terms and conditions - equipment](#)
- [Terms and conditions - goods](#)
- [Terms and conditions - IT equipment](#)
- [Terms and conditions - services](#)
- [Terms and conditions - supply and installation](#)

The University's standard terms and conditions now reflect legislative changes and have the Anti-Corruption policy embedded. This follows some advice from Pinsents and Lindsays on Bribery Act and Equality Act obligations.

Free on loan medical, laboratory and scientific equipment

Due to the health and safety, insurance and commercial risk [updated since Bribery Act], a guide is now available at:

<http://www.ed.ac.uk/schools-departments/procurement/buying>

A set of terms have been drawn up for handling Equipment offered free on loan; something which researchers are often asked to consider. Again following external legal advice and in consultation with our Insurance team and the CMVM Equipment Procurement Manager we have agreed a sensible approach and model forms are available on the web at:

<http://www.ed.ac.uk/schools-departments/procurement/buying/free-on-loan-equip>

Planning

As part of the Planning Round we are considering strengthening shared procurement specialists and legal teams to support senior managers in the need for compliance on the 20% of University spend not directly influenced by the professional teams and so potentially at risk of poor value for money. We wish to make effective use of, and get the best value from, collaborating on contracts, eProcurement and professional skills;

to remain one of the best in the public sector in Scotland, recognised for procurement competency and compliance with legal obligations for funding bodies and government. Plans for expenditure of over £50,000 require approval from the Director of Procurement, ideally as early as possible in the planning process.

CMG is asked to **NOTE** that those with delegated authority must:

- comply with the new OJEU Thresholds;
- be aware of the proposed changes to the public procurement regimes;
- refer to the updated University of Edinburgh terms and conditions of purchase;
and
- follow the guide if offered any free on loan medical, laboratory and scientific equipment.

Karen Bowman
Director of Procurement
09 January 2012



The University of Edinburgh

Central Management Group

25 January 2012

Report from Estates Committee held on 30 November 2011

Brief description of the paper

The paper reports on key discussions and recommendations made at the meeting of EC, held on 30 November 2011.

CMG is reminded to note that copies of the EC papers and the minutes of the meeting are available to CMG members on request from Angela Lewthwaite (Tel: 651 4384, email: angela.lewthwaite@ed.ac.uk) or online via the EC web-site at <http://www.ec.estates.ed.ac.uk/index.cfm>

Action requested

CMG is invited to note the EC report and endorse the recommendations contained in the paper.

Resource implications

Does the paper have resource implications? Yes, detailed throughout the paper.

Risk Assessment

Does the paper include a risk analysis? It should be noted that EC papers contain, where applicable, separate risk assessments. Some of these may be contained within the reports to CMG, FGPC, and Court.

General:

Legislation Non-Compliance/Business Continuity – mitigated by regular assessment and update of priorities, risk register and implementation of annual major replacements/compliance programme

Capital Commitments (CAC) – mitigated by tracking via the Capital Projections Plan and regular updating in consultation with Finance and reporting to EC, CMG and FGPC, through to Court.

Project Management – mitigated by on going monitoring of Design Team, Contractor, Risk Register and meetings of Strategic Project Boards who in turn report significant programme/cost issues to EC etc.

Equality and Diversity

Does the paper have equality and diversity implications? No

None of the proposals in this paper raise issues beyond those that are routinely handled in all Estates Developments. It should be noted that EC papers contain, where applicable, separate E&D assessments.

Any other relevant information

The Senior Vice-Principal Planning, Resources and Research Policy will present the paper.
17 January 2012

Freedom of information

Can this paper be included in open business? The paper is **closed**.
Its disclosure would substantially prejudice the commercial interests of any person or organisation

All EC papers contain FOI information including reasons for closing papers.

Originator of the paper

Paul Cruickshank – Estate Programme Administrator
Angela Lewthwaite - Secretary to EC
13 January 2012



The University of Edinburgh

Central Management Group

25 January, 2012

Shared Academic Timetabling Project update

Brief description of the paper

The paper presents an update of the current status of the Shared Academic Timetabling project which is currently at an advanced stage of the first implementation phase. The policy relating to Timetabling, which has been approved by the Curriculum and Student Progression Committee, is attached for information.

Action requested

For information/note formally.

Resource implications

Does the paper have resource implications? Yes – detailed throughout paper.

Risk assessment

A dedicated section of the paper addresses risks and their management.

Equality and diversity

No

Freedom of information

Can this paper be included in open business? Yes

Any other relevant information

To be presented by D. Laurensen

Originator of the paper

D. Laurensen (Academic Champion), L. Bondi (Chair of Project Board) and M. Ritchie (Senior Supplier). Prepared 13th January, 2012

Shared Academic Timetabling Project – Update
D. Laurenson, L. Bondi and M. Ritchie; 13th January, 2012

Status update

- The project has successfully completed the procurement phase (STU192) of the Shared Academic Timetabling Project with a contract being awarded to Scientia Ltd to supply Syllabus Plus Enterprise and consultancy services. The total contract value over 5 years is £390,328 which is within the overall budget of £400,000.
- Recruitment has been completed for the new Timetabling Unit in Academic Registry. The team are Scott Rosie (Timetabling & Learning Space manager), Ben Poots (Timetabling Support manager), Robert Garnett (Timetabling Support Senior Administrator) and Carol Anne Marshall (Timetabling Support Administrator).
- In preparation for implementation, room data have been collected in cooperation with the schools to augment the room information currently held in EBIS. School contacts have been identified, and detailed data for course teaching events, in addition to those listed in DRPS, is currently being collected.
- Details of interfaces required with external systems, e.g. the Student record system, Estates room data, Staff records and the College of MVM room booking and course systems, are being analysed.
- A Business User group and a Technical User group have been set up to strengthen communication links with schools.
- The timetabling policy has been approved by the Curriculum & Student Progression Committee on November 24th.
- The development environments have been set-up for Information Services, and for the Timetabling Unit. These are being used for development work and demonstrations.

Future plans

- User training is planned for February, close to the Go-Live date. Users will be able to work with the room and class information that has previously been supplied to the project during this training.
- The system is planned to go live on 26th March, 2012 to deal with bookings for the academic year 2012/13, and the summer of 2012.
- On 28th May, EBIS room booking will be switched off.
- The Extended Implementation phase will follow on immediately from the Minimum Change phase, and will aim to provide personalised timetables for students, improved course planning tools, a replacement for Timetab with more complete information, and reporting tools for gathering management information.

Risks and Issues

The risk log lists 20 specific risks to be managed. Of these, the following are currently flagged as being Amber, and are being mitigated by reducing the risk wherever possible.

Risk	Impact	Probability	Mitigation
Data quality and size of data collection and integration task is too large	Medium	Medium	Minimise data collection in transition year to essential data items. Resources are available to support implementation at School level including data entry tasks
Data integration with existing systems is too complex	Medium	Low	Detailed analysis of integration tasks to confirm requirements. Use of less frequent or less complex solutions favoured for minimum change implementation

Edinburgh College of Art requires extra support - as still catching up after recent Merger	Medium	Medium	Provide additional support to ECA to complete room data collection and activity data collection
Resource conflict within IS Apps	High	Medium	Timetabling is flagged as a priority 1 project and action has been taken to protect all IS project resources. There are however a number of concurrent priority 1 activities within IS, thus IS resourcing will continue to be closely monitored.
Delays in completing work required to integrate system with the University of Edinburgh authentication solution EASE	Medium	Medium	Monitor progress at Oxford University, who are developing a similar solution for implementation in March ahead of the UoE go live. Scientia have agreed that will withhold the November 2011 contract payment while this work is incomplete.
Client compatibility issues with Windows XP PCs and Apple Macintosh computers	Medium	Medium	Coordinate with Window 7 depolyment team, and school Computing Officers, to prioritise timetable application users. Testing of Apple Macintosh clients to be carried out within IS and through the Technical User group members.

The risk log is reviewed by the project team every week and by the project board when it meets (approximately every six weeks). On reviewing the risk log, and project status, the December meeting of the project board made the decision to proceed with the go-live date in March 2012.

Unforeseen issues that arise in the final weeks up to the go-live date will be managed through a risk reduction strategy, with the aim of meeting the go-live date. However, should a major unforeseen issue arise that precludes going live in March 2012, the final decision will be made at the project board meeting on 1st February. Plans are in place to delay the go-live to October 2012 or March 2013.

External reviews

The project has been reviewed by Valuta in June 2011, who made 12 recommendations. These were presented to the project board, and have been acted upon. This included the appointment of Dr Peter Kemp, former Director of Information Services at Stirling University, to the project board as an external expert.

In December 2011 the project was reviewed by Internal Audit, and this review will result in further recommendations. This report will be presented to the project board when it is finalised. The draft recommendations have been helpful in sharpening some of the points made by Valuta and are being acted upon by the project team.

Financial summary

The following table indicates the actual spend, and projected spend during the lifetime of the project:

Item (all figures in £K)	Budget	Total spend	Variance	Contingency	TOTAL
--------------------------	--------	-------------	----------	-------------	-------

Item (all figures in £K)	Budget	Total spend	Variance	Contingency	TOTAL
FY:10/11	106	124	18	4	14
FY:11/12	818	776	-42	162	-204
FY:12/13	628	669	41	122	-81
FY:13/14	169	181	12	31	-19
Total	1721	1750	29	319	-290

The overspend in 2010/11 is a result of bringing forward tasks from 2011/12 into the procurement process. The underspend in 2011/12 is due to a lower level of school support than anticipated for the minimum change implementation going live in March 2012. It is expected that this resource will be required for the more complex extended implementation taking place in 2012/13. The final spend is projected to be £29k above the budgetary figure, but within the contingency funding set aside for the project.



THE UNIVERSITY *of* EDINBURGH

Shared Academic Timetabling Policy and Guidance

**Version 2.3.1
November 2011**

Table of Contents

1	Executive Summary	3
2	Background	4
2.1	Document Construction and Approval.....	4
2.1.1	Contributors	4
2.1.2	Approval	5
2.1.3	Approval Timeline	5
2.2	Document Structure	5
3	Timetabling Policy	6
3.1	Aims	6
3.2	Governance and Operational Management	6
3.3	Principles of operation.....	7
3.4	Roles and Responsibilities	8
3.5	Teaching Times	10
3.6	Teaching Availability.....	11
3.7	Room Allocation.....	11
3.8	Planning Cycle for Timetabling.....	13
3.9	Innovative Learning Week.....	14
3.10	Course Conflicts	14
3.11	Room Conflict Resolution.....	14
3.12	Ad-hoc Bookings	15
3.13	Changing/Cancelling Bookings	15
3.14	Equality and Diversity	16
3.15	Monitoring and Review.....	16
4	Guidance on Timetable Implementation.....	17
4.1	Guiding Principles for Effective Timetable Construction	17
4.2	Teaching Availability.....	18
4.3	Room Allocation.....	18
4.4	Timetable Publication	19
5	Glossary of Terms.....	21
6	References	22

1 Executive Summary

The Shared Academic Timetabling Project has developed a timetabling policy as part of the transition to a common shared timetabling solution across the University. The policy has been developed with reference to comparable institutions in addition to current practice across schools and support units.

This document states the proposed timetabling policy that governs the allocation of timetabled learning and teaching activities, and ad-hoc bookings for space that is used for learning and teaching. It covers the aims of the timetabling policy, its governance within the University, and the principles of its operation. The roles and responsibilities of staff and students, with respect to the policy operation, are outlined, as well as the annual timetable of events. The procedures used to allocate spaces to learning and teaching events are stated, along with factors governing the allocation. Performance measures are also presented. In addition, the means of conflict resolution are stated within the policy. In addition to policy, this document also presents guidance on timetable production and maintenance.

The key changes to current practice are:

- Use of a common timetabling solution
- The inclusion of all learning and teaching activities, including those scheduled in School managed rooms
- The inclusion of all rooms, including laboratories, used for learning and teaching in a common room booking system, retaining current management structures
- The use of a common system for room request/booking for all activities, both recurring and ad-hoc, held in a room used for learning and teaching
- Production of draft timetable information for all learning and teaching activity, including those wholly taught in School managed rooms, is completed during the first quarter of the calendar year
- Visibility of full timetable and room information across The University
- Introduction of a resolution route for timetabling conflicts
- Enabling approved constraints in learning and teaching availability to be considered
- Changes to the Curriculum Framework to introduce a variable lunch hour and removal of the 20 minute afternoon break

2 Background

The Shared Academic Timetabling Project will be introducing a shared system to handle academic timetabling and learning and teaching space booking. The potential benefits of a shared system, some of which may be realised only after a number of years of operation, are identified and prioritised in the White Paper (Hulton, October 2010) and are repeated below:

- Benefit 1: Student focused, coherent institutional timetabling which enhances student experience
- Benefit 2: Improved management information and tools to support the effective use of University resources
- Benefit 3: Improvements to the management of curricula and academic timetables
- Benefit 4: More effective provision and use of learning and teaching space
- Benefit 5: Greater flexibility in managing staff teaching time
- Benefit 6: More effective use of administrative staff resources
- Benefit 7: Supporting family-friendly policies
- Benefit 8: Improved curriculum planning

Given the clear benefits of adopting a common approach to timetabling it is essential that the University decides upon and agrees a Timetabling Policy. Such policies are increasingly common at institutions that have effectively deployed timetabling solutions including other Russell Group institutions such as: University of Liverpool, Kings College London, University of Leeds and University of Warwick. The policies adopted by these institutions have been consulted in the production of this document.

2.1 Document Construction and Approval

2.1.1 Contributors

The Shared Academic Timetabling Project Board and Project Team

Wider University community:

- Curriculum and Student Progression Committee (CSPC)*
- Knowledge Strategy Committee (KSC)
- Space Management Group
- Learning and Teaching Space Advisory Group (LTSAG)
- Estates Committee
- Central room bookings team
- School staff with a role in producing/administering timetables
- School administrators
- Registry
- Estates & Buildings
- Accommodation Services (and other users of learning and teaching space e.g. IALS for Summer Schools)
- Disability Office

Information Services Learning and Teaching Spaces Technology Services
(LTSTS)

Support Groups and Directorates

*Approval group

2.1.2 Approval

The policy has been reviewed and released by the Project Board and CSPC. Following review and feedback from the University community, CSPC will be required to formally endorse the Timetabling Policy by the end of December 2011.

2.1.3 Approval Timeline

It is critical to the Shared Academic Timetabling project's success to have a policy that informs how the system is to be implemented across the University. The policy should ideally be approved no later than December 2011 ahead of the implementation of the new solution for 2012/13.

A detailed approval plan was agreed by the Shared Academic Timetabling Project Board at their meeting on the 23/8/11

2.2 Document Structure

The policy is defined in section 3, with associated guidance documentation presented in section 4. A glossary of terms used within the policy is presented in section 5.

3 Timetabling Policy

3.1 Aims

The document defines University policy, procedures and responsibilities in respect of:

- Production of the shared timetable
- Use of space for learning and teaching activities
- Use of learning and teaching space for other activities

The Timetabling Policy covers the scheduling of all learning and teaching activities, including tutorials, labs and other practical sessions, on University programmes of study delivered across the University estate.

The long-term aims of the Timetabling Policy are to:

- Generate student focused, coherent institutional timetables which enhance student experience
- Improve management information and tools to support the effective use of University resources
- Improve the management of curricula and academic timetables
- Enable more effective provision and use of learning and teaching space
- Create greater flexibility in managing staff teaching time
- Make more effective use of administrative staff resources
- Support family-friendly policies
- Improve curriculum planning

3.2 Governance and Operational Management

Timetabling Policy is overseen by the **Curriculum and Student Progression Committee (CSPC)**. CSPC have responsibility for maintaining the policy and addressing feedback on the policy from across the University.

Academic Registry within Student and Academic Services Group (SASG) has overall responsibility for the day to day management of the Shared Academic Timetabling system.

Timetabling Policy and its implementation is a key aspect of University operations and will be regularly reviewed, initially on an annual basis, by governance groups and committees across the University.

The majority of the learning and teaching spaces are part of the University's estate. Any matters relating to space allocation and utilisation of these spaces at a strategic level are determined by the Senior Vice Principal and Director of Estates and Buildings guided as appropriate by the Space Management Group and Estate Committee. The Senior Vice-Principal, in conjunction with the Director of Estates and Buildings, determine the escalation path for matters relating to room conflict resolution arising from the timetabling process that cannot be resolved at a local level, or by the Timetabling and Learning Spaces Coordinator.

3.3 Principles of operation

P1 - All learning and teaching activities (e.g. lectures, tutorials, labs, workshops, etc.), excluding centrally arranged examinations, are timetabled within the timetabling system, including activities taking place in centrally or School managed rooms, learning and teaching outside of "normal" teaching times, learning and teaching that forms part of the Degree Regulations and Programme of Study (DRPS) and non DRPS activity.

P2 – Room allocation prioritises the use of either School managed or Centrally managed rooms within the same Timetabling Zone as that requested.

P3 – Outwith designated mid-morning and lunch-time breaks, movement between Timetabling Zones (by students and staff) across consecutive teaching slots will be minimised, but may be necessary in exceptional circumstances.

P4 – If booked learning and teaching space is no longer needed, it is cancelled at the earliest opportunity. Charges may be levied for late cancellations or non-use of booked space.

P5 – Except in exceptional circumstances, staff and students should have at least one hour free of learning and teaching commitments between 12:00 and 14:00.

P6 – Student requests for study space (and other ad hoc requests for use of learning and teaching space) are prioritised for a selection of spaces, and supported but subject to restrictions and approval, for other learning and teaching space.

P7 - Exams are integral to the timetable process. Whilst these may continue to be timetabled separately examination events are included in student and staff personal timetables.

3.4 Roles and Responsibilities

The **Timetabling and Learning Space Manager** is the senior manager within Academic Registry responsible for the day to day operation of the Shared Timetabling system. The responsibilities of the Timetabling and Learning Space Manager and the supporting Timetabling Unit include:

- Managing the operation of the shared academic timetabling system
- Liaising with Information Services for software maintenance and upgrade
- Issuing detailed timetabling guidance to Schools
- Supporting schools in the operation of the timetabling system
- Publishing draft and final versions of the shared timetable
- Advising on resolution of conflicts over room bookings
- Ensuring that all learning and teaching room information and availability (for both Centrally and School managed space) is accurate and up to date
- Ensuring that maintenance requirements and use for non learning and teaching events are accurately reflected in room availability
- Reporting to CSPC, LTSAG, Space Management Group, Estates Committee and other interested parties on the effectiveness of Timetabling Policy and implementation
- Collecting, measuring and reporting accurate data on space utilisation offering/seeking guidance on more efficient use of learning and teaching space
- Reviewing the timetabling process and outcomes and initiating continuous improvement

School Timetabling Coordinators are the primary contacts for timetabling within their School responsible for liaising with the Timetabling Unit to book Centrally managed rooms, progress timetabling requirements and resolve timetable conflicts. The responsibilities of School Timetabling Coordinators include:

- Coordinating timetable design and production across undergraduate and postgraduate programmes within their School
- Ensuring that collection, collation and timely recording of information on courses is carried out, including: classes, room requirements and number of students and any constraints on staff availability
- Acting as gatekeeper for School managed rooms
- Carrying out timetabling tasks as required by the stated deadlines.
- Notifying the Timetabling Unit of any changes to the established timetable and room cancellations
- Reporting inaccuracies in learning and teaching room information (for both Centrally and School managed space) to the Timetabling Unit

Teaching staff within each School have responsibility for fulfilling published timetable commitments and keeping their School Timetabling Coordinators informed of cancellations or other changes. Teaching staff also report any problems with their timetable or learning and teaching rooms they use so that this information can be used to improve the overall operation of timetabling at the University. Teaching staff responsibilities include:

- Providing information for, and reviewing their timetable
- Fulfilling their published timetable commitments
- Advising their School Timetabling Coordinators of cancellations or other changes
- Reporting any problems with their timetable or the learning and teaching rooms they use

School Administrators are responsible for management of resources (e.g. staff, budget, space) within the School. Their responsibilities include:

- Ensuring that the School Timetabling Coordinators and support team carries out the timetabling tasks required by the stated deadlines.
- Ensuring that learning and teaching rooms and other School managed resources are accurately recorded in the shared timetabling system

Heads of School are responsible for academic leadership and overall management and strategy of the School including development of academic and resource plans, promotion of research activity. The responsibilities for Heads of School include:

- Negotiation and agreeing any limitations on staff teaching availability.
- Helping to resolve timetabling conflicts impacting on the School

Student responsibilities include:

- Providing details of accessibility requirements as soon as possible.
- Reviewing their published learning and taught timetable as soon as possible and alerting their Director of Studies of any problems.
- Adhering to School or centrally defined procedures for requesting a change to a timetable allocation
- Making appropriate use of any student study spaces bookable through the shared timetabling system

Accommodation Services (commercial and academic-related booking)

responsibilities include:

- Carrying out their normal duties with relation to events booking and ensuring that the Timetabling Unit is aware of any events booked and kept up to date on any cancellations
- Keeping external customers up to date on any changes/conflicts with their booking

3.5 Teaching Times

The standard teaching day is from 9am to 6pm, Monday to Friday. It is recognised that learning and teaching sometimes takes place outside of these hours. For timetabling purposes, 'morning' is defined as any time before 13:00, 'afternoon' is defined as any time between 13:00 and 18:00, and 'evening' is defined as any time after 18:00.

The DAY is divided into 50 minute slots. Within these slots, rooms should be booked for the actual times that they are required (e.g. some may teach for 1.5 hours in a 2 hour slot or for 3 hours in a half-day slot). The existing rule that rooms may not be booked across 11 am and 4 pm except for bookings of at least 3 hours will remain in force.

Single	Double	Half Day
0900-0950	0900-1050	0900-1300
1000-1050		
1110-1200	1110-1300	
1210-1300*		
1310-1400*		
1410-1500	1410-1600	1410-1800
1510-1600		
1610-1700		
1710-1800		
1830-1920	1830-2020	
1930-2020		

*variable lunch hour

Notes

1. Teaching times indicate when the class is scheduled to begin and NOT five minutes later. (e.g. lectures to start at 0900 **and not** 0905). All timetables are to be issued with a statement that "students should be in their seats 5 minutes before the advertised time".
2. There is a 20-minute mid-morning break to facilitate movement between Timetabling Zones.
3. Except in exceptional circumstances, staff and students have at least one hour free of learning and teaching commitments between 12:00 and 14:00.

The WEEK is divided into slots each at a given hour of the day and further subdivided into Monday/Thursday and Tuesday/Friday slots for classes requiring two whole-class sessions (WCS). If three WCS are required, the preferred extra day to maximise flexibility is Wednesday (for morning classes) or Friday/Thursday (for afternoon classes).

Single	Double	Triple (a.m.)	More
Mon	Mon/Thur	Mon/Wed/Thur	Any
Tue	Tue/Fri	Tues/Wed/Fri	
Wed		Triple (p.m.)	
Thur		Mon/Thur/Fri	
Fri		Tues/Thur/Fri	

Notes

1. Only in exceptional circumstances will core lecture or class slots be scheduled on Wednesday afternoon when no alternative can be found. Scheduling such a class at this time must be approved by the relevant College Learning and Teaching Committee. This does not preclude schools from offering classes (e.g. laboratories) on a Wednesday afternoon, provided that alternative times are offered at other points in the week.
2. Classes that are outside of the normal teaching times or for greater duration (for example weekend working) should ensure that there is no more than 4 hours of consecutive learning and teaching without a break.

3.6 Teaching Availability

Teaching staff are available for teaching at any time during their contracted teaching day(s) except where restricted by individual agreement with Heads of School in accordance with existing HR guidelines.

Timetabling implementation will allow the incorporation of constraints to enable staff within specified groups to share teaching-free times, e.g. to enable scheduling of research seminars.

3.7 Room Allocation

The University learning and teaching estate is divided between Centrally managed and School managed space.

All learning and teaching space, including lecture theatres, seminar rooms, labs and any other spaces used for learning and teaching purposes is included in the Shared Academic Timetabling system.

All users of the system have read-only access to the schedules of other Schools' space.

Spare capacity in School managed rooms is made available to requests from other Schools. Such requests continue to be managed by the Schools themselves via School Timetabling Coordinators. Normally it is expected that where spare capacity

exists, requests from other schools will be accommodated. Where requests are granted, it is the responsibility of the requesting School to provide any AV and IT support required by its users.

The allocation of rooms is driven by the following factors:

Factor	Performance Measure	Priority
Seating Capacity	% Capacity Allocation	Essential
Essential Equipment	Requested vs Actual	Essential
Locality (Proximity to School)	Allocation/Utilisation of School managed rooms Allocation/Utilisation of Centrally managed rooms Utilisation of rooms within the schools' timetabling zone	Essential
Layout and Furniture	Requested vs Actual	Essential
Accessibility	All requirements can be accommodated	Essential
Licensing	Licensed activities accommodated in Licensed Rooms.	Essential
Continuity	Measure % of course classes running in same room where requested.	Essential
Location	Travel time required between classes	High
Preferred Equipment	Requests met with required equipment, or mobile alternative.	High
Use Type	Requested vs Actual	High
Preference	Requested vs Actual	Medium

Once the timetable has been set for the year, room bookings are confirmed but the Timetabling Unit retains the right to change room allocations in response to evolving resource constraints: such as changes to course enrolment figures, or loss of learning and teaching space in the event of an emergency.

3.8 Planning Cycle for Timetabling

The planning cycle reflects the need for planning to take place in line with information becoming available from academic planning and our corporate systems.

Month	What Happens
January	<ul style="list-style-type: none"> Following the EUCLID Course Creation Approval and Maintenance CCAM rollover, which occurs in January, the previous year's courses' schedule, but not room allocations, will be rolled forward. Schools make amendments following the roll forwards. School Timetabling Coordinators construct a draft timetable of their own learning and teaching events, including the requirements for Centrally managed rooms. School managed learning and teaching space within Schools is booked immediately via School Timetabling Coordinators.
April	<ul style="list-style-type: none"> Centrally managed room requests are submitted to the Timetabling Unit. Requests are submitted for rooms from other Schools where their learning and teaching space meets the needs, and there is availability.
June/July	<ul style="list-style-type: none"> The shared timetable is published based on estimated numbers of students, and associated rooms have been allocated.
June/July	<ul style="list-style-type: none"> 2nd year and above course selection available. Any required changes to room bookings and staff allocation are investigated and applied.
July/Aug	<ul style="list-style-type: none"> 1st year course selection available for programmes starting prior to the main September intake, and Postgraduate Enrolment Any required changes to room bookings and staff allocation are investigated and applied.
1 st September Onwards	<ul style="list-style-type: none"> Bulk of 1st year courses and Post Graduate courses are selected during Freshers Week Any required changes to room bookings and staff allocation are investigated and applied. Changes to class size or course cancellations are monitored to allow space to be released, should it not be required. Rooms for student study become available for student bookings

Following the creation of the rolled forward timetable for the upcoming academic year, the oldest timetable on the system is archived.

3.9 Innovative Learning Week

Semester 2 is divided into three parts. Teaching blocks 3 and 4 comprise the 11 weeks of standard teaching, and the remaining weeks comprise the exam diet. The Innovative Learning Week, which takes place between Teaching blocks 3 and 4, is booked separately on the Shared Timetabling system according to the following principles:

Priority booking will be given to programmes that have opted out of the Innovative Learning Week, and whose opt-outs have been approved by Curriculum and Student Progression Committee.

After opt-out courses have been allocated, all other bookings are considered.

Booking applications for unique spaces, such as the JCMB Teaching Cluster, are adjudicated by College Deans or their representatives. Other bookings are considered on a first come, first served basis.

3.10 Course Conflicts

Conflicts in the timetable due to conflicts in courses are resolved between School Timetabling Coordinators and any academic staff involved in the organisation of courses. Any timetabling conflict that can not be resolved is escalated to the Heads of Schools in the first instance. If required, the Timetabling and Learning Spaces manager will suggest potential solutions based on curriculum planning scenarios. Ultimately if the conflict cannot be resolved between Schools and the Timetabling and Learning Space Manager, then the conflict is further escalated to the Senior Vice Principal.

3.11 Room Conflict Resolution

Where there is a conflict in availability of a Centrally managed room this is resolved between the Timetabling Unit and the parties concerned. Where there is conflict in availability of a room managed by another School the needs of the owning School generally take precedence. Irreconcilable conflicts are escalated for resolution to the Timetabling and Learning Space Manager and the relevant Heads of Schools.

Ultimately if the conflict cannot be resolved between Schools and the Timetabling and Learning Space Manager, then the conflict is further escalated to the Senior Vice Principal and Director of Estates and Buildings. Where appropriate, precedence set by the outcome from the conflict will feed into this policy to ensure there is clear guidance on conflict resolution and University policy.

3.12 Ad-hoc Bookings

Non learning and teaching events (such as College and School Committee meetings) and Ad-hoc booking requests for learning and teaching spaces can be submitted at any time, but are normally only agreed once the main learning and teaching timetable has been published.

During “vacation time” Edinburgh First including the Festivals Office has priority for bookings, on a pre-agreed selection of rooms, followed by other users of space in the summer e.g. learning and teaching outside the standard academic year, summer schools, ELTC bookings, etc.

3.13 Changing/Cancelling Bookings

Late changes to the published timetable are often detrimental to the student experience and should be largely avoided by the construction of a timetable based on timely and accurate data. Unavoidable changes are to be carried out in the Shared Timetabling System and only be made where the change cannot be accommodated by changing staff/student allocation such as: -

- New accessibility requirements become known
- Change in staffing for unavoidable reason (e.g. staff illness)
- Staff double booking
- Student double booking
- Approved change in staff availability
- Actual number of students exceeds room capacity
- Actual number of students is much smaller than expected, hence would fit in a smaller room freeing a larger room for a larger activity which cannot otherwise be accommodated
- Location becomes unavailable

Where a learning and teaching space is locally managed, bookings must be changed if:

- A room booking is no longer required
- An allocated room is no longer appropriate for the booked event’s requirements
- Learning and teaching cannot proceed in the allocated room as someone else is occupying it (i.e. double booked), there is a lack of required equipment or maintenance is needed.

The Timetabling Unit is to be informed at the earliest opportunity if:

- Courses are cancelled
- A centrally managed room booking is no longer required
- A centrally managed allocated room is no longer appropriate for the booked event’s requirements

- Learning and teaching cannot proceed in a centrally managed allocated room as someone else is occupying it (i.e. double booked), there is a lack of required equipment or maintenance is needed.

3.14 Equality and Diversity

The construction of learning and teaching timetables is carried out in line with the University's Diversity and Equality of Opportunity Policy.

3.15 Monitoring and Review

In support of the guiding principles, the following measures must be put in place:

Policy Aims	Measure
End-user satisfaction with the timetabling and its ease of use.	Survey for staff and students to gauge their satisfaction with the timetabling system and their experience of timetabling.
Support delivery of high quality learning and teaching	Monitoring "Requested" vs "Actual" on all building and zone allocations for core learning and teaching activities
Learning and teaching takes place in most appropriate accommodation	Same as above
Minimise travel across Timetabling Zones, e.g. between Holyrood and George Square	Study of classes across Timetabling Zones and actual student/staff travel involved in an academic year
Shared repository of timetables, room bookings and room availability	Management information from the system on booking data and Staff survey
Personalised timetables	Number of students subscribed to mobile device timetable delivery
Unified approach to timetabling and room booking	Room booking survey carried out and feedback measured
Optimise utilisation of University estate	Room utilisation survey Booking data analysis Management information to allow planning and what if scenarios. Measure against University-set utilisation benchmarks

These measures should be used to drive any improvement initiative to timetabling or changes required to this policy to better reflect the needs of the University.

4 Guidance on Timetable Implementation

In order to achieve all of the Benefits identified, the following guidance should be followed by School Timetabling Coordinators and the Timetabling Unit.

4.1 Guiding Principles for Effective Timetable Construction

- All learning and teaching activities are to be scheduled in the Shared Timetabling system
- Learning and teaching activities taking place off-site should also be included where:
 - students will benefit from having the activity as part of a personal timetable; and/or
 - recording the activity aids staff in scheduling other activities for clash-free timetabling.
- Any learning and teaching delivery that forms part of the Degree Regulations and Programmes of Study (DRPS) is scheduled before other non-DRPS requirements.
- Wherever appropriate, timetabling is to match learning and teaching to School managed rooms or suitable rooms within their Timetabling Zones.
- Whole Class Sessions (WCS) where a course event is delivered to all students at once is given first priority when allocating learning and teaching space. Additional activities such as tutorials and lab sessions (that are divided into multiple slots to sub-groups of students) are fitted in around WCS.
- As far as possible, the same learning and teaching space is used for recurring classes.
- In order to limit the impact of travel between zones, movement between zones takes place during the specific time-slot: 10.50-11.10; and during the lunch period.
- When class numbers are known, any booked resource that is no longer required is cancelled as soon as possible.
- Normally, timetabled events are carried forward from year to year provided this doesn't restrict efficiency or flexibility in the curriculum.
- Early production of timetable information is strongly encouraged to enable efficient scheduling of courses in different Schools.

- Space allocated to students for non-timetabled activity, such as studio space, should be recorded in the timetabling system.

4.2 Teaching Availability

Schools may decide to establish and incorporate constraints within the system to ensure that wherever possible individual learning and teaching commitments are suitably blocked and not overly dispersed.

The Shared Academic Timetabling system enables all agreed learning and teaching constraints to be recorded with the system by the School Timetabling Coordinators and used to inform timetabling decisions.

4.3 Room Allocation

Factor	Description	Priority
Seating Capacity	Learning and teaching rooms are allocated on a 'best fit' basis, with a target seating capacity	Essential
Essential Equipment	Room requests for specialist or essential learning and teaching equipment are allocated to classes requiring that equipment first. Specialist equipment includes lab equipment, IT Networking, specific software etc.	Essential
Locality (Proximity to School)	Rooms managed by the School delivering the learning and teaching are allocated as first preference; then Centrally managed rooms within their zone and then rooms managed by other Schools or outside the School's zone.	Essential
Layout and Furniture	The room layout should match that of the learning and teaching session or be configurable to the requirement of the session.	Essential
Accessibility	Where there is a known disability requirement only appropriate rooms are allocated Where such information is brought to light late on in the timetabling process changes to the timetable need to be accommodated and existing bookings re-homed	Essential
Licensing	Rooms with specific licensing are only allocated to appropriate event types (e.g. anatomy and research for VAT exempt rooms).	Essential
Continuity	Regular (full-semester or longer) bookings and short fat (e.g. 5 ½ days back to back learning and teaching) take precedence over single or sporadic bookings	Essential

Factor	Description	Priority
Location	Ideally all classes are scheduled in the same Timetabling Zone. Where travel cannot be avoided, the room is to be within a traversable distance of the other classes a student or member of staff is required to attend, given the time constraints for travel between locations	High
Preferred Equipment	Rooms allocated should have the preferred equipment required to allow staff to conduct their teaching. For example, Wireless Network Access, Audio Visual, White/black Boards, Desktop PCs, lecture capture and clicker response systems. Where fixed equipment is not available, Schools should liaise with LTSTS regarding possible portable alternatives.	High
Use Type	Priority is given to whole class sessions, then Non WCS Tutorials, Labs and other required activities.	High
Preference	Where a preference has been indicated for a specific room, this is booked unless overridden by one of the higher priority factors.	Medium

4.4 Timetable Publication

Timetables are available to those who need them, in a clear and accessible way. The University aims to provide complete, accurate and up-to-date timetables, published in advance of the start of the academic year and maintained throughout the academic year. These will be available through the appropriate University portals.

The Timetabling system will retain 3 years of timetabling information that can be accessed in the normal manner (i.e. the timetable in planning for the upcoming year, the current year's timetable and the previous year's published timetable).

At the end of each planning cycle the oldest year's timetable is archive away from the timetabling system but retained in a format that could be accessed for reporting purposes.

Those who need access to timetables include: -

- Teaching staff
- Students
- Administrative staff
- Building Managers
- Servitors (so they can open buildings and organise room and AV)
- Premises Managers and other E&B staff for maintenance programming
- Events and conferencing staff in Edinburgh First/Accommodation Services

- EUSA events staff
- Any other user that can request University rooms

5 Glossary of Terms

Term	Meaning
Whole class Session (WCS)	A class or learning and teaching event that requires all students to attend.
Class Exam	An examination that is organised within the school and possibly not during the central examination times (i.e. at semester end)
Main diet exam	An examination that is organised centrally and takes place at the end of semester.
Centrally Managed	Rooms or Learning and Teaching Space that is bookable via the Timetabling Unit (previously EBIS room booking team)
School Managed	Rooms or Learning and Teaching Space this is bookable via a School Timetabling Coordinator (or Gatekeeper)
Timetabling Zones	A geographical zone which divides the University Estate into collections of buildings. Zones are defined in such a way that any two buildings, where the travel time between them exceeds 10 minutes, are in different zones.

6 References

Several external references have been consulted in the production of this document, including:

University of Leeds

<http://www.leeds.ac.uk/timetable/policy.htm>

University of London, School of Oriental and African Studies

<http://www.soas.ac.uk/timetable/policies/policy/>

University of Warwick

<http://www2.warwick.ac.uk/services/centraltimetabling/policy>

Kings College, London

http://www.kcl.ac.uk/college/policyzone/assets/files/teaching/College_Timetable_Policy.pdf

University of Liverpool

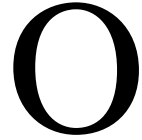
<http://www.liv.ac.uk/orbit/policy/>

Shared Academic Timetabling Project - Policy Analysis Summary

<https://www.wiki.ed.ac.uk/download/attachments/106922503/PolicyAnalysis.pdf?version=1>

Shared Academic Timetabling Project – Timetabling White Paper, Nick Hulton, October 2010

https://www.wiki.ed.ac.uk/download/attachments/106922512/Timetabling_Whitepaper.pdf?version=1



The University of Edinburgh

Central Management Group

25 January 2012

Fees Strategy Group: Convener's action

Brief description of the paper

This paper contains two items agreed by the Convener of Fees Strategy Group, for final approval by CMG.

Action requested

Approve recommendation.

Resource implications

Does the paper have resource implications? Yes
This paper deals with scholarship agreements.

Risk assessment

No

Equality and diversity

Equality and diversity issues are considered as part of the ongoing monitoring of fee levels by the Fees Strategy Group

Freedom of information

Can this paper be included in open business? No

Disclosure would substantially prejudice the commercial interests of any person or organisation.

Withhold information until information published in table of fees.

Originator of the paper

Susie Rice
Governance and Strategic Planning
13 January 2012

The University of Edinburgh

Central Management Group

25 January 2012

Admissions issues relating to 2012/2013 entry

Brief description of the paper

This paper highlights two key issues identified by Monitoring Student Numbers Group.

Action requested

CMG is asked to note the concerns raised, and the action being taken and advised.

Resource implications

Does the paper have resource implications? No

Risk assessment

Does the paper include a risk analysis? No

Equality and diversity

Does the paper have equality and diversity implications? Yes, detailed in Section 2.

Freedom of information

Can this paper be included in open business? No

Disclosure would substantially prejudice the effective conduct of public affairs.

For how long must the paper be withheld?

Until October 2012 (upon completion of the 2012/13 admissions cycle)

Any other relevant information

To be presented by Dr Alexis Cornish, Director of Governance & Strategic Planning.

Rebecca Gaukroger, Head of Admissions, Student Recruitment & Admissions, and Robert Lawrie, Head of Scholarships & Student Funding Services, will attend for this item.

Originator of the paper

Rebecca Gaukroger, Head of Admissions, Student Recruitment & Admissions
On behalf of Monitoring Student Numbers Group
18 January 2012



The University of Edinburgh

Central Management Group

25 January 2012

Proposal to create The Chair of Economics

Brief description of the paper

The School of Economics seeks to create and appoint to a Chair in Economics. This will achieve a number of important strategic goals, primarily but not exclusively related to research:-

- A key reason for requesting this Chair appointment is to advance the School of Economics' strategy of broadening and deepening its research profile (including expanding its KE activity), which in turn will fulfil a strategic goal of maintaining and enhancing a stimulating research environment.
- The Chair will strengthen the research base of the School in advance of the forthcoming REF, leading to increased REF related income and making the School more attractive to high quality students.
- It will also consolidate recent investments, in part linked to the SHEFC funded Scottish Institute for Research in Economics, and strengthen Edinburgh's leadership role in Economics in Scotland.
- At the PGR level, this appointment would add to the School's capacity to supervise and enhance its ability to cater for a demand for supervision in a broader range of topics.
- This appointment will make an important contribution to implementing the School's teaching and learning strategy.
- To achieve plans for income generation, including increasing grant income, requires high calibre academic staff. Hiring at the Chair level is an effective way to implement a strategy in which high quality teaching and supervision is undertaken by active researchers; this is particularly relevant to plans to increase PGR and PGT income.
- The School of Economics is in good financial health. The School and College are confident that this appointment is well within the means of the School, and represents a sound academic and business investment.

CMG is invited to recommend to Court and Senate the adoption of the appropriate resolution with effect from 1 March 2012.

Action requested

For approval.

Resource implications

The Chair is funded from School funds.

Risk assessment

Does the paper include a risk analysis? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Professor Dorothy Miell
Vice-Principal and Head of College of Humanities and Social Science
20 December 2011



The University of Edinburgh

Central Management Group

25 January 2012

Proposal to Establish Three Personal Chairs in the School of Informatics

Brief description of the paper

The College of Science & Engineering, in conjunction with the School of Informatics wishes to establish three new Personal Chairs.

Action requested

For approval. CMG is invited to recommend to Court and Senate the adoption of the appropriate Resolutions.

Resource implications

Does the paper have resource implications? Yes

All three posts can be met from within planned and projected salary spend from the School's core budget, offset against personal research funding income.

Risk assessment

Does the paper include a risk analysis? No

Equality and diversity

Does the paper have equality and diversity implications? No

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Professor Lesley Yellowlees, Head of the College of Science and Engineering
January 2012

Proposal to Establish Three Personal Chairs in the School of Informatics

Personal Chair of e-Science

It is proposed is to create a Chair of e-Science, as a Personal Chair. The intention is to reappoint Professor M P Atkinson, the outgoing Professor of e-Science who left his current post in September 2011, to this new position.

Professor Atkinson is a pioneer in the integration of programming languages and database systems. This area has been fundamental to the development of modern applied computation which is increasingly dependent on programming over large data sets and information streams. Over the past decade he has been a father figure for UK efforts to promote computation in the traditional sciences (popularly known as e-Science). In this role, he was appointed in 2006 as UK e-Science Envoy which gave him a broad remit to promote UK activities in this area internationally and to help shape UK strategy through awareness of the developing international scene. He also directs the e-Science Institute which has provided a focus for this activity in Edinburgh. He has been co-I or PI in major research programmes in this area – not only the UK e-Science centre programmes but also major European programmes such as EGEE and ADMIRE and major UK programmes such as OGSA-DAI. In addition to his e-Science Envoy contribution, he has made numerous other contributions to the development of research strategy in e-Science nationally and internationally; for example he is a member of the JISC Board, UK Delegate to the EU's e-Infrastructure Reflection Group and Chair of the UK e-Science Forum. Broadly within software engineering he has shaped strategy in numerous ways, for example via membership of UKCRC (the UK expert panel on computer science) and the BCS (the UK chartered institute for IT) accreditation committee.

The position would be on a part-time basis, and for the period beginning on 1 December 2011 and ending on 31 October 2014, the main duties and time span of the position being linked to the calendar of REF.

Personal Chair of Database Systems

It is further proposed to create a Chair in Database Systems, as a Personal Chair. The intention is to reappoint Professor P Buneman, the outgoing Professor of Database Systems who left his current post in October 2011, to this new position.

Professor Buneman is recognised as one of the three most eminent researchers in the world to have made significant contributions to both the theory and the practice of database research, along with Jeffrey Ullman and Phil Bernstein (both from the USA). The impact of his work has extended beyond database research: in computational biology, for instance, he laid the foundations for the theory and practice of the reconstruction of evolutionary trees (a key element in the understanding of evolution's effects in differentiating species). Buneman has also made substantial contributions to advance the UK's global standing in research. Before he moved back to the UK in 2002, database research in the UK was by and large unknown to the international research community. Now the UK enjoys the best database group in Europe and one of the five top-ranked database groups in the world. He also took a lead in initiating the Digital Curation Centre which is a major UK activity in data curation and data management. He is one of only two people who have chaired the programme committees of all the top four database theory and systems conferences. He is a Fellow of the Association of Computing Machinery (the top international computing association) and a Fellow of the Royal Society (our premier scientific society which has very few members drawn from the computing community). Professor Buneman also has done a great deal of public service beyond academia. Most recently, he initiated a project (TEGOLA) that has demonstrated that affordable and very high-speed broadband can be delivered to the most remote rural communities in the UK at comparatively low cost.

The position would be on a part-time basis, and for the period beginning on 1 November 2011 and ending on 31 October 2014, the main duties and time span of the position being linked to the calendar of REF.

Personal Chair of Computation Theory

It is also proposed is to create a Chair in Computation Theory, as a Personal Chair. The intention is to reappoint Professor G D Plotkin FRS, the outgoing Professor of Computation Theory who left his current post in October 2011, to this new position. Professor Plotkin has had a profound and lasting influence on the theory of computation. He is particularly well known for his invention of "structural operational semantics" (SOS), which is widely adopted as the standard technique for precise specification of programming languages. Operational semantics provides a formal model of the run-time behavior of computer programs, and other computational systems. Such a model is essential if we are to have precise and unambiguous definitions of programming languages. In 1981, Plotkin proposed and developed SOS as a systematic method for defining operational behavior. In the years since its inception, SOS has proven itself to be a remarkably powerful and versatile technique and has become the standard method for formally specifying programming languages. Recently SOS has also found use in the specification of biological models, and as a means for clarifying multiprocessor behavior. The seminal SOS paper has over 3,000 citations on Google Scholar, evidencing its broad impact. Professor Plotkin also brings a uniquely valuable range of industry experience from SME start-up, expansion, substantial consultancy, successful company sales and strong connections with Microsoft Research, Silicon Valley. Professor Plotkin plays a key role in the Laboratory for Foundations of Computer Science at Edinburgh – one of the worlds most prestigious centres for computer science theory and its application.

The position would be on a part-time basis, and for the period from 1 October 2011 and ending on 30 September 2014, the main duties and time span of the position being linked to the calendar of REF.