

**Agenda for a meeting of the Central Management Group  
to be held at 10.30 am on Wednesday, 23 January 2013  
in the Raeburn Room, Old College**

<b>1</b>	<b>Minute of the meeting held on 12 November 2012</b>	<b>A</b>
<b>2</b>	<b>Matters Arising</b>	
<b>3</b>	<b>Principal's Business</b>	
3.1	Principal's Communications	
3.2	Principal's Strategy Group	<b>B</b>
<b>FOR DISCUSSION</b>		
<b>4</b>	<b>Finance Update (closed)</b>	<b>C</b>
<b>5</b>	<b>2013-14 Draft Outcome Agreement with SFC (closed)</b>	<b>D</b>
<b>6</b>	<b>Union Facility Time</b>	<b>E</b>
<b>7</b>	<b>Contribution Reward Budget Proposal</b>	<b>F</b>
<b>8</b>	<b>Policy for the Award of Honorary Status</b>	<b>G</b>
<b>9</b>	<b>Pensions Automatic Enrolment – Draft Policy</b>	<b>H</b>
<b>10</b>	<b>Report from Estates Committee (closed)</b>	<b>I</b>
<b>11</b>	<b>Equality Impact Assessment</b>	<b>J</b>
<b>FOR INFORMATION/FORMAL APPROVAL</b>		
<b>12</b>	<b>Reports and Financial Statements for year ended 31 July 2012</b>	<b>K</b>
<b>13</b>	<b>Review of 2011/2012 Outturn versus Forecast (closed)</b>	<b>L</b>
<b>14</b>	<b>Quarter 1 Management Accounts Forecast 2012-2013(closed)</b>	<b>M</b>
<b>15</b>	<b>Fees: Convener's action and routine fees (closed)</b>	<b>N</b>
<b>16</b>	<b>Fixed international student fees (closed)</b>	<b>O</b>
<b>17</b>	<b>Health and Safety Report</b>	<b>P</b>
<b>18</b>	<b>The University's Athena SWAN Bronze renewal application</b>	<b>Q</b>
<b>19</b>	<b>Proposal to create a new Chair of Tomographic Imaging</b>	<b>R</b>
<b>20</b>	<b>Proposal to create a new Chair of Synthetic Biology</b>	<b>S</b>
<b>21</b>	<b>Proposal to create a new Chair of Design Informatics</b>	<b>T</b>

**22 Proposal to change the name of the Regius Chair of Forensic Medicine U**

**23 Any Other Competent Business**

**24 Date of next meeting**

**Wednesday, 6 March 2013 at 10.30 am, in the Raeburn Room, Old College.**

**Central Management Group**

**Monday, 12 November 2012**



**MINUTE**

Present: The Principal  
Senior Vice-Principal Professor M Bownes  
Vice-Principal Professor J Seckl  
Vice-Principal Professor J Haywood  
Vice-Principal Professor S Hillier  
Vice-Principal Professor C Jeffery  
Vice-Principal Professor R Kenway  
Vice-Principal Professor D Miell  
Vice-Principal Dr S Rigby  
Vice-Principal Professor L Waterhouse  
Mr H Edmiston  
Dr K Waldron

In attendance: Dr I Conn  
Dr A R Cornish  
Mr A Currie  
Mr P McNaull  
Mr D Waddell  
Ms E Fraser (on behalf of Ms S Gupta)  
Dr K J Novosel

Apologies: Vice-Principal Professor C Breward  
Vice-Principal Professor D Hounsell  
Vice-Principal Professor L Yellowlees  
Vice-Principal Mr N A L Paul  
Ms S Gupta

**1 MINUTE OF THE MEETING HELD ON 10 OCTOBER 2012 Paper A**

The Minute of the meeting held on 10 October 2012 was approved as a correct record.

**2 PRINCIPAL'S BUSINESS**

**2.1 Principal's Communications**

The Principal reported on the following: the Remembrance Service; the development of a protocol by EUSA re guest speakers at student organised events; the speech by the Chancellor of the Exchequer to the Royal Society on 9 November on science funding; recent media reporting on University fundraising and on the benefit of seeking advice from CAM on any media issue; and the preparations for REF.

**2.2 Principal's Strategy Group Paper B**

CMG noted the report and that the discussions on intake targets had principally been around undergraduate home/EU/RUK students.

## **FOR DISCUSSION**

### **3 FINANCE UPDATE (CLOSED) Paper C**

It was noted that there was continuing uncertainty in respect of the preferred funder to take forward the Holyrood development. CMG further welcomed the revised Post Review Group remit and that as from November 2012 the Group would review appointments retrospectively on a quarterly basis. There was also discussion on the position with the SBS pension scheme and that this would be considered further by F&GPC and Court.

### **4 PLANNING GUIDANCE 2013/2014 (CLOSED) Paper D**

The new approach to the planning round was welcomed and approved by CMG. The Group noted that following the approval of the 2012-2016 Strategic Plan, Colleges and Support Groups would now require to prepare medium term strategic plans covering a three year period which would be rolled forward with a lighter touch annual process. This approach would eliminate in-year budgetary adjustments (adjustments being included in the following year's budget), promote more efficient resource allocation, and improve performance monitoring against a realistic set of KPIs and the University's major targets. It was further noted that there was to be a review of the current arrangements for setting NPRAS space rates to incentivise efficient use of space which would be implemented in 2014/2015.

The major issues affecting the operating environment of the University were noted. Within this context and taking account of other budget assumptions CMG noted and endorsed the indicative uplifts of 2.5% for the next two years for Colleges and 2% for Support Groups with indicative uplifts in 2015/2016 of 2% and 1.5% respectively for Colleges and Support Groups. It was further endorsed that the uplift for Student Unions for the next three years should be the same as that for Support Groups.

### **5 PROGRESS REPORT - STRATEGIC PLAN 2008-2012 Paper E**

CMG noted that of the 33 targets in the last Strategic Plan, 27 had been met or were on track, 1 target was categorised as requiring further work and 5 had not been achieved. There was discussion on the five targets not achieved, the progress that been made in these areas, and the continuing monitoring which would be undertaken going forward.

### **6 ENHANCEMENT OF UNIVERSITY-WIDE IT SECURITY Paper F**

CMG approved the proposals as set out in the paper and endorsed and commended the Information Security Policy to Court for approval. The challenges in taking forward a University-wide security policy were noted and there was agreement on the need for a proportionate approach: critical systems such as student and financial applications and sensitive data particularly information on named individuals required a robust approach. The responsibilities of the Heads of Colleges, Support Groups and Schools in ensuring that appropriate security measures were in place in their area/s were endorsed and that future auditing arrangements should take cognisance of these responsibilities.

### **7 RISK MANAGEMENT COMMITTEE END OF YEAR REPORT Paper G**

The Annual Report of the Risk Management Committee had been prepared as part of the assurance process to enable Court to sign off the 2011/2012 Annual Accounts and

covered activities undertaken by the Committee in respect of the risks identified in 2011/2012 Risk Register; a revised Register had now been agreed in respect of 2012/2013. CMG noted the Report and the statement that the University had satisfactorily managed its key risks during the year ended 31 July 2012.

**8 PRINCIPAL'S CAREER DEVELOPMENT PhD SCHOLARSHIPS Paper H**

CMG fully supported the continuation of this successful scheme in 2013/2014.

**9 REPORT FROM STAFF COMMITTEE (CLOSED) Paper I**

The number of issues currently being progressed by the Staff Committee was noted including legislation requirements, development issues and cultural change. CMG welcomed the intention to hold a special meeting on the topic of 'Academics in the 21<sup>st</sup> Century', endorsed the proposed amendments to the terms of reference of the Staff Committee and noted the outcome of appeals against dismissal since the Staff Committee's last report.

**10 CHANCELLOR'S FELLOWSHIPS – UPDATE Paper J**

The Group noted the current position and that negotiations were on-going to confirm some offers of appointment. It was agreed that where there were any areas of under recruitment further advertisements should be placed to ensure that all agreed positions were filled by the end of this academic year. CMG welcomed the high calibre of those appointed to these posts and noted the gender balance. It was confirmed that ERI and IAD were working closely to provide support and induction for new Chancellor's Fellows. CMG endorsed this and asked that they ensure there was no duplication of effort

**FOR INFORMATION/FORMAL APPROVAL**

**11 REPORT FROM FEES STRATEGY GROUP (CLOSED) Paper K**

The intention to revise the current operating arrangements of the Group and to formulate a template for new courses re fee proposals to enable the Group to take a more strategic overview was welcomed by CMG. The discussion on the publishing of fee information was also welcomed. CMG fully supported the recommendation that where a fee had not been determined at the point of publication of the prospectus that no fee figure should be included and that potential applicants should be referred to the website for up to date information. The discussions around issues with international students was noted and work to determine a fixed or an agreed annual increase perhaps linked to sectoral inflation for the duration of degree programmes for international students was endorsed.

CMG further approved a cross-subsidy of £1.831m from commercial surplus to student rents and a base increase in rents of 2.25% for most types of University student accommodation for 2013/2014; this was in line with proposals approved last year.

**12 ROUTINE FEES (CLOSED) Paper L**

CMG approved the recommendations in respect of the fees for various courses in the College of Humanities and Social Science for 2012/13 and 2013/14 and for postgraduate taught courses in the College of Science and Engineering for 2013/2014 as set out in the paper.

- 13 NPRAS SPACE RATES 2013/2014 Paper M**
- CMG approved the revised NPRAS space rates for 2013/2014.
- 14 SECURITY ADVISORY GROUP ANNUAL REPORT Paper N**
- The Annual Report of the Security Advisory Group was welcomed. In particular CMG noted the actions taken to contain post exam celebrations and the continuing challenges, commended the work of security staff in dealing with sensitive high profile events and the need to consider health and safety issues and fully endorsed the proposal to support the development by EUSA of a guidance document for students and societies on the conduct of meetings with visiting speakers. CMG further re-affirmed its full support on encouraging all staff to wear and display their ID card.
- 15 CLIMATE ACTION PLAN UPDATE 2012 Paper O**
- CMG noted the Annual Report 2011/2012 on the Climate Action Plan and progress to date in areas such as waste and transport management. The increase in the estate and University activities continued to impact on the University achieving absolute reductions in carbon emissions and progress to take forward the devolution of energy budgets and other measures were noted.
- 16 HEALTH AND SAFETY REPORT Paper P**
- CMG noted the minute of the last meeting of the Health and Safety Committee including the emergency telephone numbers arrangements and the quarterly report on accidents and incidents. The number of reportable incidents was noted and that consideration was being given to how to tackle awareness raising on personal safety issues.
- 17 UNIVERSITY ATHENA SWAN BRONZE (CLOSED) Paper Q**
- The Group fully endorsed the University's Athena Swan Bronze award renewal application and noted its importance in enabling Schools to be able to attain and retain Athena Swan awards; any further suggested amendments would be forwarded to the Deputy Director of HR as soon as possible.
- 18 PROPOSAL TO CREATE FIVE NEW CHAIRS IN THE BUSINESS SCHOOL Paper R**
- CMG approved the proposal to create five new Chairs in the Business School.
- 19 DATE OF NEXT MEETING**
- Wednesday, 23 January 2013 at 10.30 am, in the Raeburn Room, Old College.

The University of Edinburgh

Central Management Group

23 January 2013

**Principal's Strategy Group Meeting  
26 November 2012**

Amongst the items discussed were:

**1. Innovation Centres**

Following a meeting of the Innovation Centre stage two assessment panel PSG positively noted the bids that will move forward and discussed the remaining opportunities for increased University involvement.

**2. LEAF project**

The Group discussed this project which is being led by Vice Principal Hounsell and agreed an approach for taking it forward.

The University of Edinburgh

Central Management Group

23 January 2013

**Finance Update**

C

Brief description of the paper

The paper summarises the recent activities on significant projects or activities which have financial implications for the University.

Action requested

The Group is asked to note the content and comment or raise questions where necessary.

Resource implications

Does the paper have resource implications? There are no specific requests for resource.

Risk assessment

Does the paper include a risk assessment? Yes

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

Phil McNaull  
Director of Finance  
January 2013

The University of Edinburgh

Central Management Group

23 January 2013

**Outcome Agreement with SFC for 2013-14**

Brief description of the paper

This paper sets out the final draft of the Outcome Agreement with SFC for 2013-14. We have agreed with SFC that we will produce this in tabulated format this year with the aim of fulfilling SFC's requirements, whilst also attempting to 'future-proof' the document to allow it to be more easily refreshed each year. The Agreement contains some drafting notes, however your views are sought now as the Agreement needs to be submitted to the 18 February Court meeting for formal approval in order to meet the SFC deadline.

Action requested

CMG is invited to consider and endorse the draft Outcome Agreement which will be submitted to Court for approval on 18 February 2013.

Resource implications

Does the paper have resource implications? Having a signed agreement in place for 2013-14 is a requirement of 2013-14 SFC funding. The indicative allocations for 2013/14 issued in December by SFC, could change depending on the shape of the final outcome agreement.

Risk assessment

Does the paper include a risk analysis? The risks inherent in outcome agreements are addressed in the University Risk Register.

Equality and diversity

Does the paper have equality and diversity implications? Yes, access, equality and diversity are horizontal themes that are embedded throughout an outcome agreement.

Freedom of information

Can this paper be included in open business? No, the paper should remain closed until the Outcome Agreement has been approved.

Originator of the paper

Dr Alexis R Cornish  
Director of Planning & Deputy Secretary  
16 January 2013

The University of Edinburgh

Central Management Group

23 January 2013

**Union Facility Time**

E

Brief Description of Paper

At CJCNC in October 2012, there was discussion around the difficulties some staff were experiencing when requiring time off from their normal duties so they can fulfil their Trade Union roles. It was agreed that a communication would be developed by CJCNC members which reminds managers of their obligations in this respect, and forwarded for approval at CMG before being issued.

The communication was discussed and agreed at CJCNC in December 2012. It was agreed that the communication would be published on line, and circulated to senior managers, once CMG approval is given.

Action requested

CMG is asked to approve the wording of the communication overleaf.

Resource Implications

Are there any resource implications? No

Equality and Diversity Implications

Are there any equality and diversity implications? No.

Risk Assessment

The University exposes itself to a certain amount of risk if managers are not supportive of requests for time off for trade union activities. These risks include poor employee relations, relationships with Trade Unions and also delays to personal case work where union representatives are not available for formal meetings.

Freedom of Information

Can this paper be included in open business? Yes

Originator of paper

Dave Rigby  
Senior HR Partner, Employee Relations  
University HR Services

## **Central Management Group**

**23 January 2013**

### **Release of Staff for Trade Union Duties (Facility Time)**

The University values the excellent working relationships it has with local representatives from its recognised Trade Unions and sees partnership working with the Unions as vital to maintaining a positive employee relations environment within the University.

Within the framework of partnership working, Joint Union colleagues are involved in consultation and negotiation with the University on a wide range of matters, including policy development; terms and conditions of employment; and proposals for change, including redundancy avoidance.

In compliance with the legal requirements for Union representatives to be afforded time off from normal duties to enable them to carry out their union roles, the University supports ad hoc release from normal duties for such representatives. This includes those union representatives involved in casework, supporting their members in relation to a wide range of workplace issues, and attending relevant training. In the case of a smaller number of union representatives, who are elected officers of the recognised Unions or officers of Joint Unions, the University supports the provision of funded facility time by reimbursing the employing unit for time spent by staff on official Union duties.

The University fully appreciates the support and flexibility given by local managers in enabling Union colleagues to take the required time away from their day jobs when required. However, it also recognises that there are some occasions where managers have struggled to release representatives at the required time. It is for these occasions that CMG is seeking further support from managers in taking all possible steps to enable Union colleagues to be released for the appropriate amount of time for Union duties, including the need to ensure that those Union representatives supported by funded facility time have that time formally recognised within their workload allocations.

Dave Rigby  
January 2013

The University of Edinburgh

Central Management Group

23 January 2013

**Contribution Reward Policy 2012/2013**

F

Brief Description of Paper

Following a comprehensive review of the Contribution Reward Policy a number of proposals and further actions have been identified to improve, primarily, the ability of lower graded employees to be rewarded under this process. In addition, it is proposed to change the way in which expenditure is allocated to either contribution reward increments or lump sum payments.

Action requested

CMG is asked to note the background information on which the proposals and further actions are based and approve the proposals.

Resource Implications

Are there any resource implications? Yes, the financial implications are noted in the paper.

Equality and Diversity Implications

Are there any equality and diversity implications? As part of the wider policy work it was agreed that the way in which the Contribution Reward outcomes are monitored will be revised by the working group that reviewed the Contribution Reward Policy. The working group was concerned that lower graded employees have significantly lower achievement rates in the award of any contribution reward.

Risk Assessment

The risks associated with below inflation pay awards have been noted as part of annual risk monitoring.

Freedom of Information

Can this paper be included in open business? Yes

Originator of paper

Lindsey Miller, Senior Partner Reward, University HR Services  
Mr Douglas Gillespie, Head of HR – Support Groups  
Dr Bruce Nelson, Registrar, College of Science and Engineering

## **Contribution Reward Policy: Current Review Outcomes and Proposal for Budget in Respect to University Grades 01 to 09 and Equivalent Staff**

### **Introduction**

The Contribution Reward Policy for employees on UE01-UE09 and equivalent eligible grades has been reviewed and revised through a cross-University working group of senior managers, HR and trade unions and formally approved through the University's joint negotiating process. It is now anticipated that the fundamental principles agreed in the new policy will not be subject to any significant change for the foreseeable future. As part of the discussion regarding the application of the policy the overall annual sum available for awards was felt to be insufficient. However, on analysis this is largely attributed to the balance between expenditure on increments and lump sum payments being the wrong way round. This paper proposes a small increase to the overall annual sum available for contribution reward but more significantly proposes a reversal in the way in which awards are allocated between increments and lump sum payments. In addition, a voucher scheme, primarily to reward employees in lower grades is proposed. Lower graded employees have comparatively very low success rates in achieving contribution reward as it is harder for them to demonstrate the impact of their contribution in the context of the University.

This review has taken place in the context of some Contribution Reward panels reporting that their allocation was insufficient to make awards to deserving cases and trade union pressure to find ways to mitigate below inflation pay increases.

A number of proposals and further actions are detailed and summarised which CMG is asked to approve. Background information relating to the Contribution Reward Policy review, the analysis of the current distribution of contribution reward by grade, key principles of contribution reward, the way in which the budget for contribution reward has been allocated previously and some benchmark information has been included as an appendix for reference.

### **Proposals Regarding the Annual Allocation and Management of Contribution Reward**

1. It is proposed that the annual cost budget of 0.2% of gross basic pay for the **award of increments** is reduced for 2012/2013 to 0.1% with a view that over time the number of employees in receipt of contribution increments, and the associated recurrent cost, is both reduced and distributed without such bias towards higher graded employees. Improved clarity of wording within the revised Contribution Reward Policy that is currently being negotiated aims to explain more precisely what would need to be demonstrated to receive more than one increment in the contribution increment range above the normal grade maximum.
2. The number of contribution increments available above the grade maximum varies between grades. Further consideration will be given to the number of contribution increments, to ensure that an appropriate number is available for each grade.
3. Further it is proposed that the non-recurrent cost budget of 0.1% of gross pay for the **award of lump sum payments** is increased for 2012/13 to 0.2%. Non-recurrent costs enable greater flexibility in the University's overall expenditure on staffing and are cheaper as these

are one-off costs and do not attract significant employer pension costs<sup>1</sup>. For University employees, non-recurrent or lump sum awards are currently available in different denominations from £100 to £2,000 which for the highest salaries represents an award of about 4% of salary. This is less than some other Universities where 5% is the maximum.

4. In addition, the support of the joint trade unions has been secured to introduce a voucher scheme to recognise exceptional effort, on a two-year trial basis. In denominations of either £50 or £100, the voucher scheme will try to address the lack of additional reward being made to employees at lower grades and enable quick recognition. The agreement with the trade unions is that the vouchers will be for the four main supermarkets, in regards to this being 'as close to cash' as possible and the variety of goods available could be more suited to those on a lower income e.g. food, children's clothing etc. The administrative processes are being finalised, however, it is clear that vouchers will need to be purchased in advance (Procurement have advised no tendering process is required). To this end it is proposed that approximately £45K of supermarket vouchers are allocated for the first year's trial implementation which would represent 0.1% of the gross salary budget for all employees graded UE01 to UE05 and equivalent.
5. The proposed expenditure would represent an overall approximate increase on the annual contribution reward budget of 7.5% representing additional gross pay of circa £68K and a further £18K employers' tax liability. However, annually recurrent costs would be expected to reduce by an estimate of £35K.

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### Summary Proposals

In summary, for 2012/13 the proposed budget and associated reviews for contribution reward are as follows:

1. Reduce the budget for contribution reward **increments** (in-scale and above scale) from 0.2% to 0.1% of gross basic pay.
2. Increase the budget for **lump sum awards** from 0.1% to 0.2% of gross basic pay.
3. Allocate £45K for the purchase of vouchers (any surplus would be carried forward to 2013/2014) and a further £18K should be allocated for tax purposes. £45K represents 0.1% of gross pay for employees graded at UE01 to UE05 and equivalent, although the voucher scheme would be applicable to all grades except Grade 10.
4. Review of the budget for the voucher scheme to be held by the end of 2013/2014
5. Review of the overall budget allocation for different contribution reward mechanisms and relevant statistics, at minimum, every five years

As stated within this paper a number of other actions will be considered/ undertaken (as appropriate) as soon as possible, as follows:

6. Review of paperwork, ranking system and management information provided to Contribution Reward Panels and those who Chair these panels.
7. On-going monitoring and analysis of the distribution of contribution reward across grades.

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<sup>1</sup> USS and SBS contributions are not paid on lump sum payments. Employer contributions of 3% will be payable for NEST (National Employees Savings Trust) members for whom contributions are based on earnings rather than salary.

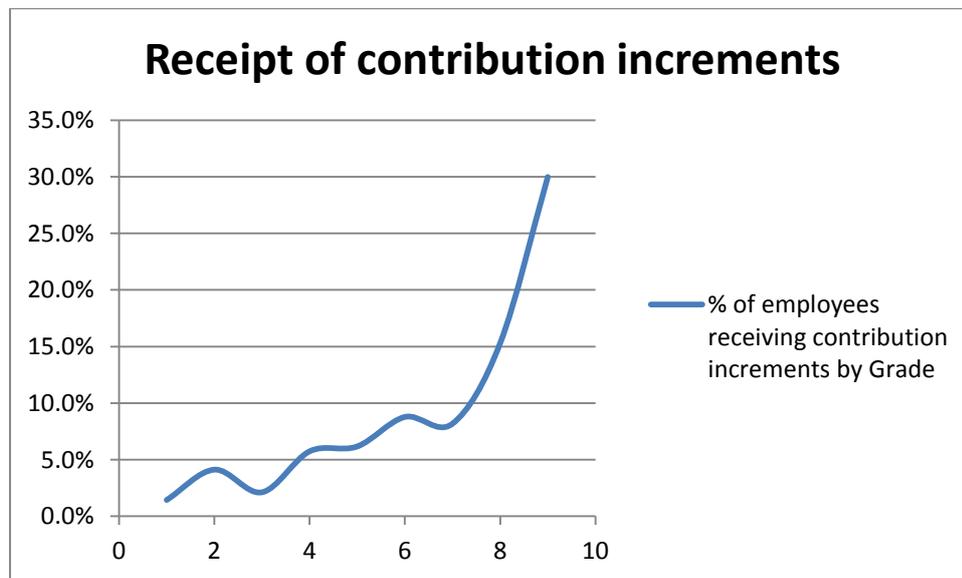
8. On-going monitoring of the distribution of contribution reward increments versus lump sum payments and voucher awards.
9. Review of the number of contribution points above the maximum of each grade.

**Background to the Review**

The Contribution Reward Policy for UE01-UE09 employees has recently been published following a review of the policy that was introduced in August 2011. The new policy is effective from August 2012. The key reasons behind the decision to review the 2011 policy so soon after implementation were that, in spite of full consultation, the move to quarterly panels has proved to be too time consuming for all concerned and the objective to introduce an improved recognition mechanism for those on lower grades had not been achieved.

**Distribution of Contribution Reward Success Across the Grades**

Scrutiny of the distribution of contribution reward success has revealed that 9.1% of eligible<sup>2</sup> employees are in receipt of contribution increments that are on-going<sup>3</sup>. However, the percentage distribution across the grades of employees in receipt of contribution reward shows that as grades increase so does the likelihood of success with only 1.4% of all UE01 employees to 30.0% of all UE09 employees in receipt of this type of contribution reward. That increases in the proportion of employees in receipt of contribution pay links to higher grading is not surprising – on the basis that a higher graded post has more scope for an employee to develop beyond the prescribed remit and possibly could relate to employees in higher grade having greater skill to prepare a case. However, the difference between the lowest and highest grades was far greater than expected and the data is illustrated below.



**Basis for ‘Normal Salary’ and Basis for Contribution Reward**

All employees on UE01 to UE09 and equivalent grades are paid a salary on the expectation that they will perform their job well. Within higher education national pay bargaining operates and therefore,

<sup>2</sup> Eligible employees for contribution increments are those employees on UE01-UE09 grades and MC, MRC and ECA grades.

<sup>3</sup> ‘On-going’ refers to additional increments above the normal maximum for the grade rather than accelerated increments within the normal grade range. There is an expectation that the employee is performing over and above the normal expectations for the grade for as long as they remain an employee in the same grade AND that therefore, in perpetuity, the employee receives additional pay in this respect.

excluding extremes in performance, there is no distinction made between the level of pay increase awarded to employees who are considered to be 'just satisfactory' and those considered to be 'good'. Within the sector it is generally understood that contribution reward is based upon the principle of providing extra reward only to those employees who demonstrate a contribution that is considered to be 'exceptional' *relative to the grade*. To distinguish between varying levels of performance, rather than extremes of performance, the University would need to introduce performance-related pay structures which in the context of current national pay bargaining arrangements would be unrealistic on the grounds of affordability and feasibility. A small number of Universities<sup>4</sup> have left the national bargaining arrangements provided for under JNCHES<sup>5</sup> and have, or are intending to, introduce performance related pay, however, this would represent a significant shift in employee relations and reward strategy that is not currently being considered by the University. This paper is therefore based on the assumptions that the University provides additional reward for exceptional contribution only, that current remuneration levels are competitive within the context of local and national markets<sup>6</sup> and that 'true' performance-related pay mechanisms are not applicable to the majority of University employees.

### **Analysis of Percentage Distribution By Grade**

On the basis that employees are expected to demonstrate that their contribution really is 'exceptional' the numbers of employees in receipt of on-going contribution reward in UE09 seems contrary to the idea of only rewarding exceptional contribution i.e. can 30% of all employees in a grade really be 'exceptional' or well above average all of the time? UE09 is a relatively short grade and there is a perception that there are barriers to promotion to UE10, particularly for professional services staff, which could suggest that the contribution points are, to an extent, being used to recognise 'good' and long service and to compensate in some way for a lack of progression. There is also a possibility that there is a lack of proper understanding and/or practice of the principles of contribution reward amongst both employees and their supporting line managers. 15.3% of UE08 employees are in receipt of on-going contribution reward – this is the second highest percentage of employees in a grade receiving on-going contribution reward but is almost half of the UE09 figure. The comparison is even more significant if the fact that there are only two contribution points above UE09 but four above UE08 is taken into account.

### **Ideal Distribution of Contribution Rewards By Grade**

Equal distribution across the grades of contribution reward is not being proposed as an ideal – this would require a degree of manipulation that would clearly result in some of those most deserving of reward losing out as a result of a requirement to equalise distribution. The current ranking system at College/Support Group panels may result in contribution reward cases from higher graded employees being inadvertently ranked more favourably than lower graded cases. The principles within the Contribution Reward Policy are clear that it is contribution relative to the grade requirements that should be assessed. Therefore, a review of the way in which information is

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<sup>4</sup> For example, Imperial College London and the University of Nottingham are not part of JNCHES pay bargaining; University College London anticipate moving away from national pay bargaining in the future.

<sup>5</sup> JNCHES: Joint Negotiating Committee for Higher Education Staff

<sup>6</sup> This paper does not address market pay issues which can arise in some specific cases – that is subject to separate policy arrangements.

presented and ranking systems used at local level will be undertaken with the Heads of HR, including management information provided by UHRS.

### **Annual Allocation of Contribution Rewards and Balance between Recurrent and Non-Recurrent Costs**

In regards to the budget for contribution awards, there is general agreement within the working group reviewing the policy that the available budget for lump sum rewards is too low at 0.1% of the gross basic salaries for the eligible employees. In 2011, the budget enabled 1.72% of eligible employees to be awarded a lump sum payment. The view is that College/Support Group panels receive many more deserving applications than they are able to award a payment to and that the awards made for those who are successful are often diluted due to the limited funds available. An increase in the allocation for lump sum payments would enable more deserving cases to be rewarded. Whilst the trade unions are being fully consulted on policy they are not consulted on budget, however, the current climate of pay restraint and in the context of the University reporting a 2011/12 surplus of £42M such a move would be generally be helpful in terms of employee relations.

Lump Sum payments are non-recurrent costs as opposed to increments awarded within the contribution range above the grade maximum that are on-going. The benefit of in-scale increments recur until the receiving employee has been at the normal maximum for the grade for one year. The award of increments, aside from being longer term or indefinite, also cost more due to the fact that these will attract long term employer national insurance contributions and employer pension contributions. Contribution reward as a proportion of annual basic salary costs<sup>7</sup> were approximately 0.1% for non-recurrent costs (£138K) and 1.2% for recurrent costs (£1.8M). The cost of accelerated increments within the normal grade parameters are excluded from the recurrent costs as these cannot be isolated; however the 2012 single year's allocation for contribution increments (which adds to the recurrent costs) was 0.2% (approx. £277K). If working to the basis that at any given point in time around 10% of eligible employees would be deemed exceptional then the current levels of contribution reward overall seem broadly acceptable. However, with low turnover and less movement between the grades (particularly UE09 to UE10 for professional services staff) then the recurrent costs build up. Ideally there would be greater balance between the non-recurrent and recurrent costs.

### **Introduction of a Voucher Scheme**

The summary proposals state that £45K should be the initial allocation for the voucher scheme. This represents 0.1% of the basic salaries for employees in UE01 to UE05 and all equivalent grades. Per annum this could permit between 450 and 900 employees to receive a 'quick reward' under the voucher scheme. The voucher scheme expenditure would be in addition to the allocation made for Contribution Reward. The intention would be that a 'budget' would be allocated to each devolved area to indicate the maximum numbers of awards they may make, however, as allocations for contribution reward are part of the College/Support Groups existing budget any additional awards would need to be within budget. The initial expenditure for the voucher scheme was proposed on the same basis (0.1%) as current annual lump sum payments are determined. The initial sum is a

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<sup>7</sup> Basic Annual Salaries for Employees in UE01-UE09 at snapshot date of July 2012.

'best guess' and would require review following the trial period, assuming the scheme is successful and can continue. For 2013/14 it is proposed UHRS maintain a budget for the purchase of vouchers as for the trial period the scheme will be centrally managed, primarily for security because vouchers are essentially cash. However, for 2012/13, agreement with devolved budget holders to allocate a sum for vouchers will be required. It should also be noted that tax issues have been advised upon by the University Finance Department.

### **External Benchmarking**

Practice at other Universities has also been considered. Strathclyde varies their budget for contribution reward in accordance with financial health, therefore for several years their budget has been zero or minimal but they are currently in discussion about a 'reasonable' budget for 2012/13. Imperial College London do not determine a central budget but faculties can allocate what they deem affordable on an annual basis – Imperial have a separate reward mechanism for academic staff linked to income generation. The University of Bristol have a contribution reward scheme but only staff at the normal maximum for their grade are eligible to apply for a lump sum payment of between £250 and 5% of salary. Annually around 50% of staff are eligible under the scheme of which around 50% participate and around 25% are successful, therefore approximately 6.25% of employees receive a lump sum each year. The total cost is 1.5% of paybill. Bristol only operates a lump sum scheme – they don't award increments for contribution. University College London do not have contribution reward policies but have a range of Award schemes e.g. Teaching and Learning Awards, Research Excellence Awards and intend to introduce an award scheme to recognise broader staff excellence on the basis of 'doing something good for UCL'. UCL, as a consequence only recognise a very small proportion of its employee, but publicly recognise them. The University of Nottingham has a scheme which is funded by School budgets and awards range from £100 to 5% of salary. In application, it is clear that the parity of the distribution of awards across the grades is forced, although this is not prescribed. At Nottingham, contribution reward is explicitly linked to appraisal and the credibility of decisions can be measured against ratings allocated under their performance related pay structure. In essence, Nottingham appear to be the leader in terms of progressive reward practice, however, they are further ahead in performance management structures than most of the sector.



The University of Edinburgh

Central Management Group

23 January 2013

**New Policy for the Award of Honorary Status**

Brief Description of Paper

This paper introduces a new Policy for the Award of Honorary Status for the University, and sets out the occasions where the award of such a status is appropriate.

Action requested

CMG is asked to approve this policy.

Resource Implications

Are there any resource implications? No

Equality and Diversity Implications

Are there any equality and diversity implications? No. However, it should be noted that the award of honorary status will be made in keeping with the University's Equality and Diversity duties.

Risk Assessment

There are no risks association with this policy

Freedom of Information

Can this paper be included in open business? Yes

For how long must the paper be withheld?

Originator of paper

Dave Rigby, Senior Employee Relations Partner, University HR Services

## **Policy for the Award of Honorary Status**

### **1. Background**

Over the past 18 months, much work has been done to review how honorary status is awarded within the University, the criteria for awards and the processes through which awards are made. This stemmed from findings that honorary appointments were being made inconsistently, and many awards did not reflect the most fundamental underpinning principles of such appointments: that they should be offered in limited circumstances to individuals of sufficiently high distinction, and that the offer and acceptance of such appointments brings kudos to the University and individual concerned.

### **2. Agreed Principles**

Led by Vice Principal Professor Brown, a small project team carried out some work to review the process for making appointments, and the criteria for such appointments. The following main principles were proposed by the group and agreed by CMG earlier this year:

- Honorary titles should be used sparingly to confer kudos on the University and the individual. Honorary status is not required for small activities undertaken in collaboration with the University.
- The titles ‘Honorary Reader’ and ‘Honorary Senior Lecturer’ will no longer be used, these being subsumed into Honorary Fellow and Honorary Lecturer respectively.
- New Emeritus Professor appointments will carry the title of their former Chair or discipline, in line with the practice in other institutions. (For example the holder of the Buchanan Chair of Genetics would become an Emeritus Professor of Genetics)
- Honorary positions will normally be unremunerated.

### **3. Implementation**

Whilst the principles above were agreed and implemented earlier this year, it was also agreed that a brief high level policy for the award of honorary status should be developed for consideration by CMG, which would reinforce the main processes and criteria for such awards. A draft policy has now been developed, and is attached for CMG’s consideration. Once agreed, this policy will be implemented across all Colleges.

### **4. Action Requested**

Central Management Group is asked to consider and agree the attached Policy for the Award of Honorary Status Policy.

**Dave Rigby, Senior Employee Relations Partner  
University HR Services**



# Policy for the Award of Honorary Status

(Draft V6)

## 1. Policy Statement

Honorary status at the University of Edinburgh is a prestigious award given in recognition of extremely valuable contributions to: research, teaching, or strategic consultation and advice. Honorary status should be offered in limited circumstances to individuals of sufficiently high distinction, and should bring kudos to the University and to the individual concerned.

Honorary status is not required for small activities undertaken for, or in collaboration with, the University.

Individuals who accept honorary positions cannot also be paid employees of the University.

## 2. Scope and Purpose

This document sets out the criteria for the award of all types of honorary status. The criteria, as well as confirmation of approval routes and lengths of award, are set out at Annex A. This annex also specifies some of the criteria for the award of Emeritus Professor status, and Visiting Professorships.

Clinical honorary status is also covered, although it should be noted that there are some general differences in the reasons for such status being awarded. The differences for clinical honorary status are set out at Annex B.

## 3. Length of Award

Honorary status should be awarded for a time-limited period and subject to a maximum of 3 years, with the possibility of renewal where appropriate. The length of award should be kept to the minimum appropriate period, and should always reflect the length of time individuals are required to make their specific contribution to the University.

Honorary status should not be awarded for periods of less than 3 months.

## 4. Remuneration

Holders of any honorary title cannot also be paid employees of the University. If the holders of such a status are receiving payment for services to the University,

regardless of whether the work is in a different School / College from where the honorary title was given, the honorary title will lapse. In such circumstances, the honorary titles may be re-awarded once the recipients have completed their paid work for the University.<sup>1</sup>

It is recognised that, on some occasions, Visiting Professors require payment for the work they are asked to carry out, and without offering some form of payment, the University might not benefit from their contribution. It would be appropriate to ask these individuals to invoice the University for their services as they should not be placed on the payroll, or given employee status, unless there are exceptional circumstances. Such processes should be agreed locally within Schools and Colleges.

## **5. Access to Resources**

Holders of honorary status should be given access to resources in line with the requirements of the role they are fulfilling on behalf of the University. Schools should make the appropriate arrangements for individuals to gain access to the relevant resources.

Resources provided may include: Library Services, Desk / Shared Office Space, Access to University Computers and Email.

## **6. Renewal of Honorary Status**

With the exception of the title of Emeritus Professor (which does not have a limited time period), all other awards of honorary status should lapse at the end of their specified time period and there should be no automatic renewal.

Shortly before an award is due to come to an end, Schools and Colleges should follow a similar process as for the initial award in determining whether an extension to the honorary status should be given. Renewal should only be granted if the individual is still required to make a similar level of contribution to the work of the School or College.

It may be the case that, whilst the individual is still required to make a contribution to the work of the University, the level of contribution required has changed. In these circumstances, it might be appropriate to offer a different type of honorary status.

## **7. Approval of Awards of Honorary Status**

Annexes A and B to this document set out the various levels of approval required for the different types of honorary status. It is the responsibility of each College to define the specific local processes for nomination and approval of appointments, and to ensure that these observe the University's policy on Equality and Diversity.

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<sup>1</sup> Where an individual has been awarded Emeritus Professor designation, and subsequently returns temporarily to a paid role within the University at Professorial level, they may be granted the title of 'Professorial Fellow'. Their Emeritus Professor designation will be held in abeyance until their paid role has ended.

## **8. Withdrawal of Honorary Status**

Awards of honorary status are expected to last for the full period the status has been granted. However, there are circumstances under which the status may be withdrawn, as set out below:

- Where the requirement for the individual to retain honorary status for the full length of the award no longer exists, e.g. where the contribution they are required to make ceases earlier than expected
- Where the individual has accepted a contract of employment with the University (although the honorary status may be awarded again if the individual's employment with the University comes to an end)
- Where the actions of the individual, either within or outside of the University, could result, or have resulted in, negative publicity for the University
- Where the individual has been found to have breached University policies or procedures, and where that breach would have ordinarily led to formal disciplinary action if the holder of honorary status had been an employee of the University.

Any proposal to withdraw honorary status must be agreed by the relevant Head of College before it is communicated to the individual concerned.

## **9. Useful Links**

The nomination process for honorary status within the Colleges of Science and Engineering, and Humanities and Social Science can be found at: xx

Further details about the award of honorary status within the College of Medicine and Veterinary Medicine (including clinical honorary status), and the appropriate nomination forms, can be found at: xx

## **10. Document History and Review**

This policy was approved by CMG on xx 2013 and takes effect from xx 2013. It will be reviewed by December 2015.

## **11. Alternative Formats**

If you require this document in an alternative format please contact [UHRS@ed.ac.uk](mailto:UHRS@ed.ac.uk) or telephone 0131 650 8127.

## Honorary Status – Titles

No	Title	Criteria	Length of App't	Remun-erated ?	Appointment Confirmed By:	Renewal	Contribution to University	Access to Resources
1	Emeritus Professor of xx	Awarded to retiring professors of the UoE who have made a distinguished contribution to the life of the University and who do not hold the title of Honorary Professorial Fellow. <sup>1</sup>	Ongoing	N	Nominations via Heads of College, and approval by Senate	NA	Not required	Library services and email, plus additional resources if bringing in money for the University
2	Honorary Professor	Awarded to individuals outside the University of sufficiently high distinction that they would be a credible candidate for the award of Personal Chair, and either: <ul style="list-style-type: none"> <li>• hold, or have recently held, Directorships of other organisations, or</li> <li>• lead, or have recently led, major research teams in other organisations.</li> </ul>	1,2 or 3 years	N	College Promotion Committee	Yes if continued contribution required	To be available for consultation with University colleagues	To be assessed on a case by case basis, dependent on contribution required
3	Honorary Professorial Fellow	Awarded to former professors who are no longer salaried employees of the University, but are still contributing to teaching and research.	1,2 or 3 years	N	Heads of School with final approval by Head of College	Yes if continued contribution required	Expected to contribute to research and / or teaching activities	As required by the role they are fulfilling

<sup>1</sup> Where an individual has been awarded Emeritus Professor designation, and subsequently returns temporarily to a paid role within the University at Professorial level, they may be granted the title of 'Professorial Fellow'. Their Emeritus Professor designation will be held in abeyance until their paid role has ended.

4	Honorary Fellow	<p>This title would be awarded as a mark of distinction. It would apply for all Honorary Appointments below that of Professor (except for lecturer appointments).</p> <p>Individuals could be awarded this title where they are:</p> <ul style="list-style-type: none"> <li>• Carrying out research on behalf of the University</li> <li>• Making a major contribution to research in collaboration with University Staff</li> <li>• Supervising PhD Students</li> <li>• Leading research activities for, or on behalf of the University</li> <li>• Carrying out limited duties which are similar to those of a permanent Readership post</li> </ul>	1,2 or 3 years	N	Heads of School with final approval by Head of College	Yes if continued contribution required	Expected to contribute to research and / or teaching and / or PhD Student supervision activities	Yes, as required by the role they are fulfilling
5	Honorary Lecturer	The individual would be expected to have the skills and experience equivalent to those of permanent appointees to Lecturer posts at UE08 or UE09	1,2 or 3 years	N	Heads of School with final approval from Head of College	Yes if continued contribution required	Expected to undertake some teaching within the University	Yes, as required by the role they are fulfilling
6	Visiting Professor	Awarded to individuals who hold, or have held a Chair in their own academic institution, or have held comparable standing in a specific field / profession	For period of visit	Rarely	College Promotions Committee	NA	Expected and agreed to make a significant personal contribution to the teaching or research of a School	Yes, as required by the role they are fulfilling

NB: Where an individual has been awarded Emeritus Professor status, and is subsequently given a different honorary status, their Emeritus status will be held in abeyance until the other honorary status has been removed.

## Additional Clinical Honorary Status – Titles

No	Title	Criteria	Length of App't	Remunerated?	Appointment Confirmed By:	Renewal	Contribution to University	Access to Resources
1	Honorary Clinical Reader	The title of Honorary Clinical Reader is conferred on an individual to recognise specific research achievement within a broader academic role. An Honorary Clinical Reader will be required to demonstrate a high level of excellence in research with an international profile equivalent to that required of someone in a substantive Clinical Readership role.	1,2 or 3 years	N	College Promotion Committee	Yes if continued contribution required	Individuals awarded the title of Honorary Reader are expected to meet the same criteria as members of University staff being awarded the substantive title of Reader	To be assessed on a case by case basis, dependent on contribution required
2	Honorary Clinical Senior Lecturer	Honorary Clinical Senior Lectureships are reserved for consultants who are playing, or for new appointees who wish to play, a major role in the work of the University, usually through active and frequent participation in undergraduate or postgraduate teaching, or supervision for higher degrees.	1,2 or 3 years	N	Heads of Department with final approval from Head of School	Yes if continued contribution required	Expected to undertake regular teaching/supervision role within the University	Yes, as required by the role they are fulfilling
3	Honorary Clinical Tutor	This title may be awarded to NHS Clinical Staff, General Practitioners, Nursing staff or others working in a clinical setting, who act as tutors and who regularly teach and organise day to day teaching programmes in clinical units taking medical students.	1,2 or 3 years	N	Heads of Department with final approval from Head of School	Yes if continued contribution required	Expected to undertake regular teaching role within the University	Yes, as required by the role they are fulfilling
4	Honorary Clinical Fellow	This title is offered to Foundation Year doctors carrying out teaching or research within the University.	2 years or end of FY programme	N	Dean of Clinical Medicine	No, can apply for different status if association is continued	This status is awarded to Foundation Year doctors only	Yes, as required by the role they are fulfilling



The University of Edinburgh

Central Management Group

23 January 2013

### **University Policy on Automatic Enrolment**

#### Brief description of the paper, including statement of relevance to the University's strategic plans and priorities where relevant

This paper sets out a draft policy which addresses how the University will comply with the requirements of the Pensions Act 2008 requiring the introduction of Automatic Enrolment and the provision of access to occupational pension schemes for all workers.

#### Action requested

CMG is requested to approve the Policy, taking effect from 1<sup>st</sup> March 2013.

#### Resource implications

Does the paper have resource implications? Yes

The requirement to enrol employees who are not already members of occupational schemes into such arrangements will attract employer contributions and as a consequence the overall pay bill will rise. It is difficult to quantify the impact as employees may opt out once enrolled, additionally, those not enrolled automatically may elect to join a scheme. The cost of schemes (to both the University and its employees) offered by the University varies greatly, so it is uncertain what the overall impact will be over time.

#### Risk assessment

Does the paper include a risk assessment? No

#### Equality and diversity

Does the paper have equality and diversity implications? No

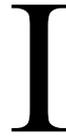
#### Originator of the paper

Terry Fox, Assistant Director of Finance  
14 January 2013

The University of Edinburgh

Central Management Group

23 January 2013



**Report from Estates Committee held on 6 December 2012**

Brief description of the paper

The paper reports on key discussions and recommendations made at the meeting of EC, held on 6 December 2012.

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](mailto: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 Vice-Principal Planning, Resources and Research Policy will present the paper.

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 Estates Committee  
15 January 2013

The University of Edinburgh

Central Management Group

23 January 2013

### **Equality Impact Assessment**

#### Brief description of the paper

This paper provides an update for CMG on Equality Impact Assessment (EqIA) Policy and implementation in the University.

#### Action requested

CMG is invited to approve formally the University's Equality Impact Assessment Policy Statement, note that the change to the Equality and Diversity question on committee cover sheets is being implemented and note the training and guidance that is now available.

#### Resource implications

EqIA has resource implications in relation to the time of staff. However, the intention is that EqIA should be carried out as an integral part of the development and review of policies and practices.

#### Risk Assessment

Does the paper include a risk analysis? No.

#### Equality and Diversity

Has due consideration been given to the equality impact of this paper? Yes – the purpose of the policy and action set out in the paper is to ensure that the equality impact of policies and practices in the University is assessed, in order to promote equality and prevent discrimination, addressing the University's public sector equality duty.

#### Originator of the paper

Lorraine Waterhouse, Vice-Principal Equality and Diversity and  
Eilidh K Fraser, Deputy Director of HR

#### Freedom of information

Can this paper be included in open business? Yes

# Equality Impact Assessment

## Introduction

1. This paper provides an update for CMG on Equality Impact Assessment (EqIA) policy and implementation in the University, as part of our legal obligations under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. The paper also seeks formal approval of the University's Equality Impact Assessment Policy Statement

## Equality Impact Assessment Policy Statement

2. At its meeting in October 2012, CMG considered a draft Equality Impact Assessment Policy Statement and approved it in principle, subject to further consultation. Since then, consultation has taken place with a number of stakeholders – primarily through the Equality and Diversity Committee – and the Policy Statement has been welcomed.
3. The only substantive change is in the arrangements for recording and publishing EqIAs. The Records Management Office has indicated that it does not have the capacity to keep and publish EqIAs. For the time being, University HR Services has agreed to carry out that role on behalf of the University.
4. The final version of Policy Statement - appended - is now brought to CMG for formal approval.
5. It is proposed that the Policy Statement should be brought to the attention of each of the University Committees for their consideration. In addition, the University's subsidiary companies may find the Policy Statement useful when considering how best to address the legislation.

## Training and Guidance

6. A range of information and resources is available, all of which can be accessed on the EqIA page of the Equality and Diversity (E&D) website at: [www.ed.ac.uk/schools-departments/equality-diversity/impact-assessment](http://www.ed.ac.uk/schools-departments/equality-diversity/impact-assessment)
7. An EqIA Guidance and Template document has been developed to provide guidance to those responsible for policies and practices in deciding whether EqIA is needed and, if so, in carrying out the assessment of equality impact. The template incorporates questions and examples to guide those carrying out EqIA through the process. It can also be used as the record of the EqIA and associated actions.
8. On-line training, comprising a general E&D module and a specific EqIA module, is available to all staff at [www.ed.ac.uk/schools-departments/equality-diversity/training-resources/e-diversity-training](http://www.ed.ac.uk/schools-departments/equality-diversity/training-resources/e-diversity-training).
9. Two strategic briefing events have been scheduled, aimed at Heads of Colleges and Support Groups, Heads of Schools, Directors of Services and other senior academic and professional services managers. The purpose of these is to advise senior staff of the statutory requirements and of their responsibilities in respect of EqIA. These events are:

- 12-1.30pm, Monday 28 January 2013, David Hume Tower Conference Room, George Square
- 12-1.30pm, Wednesday 6 February 2013, Godfrey Thomson Hall, Thomson's Land, Holyrood Campus  
*(A buffet lunch will be served from 12-12.30pm)*

10. EqIA workshops are also being arranged for School E&D Coordinators and other staff with a particular E&D remit.

### **Committee Cover Sheet**

11. The Equality and Human Rights Commission guidance on the legislation states that "Board members ... and other decision-makers must actively consider the general equality duty when deciding whether to approve a new or revised policy or practice" and notes that EqIA is an important aspect of this. In recognition of the new statutory duty (as set out in paragraphs 1 to 3 of the attached draft Policy Statement) and the EHRC guidance, CMG has already agreed revised wording for the E&D question on formal University committee cover sheets to the following.

#### Equality and Diversity

Has due consideration been given to the equality impact of this paper?

It is intended that this change will be implemented for all formal University committees from February 2013 onwards.

### **Action**

12. CMG is invited to approve the attached Equality Impact Assessment Policy Statement and to note the steps being taken to support the implementation of EqIA in the University.

# Equality Impact Assessment Policy Statement



## Legal Context

1. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 places specific duties on the University, as a public authority in Scotland, to enable the better performance of the general equality duty.
2. The general equality duty (formally the 'public sector equality duty') was introduced by the Equality Act 2010<sup>1</sup>, requiring the University, in the exercise of its functions, to have due regard to **three needs**. These are the need to:
  - Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act
  - Advance equality of opportunity between people who share a relevant protected characteristic<sup>2</sup> and those who do not, by
    - Removing or minimising disadvantage
    - Meeting the needs of particular groups that are different from the needs of others
    - Encouraging participation in public life
  - Foster good relations between people who share a protected characteristic and those who do not.
3. The specific duties include a duty to assess the impact of policies and practices (Equality Impact Assessment (EqIA)) which requires that the University must:
  - (i) where and to the extent necessary to fulfil the equality duty, assess the impact of applying a proposed new or revised policy or practice against the needs mentioned in the general duty (see paragraph 2 above).
  - (ii) in making that assessment, consider relevant evidence relating to persons who share a protected characteristic.
  - (iii) in developing a policy or practice, take account of the results of any assessment in respect of that policy or practice.
  - (iv) publish the results of any assessment, where it decides to apply the policy or practice in question. (Any consideration made about whether or not it is necessary to assess the impact of a policy or practice is not treated as an 'assessment'.)

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<sup>1</sup> Enacted in April 2011

<sup>2</sup> The general equality duty covers the following protected characteristics: age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation. It also covers marriage and civil partnerships with regard to eliminating unlawful discrimination in employment.

- (v) make arrangements to review and where necessary revise any policy or practice that it applies in the exercise of its functions.

## **Purpose**

4. The purpose of the statutory duty to assess equality impact is to improve outcomes for those who may experience discrimination and disadvantage. It is intended to be carried out within the University's existing systems and frameworks.
5. The University welcomes EqIA as a way to meet our statutory duties and more. EqIA is a recognised way of improving policy development and service delivery. By assessing equality impact we proactively consider the needs of our students, employees and the wider community, identify potential steps to advance equality and foster good relations, and ensure that we do not discriminate unlawfully.
6. EqIA contributes to the University's Equality & Diversity (E&D) Strategy commitment to mainstream E&D across all of its work and to achieve the equality objectives set out in the University Strategic Plan 2012-16 and the E&D Strategy Action Plan.

## **Scope and Screening**

7. EqIA covers student and staff matters and also extends to impact on the wider community, so is of relevance to: those leading, managing and developing academic policy and practice and student services; those responsible for employment-related policies and practice; and also those responsible for policy or practice that impacts on the wider community.
8. The Equality and Human Rights Commission (EHRC) is the enforcement body for the specific duties. They stipulate that, "‘policy’ should be understood broadly to embrace the full range of [our] policies, provisions, criteria, functions, practices and activities including the delivery of services"<sup>3</sup> – essentially everything we do.
9. All policies or practices that are being developed or reviewed should be screened to determine relevance to the general equality duty and whether EqIA is required. The extent to which policies and practices should be subject to assessment depends on a judgement of their relevance and proportionality. In the University, a policy or practice should be assessed for impact if any of the following applies:
  - It affects primary or high level functions of the University
  - It is relevant to the promotion of equality.

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<sup>3</sup> 'Assessing impact and the public sector equality duty: A guide for public authorities (Scotland)', EHRC, May 2012

- It is a policy or practice on which interested parties could reasonably expect the University to have carried out an EqIA.

## Responsibilities

10. EqIA should be an integral part of the development of policy and practices and of decision-making, taking place at an early stage, before decisions are taken. The group or person carrying out EqIA must have a detailed understanding of the policy or practice and be in a position to take action where required.

**University Committees and decision-making bodies** are responsible for actively considering the general equality duty and ensuring that appropriate EqIA has been carried out before approving/deciding on a new or revised policy or practice.

**All managers** are responsible for mainstreaming E&D into their areas, including the relevant strategic, policy areas and services, and for assessing the equality impacts

**Any individual with responsibility for a policy or practice** must:

- As part of any development or review of the policy or practice, ensure that consideration is given as to whether or not EqIA is required (screening) and, if so, ensure that EqIA takes place.
- Ensure that screening and any EqIA process and outcomes are recorded and that the EqIA is submitted for publication as soon as reasonably possible.
- Ensure that any action identified by the EqIA is taken and monitor the impact of a policy or practice.
- Make appropriate arrangements for the review of the policy or practice. All formal University-level policies should have a published review date.

## Principles and Guidance

11. The law does not dictate a particular form or methodology for EqIA beyond the duties set out in the legal context above. The requirement is to actively consider how the policy or practice will meet the requirements of the general equality duty. However, it is important to record this consideration as evidence of having paid due regard to the duty as required by the Equality Act.

12. The University has an EqIA screening and assessment template. This incorporates questions to guide those carrying out the screening/assessment through the process and can be used to record the assessment and associated actions. However, completion of the template should not be the focus, nor should it constrain the assessment. EqIA should focus on understanding the effects of a

policy or practice in relation to the three needs of the general duty and on taking any necessary action as a result.

13. Wherever practicable, assessment of equality impact should be built into standard processes and tailored to the nature of the policies or practices involved.

### **Staff Development**

14. In accordance with EHRC recommendations, senior decision-makers, such as members of the University Court, Central Management Group and committee conveners, should undertake continuing professional development as necessary to equip them for their scrutiny role in ensuring the general equality duty is mainstreamed within the organisation, and to ensure that EqIA influences decision-making at all levels.
15. All managers and others responsible for policies and practices (broadly defined) in the University or otherwise involved in EqIA should undertake continuing professional development appropriate to their responsibilities.
16. In addition to this Policy Statement and the guidance incorporated into the University's EqIA template, the University provides eDiversity: on-line training on Equality and Diversity and Equality Impact Assessment. EqIA workshops may also be arranged for teams who are regularly involved in EqIA.

### **Records and Monitoring**

17. All formal committee papers should include a question about equality impact on the cover sheet to enable decision-makers to ensure that due regard is given to the general equality duty, as outlined above.
18. All EqIAs should be sent to [equalitydiversity@ed.ac.uk](mailto:equalitydiversity@ed.ac.uk) for publication on the E&D website. University HR Services currently takes responsibility for recording and publishing submitted EqIAs.
19. Periodic audits will be carried out to monitor the quality and timeliness of EqIAs under auspices of the Vice-Principal E&D.

### **References, linked policies and sources of further information**

University EqIA webpage on E&D website [link]

University EqIA template [link]

eDiversity online training in E&D and EqIA [link]

'Assessing impact and the public sector equality duty: A guide for public authorities (Scotland)', Equality and Human Rights Commission [link to: [www.equalityhumanrights.com/scotland/public-sector-equality-duty/non-statutory-guidance-for-scottish-public-authorities/](http://www.equalityhumanrights.com/scotland/public-sector-equality-duty/non-statutory-guidance-for-scottish-public-authorities/)]

Procurement policy/regulations [link]

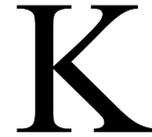
### **Document history and review**

This Policy Statement was approved by CMG on 23 January 2013 and takes effect from 1 February 2013.

This document will be reviewed by 1 February 2015.

### **Alternative Format**

This document can be provided in alternative formats on request by email to [equalitydiversity@ed.ac.uk](mailto:equalitydiversity@ed.ac.uk) or by calling 0131 650 8127.



The University of Edinburgh

Central Management Group

23 January 2013

**Financial Statements**

Brief description of the paper

Reports and Financial Statements for the Year to 31 July 2012.

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 in November and approved at the Court meeting in December 2012. Copies of the Financial Statements have been lodged with the Scottish Funding Council.

CMG is asked to note £41.6m surplus and that the turnover for the University has exceeded £700m for the first time. The University balance sheet is now over £1.5 billion. Performance indicators that show the financial strength of the University, its liquidity and other financial trends over the last 5 year have been added to pages 62 and 63 of the accounts. The Principal's Report and Operating and Financial Review on pages 2 and 6 provide an overview of key events during the year 2011/2012.

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

Elizabeth Welch  
Assistant Director of Finance

Phil McNaull  
Director of Finance

## Financial Statements

Key highlights reported to audit committee include :

Financial position 2011-12			
Income and expenditure account			
The University reported a group surplus for the year of £41.7 million against an original budget of £7.1 million. Our interim management report discussed the quarter two forecast at 31 January 2012, which forecast a group surplus of £25.5 million. At the end of quarter three, management was forecasting a group operating surplus of £42.3 million. The key transactions and movements by budget holder contributing to the £35.2 million difference from initial budget are shown in the table below.			
Movement in forecast for University of Edinburgh by budget holder	Q2 forecast variance	Q3 forecast variance	Total variance from budget
	£'000	£'000	£'000
Humanities and social science	4,099	1,122	5,221
Medicine and veterinary medicine	(1,341)	281	(1,060)
Science and engineering	3,517	2,493	6,010
Corporate services group	(821)	820	(1)
Information services group	1,367	286	1,653
Student and administrative support group	(122)	61	(61)
Central	12,622	10,838	23,460

Movement in forecast for Central	Variance
	£'000
Net pension charges	(2,643)
Underspend on estates projects	(6,900)
Capital contributions from departments	(5,350)
Capitalisation of equipment	(3,400)
ISG income	(3,900)
<b>Total variance</b>	<b>23,460</b>

Source: KPMG's analysis of information provided by University management.

The largest variances were in the central budget group which is separately analysed above. Key movements included under spends on estates refurbishment projects (£6.9 million), a release of restricted balances following annual review (£3.9 million), contributions to capital spend from the colleges (£5.4 million) which are offset by movements in other budget groups, higher levels of capitalisation of equipment (£3.4 million) and pension adjustments (£2.6 million).

Science and engineering identified a further £2.5 million favourable variance from quarter two due to the increase in the college budget from the second in-year adjustment for NPRAS, slippage on purchase of high value equipment and increased external income from recharging of small research facilities to research grants and commercial contracts.

Smaller variances were identified between quarter three and the financial statements outturn. These variances related mainly to higher utilities accruals (£0.9 million), and retention of £1.3 million of EDINA project business continuity provision, which was expected to be released.

The University has experienced large movements from initial budget in the previous two years (2010-11 £38.5 million movement, 2009-10 £16.1 million movement). Management are reviewing the current management accounts presentation and reporting to enhance the quality of information and further streamline the information with the financial statements.

## Financial position 2011-12

### Balance sheet

The group balance sheet reports a strong net asset position, including the pension liability, of £1,573 million (2010-11: £1,541 million). The major components of this include tangible fixed assets (£1.38 billion, including negative goodwill of £26 million), endowment assets (£235 million), net current assets (£177 million), long term creditors (£120 million) and the net pension liability (£101 million).

Overall, group net assets increased by £35.5 million from the prior year. Key reasons for movements are summarised in following table.

Financial statement caption	Increase £ million	Reason for movement
Fixed assets	32.4	Acquisition of ECA and HGU fixed assets (£49.2 million), fixed asset additions (£39.1 million), revaluation of heritage assets (£8.1 million), offset by depreciation charge (£31.6 million) and negative goodwill (£28.4 million).
Net current assets	92.6	£100 million of new bank deposits, £50 million each held by Royal Bank of Scotland and Lloyds Banking Group.
Pension liability	31.1	Acquisition of £4.6 million Lothian Pension Fund liability from ECA, coupled with increased liabilities from updated pension assumptions.
Endowment assets	1.8	Acquisition of £1 million ECA prizes and scholarships endowment assets, consolidation of £3 million Andrew Grant Bequest within University endowments, other new endowments (£2.7 million) offset by decrease in market value of investments (£4 million).
Long term liabilities	60.2	The University has taken out a £50 million loan with the European Investment Bank and also acquired a £7.5 million loan from ECA.



# THE UNIVERSITY *of* EDINBURGH

Reports and  
Financial Statements  
for the year to  
**31 July 2012**

Scottish Charity Number SC005336



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## Principal's Report

For the year ended 31st July 2012

It is pleasing to report that the past year has proved to be yet another very successful one for the University.

August 2011 marked the beginning of the formal merger between the University and Edinburgh College of Art. This was followed in October by the merger with the Medical Research Council's Human Genetics Unit and this, in addition to the merger with the Roslin Institute, enables us to build further on our already high international reputation, and to diversify and strengthen our scientific and cultural contributions to society.

The University has continued with its strong financial performance. A surplus of nearly £42 million was achieved on a turnover which increased from nearly £650 million to over £700 million. We shall continue to manage our portfolio of assets with the aim of ensuring that the University can respond favourably to an increasingly less predictable external environment, whilst keeping a strong focus on delivering excellent and cost effective services to students.

### Students

Student numbers have increased across the board since last year and have exceeded 31,000 for the first time.

Following the Scottish Government's decision to remove funding for students studying in Scotland who usually live in the rest of the UK, September 2011 saw the University in the news as it became the first Scottish HEI to set fees for rest-of-UK (RUK) students at £9,000 per year. The new fees regime helps the University to retain its levels of excellence in teaching and research in an increasingly competitive Higher Education market. In conjunction with this, the University has introduced the UK's most generous package of bursaries for RUK-domiciled students on the lowest household incomes, with the aim of ensuring that no student is prevented from attending the University purely on the basis of an inability to afford to study here. More than 50% of the additional tuition fee income goes towards bursaries with the remainder going towards enhancing the student experience. A major new internally funded scheme for access and accommodation bursaries for Scottish domiciled students has also been introduced.

The 2011 QS World Rankings saw the University ranked 20th in the world, 6th in Europe, and 5th in the UK. In addition, the University was ranked 15th in the world for the employability of its graduates. The University remains fully committed to improving its performance in the national student survey. To this end, the University has pledged an investment of £4 million to enhance the student experience and create a new system of personal tutors to maintain and build on the levels of support for students.

The Distance Education Initiative (DEI) is a University-wide project which aims to substantially increase online distance learning at postgraduate level. We are now in the second year of a five-year project and funding of £4.5 million has been approved. There

are now 16 funded DEI School projects which will result in a substantial increase in the online distance learning portfolio available at the University, as well as increased income streams to twelve Schools spread across all three Colleges. In September 2012, seven projects will have launched programmes: six are MSc programmes and one is a Postgraduate Professional Development course. The remaining DEI project teams will be delivering new programmes or courses in 2013 or 2014, or will have investigated new areas to develop online distance learning programmes. Additionally, a comprehensive review of support services provision for online distance learning students is now underway and is making progress to improve the overall student experience.

We are the first UK university to join a ground-breaking initiative, launching six new courses for online students, which will offer a taste of higher education for free. These Massive Open Online Courses will be delivered via the Coursera partnership - a network of leading international universities which offer short undergraduate-level online courses free of charge. Universities associated with Coursera have taught more than 650,000 students from 190 countries. There have been more than 1.5 million course enrolments across 43 courses.

The College of Humanities and Social Science (CHSS) has driven the provision of arrangements that allow international students to undertake a Foundation Year and continue classes in English throughout their undergraduate degrees. They are collaborating with Edinburgh University Students Association to pilot the new "Languages for All" scheme offering foreign language classes free to undergraduate students. This extra language provision by CHSS, for students of all of the Colleges, aims to drive growth in international student recruitment and improve the University's attractiveness to RUK students, Scottish and EU students.

### Research

Throughout the past year our researchers have continued to push the boundaries of knowledge in science, engineering, medicine and the humanities.

For example, the School of Geosciences was instrumental in an expedition to explore the sub-glacial lake Ellsworth in Antarctica. It is envisioned that the project will yield new knowledge about the evolution of life on Earth. In medicine, Professor Marc Turner has predicted the arrival of synthetic blood transfusions within the decade. Researchers in the School of Physics and Astronomy helped to map dark matter on the largest scale ever observed, revealing the Universe as an intricate web of dark matter and galaxies spanning more than one billion light years. Research by Dr Evelyn Telfer from the School of Biological Sciences offered the possibility of help for women wanting to preserve their fertility thanks to advances in the method of growing human eggs in the laboratory. Whilst in the School of Clinical Sciences, research by Dr Lee Smith identified a gene that could lead to the development

## Principal's Report

continued

of a male contraceptive pill. Colleagues from CHSS have been speaking to print and broadcast media worldwide to provide expert commentary and insight into the Scottish Government's plans for a referendum in the autumn of 2014 on the issue of independence from the United Kingdom. 2012 has been a landmark year for English Literature at Edinburgh, marking 250 years of the study of the subject as an academic discipline. A series of events and exhibitions have marked a quarter millennium of achievement, as Edinburgh celebrated its history as one of the oldest, if not THE oldest departments of English Literature in the world.

One of the biggest news stories of the year was the announcement by scientists at CERN in Switzerland, that they had discovered a new particle consistent with the Higgs boson, the existence of which was first postulated by the University of Edinburgh's Professor Peter Higgs. In the light of the findings, the University is to create the new Higgs Centre to support future research at Edinburgh into theoretical physics.

### Estates

An important aspect of both investing in the future and in sustaining our current international competitiveness is our continuing investment in our estate. We were privileged to be able to open new teaching and research facilities during the year.

Major completed developments include the new Noreen and Kenneth Murray Library facility at the King's Buildings providing much improved facilities there. This is the first phase in creating a 'living heart' and focal point, encouraging students to remain longer at King's Buildings during the day. We have also seen the completion of the penultimate phase of the main library redevelopment which will give us a state of the art space for student study in the 21st century. The final phase of the main library redevelopment will be completed around Spring 2013.

September saw the installation of HRH The Princess Royal as the University's eighth Chancellor. During a memorable event in Old College, The Princess Royal also officially opened the newly refurbished quad which was landscaped thanks to a £1m gift from a private donor. The space has been transformed and is now a popular meeting place for staff, students and visitors, adding huge value and public interest to the University and its estate.

The year has also seen the official opening of the £54m Scottish Centre for Regenerative Medicine where University staff will play an instrumental role in carrying out research into conditions such as multiple sclerosis and heart and liver disease.

Consistent with our Estate Strategy 2010-20 and Strategic Plan, major investment has been made in the IT-related infrastructure with essential additional resilience installed to the Easter Bush estate.

In the coming year, the Edinburgh Centre for Carbon Innovation will be completed. It is intended to be a centre for innovation, fostering collaborative working in support of workable solutions for a low carbon future. A test tank facility at King's Building is being developed which will provide a facility for testing off shore renewable energy devices.

Work is progressing on a major redevelopment of a building in the Central George Square area in an effort to co-locate the School of Literatures, Languages, and Cultures from around 17 different sites. Along with delivering important academic benefits, it will also help us achieve reduced carbon dioxide emissions and greater estate efficiency.

### Knowledge Transfer

The University's commercialisation and knowledge transfer activities continue to make a very positive impact on the economy. The University created another 35 new companies in the year to July 2012 including a record 31 companies from the student base. The support provided by the student-focused Launch.ed programme has been recognised as class-leading, and was awarded the Higher Education Innovation Award at the 2011 Education Investor awards.

Staff in Edinburgh Research and Innovation, the University's research and commercialisation company, have also received national awards with Brian Baillie winning the Entrepreneurial Educator of the Year and Sonja Vujovic winning Knowledge Transfer Achiever of the Year.

Our Licensing team concluded 65 agreements to transfer University technology to industry, including many 'small and medium enterprises', and our consultancy activities generated more than £5.1million of new income.

### International

The University continues to pursue an active international agenda with a range of new developments.

The University has achieved the highest rating in the skilled worker and student categories under the UK Borders Agency (UKBA) rating system. Maintaining our status within these categories for employing international staff and continuing to enrol international students is of vital strategic importance to the University.

In January 2012, scientists from the University, the Indian Institute of Science (IISc) and the National Centre for Biological Sciences (NCBS) held an Edinburgh Bangalore Life Science Symposium to discuss topics such as autism, stem cells, infectious diseases and memory loss. Held in Bangalore, the event built on connections previously formed between the three institutions.

In May, a team of architects and scientists from the rapidly

## Principal's Report

continued

expanding National Centre for Biological Science in Bangalore, visited the Scottish Centre for Regenerative Medicine taking it as a role model Institute enabling them to develop a detailed case study of the campus and buildings.

The special relationship with North American institutions was further consolidated by the formal launch of the International Office's North America Liaison Office. This office will coordinate activities in, and concerning, the United States and Canada. Professors Frank Cogliano and Brendan Corcoran have been designated Deans International (North America). In support of the launch, the University is offering five new undergraduate scholarships: Principal's North America Scholarships which are worth £5,000 per year to students from North America.

Dalinda Perez Alvarez Rodriguez has been appointed as Director of the new Office of the Americas. The Office will be based in Sao Paulo at the Centro Brasileiro Britânico and further strengthens the University's strategic network of overseas offices which includes China and India. The new Office will ensure that we are strongly positioned to develop and support our partnerships across academia, business and industry in Latin America. The initial focus will be to support our partnerships in Mexico, Brazil, Chile and Colombia and provide intelligence and support for staff across the University who are seeking to develop collaborations within the region.

The President of Zhejiang University visited in February to discuss a variety of matters including: on-going collaborative research activity; a second symposium in neurobiology & stem cells; biomedical science teaching; staff exchanges/visiting professorships; summer schools; and collaboration in engineering.

In April, we signed an agreement with Peking University London that will establish a National China Research Centre at Edinburgh and a National UK Research Centre at Peking. The creation of these new centres will allow increased academic co-operation in a range of subject areas, including economic, political and cultural fields of study. In addition, it will offer PhD and Masters students the chance to spend time at the partner institution.

The University of Edinburgh and Hanban, sponsor of the global network of Confucius Institutes and Classrooms, renewed their relationship in a signing ceremony that committed both sides to continue to support the Confucius Institute for Scotland. The European Confucius Institutes & Classroom conference was hosted by the University in June 2012. High-profile guests included Scotland's First Minister Alex Salmond and Chinese Ambassador Liu Xiaoming. The event, which examined links between Scotland and China in areas such as education, business, language and culture, brought together key stakeholders from Scotland and Europe with Presidents of leading Chinese universities, including Fudan, Xiamen, Peking, Renmin and Nankai and also senior representatives from Chinese embassies and consulates across

Europe.

A signing Ceremony to designate the University of Edinburgh a Taiwan Academy Contact Point was held in February, attended by Mr. Steven Chu, Director General, Taipei Representative and members of the Taiwanese community in Edinburgh.

The Vice Principal International participated in a Higher Education Mission to Korea in March, organised by British Embassy in Seoul and British Council in Korea. There was a round-table event at the British Embassy, Seoul, attended by the Deputy Prime Minister and South Korean university leaders which provided insight into the potential that exists to increase student mobility between the UK and South Korea. The Vice Principal International also met alumni and current exchange students at the Ambassador's residence in Seoul and visited Seoul National University, Korea Advanced Institute of Science and Technology, Ewha Womans University, Hankuk University of Foreign Studies and Hanyang University.

Alan Mackay, Director International Office, Professor Andrew Scott, Dean International (Europe), and Dr. Lara Ryazanova-Clarke, Academic Director of the Princess Dashkova Russian Centre, visited Russia in March 2012 to identify new opportunities for engagement and to meet with established partners to discuss joint areas of interest. The delegation visited the prestigious National Research University Higher School of Economics, Lomonosov Moscow State University, St Petersburg State University of Finance and Economics, Smolny College and St Petersburg State University. Brief meetings were also held with the Russkiy Mir Foundation, the British Council Russia, Scotland Development International Russia and the British Consulate General St Petersburg, and the General Council Berlin.

The General Council held its Statutory Meeting in Berlin 14-16 June 2012. The General Council overseas meetings are designed to bring University alumni and supporters up to date with activities in Edinburgh, showcase the expertise of our academics, and demonstrate our commitment to all our alumni who live outside the UK.

In June 2012, the University's Centre for African Studies celebrated its 50 year long history of African engagement with a landmark conference - CAS@50: Cutting Edges and Retrospectives. Founded in 1963, the Centre brings together experts in the study of Africa from across the University, Scotland and further afield.

### Fundraising

2011-12 saw a strong result for the University of Edinburgh Development Trust (the Trust) which received £11.25 million in income for University priorities, as per its Statement of Financial Activities. The income in 2010-11 was a record year due to the substantial donation from Dr JK Rowling of £12.5 million.

## Principal's Report

continued

Significantly, these results have contributed to the University meeting its campaign target of £350 million. This ambitious target was publically announced in 2006 when the Campaign was launched with £149 million already committed. The last six years have seen the University generate extraordinary support from a variety of sources, public and private, in order to meet this target. An increased target will be announced in Autumn 2012, alongside a report outlining the major impact of the first phase of the campaign in funding projects across the University.

In the 2011-12 financial year, major gifts continued to produce the vast majority of the income for the Trust. In fact, we secured a third more gifts in excess of £50,000 (excluding legacies) than we did in 2010-11.

Some of the major gifts from donors that did not wish to remain anonymous included:

- Coca-Cola Foundation made two final instalments totalling over £300,000 towards its long term commitment to provide scholarships. Their support over a ten year period has fully funded over 25 students.
- Deutsche Post DHL made an exceptional commitment to the ECCL by making a donation of £1 million, which was their first donation to the University.
- The Shirley Foundation generously granted £350,000 of a £1 million pledge to the Patrick Wild Centre for research into autism and epilepsy.
- The Alwaleed Bin Talal Foundation made its final instalment of £2 million towards its £8m commitment for the Centre for Islamic Study in the Contemporary World.
- Dr. Handa Haruhisha provided a further instalment of £200,000 to support the Handa Chair in Japanese Chinese Relations.
- The Marchig Animal Welfare Trust continued its funding of the Royal (Dick) School of Veterinary Medicine with a further donation of £200,000.
- Piggy Bank Kids also continued their long term relationship with the University with a donation of £200,000 in continued support for the Jennifer Brown Laboratories.
- Continuing support from Wolfson Microelectronics was demonstrated by a donation of £75,000 to the Wolfson Postgraduate Fund.

Following a major internal review conducted in 2011, the Development and Alumni team has been expanded with several new posts and the replacement of vacancies including a new Director of Development & Alumni Engagement.

### Summary

It is extremely pleasing to see that the University has maintained its strong performance despite a very challenging external climate. We have seen student numbers increase, continued improvements to our estate, a lot of research activity, a strengthening of our international co-operations, and the successful completion of our Campaign target. None of this would have been possible without the commitment and ingenuity of our staff, students and supporters, and the steady guidance of the University Court. I am very grateful to the entire University Community for their valuable contributions in making this such a successful year.



**Professor Sir Timothy O'Shea**

Principal and Vice-Chancellor

## Operating and Financial Review

### Scope of the 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 conference facilities, 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 merged with the Edinburgh College of Art (ECA) and the Human Genetics Unit (HGU) from the Medical Research Council and these institutions have been consolidated into the University's Financial Statements.

### 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. Funding Council Grant income is now 27% of total income, down from 29% on the previous year. The total surplus as a percentage of income was 5.85%.

The income and expenditure position is summarised below

	2012	2011
	£m	£m
Income	700.8	649.2
Expenditure	659.9	605.5
Operating Surplus	40.9	43.7
Gain/(Loss) on disposal of fixed assets	0.2	(0.1)
Other items	0.5	(1.4)
Surplus Retained within general reserves	41.6	42.2

### Income

Income was up nearly 8% to just over £700 million. With the exception of funding council grants, all areas of income increased by comparison with the 2010/11 figures.

Research grants and contract income increased by 6.7%, academic fees and support grants by 14%, other operating income by 12.96% and endowment and other interest receivable by 25%

Our strong performance in maintaining our growth in income from students has continued. Total student numbers are up 8.0%

on last year and tuition fees have grown by over 14%, following strong growth in international student numbers.

Student Numbers	Under-Graduate	Taught Post-Graduate	Research Post-Graduate	Total
<b>2011-12</b>				
Scotland	8,484	1,922	1,634	12,040
Rest of the UK (incl. Channel Islands and Isle of Man)	6,103	981	746	7,830
EU non UK	2,044	958	755	3,757
Outwith EU	3,876	2,419	1,401	7,696
	20,507	6,280	4,536	31,323

### 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

Despite the volatility in fee regime changes in the UK, total fees from UK and EU sources are up slightly on last year reflecting the introduction of higher fees to rest of UK students, underpinned by our generous bursary scheme. Other course fees also increased by 14% driven largely by support grants for research training.

Our recurrent teaching grant from the Scottish Funding Council fell by over 3% compared to the prior year, but this was more than offset by an over 24% increase in tuition fees to £85 million from countries outside the EU territory.

Investment and Endowment income grew strongly, up 25% as a result of improvements in interest received.

Over a fifth of the University's income is derived from other sources, of which 28% comes from Residences, Catering and Conferences.

### Expenditure

Overall, University expenditure has increased by 9% to £659.9 million in the year. Over the last four years staff costs have continued to decline as a proportion of total expenditure and are now 53.75%. Expenditure on depreciation is up 25% on last year, reflecting the activity on the capital programme in bringing new buildings into use by the University.

## Operating and Financial Review

continued

Other operating expenses have increased to £268.8 million, and are 40.74% of total spend. This represents an increase of 10.22% on the previous year and this is largely due to increase spend on research grants and contracts.

### Balance Sheet

Fixed assets in the year totalled £1,379 million, up £32 million on 2011. As at July 2012, net current assets were £178.7 million, up £92.6 million on the previous year. The liquidity ratio increased by 40% as a result of the high value of short-term investments held and is now 1.74.

### Research Grants Performance

Research Grants income grew strongly, up as a result of the mergers of Human Genetics Unit and Edinburgh College of Art into the University and good performance by existing research areas. The quality of research at the University is reflected in the strong performance in winning research grants and contracts with income up £12 million (6.7%) year on year. Income from UK Research Council increased by over 12% and represents almost half of all research grants and contract income with another third accounted for by UK-based charities (up 1.5%) and EU government bodies (up 13.2%). Also encouraging was the fact that the improved cost recovery through full economic costing being accepted by many of our major funders is enabling increased investment in equipment and buildings renewal.

### Cash Flow

The net cash inflow from operating activities dropped to £44 million from £86 million last year. The development of strong and consistent cash generation is a key building block in our ability to reinvest in our extensive estate. Planned improvements and additions to infrastructure are crucial to the delivery of our strategic plans and with reduced public support the University will need to maintain the high level of cash generation of the past 2 years.

In January, the University drew down £50 million of long-term loan finance from the European Investment Bank. This debt has been structured to deliver long-term finance without the need for regular refinancing at a fixed rate that locks in a low margin to 25 year gilt yields, which have been and remain at historically low level. Accessing funds from the European Investment Bank also kept the transaction costs low.

Bank and cash investments held at the year end were over £321 million and these are managed in accordance with the University's Treasury Management Policy. Of this, nearly £100 million relates to restricted fund balances. The remaining cash balances will be largely taken up by the planned Estates programme, £62 million

of which is contractually committed and over £100 million of additional projects have already been identified.

### Capital Programme

The overall vision and aim for the estate is to provide the quality physical and IT-related infrastructure appropriate to the needs of a leading international centre of academic excellence. It will:

- support world class academic activity;
- provide a stimulating working, learning and living environment;
- be developed and operated to meet national and international environmental sustainability and social responsibility objectives; and
- continue to move towards the optimum use of space.

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

- The penultimate phase of the main library redevelopment was completed. Re-development (estimated total cost of full redevelopment: circa £58 million), at a cost of £4.6 million during the year. Final phase is currently on site.
- The circa £9 million new King's Building's Library completed.
- Essential IT infrastructure resilience work completed at a cost of circa £0.96 million.
- The £10 million Edinburgh Centre for Carbon Innovation commenced on site and is programmed for completion in 2013.
- The circa £25 million redevelopment of 50 George Square for the School of Literatures, Languages and Cultures commenced on site and is programmed for completion in 2014.
- A circa £12 million extension to the Advanced Computer Facility commenced on-site and is programmed for completion in 2013.
- Works commenced on the circa £3 million Anne Rowling Regenerative Neurology Clinic which is programmed for completion later in 2012.
- Works continue on the Edinburgh College of Art estate, post merger.

Design works continued or commenced for the redevelopment of :

- McEwan Hall (£27 million);
- St Cecilia's Hall (circa £7 million);
- Appleton Tower cladding (circa £27 million);
- David Hume Tower basement (£8 million);
- Biological Sciences Estate (circa £37 million);
- Avian Facilities as part of the Roslin Institute (circa £14

## Operating and Financial Review

continued

million);

- Systems Medicine at the Western General Hospital (circa £10 million) and
- Development of new University Day Nursery at King's Buildings (circa £3 million).

### Estate Maintenance

As well as these very large projects, a number of other smaller refurbishment and extension projects were completed at a cost of £5 million.

Overall, some £26 million of spend on the building programme has been charged to recurrent expenditure, reflecting the refurbishment and long-term maintenance elements of the work undertaken.

### Investment Performance

The total value of the endowment fund increased during the year by £2 million to £238 million. This was mainly due to the addition of £6.7m worth of new endowments, of which £4 million was the result of the ECA merger, offsetting a £4 million drop in the market value of investments which was much in line with the market they are invested in.

### Pensions

The University's staff are eligible to join two defined benefits pensions schemes – the University Superannuation Scheme (USS) and the Staff Benefits Scheme (SBS). As reported in previous years' financial statements, the University believed that it had taken appropriate action both with its in-house support scheme SBS and in being involved in the reform of USS that would enhance the long-term sustainability of its pension schemes. Both schemes have moved away from a final-salary provision to career average or career revalued schemes to reduce the cost of future service. This along with increased contributions to tackle past-service deficits should have improved the funding position of both schemes. However, the dramatic fall in gilt yields over the last year has worsened the funding position of both schemes due to its adverse influence on long-term liability valuation.

The triennial valuation of the SBS scheme as at 31st March 2012 is reporting a deficit of £57.7 million down by £37.2 million from the last valuation. The main reasons for the improvement in the funding level since the last valuation are :

- higher than expected asset performance;
- changes to the indexation of pensions in payment and deferment from RPI to CPI;
- lower than expected salary increases; and
- contribution exceeding the future benefit costs.

The Trustees and the University are now working together to revise the recovery plan to allow for an acceptable and affordable recovery plan that is acceptable to the pension regulator.

The USS deficit as at its last triennial valuation at 31 March 2011 was approximately £2.9 billion but is now estimated at £9.8 billion. A 10-year recovery plan has been finalised.

### 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 228 of our 11,000 plus staff have declared that they have a disability.

### 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 £1,593.

### Mergers

During 2011/2012, the integration of both the Edinburgh College of Art (ECA) within the College of Humanities and Social Sciences and Medical Research Council's (MRC) Human Genetics Unit to form the Institute of Genetics and Molecular Medicine (IGMM) with College of Medicine and Veterinary Medicine have proceeded smoothly. Their governance structure, financial control and administration are fully integrated into the University. Initial academic performance has been strong with positive

## Operating and Financial Review

continued

feedback from students of ECA to being part of the University of Edinburgh and improved research grant performance in both areas. Improved facilities for IGMM are being delivered by a new development with funding supplied by the MRC and the University. For ECA, work has commenced to maintain the existing facilities to suitable standard partly funded by Scottish Funding Council and the University. Work is now going on to identify a longer-term programme for the transformation of the ECA estate to meet the needs of the school.

### 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. The Risk Management Committee 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 challenging economic environment, with a lack of growth in the UK economy, and little evidence that problems in the Eurozone are being fundamentally addressed is a continuing threat to what in normal times could be considered a benign funding environment. The funding policy for Scottish and UK students is favourable to the University in that the Scottish Government is committed to maintaining the unit of resource for Scottish domiciled students.

The University has the flexibility to modestly increase rest of UK students and international student growth, particularly from China remains strong.

On research, the mergers of recent years linked to our efficiency in delivering research support have resulted in growth in activity and improved financial sustainability.

The University has in place the funds to continue to deliver a substantial, sustainable capital programme.

### Financial Strategy

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

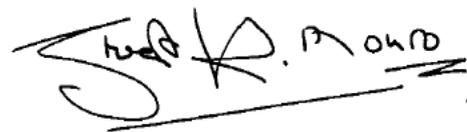
- Long-term viability and matching resources with objectives;
- Maintaining productive capacity to meet current objectives;
- Financial development and investment;

- 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 2012/13 as part of its preparation of the new 2012-2016 strategic plan.

### Looking Forward

The University has maintained a highly trusted status with the UKBA. The University has in place process to ensure that this will remain the case and our ability to recruit the best staff and students from around the world is maintained.



**Professor Stuart Monro**

Convener of Finance and General Purposes Committee

# Corporate Governance Statement

For the year ended 31st July 2012

## 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 of 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 Reports and 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 2012.**

## 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. The Rector is elected by staff and students of the University. It has a majority of lay members (14), including assessors appointed by the Chancellor and the City of Edinburgh Council and elected by the General Council. There are also assessors elected by members of Senate and by non-teaching/academic staff from amongst their number and two fully matriculated student members nominated by the Students' Representative Council. The Principal is an ex-officio member and acts as the Chief Executive Officer of the University. He is directly accountable to the 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 (SFC) 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. Co-opted members of the Court and external members of the Court Committees are appointed through a robust, transparent open advertisement and interview process based on a skills matrix approach managed by the Nominations Committee. The Rector also appoints an Assessor who attends meetings of the Court and receives all papers but is not a member of the Court.

The Court met seven times during 2011-12 and considered any urgent matters which required Court approval between meetings by correspondence or through electronic means. Members were also kept informed by electronic means of any significant issues affecting the University. The 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 current interests of members of the 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. An induction event is held annually to introduce new members of the Court to the University and their roles and responsibilities as Court members; a mentoring scheme is also operated. The Court approved a revised statement of its responsibilities in June 2010 which it believes to be of a high standard. The statement and information on other governance arrangements within the University are available as part of the University's Freedom of Information publication scheme on <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 2011-12 was adopted by the University Court at its June 2008 meeting: it covers the period 2008-12. The process to develop a new strategic plan was initiated at a Court seminar in September 2011 and a new strategic plan covering 2012-2016 was approved at the Court meeting on 2 July 2012. 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.

The Court considered the Scottish Minister's Report on the Review of Higher Education Governance in Scotland and agreed

## Corporate Governance Statement

continued

a position statement at its meeting on 14 May 2012. The Court agreed that certain of the recommendations within the Report not requiring changes to the legal framework in which it operates should be taken forward to improve its arrangements and waits with interest further developments.

### The Court's Committee Structure

The Court has established several Committees, including the following key Committees: Audit Committee, Estates Committee, Finance and General Purposes Committee, Health and Safety Committee, Investment Committee, Knowledge Strategy Committee, Nominations Committee, Remuneration Committee, Risk Management Committee and Staff Committee. Each of these Committees is formally constituted with terms of reference including membership approved by the Court, and conducts their business both through regular meetings and by correspondence or through electronic communication when appropriate. There is also a Central Management Group whose membership includes all the major budget holders in the University and all Vice-Principals who advise the Principal on senior management decisions, particularly on the allocation of budgets to Colleges and Support Groups.

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; it also provides the Court with an annual opinion on arrangements in place to promote economy, efficiency and effectiveness. In addition, the Committee receives regular reports from the Internal and External Auditors which include recommendations for improvements in internal control and management's responses and implementation plans. 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. It also has explicit responsibility for advising on the effectiveness of the University's risk management arrangements. The Committee also monitors adherence to regulatory requirements and mandatory audit requirements of the Scottish Funding Council. 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 Principal is invited to attend a meeting of the Audit Committee, normally the meeting at which the Reports and Financial Statements are being considered. The Committee also holds at least annual separate meetings with Internal and External Auditors without senior University officers in attendance for independent discussions. The Court receives the minutes of each Audit Committee meeting and an annual report of its proceedings.

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 oversees the University's property portfolio transactions (acquisitions and disposals), matters relating to estate developments and considers reports on progress through the Gateway process. It considers and advises on significant matters 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 allocation of previously agreed budgets (e.g. Maintenance Programmes, Small Capital Projects) across Colleges and Support Groups. The Central Management Group, the Finance and General Purposes Committee and the Court receive a report on matters considered following each meeting of the Committee. It is chaired by the Vice-Principal with responsibility for Planning, Resources and Research Policy and its membership includes two lay members of the Court. It normally meets four times a year.

The **Finance and General Purposes Committee** oversees the University's financial affairs on behalf of the Court and advises on business of particular importance or complexity. 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. The Court receives a report on matters considered following each meeting of the Committee. It is chaired by the Vice-Convener of the Court, includes a majority of lay members of the Court and also includes a student representative. It normally meets six times a year.

The **Health and Safety Committee** formulates policy and monitors performance in all areas of occupational safety and health and provides guidance to the University's Health and Safety Services department (which also includes Occupational Health, Occupational Hygiene, Fire Safety and Radiation Protection functions) and advises the Court in regard to compliance with its statutory responsibilities in this area. It reports to the Court via the Central Management Group and the Finance and General Purposes Committee following each Committee meeting. It is chaired by the Vice-Principal and Director of Corporate Services and meets at least twice a year.

The **Investment Committee** considers implications of the University's investments in particular the development of an investment strategy to meet agreed investment objectives with regard to ethical and socially responsible issues and to review and monitor both long and short term investments. It has responsibility for overseeing the University's Endowment Funds and ensuring that funds held in trust are operated within the relevant legislation and specific terms of each trust, other investment funds and deposit balances. It reports to the Court via the Finance and General Purposes Committee as appropriate. It is chaired by an external member and meets at least twice a year.

## Corporate Governance Statement

continued

The **Knowledge Strategy Committee** oversees the University's knowledge management activities in the areas of Library, Information Technology, e-Learning, Management Information and e-Administration and considers and advises on any other Court business in respect of knowledge management activities. The Central Management Group and the Court receive reports as appropriate on matters considered by the Committee. It is chaired by the Vice-Principal with responsibility for Knowledge Management and its membership includes two lay members of the Court and a student representative. It meets at least once a year.

The **Nominations Committee** considers nominations for co-opted membership of the Court, nominations for membership of the Court Committees and for the Court's nominations on the Curators of Patronage. The arrangements to take forward the open advertisement and interview process for co-opted members of the Court and external members of the Court Committees are managed by the Nominations Committee. It makes recommendations for consideration and approval to the Court and reports on any other matter considered following each Committee meeting. It is chaired by the Vice-Convenor of the Court, has a majority of lay members of the Court and normally meets three times a year.

The **Remuneration Committee** oversees the total remuneration of the Principal and those senior staff reporting directly to the Principal, the reward policy for Professorial and equivalent staff and the policy statement on severance payments in respect of all staff. While a member of the Committee, the Principal withdraws from the Committee when matters related to his remuneration are being considered. It reports as appropriate and at least annually to the Court on its activities. It is chaired by the Vice-Convenor of the Court, has a majority of lay members of the Court and obtains additional professional advice from an external advisor and meets at least once a year.

The **Risk Management Committee** supports and advises the Central Management Group, the Audit Committee and the 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 Central Management Group, the Finance and General Purposes Committee, the Audit Committee and the Court receive reports as appropriate and in particular the annual assurance statement and the outcome of the review of the University's Risk Register. It is chaired by the Vice-Principal and Director of Corporate Services and its membership includes a lay member of the Court. It normally meets four times 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 reports to the Court via the Central Management Group and the Finance and General Purposes Committee following each Committee meeting. The Committee is chaired by the Vice-Principal with responsibility for Equality and Diversity, and its membership includes two members of the Court. It normally meets three times 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 reports through the Finance and General Purposes Committee to the Court. The Central Management Group is chaired by the Principal and it normally meets eight times a 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 proposed new Ordinances and Resolutions. Members of the General Council also elect the Chancellor of the University: the Chancellor confers the University's degrees and is Chairperson of the General Council.

### 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 current Delegated Authorisation Schedule was approved by the Court

## Corporate Governance Statement

continued

in June 2010 and 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 Strategy and Policy Statement. In July 2012, the Court considered and re-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 the Court; the most recent update was adopted by the Court on 2 July 2012 and aligns to the University Strategic Plan 2008-12 which was the Strategic Plan then in place.

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, internal controls and governance, having regard to best practice as recommended by professional institutes and other relevant organisations. The Audit Committee considered the Internal Audit opinion on risk management, control and governance at its meeting on 27 September 2012 and expressed itself satisfied with the outcome.

By its 10 December 2012 meeting, the Court had received the Audit Committee and Risk Management Committee reports for the year ended 31 July 2012; it also had taken account of relevant events since 31 July 2012. The Audit Committee in particular is responsible for advising the Court on the effectiveness of policies and procedures for risk assessment and risk management as well as internal controls and governance. 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 2012.

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 Memoranda 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, the SFC).

### Charitable Status

The University had charitable status (No. SC005336) under the legislative framework operative throughout the 2011-12 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 its charitable status.

The University's endowments are administered as the University of Edinburgh Endowment Fund, overseen by the Investment Committee. As at 31 July 2012 this included the Edinburgh College of Art Prize Fund and other Edinburgh College of Art endowments other than the Edinburgh Andrew Grant Bequest which is held within and administered by a separate charitable trust. 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.

## Corporate Governance Statement

continued

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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 President 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 risks and uncertainties highlighted in the Reports and Financial Statements.

The 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 Reports and Financial Statements.

The Court considers that the University has adequate resources to continue in operational existence for the foreseeable future.

## Responsibilities of the Court

On 21 June 2010 the Court adopted this 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.

## Responsibilities of the Court

continued

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.

### 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.

### Statement of Responsibilities Relating to the Reports and Financial Statements

These primary responsibilities include those pertaining to financial matters are 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:

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

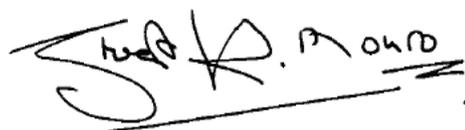
of the University and of the surplus or deficit and cash flows for that year.

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  
10 December 2012

## Membership of Court and Committees

### Court Membership

Members of the University Court during the year ended 31 July 2012, and their attendance at the meetings held during their membership in that year, together with members serving in the period after 31 July 2012 and up to the date on which the Reports and Financial Statements were approved, were as follows:

The Rector (Convener), Mr I Macwhirter (5/5) (until 29 February 2012)

The Rector (Convener), Mr P McColl (2/2) (from 1 March 2012)

The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (6/7)

The Chancellor's Assessor, Sheriff Principal E F Bowen QC (3/5) (from 17 October 2011)

### General Council Assessors

Mr A Johnston (7/7)

Professor A M Smyth (6/7)

Mrs M Tait (7/7)

### Senatus Academicus Assessors

Dr M Aliotta (4/7)

Professor J Ansell (7/7)

Professor D J Finnegan (7/7)

Professor A Harmar (5/7)

### City of Edinburgh Council Assessor

Rt Hon G Grubb, Lord Provost (0/5) (until 2 May 2012)

Rt Hon D Wilson, Lord Provost (1/1) (from 2 July 2012)

### Co-opted Members

Professor S Monro (Vice-Convener) (7/7)

Professor J Barbour (4/7) (until 31 July 2012)

Mr P Budd (3/7)

Dr C Masters (4/7)

Mr G M Murray (6/7) (until 31 July 2012)

Mrs E Noad (6/7)

Ms A Richards (6/7)

Mr D Workman (6/7) (until 31 July 2012)

Mr D Bentley (from 1 August 2012)

Dr R Black (from 1 August 2012)

Mr L Matheson (from 1 August 2012)

### Non-Teaching Staff Assessor

Mr D Brook (2/7)

### Student Members

Mr M McPherson (5/6) (until 10 June 2012)

Mr M Williamson (6/6) (from 10 June 2012)

Mr J McAsh (1/1) (from 11 June 2012)

Mr A Burnie (1/1) (from 11 June 2012)

Members of the Audit Committee, Estates Committee, the Finance and General Purposes Committee, Investment Committee, the Nominations Committee, the Remuneration Committee and the Risk Management Committee during the year ended 31 July 2012 and their attendance at the meetings held during their membership in that year, together with members serving in the period after 31 July 2012 and up to the date on which the Reports and Financial Statements were approved were as follows:

### Audit Committee

Convener: Ms A Richards (4/4)

Mr P Budd (1/4)

Mr A Johnston (4/4)

Mrs E Noad (3/4)

Mr M Sinclair (4/4)

Mr A Trotter (3/4)

### Estates Committee

Convener: Senior Vice-Principal Professor N Brown (4/4) (until 31 July 2012)

Convener: Vice-Principal Professor J Seckl (from 1 August 2012)

Mr G M Murray (4/4) (until 31 July 2012)

Mr P Budd (0/4)

Dr K Waldron, University Secretary (2/4)

Vice-Principal Mr N Paul, Director of Corporate Services (3/4)

Senior Vice-Principal Professor M Bownes (0/4)

Vice-Principal Professor J Haywood (3/4)

Vice-Principal Professor D Miell (4/4)

Dr A Cornish, Director of Planning and Deputy Secretary (4/4)

Mr A Currie, Director of Estates and Buildings (4/4)

Mr H Edmiston Registrar, College of Medicine and Veterinary Medicine (4/4)

Mr J Gorringer, Director of Finance (1/4) (until 31 August 2012)

Mr R Kington Director of Accommodation Services (4/4)

## Membership of Court and Committees

continued

Mr M McPherson, President, EUSA 4/4 (until 10 June 2012)

Dr B Nelson, Registrar, College of Science and Engineering (4/4)

Mr J McAsh (from 11 June 2012)

Mr P McNaul, Director of Finance (from 1 September 2012)

### Finance and General Purposes Committee

Convener: Professor S Monro (6/6)

The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (5/6)

Senior Vice-Principal, Professor N Brown (6/6) (until 31 July 2012)

Dr K Waldron, University Secretary (6/6)

Mr J Gorringe, Director of Finance (5/6) (until 31 August 2012)

Mr M McPherson, President of the Students' Association (5/5) (until 10 June 2012)

Professor J Barbour (2/6) (until 31 July 2012)

Professor A M Smyth (4/6)

Dr M Aliotta (4/6)

Mr G M Murray (4/6) (until 31 July 2012)

Dr C Masters (6/6)

Vice-Principal Professor J Seckl (from 1 September 2012)

Mr D Bentley (from 1 August 2012)

Mr L Matheson (from 1 August 2012)

Mr J McAsh (1/1) (from 11 June 2012)

Mr P McNaul, Director of Finance (from 1 September 2012)

### Investment Committee

Convener: Mr A McFarlane, external member of Committee (5/5)

The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (1/5)

Professor S Monro (4/5)

Mr L Matheson (2/5)

Mr R Davidson, external member of Committee (5/5)

Mr B Hughes, external member of Committee (5/5)

Ms M Cuffe, external member of Committee (5/5)

### Nominations Committee

Convener: Professor S Monro (2/2)

The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (2/2)

Mrs E Noad (2/2)

Professor A M Smyth (2/2)

Dr K Waldron, University Secretary (1/2)

Professor J Ansell (1/1) (from 7 November 2011)

Dr R Black (from 1 August 2012)

### Remuneration Committee

Convener: Professor S Monro (2/2)

The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea (2/2)

D Workman (2/2) (until 31 July 2012)

Dr C Masters (2/2)

Ms A Richards (1/2)

Mr A Johnston (from 1 August 2012)

### Risk Management Committee

Convener: Vice-Principal Mr N A L Paul (4/4)

Mrs M Tait (3/4)

Dr K Waldron, University Secretary (2/4)

Mr F Gribben, Registrar, College of Humanities and Social Science (1/4)

Mr H Edmiston Registrar, College of Medicine and Veterinary Medicine (4/4)

Dr B Nelson, Registrar, College of Science and Engineering (4/4)

Mr J Gorringe, Director of Finance (2/4) (until 31 August 2012)

Mr B Gilmore, Director of IT Infrastructure (3/4)

Dr T Harrison, Assistant Principal, Academic Standards and Quality Assurance (2/4)

Professor J Ansell, Academic Representative (3/4)

Mr P McNaul, Director of Finance (from 1 September 2012)

## 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 2012 set out on pages 20 to 61. 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 Universities (Scotland) Acts 1858-1966 and, in the University Court's role as charity trustees, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 as amended. 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 15, the University Court of The University of Edinburgh are responsible for the preparation of the financial statements which give a true and fair. We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under that Act. 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 Principal's 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 2012 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice: accounting for further and higher education; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### 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 Charities Accounts (Scotland) Regulations 2006 (as amended) and the terms of our engagement require us to report to you if, in our opinion:

- the information given in the Operating and Financial Review is inconsistent in any material respect with the financial statements; or
- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



MJ Rowley

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Saltire Court  
20 Castle Terrace  
EH1 2EG

## Group Income and Expenditure Account

For the year ended 31 July 2012

	Note	2012 £ 000's	2011 Restated £ 000's
<b>INCOME</b>			
Funding council grants	2	189,438	189,508
Tuition fees and education contracts	3	150,298	131,060
Research grants and contracts	4	193,119	180,990
Other income	5	155,378	137,549
Endowment and investment income	6	12,654	10,123
<b>Total Income</b>		<b>700,887</b>	<b>649,230</b>
<b>EXPENDITURE</b>			
Staff costs	7	354,673	331,177
Other operating expenses	9	268,853	243,929
Depreciation	13	31,569	25,579
Interest payable	10	4,818	4,798
<b>Total Expenditure</b>		<b>659,913</b>	<b>605,483</b>
<b>SURPLUS ON CONTINUING OPERATIONS AFTER DEPRECIATION OF ASSETS AT VALUATION AND BEFORE TAXATION</b>			
		40,974	43,747
Gain/(Loss) on disposal of fixed assets	13	206	(66)
<b>SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION AND DISPOSAL OF ASSETS BUT BEFORE TAXATION</b>			
		41,180	43,681
Taxation	11	(31)	(20)
<b>SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION AND TAXATION AND BEFORE MINORITY INTEREST</b>			
		41,149	43,661
Minority interest		(30)	16
<b>SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION, TAXATION AND MINORITY INTEREST</b>			
		41,119	43,677
Surplus transferred from/(to) accumulated income in endowment funds		546	(1,454)
<b>SURPLUS FOR THE YEAR RETAINED WITHIN GENERAL RESERVES</b>	12	<b>41,665</b>	<b>42,223</b>

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 2012

	Note	2012 £'000	2011 £'000
<b>SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION AND BEFORE TAXATION</b>			
		40,974	43,747
Gain/(Loss) on disposal of fixed assets in the year	13	206	(66)
Realisation of revaluation gains of previous years	24	3,670	603
Difference between historical cost depreciation and the actual depreciation calculated on the revalued amount:			
On the depreciation charge for the year	24	6,700	6,700
On impairment of fixed assets in the year		-	4,139
<b>HISTORICAL COST SURPLUS BEFORE TAXATION</b>		<b>51,550</b>	<b>55,123</b>
<b>HISTORICAL COST SURPLUS AFTER TAXATION, MINORITY INTEREST AND TRANSFERS FROM/TO SPECIFIC ENDOWMENT FUNDS</b>		<b>52,035</b>	<b>53,665</b>

## Group Statement of Total Recognised Gains and Losses

For the year ended 31 July 2012

	Note	2012 £'000	2011 £'000
<b>SURPLUS AFTER DEPRECIATION OF ASSETS AT VALUATION, TAXATION AND MINORITY INTEREST</b>			
		41,119	43,677
(Depreciation)/Appreciation on fixed asset investments	14	(77)	390
(Depreciation)/Appreciation on endowment asset investments	15	(4,036)	22,833
Charges on endowment asset investments	15	(394)	(368)
Unrealised surplus on revaluation of tangible fixed assets- Heritage assets	13 & 34	8,058	-
New endowments	22	5,775	12,695
Addition of ECA (note 36)	36	1,018	-
Endowments transferred to deferred capital grants	22	-	(450)
Actuarial (loss)/gain in respect of pension schemes	31	(28,374)	7,453
<b>TOTAL GAIN RECOGNISED DURING THE CURRENT YEAR</b>		<b>23,089</b>	<b>86,230</b>
Prior Year Adjustment		-	158,703
<b>TOTAL GAIN RECOGNISED DURING THE CURRENT YEAR</b>		<b>23,089</b>	<b>244,933</b>
Reconciliation:			
Opening reserves and endowments at 1 August as previously stated		1,203,948	1,117,718
Total recognised gains for the year		23,089	86,230
<b>CLOSING RESERVES AND ENDOWMENTS AT 31 JULY</b>		<b>1,227,037</b>	<b>1,203,948</b>

## Balance Sheets

as at 31 July 2012

	Note	Group		University	
		2012 £ 000's	2011 £ 000's	2012 £ 000's	2011 £ 000's
<b>FIXED ASSETS</b>					
Tangible assets	13	1,387,293	1,323,685	1,382,327	1,318,793
Negative goodwill	36	(28,363)	-	(28,363)	-
Investments	14	20,634	23,561	21,107	24,034
		1,379,564	1,347,246	1,375,071	1,342,827
<b>ENDOWMENT ASSETS</b>					
	15	238,329	236,512	238,329	236,512
<b>CURRENT ASSETS</b>					
Stocks and stores in hand		2,602	2,197	2,046	1,701
Debtors	16	89,083	85,016	84,603	83,861
Assets held for resale		1,446	4,955	1,446	4,955
Investments: bank deposits	30	309,831	211,082	297,877	193,831
Cash at bank and in hand	30	12,426	12,979	7,393	2,972
		415,388	316,229	393,365	287,320
CREDITORS: Amounts falling due within one year	17	(236,594)	(230,048)	(215,721)	(204,445)
<b>NET CURRENT ASSETS</b>		178,794	86,181	177,644	82,875
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,796,687	1,669,939	1,791,044	1,662,214
CREDITORS: Amounts falling due after more than one year	18	(109,970)	(54,025)	(109,870)	(53,925)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	20	(11,005)	(6,800)	(11,005)	(6,800)
<b>TOTAL NET ASSETS EXCLUDING PENSIONS LIABILITIES</b>		1,675,712	1,609,114	1,670,169	1,601,489
PENSION LIABILITIES	31	(99,274)	(68,174)	(99,274)	(68,174)
<b>TOTAL NET ASSETS INCLUDING PENSION LIABILITIES</b>		1,576,438	1,540,940	1,570,895	1,533,315

## Balance Sheets

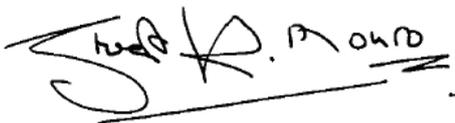
as at 31 July 2012

Represented by:	Note	Group		University	
		2012 £ 000's	2011 £ 000's	2012 £ 000's	2011 £ 000's
DEFERRED CAPITAL GRANTS	21	349,371	336,992	347,389	334,384
<b>ENDOWMENTS</b>					
Expendable	22	158,476	158,686	158,476	158,686
Permanent	22	79,853	77,826	79,853	77,826
		238,329	236,512	238,329	236,512
<b>RESERVES</b>					
Revaluation Reserve	23	714,883	717,272	714,883	717,272
	24	373,099	318,338	369,568	313,321
General Reserve excluding pension reserve					
Pension Reserve	31	(99,274)	(68,174)	(99,274)	(68,174)
General Reserve including pension reserve		273,825	250,164	270,294	245,147
Total Reserves		988,708	967,436	985,177	962,419
<b>MINORITY INTERESTS</b>					
		30	-	-	-
<b>TOTAL FUNDS</b>		<b>1,576,438</b>	<b>1,540,940</b>	<b>1,570,895</b>	<b>1,533,315</b>

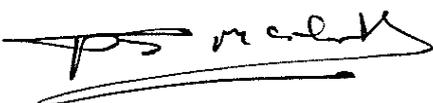
The financial statements on pages 20 to 61 were adopted by Court on 10 December 2012 and were signed on its behalf by:



Professor Sir Timothy O'Shea  
Principal



Professor S. Monroe  
Member of the University Court



Phil McNaull  
Director of Finance

## Group Cash Flow Statement

For the year ended 31 July 2012

	Note	2012 £'000	2011 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	44,158	85,992
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	26	7,621	6,339
TAXATION	11	(31)	(20)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	27	(6,002)	(32,410)
MERGER WITH ECA AND HGU	36	2,038	-
MANAGEMENT OF LIQUID RESOURCES	28	(98,749)	(56,140)
FINANCING	29	48,619	(1,194)
(DECREASE)/INCREASE IN CASH IN THE PERIOD	30	(2,346)	2,567
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)			
(Decrease)/ Increase in cash in the period		(2,346)	2,567
Cash outflow in liquid resources	28	98,749	56,140
Change in net debt resulting from cashflows	29	(48,619)	1,194
Debt acquired on merger with ECA	36	(7,500)	-
Movement in net funds for the period	30	40,284	59,901
Net funds at start of year	30	173,851	113,950
Net funds at close of year	30	214,135	173,851

## Notes to the Financial Statements

For the year ended 31 July 2012

### 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 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. Accounting for Business Combinations

The University merged with the Edinburgh College of Art on 1 August 2011 and the Human Genetics Unit of the Medical Research Council on 1 October 2011. The merger was accounted for by the "acquisition method of accounting" in order to comply with the requirements of FRS 6, Acquisitions and Mergers. Fair values are attributed to the net separable assets and liabilities. The benefit arising as a consequence of no consideration having been paid by the University for the net value of the assets acquired is included in the consolidated balance sheet as a deduction from Fixed Assets. The fair value of the benefit is released to the income and expenditure account over the periods in which the non-monetary assets are recovered, whether through depreciation or disposal. The release is aligned with the corresponding depreciation charge relating to the assets.

#### iv. 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.

#### v. 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

## Notes to the Financial Statements

continued

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.

### vi. 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 remaining balance of the obligations.

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

### vii. 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.

### viii. 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.

### ix. 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.

### x. Assets Held for Resale

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

### xi. 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

## Notes to the Financial Statements

continued

over a four year period.

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

### 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.

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 an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506(1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity No. SC005336). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

The University's subsidiary companies, except those with charitable status, are not exempt from taxation. 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. Charitable subsidiaries are exempt from taxation under the same legislation as the University.

### 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);
- Medical Research Council (MRC);

## Notes to the Financial Statements

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- Lothian Pension Fund (LPF); 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, LPF 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, 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

	2012 £ 000's	2011 £ 000's
<b>2. FUNDING COUNCIL GRANTS</b>		
Recurrent grant		
Teaching	76,757	79,392
Research	83,243	82,160
Specific grants		
Information systems	8,212	5,871
Infrastructure grants for research, teaching and learning	2,535	6,645
Other including research pooling	14,699	12,482
Deferred capital grants released in year		
Buildings (note 21)	3,207	2,262
Equipment (note 21)	785	696
	189,438	189,508

	2012 £ 000's	2011 Restated £ 000's
<b>3. TUITION FEES AND EDUCATION CONTRACTS</b>		
Home and EU higher education students	27,211	27,073
Rest-of-UK ( Old Fee Rate )	20,186	20,010
Non-EU Fees	85,427	68,652
Research training support grants	12,581	10,891
Short course and other fees and support grants	4,893	4,434
	150,298	131,060

Tuition Fees and contracts have been restated due to presentational changes in the information requested by the Scottish Funding Council.

	2012 £ 000's	2011 £ 000's
<b>4. RESEARCH GRANTS AND CONTRACTS</b>		
Research councils	94,473	84,212
UK based charities	43,624	42,999
UK central government bodies, local and health authorities	17,316	17,781
UK industry, commerce and public corporations	7,852	10,080
EU government bodies	19,611	17,329
EU other	1,262	721
Other overseas	4,484	4,463
Other sources	4,497	3,405
	193,119	180,990

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 £8,561,000(2011 - £6,660,000) 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 £3,681,000 (see note 21) (2011 - £3,260,000).

## Notes to the Financial Statements

continued

	2012	2011
	£ 000's	Restated £ 000's
<b>5. OTHER INCOME</b>		
Residences, catering and conferences	43,668	39,434
Specific grants, donations and other designated income:		
Academic and related activities	23,639	25,290
Academic services and support activities	16,951	10,029
General Income :		
Academic and related activities	28,418	24,163
Income generating, academic services & support activities	35,458	34,245
Released from deferred capital grants		
Buildings (note 21)	2,727	2,023
Equipment (note 21)	3,056	2,365
Benefit on acquisition	1,461	-
	155,378	137,549
Other income has been restated to reflect recent guidance on accounting for Research Training and Support Grants		
	2012	2011
	£ 000's	£ 000's
<b>6. ENDOWMENT AND INVESTMENT INCOME</b>		
Income from expendable endowments (note 22)	5,118	5,210
Income from permanent endowments (note 22)	2,567	2,473
Other investment income	527	475
Other interest receivable	4,442	1,965
	12,654	10,123
	2012	2011
	Number	Number
<b>7. STAFF</b>		
Staff numbers (expressed as full time equivalents as at 31st July) were as follows :		
Academic and related support	3,693	3,339
Research grants and contracts	1,785	1,698
Library, computer and other academic support services	556	511
Administration and central services	588	518
Premises	685	649
Other including income generating operations	109	102
Residences and catering operations	455	438
	7,871	7,255
Staff numbers (expressed as an employee count and excluding hours to be notified staff) were as follows:		
Staff on open ended contracts	6,676	6,134
Staff on fixed term contracts	2,102	1,885
	8,778	8,019
Percentage of employees on fixed term contracts	23.95%	23.51%

## Notes to the Financial Statements

continued

	2012 £ 000's	2011 £ 000's
<b>7. STAFF (Continued)</b>		
Analysis of the cost of the above staff by activity:		
Academic and related support	190,108	176,766
Research grants and contracts	85,778	83,203
Library, computer and other academic support services	22,044	21,172
Administration and central services	23,617	22,456
Premises	16,520	15,987
Other including income generating operations	5,366	4,691
Residences and catering operations	10,888	10,306
Unfunded pensions	2,047	(606)
Pension costs less employer contributions payable (note 31)	(1,695)	(2,798)
	354,673	331,177
Analysis of the above staff cost by type:		
Salaries and wages	272,100	257,721
Social security costs	22,391	20,899
Other pension costs (note 31)	56,071	50,864
Severance costs	2,064	2,299
Unfunded pensions	2,047	(606)
	354,673	331,177
<b>8. SENIOR POST HOLDERS</b>		
Remuneration of higher paid staff, excluding pension contributions was:	2012	2011
	Number	Restated Number
£70,000 - £79,999	85	92
£80,000 - £89,999	77	66
£90,000 - £99,999	43	46
£100,000 - £109,999	32	28
£110,000 - £119,999	25	25
£120,000 - £129,999	22	19
£130,000 - £139,999	15	14
£140,000 - £149,999	8	7
£150,000 - £159,999	6	10
£160,000 - £169,999	9	9
£170,000 - £179,999	5	8
£180,000 - £189,999	6	8
£190,000 - £199,999	6	9
£200,000 - £209,999	3	3
£210,000 - £219,999	4	1
£220,000 - £229,999	1	-
£240,000 - £249,999	1	1
£250,000 - £259,999	-	1
£260,000 - £269,999	2	-
£270,000 - £279,999	-	-
£280,000 - £289,999	-	1
£350,000 - £359,999	1	1
	351	349

Staff are included in the range that reflects their contractual remuneration for that year. The 2011 figures have been restated to include employee pensions contributions that have been salary sacrificed. These were previously excluded.

## Notes to the Financial Statements

continued

8. SENIOR POST HOLDERS (Continued)	2012	2011
Emoluments of the Principal	£000's	£000's
Remuneration	227	229
Benefits in kind	1	2
	228	231
Pension contributions	57	55
	285	286

Regular pension contributions for the Principal paid to the USS at the same rate as for other academic staff amounted to £57,047 (2011:£54,702)

### Compensation for loss of office

Payments in compensation for loss of office exceeding £100,000 were payable to three members of staff during the year. Compensation arrangements applied to two senior members of staff earning in excess of £70,000.

	2012	2011
	£000's	£000's
Payments to USS for enhanced pension benefits	397	254
Other payments in respect of loss of office	65	322
	462	576

Severance pay was in accordance with the Remuneration Committee Policy

	2012	2011
	£ 000's	Restated £ 000's
<b>9. ANALYSIS OF OTHER OPERATING EXPENSES BY ACTIVITY</b>		
Academic and related expenditure	62,216	55,808
Research grants and contracts*	70,895	61,925
Library, computer and other academic support services	23,087	14,237
Administration and central services	17,091	16,075
Premises - Refurbishment and maintenance	26,326	36,071
- Utility costs	17,057	13,245
- Other premises costs	10,667	8,628
Other including income generating operations	19,076	18,719
Residences and catering operations	22,438	19,221
	268,853	243,929
Other operating expenses include:		
Operating lease rentals	11,857	1,605
Fees charged by external auditors :		
Audit of these financial statements	65	63
Audit of financial statements of subsidiaries pursuant to legislation incl Andrew Grant Bequest	49	41
Taxation services*	21	234
Non-audit services*	221	46

Other income has been restated to reflect recent guidance on accounting for Research Training and Support Grants

\*Taxation services includes exceptional fees in 2010-11 in respect of the agreement of a retrospective VAT partial recovery for years to 1996 included in income for 2010-11. Non-audit services include payments for the audit of US GAAP accounts, research grant audits, work in relation to ECA and property developments. Research grants and contracts spend includes £6 million for HPCX upgrade.

## Notes to the Financial Statements

continued

	2012 £ 000's	2011 £ 000's
<b>10. INTEREST PAYABLE</b>		
Bank and other loans	3,938	2,949
Finance leases	250	257
Net charge on pension scheme liabilities (note 31)	630	1,592
	<b>4,818</b>	<b>4,798</b>
<b>11. TAXATION</b>		
UK corporation tax charge on subsidiaries' profits	31	20
<b>12. SURPLUS FOR THE YEAR</b>		
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	35,466	37,370
Surplus generated by subsidiary undertakings	6,199	4,853
Total	<b>41,665</b>	<b>42,223</b>

### 13. TANGIBLE ASSETS

Group	Land and	Buildings	Equipment	Heritage	Total
	Buildings	under		Assets	
	£ 000's	Construction	£ 000's	£ 000's	£ 000's
Cost or valuation as at 31 July 2011	1,169,551	2,208	93,924	158,744	1,424,427
Acquisition of HGU and ECA	45,440	-	1,271	2,460	49,171
Revaluation	-	-	-	8,058	8,058
Additions at cost	18,883	4,421	15,560	260	39,124
Transfers	1,832	(1,832)	-	-	-
Disposals	(1,180)	-	(637)	-	(1,817)
As at 31 July 2012	<b>1,234,526</b>	<b>4,797</b>	<b>110,118</b>	<b>169,522</b>	<b>1,518,963</b>
Depreciation as at 31 July 2011	32,029	-	68,713	-	100,742
Charge for the year	17,762	-	13,807	-	31,569
Disposals	(4)	-	(637)	-	(641)
As at 31 July 2012	<b>49,787</b>	<b>-</b>	<b>81,883</b>	<b>-</b>	<b>131,670</b>
Net book value					
As at 31 July 2012	<b>1,184,739</b>	<b>4,797</b>	<b>28,235</b>	<b>169,522</b>	<b>1,387,293</b>
As at 31 July 2011	<b>1,137,522</b>	<b>2,208</b>	<b>25,211</b>	<b>158,744</b>	<b>1,323,685</b>

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.

Gains on disposals of land and building fixed assets amounted to £206,000 (2011 – Loss £66,000).

Land and Buildings with a net book value of £173,518,000 (2011 - £167,327,000) 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)

<b>University</b>	Land and Buildings £ 000's	Buildings under Construction £ 000's	Equipment £ 000's	Heritage Assets £ 000's	Total £ 000's
Cost or valuation as at 31 July 2011	1,165,982	2,208	81,654	158,744	1,408,588
Acquisition of HGU and ECA	45,440	-	1,271	2,460	49,171
Revaluation	-	-	-	8,058	8,058
Additions at cost	17,717	4,421	15,353	260	37,751
Transfers	1,832	(1,832)	-	-	-
Disposals	(1,180)	-	(637)	-	(1,817)
<b>As at 31 July 2012</b>	<b>1,229,791</b>	<b>4,797</b>	<b>97,641</b>	<b>169,522</b>	<b>1,501,751</b>
Depreciation as at 31 July 2011	30,258	-	59,537	-	89,795
Charge for the year	17,582	-	12,688	-	30,270
Disposals	(4)	-	(637)	-	(641)
<b>As at 31 July 2012</b>	<b>47,836</b>	<b>-</b>	<b>71,588</b>	<b>-</b>	<b>119,424</b>
<b>Net book value</b>					
<b>As at 31 July 2012</b>	<b>1,181,955</b>	<b>4,797</b>	<b>26,053</b>	<b>169,522</b>	<b>1,382,327</b>
<b>As at 31 July 2011</b>	<b>1,135,724</b>	<b>2,208</b>	<b>22,117</b>	<b>158,744</b>	<b>1,318,793</b>

There is a standard security over various properties belonging to the University which has been granted as part of a loan arrangement and further standard securities have been granted over certain properties in favour of the University of Edinburgh Staff Benefit Scheme as part of a pension funding guarantee arrangement.

The net book value of tangible fixed assets includes an amount of £2,408,931 (2011 - £2,438,788) of buildings fixtures and fittings held under finance leases. The depreciation charge on these assets for the year was £29,856 (2011 - £29,856).

## Notes to the Financial Statements

continued

	Group		University	
	2012	2011	2012	2011
	£ 000's	£ 000's	£ 000's	£ 000's
Net Book value historical cost equivalent				
Land and Buildings	675,449	644,762	669,881	642,964
Equipment	28,235	25,211	26,053	22,117
	703,684	669,973	695,934	665,081

	2012	2011
	£ 000's	£ 000's
The group depreciation charge has been matched by:		
Deferred capital grant released (note 21)	13,456	10,606
Revaluation reserve transferred to general reserves (note 23)	6,700	7,303
Earnings in subsidiaries	1,299	1,321
General income	10,114	6,349
	31,569	25,579

### 14. INVESTMENTS WITHIN FIXED ASSETS

	Group		University	
	2012	2011	2012	2011
	£ 000's	£ 000's	£ 000's	£ 000's
Movements in the year				
University General Reserve Fund				
Balance at 1 August	19,385	18,589	19,385	18,589
Disposals	(3,156)	(270)	(3,156)	(270)
Net (depreciation)/appreciation	(89)	1,066	(89)	1,066
Balance at 31 July	16,140	19,385	16,140	19,385
University General Fund				
Balance at 1 August	3,895	3,505	3,895	3,505
Net (depreciation)/appreciation	(77)	390	(77)	390
Balance at 31 July	3,818	3,895	3,818	3,895
Other Investments				
Balance at 1 August	281	81	754	514
Additions	95	200	-	-
Loans Advanced	300	-	395	240
Balance at 31 July	676	281	1,149	754
Total Investments within Fixed Assets	20,634	23,561	21,107	24,034
Represented by:				
Investment in subsidiary companies at cost	-	-	358	358
Loans to subsidiary companies	-	-	410	315
Fixed interest stocks	10,887	11,711	10,887	11,706
Equities	8,643	11,524	8,643	11,524
Bank deposits	401	45	401	45
Working capital	27	-	27	5
Other investments	676	281	381	81
Total investments within fixed assets	20,634	23,561	21,107	24,034
Investments at cost	20,499	20,586	20,932	21,141

## 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 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 seed corn venture capital for early stage high technology developments and the management of its portfolio of investments made using its funds.

#### 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.

#### 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.

#### Research into Results Limited

The University owns 100 percent of the issued share capital of Research into Results Limited. The company, registered in Scotland and limited by guarantees of £1 from each of two members, is consolidated in these financial statements.

#### SSTRIC Limited

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

#### 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.

#### The Andrew Grant Bequest

The Andrew Grant Bequest is a charity registered in Scotland, Registered Charity No SC001097. 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 charity is to manage the monies in the Andrew Grant bequest in accordance with the terms of the original benefactions from Andrew Grant.

#### 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.

#### 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 utility 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.

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 seed corn 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	
	2012	2011
	£ 000's	£ 000's
<b>15. ENDOWMENT ASSETS</b>		
As at 1 August	236,512	200,348
New endowments investment (note 27)	8,263	11,135
Disposal of investments	(1,126)	(1,617)
Acquisition of ECA (note 36)	1,018	-
(Decrease)/increase in market value of investments (note 22)	(4,036)	22,833
Charges on investments	(394)	(368)
Decrease/increase in cash balances held by the University	(1,743)	4,360
Decrease in working capital	(164)	(179)
Decrease in cash balances held by fund manager	(1)	-
<b>As at 31 July</b>	<b>238,329</b>	<b>236,512</b>
Represented by :		
Fixed interest stocks	52,965	50,474
Property	-	9,705
Equities – other	159,924	166,056
Bank deposits held at fund managers	10,422	4,490
Cash Balances held by the University and Development Trust (note 30)	2,655	4,450
Bank deposits held by the University	9,273	-
Working capital	3,090	1,337
<b>Total endowment assets</b>	<b>238,329</b>	<b>236,512</b>
Endowment Assets – at cost	192,300	182,788

	Group		University	
	2012	2011	2012	2011
	£ 000's	£ 000's	£ 000's	£ 000's
<b>16. DEBTORS</b>				
Amounts falling due within one year				
Debtors	78,497	77,029	71,335	70,755
Amounts owing from subsidiary companies	-	-	3,069	5,445
Prepayments and accrued income	10,586	7,987	10,199	7,661
	<b>89,083</b>	<b>85,016</b>	<b>84,603</b>	<b>83,861</b>

## Notes to the Financial Statements

continued

	Group		University	
	2012 £ 000's	2011 £ 000's	2012 £ 000's	2011 £ 000's
<b>17. CREDITORS</b>				
<b>Amounts falling due within one year</b>				
Unsecured loans (note 19)	1,302	1,141	1,302	1,141
Finance lease (note 19)	117	106	117	106
Creditors	28,938	32,098	30,701	28,601
Social security and other taxation payable	7,963	7,766	7,815	7,609
Accruals and deferred income	198,274	188,937	175,786	166,988
	236,594	230,048	215,721	204,445
<b>18. CREDITORS</b>				
<b>Amounts falling due after more than one year</b>				
Bank loans (note 19)	107,701	51,639	107,701	51,639
Obligations under finance leases (note 19)	1,657	1,774	1,657	1,774
Other creditors	612	612	512	512
	109,970	54,025	109,870	53,925
			Group and University	
			2012	2011
			£ 000's	£ 000's
<b>19. BORROWINGS</b>				
Bank loans				
Bank loans are repayable as follows:				
In one year or less			1,302	1,141
Between two and five years			18,160	14,169
In five years or more			89,541	37,470
			109,003	52,780
Less: falling due within one year (note 17)			(1,302)	(1,141)
Total bank loans (note 18)			107,701	51,639

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
- £12,450,000 at an annual interest rate of 0.23% above Bank of England base rate, repayable between 2011 and 2025.
- £50,000,000 at a fixed rate of 4.10% repayable between 2015 and 2037
- £7,324,000 at fixed rate at 5.89% repayable between 2012 and 2036

	2012 £ 000's	2011 £ 000's
Finance leases		
Obligations under finance leases due as follows:		
In one year	117	106
Between two and five years	627	542
After five years	1,030	1,232
	1,774	1,880

## Notes to the Financial Statements

continued

	Group and University	
	2012 £ 000's	2011 £ 000's
<b>20. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Unfunded pensions		
As at 1 August	6,800	8,077
Assumed on merger with ECA	3,044	-
Utilised in year	(796)	(615)
Transfer from Income and Expenditure account	1,957	(662)
As at 31 July	11,005	6,800

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. It also has a liability 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 & benefactions £ 000's	Research Income £ 000's	Total £ 000's
As at 1 August				
Buildings	165,861	156,663	-	322,524
Equipment	1,770	5,796	6,902	14,468
	167,631	162,459	6,902	336,992
Acquisition of ECA	4,700	-	-	4,700
Cash receivable				
Buildings	6,164	3,570	-	9,734
Equipment	354	2,486	8,561	11,401
	6,518	6,056	8,561	21,135
Released to Income and Expenditure Account				
Buildings	3,207	2,727	-	5,934
Equipment	785	3,056	3,681	7,522
	3,992	5,783	3,681	13,456
As at 31 July				
Buildings	173,518	157,506	-	331,024
Equipment	1,339	5,226	11,782	18,347
	174,857	162,732	11,782	349,371

## Notes to the Financial Statements

continued

### 21. DEFERRED CAPITAL GRANTS (Continued)

<b>University</b>	Funding Council	Other grants & benefactions	Research Income	Total
	£ 000's	£ 000's	£ 000's	£ 000's
As at 1 August				
Buildings	165,861	155,355	-	321,216
Equipment	1,770	4,496	6,902	13,168
	167,631	159,851	6,902	334,384
Acquisition of ECA	4,700	-	-	4,700
Cash receivable				
Buildings	6,164	3,570	-	9,734
Equipment	354	2,486	8,561	11,401
	6,518	6,056	8,561	21,135
Released to Income and Expenditure Account				
Buildings	3,207	2,674	-	5,881
Equipment	785	2,483	3,681	6,949
	3,992	5,157	3,681	12,830
As at 31 July				
Buildings	173,518	156,251	-	329,769
Equipment	1,339	4,499	11,782	17,620
	174,857	160,750	11,782	347,389

## Notes to the Financial Statements

continued

	Group and University		2012 Total £ 000's	2011 Total £ 000's
	Restricted Permanent £ 000's	Restricted Expendable £ 000's		
<b>22. ENDOWMENT FUNDS</b>				
Capital	68,749	138,049	206,798	175,183
Accumulated income	9,077	20,637	29,714	25,165
At 1 August Restated	77,826	158,686	236,512	200,348
Capital Recategorised	(2,538)	2,538	-	-
Accumulated income Recategorised	(4)	4	-	-
Capital Restated	66,211	140,587	206,798	175,183
Accumulated income Restated	9,073	20,641	29,714	25,165
At 1 August Restated	75,284	161,228	236,512	200,348
New endowments	5,119	656	5,775	12,695
Addition of ECA (note 35)	1,018	-	1,018	-
(Depreciation)/Appreciation of endowment investments	(1,245)	(2,791)	(4,036)	22,833
Investment charge on capital	(132)	(262)	(394)	(368)
Investment income for the year (note 6)	2,567	5,118	7,685	7,683
Expenditure for the year	(2,758)	(5,473)	(8,231)	(6,229)
Transferred to Deferred Capital Grants	-	-	-	(450)
As at 31 July	79,853	158,476	238,329	236,512
Represented by:				
Capital	71,130	138,079	209,209	206,798
Accumulated income	8,723	20,397	29,120	29,714
	79,853	158,476	238,329	236,512
Analysis of fund purpose:				
Chairs and lectureships			51,848	52,993
Prizes and scholarships			110,178	108,194
Other			76,303	75,325
			Group and University	
			2012	2011
			£ 000's	£ 000's
<b>23. REVALUATION RESERVE</b>				
As at 1 August			717,272	569,621
Prior year adjustment			-	158,703
As at 1 August as restated			717,272	728,324
Revaluation of tangible assets during the year - Heritage Assets (note 34)			8,058	-
Diminution in investment during the year			(77)	390
Transfer to general reserve - depreciation on revalued assets (note 24)			(6,700)	(6,700)
Disposals in the year (note 24)			(3,670)	(603)
Impairment in the year			-	(4,139)
As at 31 July			714,883	717,272

## Notes to the Financial Statements

continued

	Group 2012 £ 000's	Group 2011 £ 000's	University 2012 £ 000's	University 2011 £ 000's
<b>24. MOVEMENT ON RESERVES</b>				
<b>GENERAL RESERVE INCLUDING PENSION LIABILITY</b>				
At 1 August	250,164	189,046	245,147	183,783
Surplus attributable to the year	41,665	42,223	43,151	42,469
Depreciation on revalued assets (note 23)	6,700	6,700	6,700	6,700
Realisation of revaluation gains of previous years	3,670	603	3,670	603
Impairment on revalued assets	-	4,139	-	4,139
Pension actuarial (loss)/gain	(28,374)	7,453	(28,374)	7,453
Balance at 31 July	273,825	250,164	270,294	245,147
<b>Represented by Income and Expenditure Account and Pension Reserve:</b>				
<b>INCOME AND EXPENDITURE ACCOUNT</b>				
At 1 August	318,338	265,879	313,321	260,616
Surplus attributable to the year	41,665	42,223	43,151	42,469
Transfer to pension reserve - ECA liability assumed	3,791	-	3,791	-
Transfer from pension reserve	(1,065)	(1,206)	(1,065)	(1,206)
Transfer from revaluation reserve	10,370	11,442	10,370	11,442
Balance at 31 July	373,099	318,338	369,568	313,321
<b>PENSION RESERVE</b>				
At 1 August			(68,174)	(76,833)
Transfer to pension reserve- ECA liability assumed			(3,791)	-
Current service cost			(10,634)	(9,605)
Employer contributions			12,260	12,347
Contributions in respect of unfunded benefits			69	56
Net finance cost to assets (note 10)			(630)	(1,592)
Transfer (from)/to Income and Expenditure Account			(2,726)	1,206
Actuarial (loss)/gain (note 31)			(28,374)	7,453
At 31 July			(99,274)	(68,174)

Group and University

2012  
£ 000's

2011  
£ 000's

## Notes to the Financial Statements

continued

	Group	
	2012	2011
	£000's	£000's
<b>25. RECONCILIATION OF CONSOLIDATED SURPLUS BEFORE TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Surplus before tax and minority interest	41,180	43,681
Pension service cost in excess of contributions payable (note 31)	(1,695)	(2,798)
Depreciation (note 13)	31,569	25,579
Release of negative goodwill	(1,461)	-
Impairment of fixed assets (note 13)	-	4,139
(Increase)/diminution of fixed asset investment: General Reserve Fund (note 14)	89	(1,066)
Deferred capital grants released to income (note 21)	(13,456)	(10,710)
Loss on disposal of fixed assets	(206)	66
Donation of heritage assets	(260)	(41)
Bank, other loan & finance lease interest payable (note 10)	4,188	3,206
Net interest on pension scheme assets (note 10)	630	1,592
Decrease in stocks	(242)	(225)
(Increase)/decrease in debtors	(3,858)	657
Increase in accruals and deferred income	2,136	24,887
(Decrease)/increase in creditors	(2,963)	8,425
Increase/(decrease) in provisions (note 20)	1,161	(1,277)
Endowment income (note 22)	(7,685)	(7,683)
Other investment income (note 6)	(527)	(475)
Interest receivable (note 6)	(4,442)	(1,965)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>44,158</b>	<b>85,992</b>
<b>26. RETURN ON INVESTMENT AND SERVICING OF FINANCE</b>		
Endowment funds dividends and interest received	7,798	7,862
Other investment income	527	475
Interest received	3,397	1,212
Interest paid	(3,851)	(2,953)
Finance lease interest paid	(250)	(257)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>7,621</b>	<b>6,339</b>
	2012	2011
	£ 000's	£ 000's
<b>27. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchases of tangible assets	(38,142)	(64,032)
Proceeds from sale of fixed assets	4,891	5,736
Purchase of investments (note 14)	(395)	(200)
Proceeds from the sale of investments (note 14)	3,156	270
Deferred capital grants received - funding councils and research equipment	19,849	10,782
Deferred capital grants received - other capital benefactions	6,001	11,857
Purchase of endowment investment assets (note 15)	(8,263)	(11,135)
Disposal of endowment investment assets (note 15)	1,126	1,617
New endowments received (note 22)	5,775	12,695
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(6,002)</b>	<b>(32,410)</b>

## Notes to the Financial Statements

continued

	2012 £000's	2011 £000's
<b>28. MANAGEMENT OF LIQUID RESOURCES</b>		
Transfer to bank investments	(98,749)	(56,140)
<b>NET CASH OUTFLOW FROM THE MANAGEMENT OF LIQUID RESOURCES</b>	<b>(98,749)</b>	<b>(56,140)</b>
<b>29. FINANCING</b>		
New Loan	50,000	-
Loan repayments	(1,275)	(1,122)
Capital repayment of finance lease obligations	(106)	(72)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>48,619</b>	<b>(1,194)</b>

### 30. ANALYSIS OF NET FUNDS

	As at 1 August 2011 £000's	Cashflows £000's	Other Changes £000's	As at 31 July 2012 £000's
Cash in hand and at bank	12,979	(553)	-	12,426
Endowment assets:				
Cash balance held by University and Development Trust (note 15)	4,450	(1,795)	-	2,655
Total cash in hand and at bank	17,429	(2,348)	-	15,081
Debt due within 1 year	(1,141)	1,141	(1,302)	(1,302)
Debt due after 1 year	(51,639)	(49,864)	(6,198)	(107,701)
Finance leases	(1,880)	106	-	(1,774)
Debt assumed on merger with ECA (note 36)	-	(7,500)	7,500	-
Current asset investments:				
Bank deposits	211,082	98,749	-	309,831
<b>TOTAL FUNDS</b>	<b>173,851</b>	<b>40,284</b>	<b>-</b>	<b>214,135</b>

### 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 2012 £000's	Year to 31 July 2011 £ 000's
USS – Contributions paid	43,771	40,799
EUSBS – Charge to Income and Expenditure Account	10,200	9,300
STSS – Contributions paid	619	178
LPF – Charge to Income and Expenditure Account	115	-
SPF – Charge to Income and Expenditure Account	213	305
MRC – Charge to Income and Expenditure Account	662	-
Other – Charge to Income and Expenditure Account	491	282
	<b>56,071</b>	<b>50,864</b>

## Notes to the Financial Statements

continued

	Year to 31 July 2012 £ 000's	Year to 31 July 2011 £ 000's
Outstanding contributions to pension schemes at the Balance Sheet date were as follows:		
The Universities Superannuation Scheme	4,437	3,551
The University of Edinburgh Staff Benefits Scheme	970	997
The Medical Research Council Scheme	77	-
The Lothian Pension Fund	2	-
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	287	213
Payment to retired members in respect of the FSSU Supplementation scheme	23	16

### Pensions salary sacrifice arrangement – pensions

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; 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.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the 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 as at 31 March 2012 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.

## Notes to the Financial Statements

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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 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and 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 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

Male members’ mortality S1NA [“light”] YoB tables No age rating  
 Female members’ mortality S1NA [“light”] YoB tables rated down 1year

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 CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme’s technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% 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 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% 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 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to make good the shortfall by 31 March 2021. The next formal triennial actuarial valuation will be at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

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 but 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.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

## Notes to the Financial Statements

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### New Entrants

Other than in specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

### Normal Pension Age

The Normal pension age was increased for future service and new entrants, to age 65.

### Flexible Retirement

Flexible retirement options were introduced.

### Member Contributions Increased

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

### Cost Sharing

If the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

### Pension Increase Cap

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

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 shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 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 trustees believe 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

## Notes to the Financial Statements

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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 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.

At 31 March 2012, USS had over 145,000 active members and the institution had 5,125 active members participating in the scheme.

### 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. A full actuarial valuation is in the process of being carried out as at 31 March 2012 and the deficit estimated at £57.7 million. A valuation has been conducted at 31 July 2012, based on the Scheme membership as at 31 March 2012 and the details are included in this note.

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 - £22.5 m). 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 August 2009. Since 31 March 2009 global investment markets have continued to fluctuate and at 31 March 2012 the actuary has estimated that the funding level under the new scheme specific funding regime had improved to 78% (a deficit of £61.8 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).

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 2012 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.

## Notes to the Financial Statements

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

	At 31 July 2012	At 31 July 2011	At 31 July 2010
Rate of increase in salaries	3.60%	4.50%	4.25%
Rate of increase in pensions in payment pre 31 December 2010 (see note below)	1.90%	2.70%	2.75%
Rate of increase in pensions earned post 31 December 2012 (see note below )	2.60%	3.50%	3.25%
Discount rate	4.00%	5.60%	5.60%
Inflation assumption - (RPI) (see note)	2.60%	3.50%	3.25%
Inflation assumption - (CPI) (see note)	1.80%	2.70%	2.75%

Note: The assumption in respect of the rate of increase in pensions and the inflation assumption at 31 July 2012 are based on CPI. Prior year 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 2012	At 31 July 2011
Retiring today		
Males	21.2	20.4
Females	23.5	23.0
Retiring in 20 years		
Males	22.5	22.3
Females	25.0	24.9

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 2012 £ million	Long term rate of return	Value at 31 July 2011 £ million	Long term rate of return	Value at 31 July 2010 £ million
Equities	8.00%	132.6	8.00%	130.2	8.00%	127.0
Fixed Interest Government Bonds	2.50%	47.9	3.60%	41.6	4.26%	62.3
Corporate Bonds	3.90%	16.9	5.30%	17.2	-	-
Property	7.00%	23.6	7.00%	22.9	7.00%	6.8
Private equity	7.00%	13.8	7.00%	10.9	7.00%	10.9
Other – mainly cash	1.60%	0.4	1.50%	1.3	0.50%	1.2
Total market value of assets		235.2		224.1		208.2
Present value of scheme liabilities		(324.0)		(289.9)		(282.2)
Deficit in the scheme		(88.8)		(65.8)		(74.0)

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 salaries.

### Scottish Teachers Superannuation Scheme (STSS)

The STSS is an unfunded defined benefit scheme. Contributions on a “pay-as-you-go” basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

## Notes to the Financial Statements

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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:

Latest actuarial review	31 March 2005
Actuarial method	SCAPE*
Gross rate of return	6.5 per cent per annum
Rate of return in excess of salary increases	2.0 per cent per annum
Rate of return in excess of price increases	3.5 per cent per annum
Notional value of assets	£18,474 million
Value of liabilities	£19,310 million
Notional deficit	836 million

\*Superannuation Contributions Adjusted for Past Experience

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 £21.97 billion at 31st March 2011. The main changes in assumptions used were as follows:

#### March 2011 Valuation

Gross rate of return	5.6%
Real rate of return	0.7%
Real rate of return in excess of earnings	2.9%

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 2011 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 2011 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 2012 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 2012	At 31 July 2011	At 31 July 2010
Rate of increase of salaries	3.6%	4.5%	4.3%
Rate of increase in pensions in payment	1.8%	2.7%	2.8%
Discount rate	4.0%	5.6%	5.6%
Inflation assumption - RPI	2.6%	3.5%	3.2%
Inflation assumption - CPI	1.8%	2.7%	2.8%

Salary increases are assumed to be 3.0% p.a. until 31 July 2013 reverting to the long term rate shown thereafter.

## 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 2012	At 31 July 2011
Current Pensioners		
Males	21.0	20.6
Females	23.4	23.9
Future Pensioners		
Males	23.3	22.6
Females	25.3	26.0

The contribution rate payable by the University is 21.3% of pensionable salaries. In addition, further contributions of £306,000 will be made for each of the years to March 2013 and March 2014.

The assets in the total fund at year end amounted to £11,312 million (2011 : £10,983 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 2012 £'000s	Long term rate of return	Value at 31 July 2011 £'000s	Long term rate of return	Value at 31 July 2010 £'000s
Equities	8.0%	15,020	7.0%	14,455	8.0%	13,264
Bonds	3.1%	2,675	4.7%	2,473	4.5%	2,476
Property	7.0%	1,646	5.1%	1,141	7.0%	1,238
Other – mainly cash	2.8%	1,235	4.0%	951	0.5%	707
Total market value of assets		20,576		19,020		17,685
Present value of scheme liabilities						
- Funded		(25,761)		(20,435)		(19,785)
- Unfunded		(713)		(772)		(737)
Deficit in the scheme - net pension liability		(5,898)		(2,187)		(2,837)

On the basis of the actuary's calculations, the asset share in respect of the University at that date was 0.18% (2011 : 0.173%).

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.

### Lothian Pension Fund (LPF)

As a result of the merger with the Edinburgh College of Art the University obtained membership of the Lothian Pension Fund (LPF) with effect from 1 August 2011. LPF 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 2011 by a qualified independent actuary. To update this to provide appropriate information in respect of the former Edinburgh College of Art staff members, the actuary has used the following valuation data:

- The membership data submitted for the valuation at 31 March 2011 and
- Other relevant information provided by Edinburgh 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 2012 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.

## Notes to the Financial Statements

continued

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

	At 31 July 2012	At 31 July 2011
Pensioners Rate of increase of salaries	3.6%	5.0%
Rate of increase in pensions in payment (see Note)	2.2%	2.7%
Discount rate	4.0%	5.3%
Inflation assumption - RPI	2.6%	3.5%
Inflation assumption - CPI	1.8%	2.7%

Salary increases are assumed to be 1.0% p.a. until 31 July 2015 reverting to the long term rate shown thereafter. Note: The assumption in respect of the rate of increase in pensions and the inflation assumption at 31 July 2010 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 2012	At 31 July 2011
Current Pensioners		
Males	20.4	20.8
Females	22.8	24.1
Future Pensioners		
Males	22.6	22.3
Females	25.4	25.7

The contribution rate payable by the University is 17.3% of pensionable salaries. In addition a further contribution of £123,700 for the year to March 2013 will be made.

The assets in the total fund at year end amounted to £3,540 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 2012 £'000s	Long term rate of return	Value at 31 July 2011 £'000s
Equities	5.5%	14,246	7.0%	15,596
Bonds	2.9%	1,665	4.6%	1,777
Property	3.7%	2,035	5.1%	1,974
Other – mainly cash	2.8%	555	4.0%	395
Total market value of assets		18,501		19,742
Present value of scheme liabilities				
- Funded		(22,682)		(23,308)
- Unfunded		(218)		(225)
Deficit in the scheme - net pension liability		(4,399)		(3,791)

On the basis of the actuary's calculations, the asset share in respect of the University at that date was 0.52%.

The expected cost of providing staff pensions to employees contributing to the LPF 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.

## Notes to the Financial Statements

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### 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 9 deferred members participating in this scheme.

### Medical Research Council Pension Scheme (MRCPS)

As a result of the merger with Human Genetics Unit the University obtained membership of the Medical Research Council Pension Scheme (MRCPS) with effect from 1 October 2011. The MRC is a final salary pension scheme. Under the definitions set out in FRS17, the MRCPS is a multi employer 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 MRC operates a funded pension scheme (MRCPS) providing benefits based on service and final pensionable pay at the normal retirement age of 65. The scheme is a defined benefit scheme that prepares its own scheme statements. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of between 6.0% and 6.5% pensionable earnings to the Scheme. In addition to the principal section, the supplementary benefits section exists to provide additional benefits in the event of ill-health retirement or death-in-service. It is solely funded by members' contributions.

The required MRCPS contribution rate is assessed every three years in accordance with advice of the Government Actuary; the present MRCPS employers' contribution rate is 11 per cent. The latest actuarial assessment of the MRCPS was at 31 December 2010 at which the market value of the assets of the MRCPS was £884 million (2007 - £869 million). The actuarial value of the assets was sufficient to cover 110 per cent of the benefits that had accrued to members after allowing for expected future increases in earnings. Triennial valuations are conducted under the Pensions Act 2004 on a scheme specific funding basis. The scheme is 110% funded on an ongoing basis. The present MRCPS employers' contribution rate of 11% will rise to 13% in 2012/13.

The valuation below has been based on the data for the most recent actuarial valuations as at 31 December 2010 in order to assess the liabilities of the scheme at 31 March 2012. The mortality assumptions included within the figures are that male (female) members who retire at typical ages will live to approximately age 88 (90).

Financial assumptions used to calculate scheme liabilities 2011/12	At 31 July 2012
Rate of increase on pensionable salaries	3.6%
Rate of increase on pension payments	2.1%
Discount rate	4.6%
Inflation rate	2.0%

The contribution rate payable by the University increased on 1 April 2012 from 13% to 14.6% of pensionable salaries.

	Long term rate return	Value at 31 July 2012
		£
Equities and property	6.9%	787,429
Bonds and cash	3.1%	112,708
Total		900,137
Actuarial value of liability		(887,192)
Surplus in scheme		12,945

The last full valuation was carried out as at 31 December 2010.

The contribution rate payable by the University increased on 1 April 2012 from 13% to 14.6% of pensionable salaries. In addition, further contributions of £123,700 for 2012/2013 will be made.

## Notes to the Financial Statements

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### FRS17 Disclosures

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

	Year to 31 July 2012 £000's	Year to 31 July 2011 £000's
<b>Analysis of the amount charged to staff costs (note 7) within operating surplus</b>		
Current service cost	10,634	9,605
Past service cost	-	-
Total operating charge	10,634	9,605
Less contributions paid	(12,329)	(12,403)
Pensions costs less contributions payable (note 7)	(1,695)	(2,798)
<b>Analysis of the amount debited to other finance cost</b>		
Expected return on pension scheme assets	17,663	15,438
Interest on pension scheme liabilities	(18,293)	(17,030)
Net cost to pension scheme assets (note 10)	(630)	(1,592)
<b>Analysis of the amount recognised in the statement of recognised gains and losses (STRGL)</b>		
Difference between expected and actual return on scheme assets	(3,657)	2,714
Experience gains arising on scheme liabilities	20,683	539
Other changes in assumptions underlying the present value of the scheme liabilities	(45,400)	4,200
Actuarial (loss)/gain recognised in the STRGL	(28,374)	7,453
<b>Movement in deficit during year</b>		
	Year to 31 July 2012 £000's	Year to 31 July 2011 £000's
Deficit in schemes at 1 August	68,174	76,833
Movement in year:		
Acquisition of ECA	3,791	-
Employer service cost (net of employee contributions)	10,634	9,605
Employer contributions	(12,329)	(12,403)
Net interest/return on assets	630	1,592
Actuarial loss/(gain)	28,374	(7,453)
Deficit in schemes at 31 July	99,274	68,174

## Notes to the Financial Statements

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<b>FRS17 Disclosures (Continued)</b>		
<b>Asset and Liability Reconciliation</b>		
	Year to 31 July 2012 £000's	Year to 31 July 2011 £000's
<b>Reconciliation of Liabilities</b>		
Liabilities at start of period	311,107	302,722
Acquisition of ECA	23,533	-
Service cost	10,634	9,605
Interest cost	18,293	17,030
Employee contributions	443	299
Actuarial loss/(gain)	24,717	(4,739)
Benefits paid – funded	(15,284)	(13,754)
Benefits paid – unfunded	(69)	(56)
<b>Liabilities at end of period</b>	<b>373,374</b>	<b>311,107</b>
<b>Reconciliation of Assets</b>		
Assets at start of period	242,933	225,889
Acquisition of ECA	19,742	-
Expected return on assets	17,663	15,438
Actuarial (loss)/gain	(3,657)	2,714
Employer contributions	12,329	12,403
Employee contributions	443	299
Benefits paid - funded	(15,284)	(13,754)
Benefits paid - unfunded	(69)	(56)
<b>Assets at end of period</b>	<b>274,100</b>	<b>242,933</b>

<b>History of experience gains and losses</b>	Year to 31 July 2012	Year to 31 July 2011	Year to 31 July 2010	Year to 31 July 2009	Year to 31 July 2008
<b>Difference between the expected and actual return on assets:</b>					
Amount £000's	(3,657)	2,714	18,579	(30,940)	(36,911)
Percentage of scheme assets	(1.43%)	1.12%	8.10%	(16.10%)	(18.00%)
<b>Experience (losses) and gain on scheme liabilities:</b>					
Amount £000's	19,221	539	(4,422)	10,530	(3,719)
Percentage of scheme liabilities	5.5%	0.2%	(1.40%)	3.5%	(1.30%)
<b>Total amount recognised in STRGL:</b>					
Amount £000's	(29,836)	7,453	34,234	(18,756)	(55,938)
Percentage of scheme liabilities	(8.50%)	2.4%	11.3%	(6.30%)	(19.30%)

## Notes to the Financial Statements

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### 32. CAPITAL COMMITMENTS

	Group and University	
	2012	2011
	£000's	£000's
Commitments contracted for at 31 July	62,008	14,600

Of the above commitments, £36,578,000 (2011:£6,227,000) 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:

	2012	2011
	£ 000's	£ 000's
Land and Buildings		
Expiring within one year	4,543	146
Expiring within two to five years	2,308	825
Expiring in over five years	2,370	2,380
	9,221	3,351
Other		
Expiring within one year	52	35
Expiring within two to five years	493	447
Expiring in over five years	13	13
	558	495
<b>Total Financial Commitments</b>	<b>9,779</b>	<b>3,846</b>

### 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, sculptures, 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 contain 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

## Notes to the Financial Statements

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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 2,000 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 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*

## Notes to the Financial Statements

For the year ended 31 July 2012

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### 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.

### 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.

### Heritage Collections of Edinburgh College of Art

The Heritage Collections of Edinburgh College of Art comprise archives, rare books and art collections. Over a 12 month transition period (post-merger with University of Edinburgh) the Archives Collection (300 linear metres) and Rare Book Collection (comprising 1,400 items) were transferred to the Centre for Research Collections, where finding aids continue to be developed and collections are made available for research and consultation. The Art Collections comprise a variety of subjects and genres. There are currently 12 individual collections including drawing, painting, artists books, casts, prints, sculpture, film and animation, textiles and small collections of ceramics and glass. The most significant is the Drawings & Paintings Collection which contains some 3,500 items, primarily retained student work. Management of the Art Collections, including access arrangements and collections development is under review and it is likely that a new structure will be in place by January 2013. The valuation of this collection is also currently under review.

## 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-museum-gallery/crc/collections/museumsupport>.

## 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.

## Notes to the Financial Statements

For the year ended 31 July 2012

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	<a href="http://www.quaritch.com/">http://www.quaritch.com/</a>
Edinburgh University Collection of Historic Musical Instruments (EUCHMI)	External	Sothebys	<a href="http://www.sothebys.com/">http://www.sothebys.com/</a>
The Fine Art Collections	External	Sothebys and Paolozzi Foundation	<a href="http://www.sothebys.com/">http://www.sothebys.com/</a> Not available
Cockburn Museum of Geology	Internal	Dr John Scally	<a href="http://www.ed.ac.uk-schoolsdepartments/information-services/services/library-museum-gallery/museums-and-galleries">http://www.ed.ac.uk-schoolsdepartments/information-services/services/library-museum-gallery/museums-and-galleries</a>
Natural History Collections	External	Dr Margaret Reilly, Hunterian Museum, Glasgow	<a href="http://www.gla.ac.uk/hunterian/">http://www.gla.ac.uk/hunterian/</a>
Museum Heritage Collection	Internal	Dr John Scally	<a href="http://www.ed.ac.uk-schoolsdepartments/information-services/services/library-museum-gallery/museums-and-galleries">http://www.ed.ac.uk-schoolsdepartments/information-services/services/library-museum-gallery/museums-and-galleries</a>
School of Scottish Studies Collections	External	Scottish Sound Archive	<a href="http://ssa.nls.uk/">http://ssa.nls.uk/</a>
School of Chemistry	Internal	Dr John Scally	<a href="http://www.ed.ac.uk-schoolsdepartments/information-services/services/library-museum-gallery/museums-and-galleries">http://www.ed.ac.uk-schoolsdepartments/information-services/services/library-museum-gallery/museums-and-galleries</a>

### 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.

#### Heritage Assets

	2008 £ 000's	2009 £ 000's	2010 £ 000's	2011 £ 000's	2012 £ 000's
Opening balance as at 1 Aug	147,455	148,131	149,352	158,703	158,744
Additions	-	221	-	41	260
Acquisition of ECA (note 36)	-	-	-	-	2,460
Revaluation (note 23)*	676	1,000	9,351	-	8,058
Closing Balance as at 31 July	148,131	149,352	158,703	158,744	169,522

### 35. 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 the related parties are conducted on normal commercial terms, or on the basis of a simple recharge of direct costs incurred.

## Notes to the Financial Statements

For the year ended 31 July 2012

	2012		
	£ 000's		
<b>36. BENEFITS ARISING FROM AQUISITIONS</b>			
As at 1 August	-		
Negative goodwill* arising in the year	29,824		
Release of negative goodwill to income	(1,461)		
As at 31 July	28,363		
Fair Value Table	NBV	Fair value adjustment	Fair value on acquisition
	£ 000's	£ 000's	£ 000's
Fixed assets - land	2,161	2,457	4,618
Fixed assets - buildings	21,764	19,058	40,822
Fixed assets - equipment	3,901	(2,630)	1,271
Fixed assets - heritage assets	2,460	-	2,460
Endowment Assets	1,018	-	1,018
Stocks	165	(2)	163
Debtors	799	(29)	770
Cash	2,038	-	2,038
Current Liabilities	(3,282)	-	(3,282)
Long term Liabilities	(7,500)	-	(7,500)
Provision for Unfunded pension-Liability	(3,044)	-	(3,044)
Deferred capital Grant Building	(4,208)	-	(4,208)
Deferred capital Grant Equipment	(737)	244	(493)
Endowment fund	(1,018)	-	(1,018)
Pension Liability	(3,791)	-	(3,791)
	10,726	19,098	29,824

The fair value table includes the following adjustments:

- Revaluation arising on the adoption of the University policy on the accounting for of land and buildings.
- Reduction in the net book values of equipment on adoption of the University accounting policy for capitalisation and depreciation.
- Reduction in the balance of deferred grants related to the adoption of the University accounting policy for capitalisation and depreciation of equipment.

Of the negative goodwill arising on mergers £18.1 million related to the Edinburgh College of Art and £11.7 million related to the Medical Research Council and Human Genetic Unit Merger

\*Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its estimated economic life of 10 years on a straight-line basis. A full year of amortisation is taken in the year of acquisition. Where there is impairment in the carrying value of goodwill, the loss is incurred in the results for the period. Negative goodwill relating to non-monetary assets is released to the income and expenditure account as those assets are recovered through depreciation or sale. Negative goodwill relating to the monetary assets is released to the income and expenditure account in the period the monetary assets are realised.

## Notes to the Financial Statements

For the year ended 31 July 2012

	2012	2012	2012	2012	2011
	HE Childcare	HE Discretionary undergraduate	HE Discretionary Postgraduate	Total	Total
	£000's	£000's	£000's	£000's	£000's
Balance b/fwd	28	22	22	72	102
Allocation received in year	332	872	240	1,444	1,324
Expenditure	(268)	(1,079)	(262)	(1,609)	(1,240)
Repaid as clawback	-	-	-	-	-
Institution contribution to funds	93	-	-	93	-
Virements	(185)	185	-	-	-
Balance carried forward	-	-	-	-	186
Repayable as clawback	-	-	-	-	114
Retained by institution for students	-	-	-	-	72

## Five Year Financial Summary

For the year ended 31 July 2012

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR TO 31 JULY	2012 £ 000's	2011 £ 000's	2010 £ 000's	2009 £ 000's	2008 £ 000's
<b>Income</b>					
Funding Council Grants	189,438	189,508	197,778	183,524	176,905
Academic Fees and Support Grants	150,298	131,060	109,940	91,932	82,343
Research Grants and Contracts	193,119	180,990	185,279	174,648	143,322
Other Operating Income	155,378	137,549	131,391	127,041	133,014
Endowment Income and Interest Receivable	12,654	10,123	9,591	14,388	19,735
<b>Total Income</b>	<b>700,887</b>	<b>649,230</b>	<b>633,979</b>	<b>591,533</b>	<b>555,319</b>
<b>Expenditure</b>					
Staff Costs	354,673	331,177	339,749	328,287	297,135
Other Operating Expenses	268,853	243,929	243,008	231,160	227,618
Depreciation	31,569	25,579	24,333	21,957	21,119
Interest Payable	4,818	4,798	6,745	6,232	4,012
<b>Total Expenditure</b>	<b>659,913</b>	<b>605,483</b>	<b>613,835</b>	<b>587,636</b>	<b>549,884</b>
Surplus on Continuing Operations	40,974	43,747	20,144	3,897	5,435
Tax and Minority Interest	(61)	(4)	(11)	4	(30)
(Loss)/Gains on Disposal of Assets	206	(66)	(997)	(77)	471
Acquisition Gain on Merger	-	-	-	-	-
Transfers from/(to) Endowment Reserves	546	(1,454)	(820)	142	(674)
<b>Surplus Retained within General Reserves</b>	<b>41,665</b>	<b>42,223</b>	<b>18,316</b>	<b>3,966</b>	<b>5,202</b>
<b>GROUP BALANCE SHEET AS AT 31 JULY</b>	<b>2012 £million</b>	<b>2011 £million</b>	<b>2010 £million</b>	<b>2009 £million</b>	<b>2008 £million</b>
Fixed Assets	1,379	1,347	1,298	1,204	1,177
Endowment Assets	238	237	200	165	185
Net Current Assets	179	86	38	40	53
Non-Current Liabilities and Provisions	(121)	(61)	(63)	(64)	(69)
Pension Liability	(99)	(68)	(77)	(106)	(84)
<b>TOTAL NET ASSETS</b>	<b>1,576</b>	<b>1,541</b>	<b>1,396</b>	<b>1,239</b>	<b>1,262</b>
Represented by funding:					
Deferred Capital Grants	349	337	278	254	241
Endowments	238	237	200	165	185
Total Reserves	989	967	918	820	836
<b>TOTAL FUNDS</b>	<b>1,576</b>	<b>1,541</b>	<b>1,396</b>	<b>1,239</b>	<b>1,262</b>
Staff numbers (expressed as full time equivalents) as at 31 July	7,871	7,255	7,341	7,364	7,368

## Five Year Financial Summary

For the year ended 31 July 2012

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR TO 31 JULY	2012	2011	2010	2009	2008
<b>Income</b>					
Funding Council Grants	27.03%	29.19%	31.20%	31.03%	31.86%
Academic Fees and Support Grants	21.44%	20.19%	17.34%	15.54%	14.83%
Research Grants and Contracts	27.55%	27.88%	29.22%	29.52%	25.81%
Other Operating Income	22.17%	21.18%	20.72%	21.48%	23.95%
Endowment income and Interest Receivable	1.81%	1.56%	1.51%	2.43%	3.55%
<b>Total Income</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Expenditure</b>					
Staff Costs	53.75%	54.71%	55.35%	55.87%	54.04%
Other Operating Expenses	40.74%	40.29%	39.59%	39.34%	41.39%
Depreciation	4.78%	4.21%	3.96%	3.74%	3.84%
Interest Payable	0.73%	0.79%	1.10%	1.06%	0.73%
<b>Total Expenditure</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Performance Measures:</b>					
ROCE (Net Surplus after Tax / Capital Employed (Total Assets - Current Liabilities))	2.28%	2.62%	1.46%	0.31%	0.43%
Operating Surplus as % Turnover	5.85%	6.74%	3.18%	0.66%	0.98%
Total Income per FTE	£89,047	£89,487	£86,361	£80,328	£75,369
% Increase/Decrease in Income per FTE	-0.49%	3.62%	7.51%	6.58%	8.41%
% Increase/Decrease in Research Grant Income - EU	15.64%	-3.28%	12.84%	15.50%	17.57%
% Increase/Decrease in Research Grant Income - Research Councils	12.18%	2.27%	9.43%	28.89%	33.77%
% Increase/Decrease in Research Grant Income - Overseas	0.47%	5.58%	0.48%	36.15%	9.85%
<b>Liquidity Ratio</b> ((Current Assets - Stock) / Current Liabilities) <i>Extent to which current liabilities can be met from cash and liquid investments</i>	1.74	1.34	1.16	1.17	1.29
<b>Days Ratio of Cash to Total Expenditure</b> (Investments + Cash at Bank - Overdraft) / (Total Expenditure - Depreciation)*365 <i>The number of days expenditure that could be sustained from available funds</i>	187	141	105	113	98
<b>Gearing</b> (Creditors > 1 year / Endowment + General Reserves incl Pension Reserve) <i>Measures the extent to which the University is funded by long term debt</i>	8.96%	4.49%	5.75%	6.74%	7.36%

The University of Edinburgh

Central Management Group

23 January 2013

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**Outturn 2011-12 versus Quarter 3 Forecast**

Brief description of the paper

The paper seeks to compare the University's financial outturn for 2011-12 with the Quarter 3 forecast prepared in Spring 2012.

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  
January 2013

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

*The paper should be withheld for a period of twelve months from date of presentation.*



The University of Edinburgh

Central Management Group

23 January 2013

**Quarter 1 Management Accounts Forecast 2012-13**

Brief description of the paper

The University Group's Quarter 1 Management Accounts Forecast for 2012-13, 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

January 2013

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

*The paper should be withheld until after publication of the University's Annual Accounts for 2012-13 (i.e. 31<sup>st</sup> December 2013).*



The University of Edinburgh

Central Management Group

23 January 2013

**Fees: Convener's action and routine fees**

Brief description of the paper

The paper contains an action from the Fees Strategy Group's Convener and recommendations on routine fees for CMG's approval.

Action requested

Approve the recommendations as set out on pages 2 and 6.

Resource implications

Does the paper have resource implications? Yes.  
This paper deals with 2013/14 tuition fees.

Risk assessment

Does the paper include a risk analysis? No.

Equality and diversity

Does the paper have equality and diversity implications? Yes.  
Equality and diversity issues are considered as part of the ongoing monitoring of fee levels by the Fees Strategy Group and its Secretary.

Freedom of information

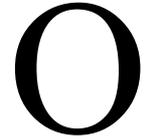
Can this paper be included in open business? No.

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

Deborah Cook  
Governance and Strategic Planning  
14 January 2013



The University of Edinburgh

Central Management Group

23 January 2013

**International fees**

Brief description of the paper

The paper presents a proposal for setting 'fixed' international fees for 2014/15 for UG programmes and PGT programmes of greater than one year duration.

Action requested

To consider recommendations.

Resource implications

Does the paper have resource implications? Yes. See section 4 of the paper.

Risk assessment

Does the paper include a risk analysis? Yes. See section 4 'Risks'.

Equality and diversity

Does the paper have equality and diversity implications? No.

Freedom of information

Can this paper be included in open business? No

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

For how long must the paper be withheld: Until we publish the 2014/15 international fee rates.

Originator of the paper

Vice-Principal Professor Jonathan Seckl

The University of Edinburgh

Central Management Group

23 January 2013

## **Health and Safety Quarterly Report**

### 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 2012.

5 incidents which were Reportable to the Enforcing Authorities are summarised, 4 of which were Reportable because a member of the public (postgraduate or undergraduate) attended hospital for assessment and/or treatment, and 1 injury which led to more than 7 days absence from work. 3 notable non-injury incidents, which are not reportable to an enforcing authority are also included.

Developments and issues also covered include: RIDDOR review / Westminster briefing, ECA audit, Behavioural safety training, Validation and accreditation of BTI biosafety course, IOSH accredited UoE training courses, Scottish First Aid Award, Review of PAT Testing regime and fume cupboard performance testing regime, EBVC review of campus arrangements, and Mapping support for disabled staff.

### 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 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, 16 January 2013

### Freedom of information

Can this paper be included in open business? Yes

## Health and Safety Quarterly Report 2012-2013

Quarterly reporting period: 1<sup>st</sup> October-31<sup>st</sup> December 2012 (Quarter One)

### Accidents and Incidents

Type of Accident/Incident	Quarter 1 Oct-Dec 2012	Quarter 1 Oct-Dec 2011	Year to Date 1 Oct 2012 – 31 Dec 2013	Year to Date 1 Oct 2011 – 31 Dec 2012
Fatality	0	0	0	0
Specified Major Injury	0	1	0	1
7 day Absence ( 7 day injury)	1	1	1	1
Public to Hospital	4	4	4	4
Reportable Dangerous Occurrences	0	0	0	0
<b>Disease</b>	0	0	0	0
<b>Total Reportable Accidents / Incidents</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>
<b>Total Non-Reportable Accidents / Incidents</b>	<b>113</b>	<b>116</b>	<b>113</b>	<b>116</b>
<b>Total Accidents / Incidents</b>	<b>118</b>	<b>122</b>	<b>118</b>	<b>122</b>

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

#### ***Incidents Reported to the Enforcing Authorities during the quarter:***

- The IP, a member of Security staff, and a colleague were preventing a student, who was drunk and aggressive, from accessing a University building at ECA. The student pulled and pushed the door violently in an attempt to gain access. The IP sustained pain in his right shoulder whilst pulling and holding the door closed. The police attended the incident and charges may be made. The University is considering disciplinary action against the student concerned. (**> 7 day injury**).
- A postgraduate student in MVM was using fine forceps to position a fish carcass. The IP's hand slipped and the fine forceps partially penetrated the skin of the left hand, between thumb and forefinger. The IP was taken to hospital where x-rays indicated an embedded small metal fragment, which was removed. Following this incident discussions have taken place with the student regarding procedural awareness and concentration. (**Public to Hospital**).
- An undergraduate student in MVM sustained a deep cut to her right thumb when removing a used scalpel blade from the handle, after completing a dissection. The IP was taken to hospital for treatment. The instruction was reinforced that scalpel blades should be removed in the correct manner as shown in the dissection demonstration, using scalpel blade removers which are provided in the dissection room. (**Public to Hospital**).
- An undergraduate student in ECA was opening a door for another student. The IP's hand was trapped between the door handle and the wall, resulting in pain and swelling to the thumb and hand. The IP attended hospital as a precaution. Remedial action is in hand to adjust the door stop, to prevent the door handle striking the wall. (**Public to Hospital**).

### ***Incidents Reported to the Enforcing Authorities during the quarter (cont.):***

- An undergraduate student in ECA was carving an impression into wax using a knife. The IP's hand slipped and the blade penetrated his left hand, at the base of the thumb. The IP attended hospital as a precaution. The IP has been advised of the appropriate wax carving tools to use. (***Public to Hospital***).

### ***Other notable Non- Injury Incidents – not Reportable to the Enforcing Authorities***

- The inappropriate disposal of two animal carcass bags within a waste store used by MVM, resulted in substantial blood / carcass contamination within a contained area. The contamination was reported to Estates and Buildings who arranged for appropriate clean-up and disposal of waste. An investigation took place, but was unable to identify the precise source of the waste or the person(s) who initially failed to follow the correct disposal route. Staff in relevant areas have been reminded of the correct disposal routes.
- Due to the malfunction of a piece of laboratory equipment, vials containing a small volume of a short-lived radioactive material (2 hour ½ life) were in the process of being manually retrieved, using a pair of tongs, when one of the vials was dropped. This resulted in contamination of the lab floor (MVM), as well as a shoe of a member of lab staff. Monitoring of the member of staff showed no personal contamination. The contaminated shoe was left in the lab and access to the lab was prohibited for 24 hours to allow the radioactivity to decay to a safe level.
- Two students narrowly avoided being struck by a vehicle in the area adjacent to the Informatics Forum. The traffic / pedestrian interface in this area is cause for concern and consideration is being given to commissioning an expert traffic assessment in the Informatics Forum / Appleton Tower / Charles Street Lane area, by external traffic management specialists.

*Note: IP: Injured person*

## **Other Developments and Issues**

### ***RIDDOR review/Westminster briefing***

Proposed changes to injury and ill health reporting Regulations (RIDDOR) have appeared in an HSE Consultative Document, to which the University has responded. The current UK Government's view of our "national" health and safety performance has also been communicated by DWP at a recent Westminster Briefing. Both of these factors indicate that formal reporting of occupational ill health in the UK may be removed from RIDDOR, other than for illness due to infection by a biological agent at work.

Should this be the case in due course, the Health and Safety Department will ensure that the clearest possible picture of the University's own occupational ill health experience will continue to be recorded and analysed, and that the learning resulting from such events still contributes effectively to our prevention strategy for the future, irrespective of what transpires at UK level.

## **Other Developments and Issues (cont.)**

### ***ECA audit***

A comprehensive three day health and safety management and compliance audit of the Edinburgh College of Art was carried out in October/November 2012, in partnership with Aon, as a follow-up to the less penetrating due diligence audit held at the time of merger. ECA scored firmly in the “Fair” range of scoring categories; however, the audit team were impressed with both senior management’s commitment and with the commitment, expertise and effort evident “at the coal face”. These factors should combine to ensure that ECA will be able to move into the “Good” category of audit score in due course. The Audit Report has been passed to ECA management and to other relevant colleagues for action, with the support of the Health and Safety Department.

### ***Behavioural safety training***

Members of the corporate Health and Safety Department and a number of School Health and Safety Managers attended a successful two day training course presented by the Keil Centre, a well reputed group of occupational and clinical psychologists, and ergonomists. The course concentrated on tools applicable to Human Factors Analysis, with particular reference to behavioural safety in accident and incident investigation. The balance of College and School health and safety professionals will be invited to an identical course in February 2013.

### ***Validation and accreditation of BTI biosafety course***

The Biosafety Training Institute’s (BTI) core 5 day Level One biological safety course has now received internal validation from the University at SCQF Level 11 (equivalent to a module on an MSc course), and has been accepted for continuing professional development (cpd) credit allocation by the UK Society of Biology. Attendance at our course accrues almost double the minimum number of cpd credits which a member of the Society needs to score in a calendar year. We are exploring the possibility of accreditation by the UK Institution of Occupational Safety and Health (IOSH) to further enhance the reputation of this professional training course.

### ***IOSH accredited UoE training courses***

The successful partnership training input involving the Health and Safety and Estates and Buildings Departments continues to expand, with a number of IOSH accredited Managing Safely, and Working Safely, courses being provided in the last quarter. A growing number of the University’s staff are therefore achieving health and safety qualifications to nationally recognised standards, and we are providing this valuable training in-house, where we previously used to rely upon external accredited training input.

## **Other Developments and Issues (cont.)**

### ***Scottish First Aid Award***

The University's First Aid Trainer, John Nimmo, has won the inaugural Scottish First Aid Award for the Public/Non-profit Sector. The First Aid Trainer is responsible for all first aid at work and emergency first aid training throughout the University community - there are currently 501 trained first aiders and 127 emergency first aiders providing cover across the University's campuses.

### ***Review of PAT Testing regime and Fume Cupboard Performance Testing regime***

The Health and Safety Department has been working in liaison with E&B colleagues to carry out a review of our current PAT testing arrangements, in the light of new guidance from the Health and Safety Executive, and a review of our long standing laboratory fume cupboard performance testing scheme, with expert input from a leading fume cupboard manufacturer/installer.

### ***EBVC review of campus arrangements***

The corporate Health and Safety Department has assisted colleagues in the EBVC Executive with the occupational health and safety element of their comprehensive review of campus services at Easter Bush.

### ***Mapping support for disabled staff***

The Director of Health and Safety has participated in group discussions on mapping the University's current provisions for disabled staff, together with key colleagues from Occupational Health, Human Resources, and SASG, with a view to ensuring the provision of an effective focus for staff disability issues, together with a properly joined up approach to disability as a holistic issue within the organisation. These discussions began in late 2012 and will progress into 2013.

Alastair Reid  
Director of Health and Safety  
16<sup>th</sup> January 2013

## Accidents & Incidents

Quarterly period: 01/10/2012 – 31/12/2012

Year to Date Period: 01/10/2012 – 31/12/2012

(First Quarter)

COLLEGE / GROUP	REPORTABLE (TO HSE) ACCIDENTS / INCIDENTS														TOTAL Non-Reportable Accidents / Incidents		TOTAL ACCIDENTS / INCIDENTS	
	Fatality		Specified Major Injury		>7 day injury		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	-	-	-	-	-	-	2	2	-	-	-	-	-	-	-	-	-	-
Science & Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medicine & Veterinary Med.	-	-	-	-	-	-	2	2	-	-	-	-	-	-	-	-	-	-
SASG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Services Group	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-
ISG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>UNIVERSITY</b>	-	-	-	-	<b>1</b>	<b>1</b>	<b>4</b>	<b>4</b>	-	-	-	-	<b>5</b>	<b>5</b>	<b>113</b>	<b>113</b>	<b>118</b>	<b>118</b>

\* 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.

***NB Reporting requirements for absence from work after an accident changed on 6<sup>th</sup> April 2012 to >7 day absence***

The University of Edinburgh

Central Management Group

23 January 2013



**Athena SWAN Bronze University award renewal application**

Brief description of the paper

This paper presents the University's Athena SWAN Bronze award renewal application for CMG's information.

CMG considered an earlier draft at its meeting on 12 November 2012. Subsequently, the application was considerably expanded and revised and the attached submission was made on 30 November 2012. We expect to hear the outcome in March or April 2013.

Action requested

CMG is invited to note the considerable work being undertaken across the University to promote the careers of women in science, technology, engineering, mathematics and medicine, as summarised in the application for renewal of our Bronze Athena SWAN award. CMG is also invited to note the on-going action identified in Appendix 2.

Resource implications

Does the paper have resource implications? Not in itself. However, delivery of the Athena SWAN Action Plan 2012, set out in Appendix 2, has resource implications.

Risk Assessment

Does the paper have risk implications? No

Equality and Diversity

Does the paper have equality and diversity implications? Yes – positive implications. The Athena SWAN awards relate to the advancement of gender equality.

Freedom of information

Can this paper be included in open business? Yes

Originator of the paper

Professor Lorraine Waterhouse, Vice-Principal Equality and Diversity  
Eilidh Fraser, Deputy Director of HR



16 November 2012

Sarah Dickenson  
Senior Policy Advisor  
Athena SWAN  
Equality Challenge Unit  
7<sup>th</sup> Floor Queen's House  
55/56 Lincoln's Inn Fields  
London  
WC2A 3LJ

PRINCIPAL *and* VICE CHANCELLOR  
Professor Sir Timothy O'Shea

The University of Edinburgh  
Old College  
South Bridge  
Edinburgh EH8 9YL

Telephone +44 (0)131 650 2150/49  
Fax +44 (0)131 650 6519  
Email [principal@ed.ac.uk](mailto:principal@ed.ac.uk)

*Dear Sarah,*

**Application for renewal of the University of Edinburgh's Athena SWAN Bronze award**

I wish to commend the University of Edinburgh's application for renewal of the Athena SWAN Bronze university award. I believe it demonstrates my commitment on behalf of the institution to promoting the principles of the Athena SWAN Charter and to advancing the careers of women in science, technology, engineering, mathematics and medicine (STEMM).

I am delighted to have this opportunity to recognise further the tremendous achievement of our School of Chemistry in achieving the Athena SWAN Gold award and of our Schools of Biomedical Sciences, Physics and the Roslin Institute in achieving Athena SWAN and Juno awards. I am also pleased to note the work being undertaken to promote women's success across all parts of our Colleges of Medicine and Veterinary Medicine and of Science and Engineering in our submission, which has the full support of the Heads of College and all of the University's senior team.

Edinburgh is a truly international university firmly rooted in Scotland. Edinburgh is one of the world's leading research Universities. Our science, medical and veterinary graduates are highly sought after by employers. Our scientific research contributes to the health and development of society. In my introduction to our Strategic Plan 2012-2016, I set out our priorities for delivering excellence in education, research and innovation over the next four years. I emphasise the importance of good governance and of equality and inclusion to meeting these priorities.

I take a personal interest in promoting women's success in the University, as does the University Court. Our long-standing commitment to the Athena SWAN Charter assists me in bringing gifted students and talented staff to STEMM. This is why I introduced the goal of achieving the University Athena SWAN Silver Award by 2016 in our Strategic Plan. I also introduced two further related goals. First, to increase the proportion of female academic staff appointed to lecturer and promoted to senior levels. Second, to reduce the gender pay gap for University staff.

I created the position of Vice-Principal Equality and Diversity several years ago, to make sure that equality issues are prominent in top level discussions, and I personally make sure that gender equality is part of our Remuneration Committee's agenda.

Our determination to realise the ambitions of the Athena SWAN Charter benefits women in STEMM and the whole community of women at the University of Edinburgh.

I hope you will be able to see from this application our sustained engagement these past three years with the aspirations of Athena SWAN and our willingness to learn from what others and we do. I am confident that we are positioning ourselves at the forefront of good practice in addressing the careers of women in science.

We will take all necessary action at institution and departmental levels, monitor our progress and provide an annual account to Court of our work and future plans for improvement.

Thank you for your consideration of our application.

*Yours sincerely,*  

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*Timothy*



# Athena SWAN Bronze University award renewal application

**Name of institution:** University of Edinburgh (UoE) **Year:** 2012

**Contact for application:** Eilidh Fraser, Deputy Director of HR

**Email:** [Eilidh.Fraser@ed.ac.uk](mailto:Eilidh.Fraser@ed.ac.uk)

**Telephone:** 0131 650 9347

**Date of previous award:** May 2009

## List of SET departments (highlighting those that currently hold Bronze, Silver or Gold department awards):

The University has three Colleges, each consisting of a number of Schools as indicated below. Schools are 'departments' for Athena SWAN purposes. There are also several institutes and other academic units within Schools which are, in some cases, sufficiently substantial and self-contained as to also be considered as 'departments' for Athena SWAN purposes.

The College of Science & Engineering (CSE) consists of 7 Schools:

- School of Biological Sciences
- School of Chemistry
- School of Engineering
- School of GeoSciences
- School of Informatics
- School of Mathematics
- School of Physics and Astronomy

The College of Medicine and Veterinary Medicine (MVM) consists of 4 Schools:

- School of Biomedical Sciences
- School of Clinical Sciences
- School of Molecular, Genetic and Population Health Sciences
- Royal (Dick) School of Veterinary Studies

The College of Humanities and Social Science (HSS) plan to submit for Athena SWAN for SET/STEMM<sup>1</sup> departments. The College consists of 11 Schools.

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<sup>1</sup> Throughout this application STEM is adopted to reflect the inclusion of the University's College of Medicine and Veterinary Medicine.

## **Awards:**

The School of Chemistry was awarded Athena SWAN Gold in 2012, having held Silver since 2006.

The School of Biomedical Sciences was awarded Athena SWAN Silver in 2011.

The Roslin Institute, which is part of the Royal (Dick) School of Veterinary Studies, was awarded Athena SWAN Bronze in 2011.

The School of Physics has held Juno Practitioner since 2010.

The University of Edinburgh has held University Athena SWAN Bronze since 2006.

The School of Biological Sciences is applying for Athena SWAN Silver and The Royal (Dick) School of Veterinary Studies for Bronze, in November 2012.

All of the remaining STEMM Schools are preparing to apply for Athena SWAN awards in 2013/14.

## **Total number of university departments:**

There are 22 academic Schools in the UoE.

## **Percentage of SET departments as a proportion of all university departments:**

The percentage of STEMM Schools as a proportion of all University Schools is 50%.

### **1. Letter of endorsement from a Vice-Chancellor – *maximum 500 words***

The Principal, along with the University's Central Management Group, considered this application, in draft, at the CMG meeting on 12 November 2012. The Principal and Vice-Chancellor, Professor Sir Timothy O'Shea, sent his letter of endorsement on 16 November and a copy is included with this application.

### **2. The self-assessment process – *maximum 1000 words***

*Describe the Self-Assessment Process. This should include:*

- a) a description of the self assessment team: members' roles (both within the university and as part of the team) and their experiences of work-life balance, and how and why the team has changed since the original Bronze application;*

Our self-assessment team comprises the University's Athena SWAN (AS) network. The Network includes membership from all areas which hold or are working towards an award.

**Professor Lorraine Waterhouse** (Convener) is Professor of Social Work in the School of Social & Political Science and Vice-Principal for Equality & Diversity.

**Professor Catherine Abbott** is Personal Chair of Mammalian Molecular Genetics and Chairs the AS team in the School of Molecular, Genetic and Population Health Sciences.

**Mrs Denise Boyle** is HR Employee Relations Partner for the University and coordinates the Scottish AS Network.

**Dr Katherine Cameron** is a Researcher and Deputy Convener of the AS team in the School of Engineering.

**Professor Karen Chapman** is Personal Chair of Molecular and Chairs the AS team in the School of Clinical Sciences.

**Mrs Lee Clark** is HR Administrator for the School of Biomedical Sciences and supported the AS team that achieved Silver in April 2011.

**Mrs Cecile Clegg** is HR Advisor for the College of Science & Engineering and a member of the AS team for the School of Mathematics.

**Claire Conlon** is a Projects Officer and provides support for the AS team in the School of Biological Sciences.

**Ms Cat Eastwood** is HR Manager for the Roslin Institute and supported the AS team that achieved Bronze in November 2011.

**Ms Rhona Feist** is the AS Project Officer for the College of Humanities & Social Sciences.

**Ms Eilidh Fraser** is the University's Deputy Director of HR and Convener of the Scottish AS Network.

**Professor Andrew Hudson** is Professor of Plant Genetics in the Institute of Molecular Plant Sciences and Chairs the AS team in the School of Biological Sciences.

**Professor Cait MacPhee** is Personal Chair of Biological Physics in 2010 and leads the School of Physics' Project Juno Assessment Committee.

**Mrs Alison McNaught** is Senior HR Advisor for the College of Science & Engineering and a member of the AS team for the School of Chemistry which achieved Gold in April 2012.

**Dr Stephen Moggach** is a Research Fellow and Lecturer in the School of Chemistry and Convener of the AS team which achieved Gold in April 2012.

**Mr Jim Nisbet** is School Administrator for the School of Molecular, Genetic and Population Health Sciences and supports the School's AS team.

**Professor Helen Sang** is Chair of Vertebrate Molecular Development and Chair of the Roslin Institute AS team which achieved Bronze in November 2011.

**Dr Caroline Wallace** is the AS Project Officer for the College of Science and Engineering.

**Professor Kathy Whaler** is Chair of Geophysics and leads the AS team in the School of GeoSciences.

### **Professor Alison Douglas**

We wish to specially mention the contribution of Professor Alison Douglas who died in May 2012. She was awarded a Personal Chair in Reproductive Neuroendocrinology in 2011. She was Convenor of the School of Biomedical Sciences AS Team and was instrumental in the School achieving a Silver Award in 2011. She was also the inaugural convener of the School's postdoctoral forum, activities that reflected her commitment to fairness for women in science and for young researchers. She led a research group, was a committed teacher and published prolifically. She was a member of the School Policy and Resources Committee and of the University's Researcher Experience Task Force, reporting to Senate. She was Chair of the British Society for Neuroendocrinology.

*b) an account of the self assessment process, with reference to year on year activities since the original Bronze award application, details of the self-assessment team meetings, including any consultation with staff or individuals outside of the university, how these have fed into the submission and been reported within the institution, and how the team has worked with departments to engage them in the Athena SWAN awards process;*

The University is committed to improving the representation of women in STEMM and the advancement of their careers through Athena SWAN. At University level this is achieved mainly through the influence of the AS Network on University policy and strategy. The Network's purpose is to develop and share good practice and support the goals and achievements of the University, Colleges and Schools in relation to Athena SWAN, including achieving further awards for Schools and for the University.

Part of the Network's role is to act as the University's Self-Assessment Team. It serves to challenge the University and inform University-level action; acts as a forum for consultation - drawing together external input and feedback from staff and students; works with Schools to engage them in the AS awards process; and reports on the Network's achievements and plans within the institution.

The Network:

- Contributed to the University's Strategic Plan, promoting inclusion of the challenging target of achieving University AS Silver by 2016 (Action Plan item 1)
- Was consulted on the University's Equality and Diversity Code of Practice – REF 2014
- Examines gender-related data and challenges the University to continuously improve its capacity to produce useful data
- Has promoted the introduction of the AS scheme as a change agent for Schools not addressing gender issues.

The Network has met 11 times since it was established in March 2010.

Information is exchanged between the Network and other University groups and activities, such as Staff Committee, Senate Researcher Experience Committee (particularly in connection with the HR Excellence in Research Award), central and local Equality and Diversity (E&D) committees, the E&D Monitoring and Research Committee.

The Network has debated and actioned reports on University activity including:

- The ECU Advancing Gender Equality Systemic Change and Mainstreaming Equality through Governance and Management projects
- The Advancing Gender Equality Steering Group, and prior to that the Gender Equality Scheme Implementation Group.
- Events and lectures - see 5ii(a)
- Findings from the Careers in Research Online Survey (CROS) and the Principal Investigators and Research Leaders Survey

The Network has also consulted with external sources, including ongoing contact with the Scottish Resource Centre for Women in SET (SRC), regular updates from ECU and Athena SWAN and feedback from, and to, the new Scottish AS Network.

An important addition to the year-on-year activities was the formation of a short-life Advancing Gender Equality Steering Group in 2011. This group has ensured the inclusion of aspirational gender-related targets in the University Strategic Plan 2012-16.

*c) plans for the future of the self assessment team, such as how often the team will continue to meet, any reporting mechanisms and proposed consultation processes, and how the team will engage with SET departments to encourage them to apply for awards.*

The Network will continue to meet on a regular basis (3-4 times a year). It will continue to consult through the membership from Schools working towards AS

awards and reporting to senior management committees, to encourage self-reflection at School, College and University levels. Membership of the Network will continue to be dynamic, growing to reflect the focus of AS activity throughout the institution.

A significant role for the Network in 2012/13 will be to analyse the results of surveys undertaken in all STEMM Schools, as part of their AS processes, to identify issues and priorities for action. It will continue to facilitate peer-review and information sharing, inform University policy and strategy and monitor progress towards achieving School awards, with a view to achieving University Athena SWAN Silver by 2016.

Word count: 966

### **3. Description of the institution – maximum 1000 words**

*Provide a summary of your institution, including information such as whether it is research or teaching focussed, the number of students and staff (academic and support staff separately), association with university mission groups (e.g. 1994 group, Russell Group, Million+), the size of the SET departments and any other relevant contextual information such as recent restructuring.*

*Provide data and a short analysis for at least the last three years (including clearly labelled graphical illustrations where possible) on the Female:male ratio of FTE academic staff and research staff– researcher, lecturer, senior lecturer, reader, professor (or equivalent) – across the whole institution and in SET departments, commenting on changes and progress made against the original action plan and Bronze university application.*

The University is a truly international institution firmly rooted in Scotland, and a member of the Russell Group. We are a large civic university, with multiple campuses across Edinburgh and beyond. The institution has seen significant investment in our estate and wider infrastructure in the past three years.

At 31<sup>st</sup> July 2012, we had 31,341 students, of which 20,525 were undergraduate and 10,816 post-graduate. At 31<sup>st</sup> May 2012, we had 11,432 staff, (including 'Hours to be Notified' staff) of whom 3,577 were academic and 7,855 were professional services. Approximately one third of our students and a quarter of our staff are from outside of the UK.

We offer over 350 undergraduate and 160 post-graduate courses. Our graduates are highly sought after by employers and our diverse research continues to receive international acclaim.

The overall financial performance of the University is strong, with turnover of over £650 million. Research income is significant, representing approximately

30% of overall income and increased substantially over the last year. 110 new companies were formed in the last three years.

Since its last submission the University has undergone three mergers with The Roslin Institute, the MRC/Human Genetics Unit, and Edinburgh College of Art.

The University's academic activity is organised into three Colleges, each headed by a Vice-Principal/Head of College: the College of Humanities and Social Science (HSS), the College of Medicine and Veterinary Medicine (MVM) and the College of Science and Engineering (CSE). Its central professional services are organised into three Support Groups: Corporate Services Group, Information Services Group and Student and Academic Services Group.

Our strategic goals are: excellence in education, in research and in innovation. The University Strategic Plan 2012-16 sets out three Strategic Enablers including 'People', the aim of which is 'To value, support, develop and utilise the full potential of our staff, working with each other across our community to make the University a stimulating and successful place to work'. The plan also identifies six Strategic Themes, including 'Equality and Widening Participation', the aim of which is 'To create and maintain a diverse community of students and staff, thereby enriching the learning, working and social experience for all and demonstrating our commitment to social justice'. Our priorities for the next four years build on our commitments to equality and inclusion, and good governance.

The University introduced its first target to increase the proportion of female academic staff appointed and promoted to Lecturer, Senior Lecturer, Reader and Professor in its Strategic Plan 2008-12. It remains a key commitment in the Strategic Plan 2012-16, and has been strengthened by the addition of a target to reduce the gender pay gap. These are included as items 7 and 17 in our Action Plan. Figures are reported annually to the University Court and discussed by the Central Academic Promotions Committee.

The University awards a substantial number of student bursaries each year. In 2011/12, of 601 bursaries awarded, 61% were to female students.

The University produces comprehensive, University-wide statistical reporting through its E&D Monitoring and Research Committee which reports annually to the Central Management Group and Court.

The University has been committed to the Athena SWAN charter from the outset. The Strategic Plan 2008-12 included a target for a number of Schools to achieve AS awards and this has been enhanced in the Strategic Plan 2012-16 to aim for University AS Silver award.

**Table 1 - All Staff in the University & Students in Colleges & Schools by Headcount as at May 2012 for Staff<sup>2</sup> and July 2012 for students**

		Staff			Students			
College:	School:	Professional Services Staff	Academic Staff	Total Staff	Undergrad	Taught Postgrad	Research Postgrad	Total Students
<b>Science &amp; Engineering (CSE)</b>	Biological Sciences	232	375	607	1043	66	312	1421
	Chemistry	39	102	141	535	10	180	725
	Engineering	62	153	215	1265	173	307	1745
	GeoSciences	80	180	260	974	210	246	1430
	Informatics	82	192	274	491	183	276	950
	Mathematics	15	63	78	471	155	70	696
	Physics and Astronomy	117	153	270	418	27	156	601
	College Office	44	0	44	265	0	5	270
<b>Total CSE</b>		<b>671</b>	<b>1,218</b>	<b>1,889</b>	<b>5,462</b>	<b>824</b>	<b>1,552</b>	<b>7,838</b>
<b>Medicine &amp; Veterinary Medicine (MVM)</b>	College Office	210	23	233	1293	10	131	1434
	Royal (Dick) School of Veterinary Studies	249	280	529	760	95	196	1051
	Biomedical Sciences	81	161	242	323	170	202	695
	Clinical Sciences and Community Health	245	410	655	21	636	264	921
	Molecular and Clinical Medicine	315	290	605	0	51	185	236
<b>Total MVM</b>		<b>1,100</b>	<b>1,164</b>	<b>2,264</b>	<b>2,397</b>	<b>962</b>	<b>978</b>	<b>4,337</b>
<b>Humanities &amp; Social Science (HSS)</b>	Business	69	78	147	869	479	116	1464
	Edinburgh College of Art	92	166	258	1830	634	259	2723
	College Office	157	33	190	1435	94	6	1535
	Divinity	13	31	44	264	30	167	461
	Economics	11	24	35	710	69	31	810
	Health in Social Sciences	14	50	64	131	378	84	593
	History, Classics and Archaeology	21	85	106	1092	143	195	1430
	Law	37	82	119	866	510	139	1515
	Literatures, Languages and Cultures	38	146	184	1703	206	252	2161
	Philosophy, Psychology and Language Sciences	46	99	145	1136	151	205	1492
	Social and Political Science	53	155	208	993	525	386	1904
	Education	71	140	211	1634	1275	166	3078
<b>Total HSS</b>		<b>622</b>	<b>1,089</b>	<b>1,711</b>	<b>12,666</b>	<b>4,494</b>	<b>2,006</b>	<b>19,166</b>
<b>Sum Total of Staff and Students in Colleges</b>		<b>2,393</b>	<b>3,471</b>	<b>5,864</b>	<b>20,525</b>	<b>6,280</b>	<b>4,536</b>	<b>31,341</b>

<sup>2</sup> These data do not include staff on 'Hours to be Notified' contracts.

<b>Support Group:</b>	<b>Support Department</b>	<b>Professional Services Staff</b>
<b>Corporate Services Group (CSG)</b>	Centre for Sport and Exercise	91
	Corporate Services	3
	Edinburgh Research and Innovation	1
	Health and Safety	21
	Human Resources Planning	35
	Internal Audit Planning	4
	Procurement Office Incorporating Printing Services	31
	Accommodation Services	490
	Estates and Buildings	812
Finance	102	
<b>Total CSG</b>		<b>1590</b>
<b>Information Services Group (ISG)</b>	Information Services Office	36
	Applications	93
	Digital Curation Centre	11
	EDINA & Data Library	83
	IT Infrastructure	98
	Library & Collections	124
User Services Division	153	
<b>Total ISG</b>		<b>598</b>
<b>Student and Academic Services Group (SASG)</b>	Biological Services	7
	Communications and External Affairs	41
	Development and Alumni	36
	Governance, Strategic Planning and Registry	97
	Student and Academic Services Group	48
	Student Recruitment and Admissions	68
Student Services	77	
<b>Total SASG</b>		<b>374</b>
<b>Sum Total of Support Groups Staff</b>		<b>2,562</b>
<b>Grand Total of all Staff in Colleges and Support Groups</b>		<b>8,426</b>

### **Female:male ratios of FTE of academic and research staff**

We have made some changes to the way these data are reported since the last submission, to align with other University reports and ensure consistency and comparability for the future. This means the data are not directly comparable with previous submissions, but broad trends can still be observed.

The University's academic and research staff are reported as follows:

Grade UE10: Professor and equivalent

Grade UE09: Senior Lecturer/Reader and equivalent

Grade UE08: Lecturer and equivalent

Grade UE07: Research Fellow, Associate Lecturer and equivalent

Grade UE06: Research Assistant and equivalent.

Table 2a F/M Ratio of FTE Research Staff Across the Institution													
UoE	2009-10				2010-11				2011-12				Average
	F	M	%F	Total	F	M	%F	Total	F	M	%F	Total	F%
UE10	1.2	9.2	11.5%	10.4	0	0.2	0%	0.2	1.2	3.6	25.0%	4.8	12.2%
UE09	45.5	85.6	34.7%	131.1	36.2	76.5	32.1%	112.7	31.6	64.9	32.7%	96.5	33.2%
UE08	145.5	226.9	39.1%	372.5	149.3	213.7	41.1%	363	143.8	210.5	40.6%	354.3	40.3%
UE07	367.0	451.2	44.9%	818.2	359.2	447.7	44.5%	806.9	356.5	466.5	43.3%	823.0	44.2%
UE06	127.0	113.1	52.9%	240.0	137.3	110.1	55.5%	247.4	126.6	89.4	58.6%	216.0	55.7%
<b>Total</b>	686.2	886.0	43.6%	1572.2	682.0	848.2	44.6%	1530.2	659.7	834.9	44.1%	1494.6	44.1%

Table 2b F/M Ratio of FTE Academic Staff Across the Institution													
UoE	2009-10				2010-11				2011-12				Average
	F	M	%F	Total	F	M	%F	Total	F	M	%F	Total	F%
UE10	94.0	393.3	19.3%	487.3	96.6	409.4	19.1%	506	98.6	416.8	19.1%	515.4	19.2%
UE09	151.4	354.1	30.0%	505.5	156.7	347.4	31.1%	504.1	176.9	378.4	31.9%	555.3	31.0%
UE08	201.1	274.9	42.2%	476.0	192.4	255.9	42.9%	448.3	230.3	287.3	44.5%	517.6	43.2%
UE07	69.6	38.4	64.4%	108.0	67.2	34.5	66.1%	101.7	75.2	45.8	62.1%	121.0	64.2%
UE06	12.3	10.2	54.7%	22.4	19.1	2.5	88.4%	21.6	8.3	3.1	72.8%	11.4	72.0%
<b>Total</b>	528.4	1070.9	33.0%	1599.2	532.0	1049.7	33.6%	1581.7	589.3	1131.4	34.2%	1720.7	33.6%

Table 3a- F/M Ratio of FTE Research Staff in the College of Science & Engineering													
CSE	2009-10				2010-11				2011-12				Average
	F	M	%F	Total	F	M	%F	Total	F	M	%F	Total	F%
UE10	0	2.0	0.0%	2.0	0	0	0%	0	0	1.0	0%	1.0	0.0%
UE09	10.4	24.9	29.5%	35.3	7.9	22.8	25.7%	30.7	6.1	16.6	26.9%	22.7	27.4%
UE08	45.3	120.2	27.4%	165.5	47.7	114.6	29.4%	162.3	46.3	102.7	31.1%	149.0	29.3%
UE07	147.5	285.9	34.0%	433.5	151.9	291.7	34.2%	443.6	139.2	307.5	31.2%	446.7	33.1%
UE06	43.6	78.8	35.6%	122.3	47.5	76.9	38.2%	124.4	38	53.3	41.6%	91.3	38.5%
<b>Total</b>	246.8	511.8	32.5%	758.6	255.0	506.0	33.5%	761.0	229.6	481.1	32.3%	710.7	32.8%

Table 3b - F/M Ratio of FTE Academic Staff in the College of Science & Engineering													
CSE	2009-10				2010-11				2011-12				Average
	F	M	%F	Total	F	M	%F	Total	F	M	%F	Total	F%
UE10	22.3	155.0	12.6%	177.3	25.3	160.4	13.6%	185.7	24.6	159.6	13.4%	184.2	13.2%
UE09	23.7	125.0	15.9%	148.7	22.2	121	15.5%	143.2	26.1	125	17.3%	151.1	16.2%
UE08	29.6	83.1	26.3%	112.7	28.6	79.7	26.4%	108.3	28.4	73.4	27.9%	101.8	26.9%
UE07	9.7	13.0	42.8%	22.7	6.2	8.9	41.1%	15.1	6.9	8.1	46.0%	15.0	43.3%
UE06	1.5	3.0	33.3%	4.5	0.5	1.0	33.3%	1.5	0	0	0%	0	22.2%
<b>Total</b>	86.8	379.0	18.6%	465.8	82.8	371.0	18.2%	453.8	86.0	366.1	19.0%	452.1	18.6%

Table 4a - F/M Ratio of FTE Research Staff in the College of Medicine & Vet Medicine													
MVM	2009-10				2010-11				2011-12				Average
	F	M	%F	Total	F	M	%F	Total	F	M	%F	Total	F%
UE10	1.0	6.0	14.3%	7.0	0	0	0%	0	1.0	1.4	41.7%	2.4	18.7%
UE09	25.0	54.6	31.4%	79.6	18.7	49.2	27.5%	67.9	19.7	45.6	30.2%	65.3	29.7%
UE08	81.4	95.3	46.1%	176.7	81.9	86.1	48.8%	168	81.8	98.2	45.4%	180.0	46.8%
UE07	183.0	131.1	58.3%	314.1	175.3	130.6	57.3%	305.9	177.9	139.5	56.0%	317.4	57.2%
UE06	70.7	27.5	72.0%	98.2	75.1	29.4	71.9%	104.5	74.4	31.1	70.5%	105.5	71.5%
<b>Total</b>	361.1	314.5	53.4%	675.6	351.0	295.3	54.3%	646.3	354.8	315.8	52.9%	670.6	53.6%

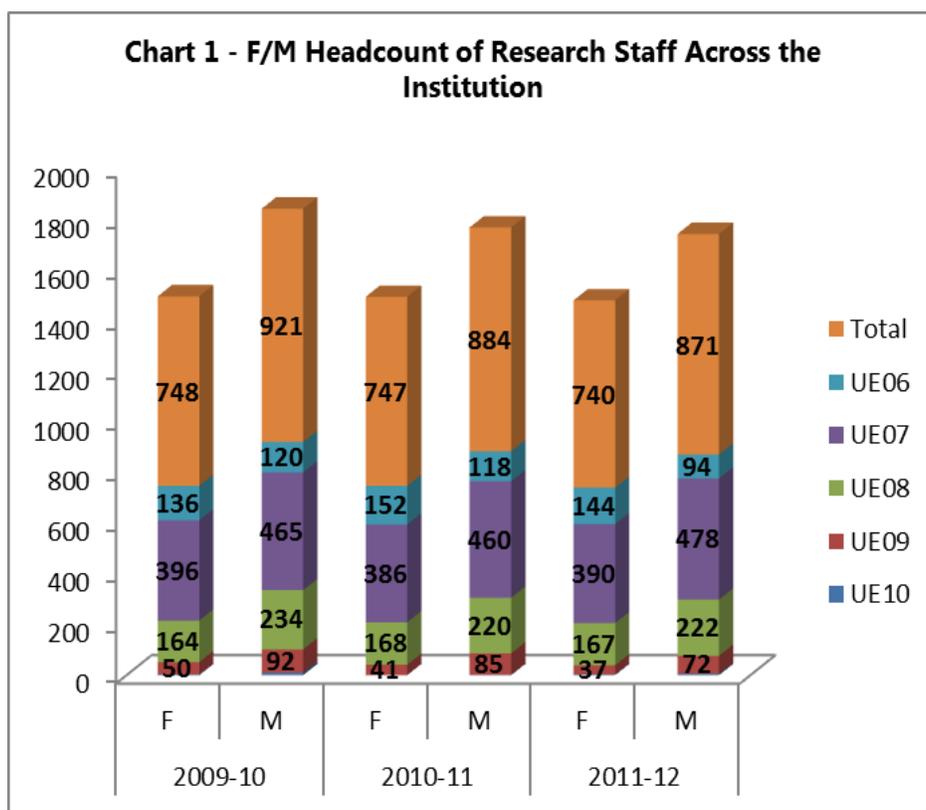
Table 4b - F/M Ratio of FTE Academic Staff in the College of Medicine & Vet Medicine													
MVM	2009-10				2010-11				2011-12				Average
	F	M	%F	Total	F	M	%F	Total	F	M	%F	Total	F%
UE10	24.8	121.9	16.9%	146.7	27.6	127.3	17.8%	154.9	29.5	129.1	18.6%	158.6	17.8%
UE09	43.7	75.8	36.6%	119.5	48.7	75.6	39.2%	124.3	49.8	84.6	37.1%	134.4	37.6%
UE08	44.5	52.9	45.7%	97.4	42.2	46.3	47.7%	88.5	50	55.7	47.3%	105.7	46.9%
UE07	3.0	2.0	60.0%	5.0	3.0	0	100%	3.0	8.0	2.0	80.0%	10.0	80.0%
UE06	0	1.0	0%	1.0	0	0	0.0%	0	0	0	0.0%	0	0.0%
<b>Total</b>	115.9	253.6	31.4%	369.5	121.5	249.2	32.8%	370.7	137.3	271.4	33.6%	408.7	32.6%

Tables 2-4 show the female/male ratios of FTE staff as requested. However, the University bases its analysis on headcount figures in order to separate consideration of the gender balance from the effect of part-time working. The availability of flexible working patterns is likely to be beneficial to the retention of women in academia. However, the fact that more women than men work part-time means that FTE figures do not accurately reflect the proportion of women in the staff population.

Data and analysis based on headcount are provided below.

Table 5a - F/M Ratio by Headcount of Research Staff Across the Institution													
UoE	2009-10				2010-11				2011-12				Average
	F	M	F%	Total	F	M	F%	Total	F	M	F%	Total	F%
UE10	2	10	16.7%	12	0	1	0.0%	1	2	5	28.6%	7	15.1%
UE09	50	92	35.2%	142	41	85	32.5%	126	37	72	33.9%	109	33.9%
UE08	164	234	41.2%	398	168	220	43.3%	388	167	222	42.9%	389	42.5%
UE07	396	465	46.0%	861	386	460	45.6%	846	390	478	44.9%	868	45.5%
UE06	136	120	53.1%	256	152	118	56.3%	270	144	94	60.5%	238	56.6%
<b>Total</b>	748	921	44.8%	1669	747	884	45.8%	1631	740	871	45.9%	1611	45.5%

Table 5b - F/M Ratio by Headcount of Academic Staff Across the Institution													
UoE	2009-10				2010-11				2011-12				Average
	F	M	F%	Total	F	M	F%	Total	F	M	F%	Total	F%
UE10	96	405	19.2%	501	100	418	19.3%	518	103	429	19.4%	532	19.3%
UE09	164	365	31.0%	529	166	357	31.7%	523	190	385	33.0%	575	31.9%
UE08	218	280	43.8%	498	213	260	45.0%	473	265	306	46.4%	571	45.1%
UE07	88	45	66.2%	133	86	39	68.8%	125	96	54	64.0%	150	66.3%
UE06	0	12	0.0%	12	24	3	88.9%	27	12	4	75.0%	16	54.6%
<b>Total</b>	566	1107	33.8%	1673	589	1077	35.4%	1666	666	1178	36.1%	1844	35.1%



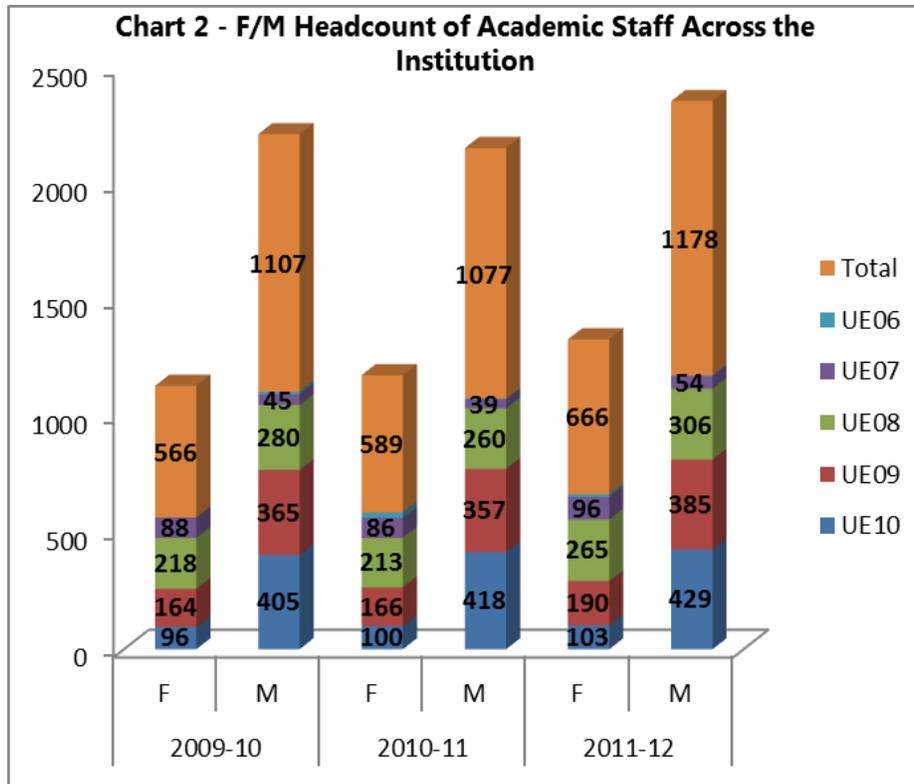
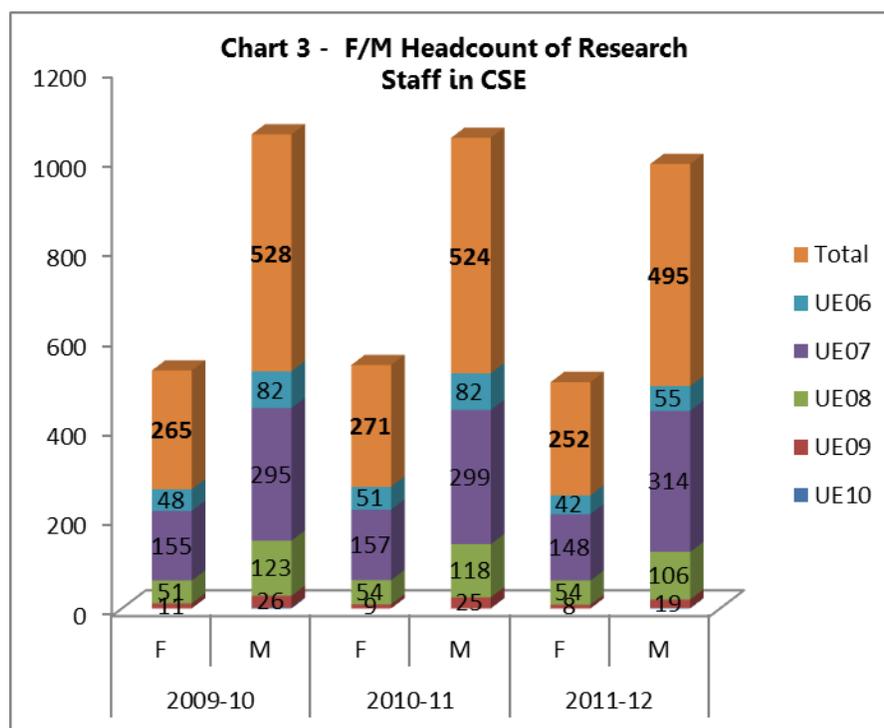


Table 5a and Chart 1 show relatively small variations in the proportion of female research staff on grades UE07-10 since 2009, continuing the pattern since 2007. There has been a marked increase in the proportion of women at grade UE06.

Table 5b and Chart 2 show a modest increase in the proportion of female academic staff at Lecturer, Senior Lecturer/Reader and Professorial grades (UE08, UE09 and UE10) across the University since 2009, continuing the trend since 2007. The figure for UE07, where the majority of staff are female, varied.

CSE	2009-10				2010-11				2011-12				Average
	F	M	F%	Total	F	M	F%	Total	F	M	F%	Total	F%
UE10	0	2	0.0%	2	0	0	0.0%	0	0	1	0.0%	1	0.0%
UE09	11	26	29.7%	37	9	25	26.5%	34	8	19	29.6%	27	28.6%
UE08	51	123	29.3%	174	54	118	31.4%	172	54	106	33.8%	160	31.5%
UE07	155	295	34.4%	450	157	299	34.4%	456	148	314	32.0%	462	33.6%
UE06	48	82	36.9%	130	51	82	38.3%	133	42	55	43.3%	97	39.5%
<b>Total</b>	265	528	33.4%	793	271	524	34.1%	795	252	495	33.7%	747	33.7%

Table 6b - F/M Ratio by Headcount of Academic Staff in the College of Science & Engineering														
CSE	2009-10				2010-11				2011-12				Average	
	F	M	F%	Total	F	M	F%	Total	F	M	F%	Total	F%	
UE10	23	162	12.4%	185	26	165	13.6%	191	26	168	13.4%	194	13.1%	
UE09	25	128	16.3%	153	23	124	15.6%	147	27	125	17.8%	152	16.6%	
UE08	34	84	28.8%	118	32	81	28.3%	113	32	77	29.4%	109	28.8%	
UE07	13	15	46.4%	28	8	11	42.1%	19	9	9	50.0%	18	46.2%	
UE06	2	3	40.0%	5	1	1	50.0%	2	0	0	0.0%	0	30.0%	
<b>Total</b>	<b>97</b>	<b>392</b>	<b>19.8%</b>	<b>489</b>	<b>90</b>	<b>382</b>	<b>19.1%</b>	<b>472</b>	<b>94</b>	<b>379</b>	<b>19.9%</b>	<b>473</b>	<b>19.6%</b>	



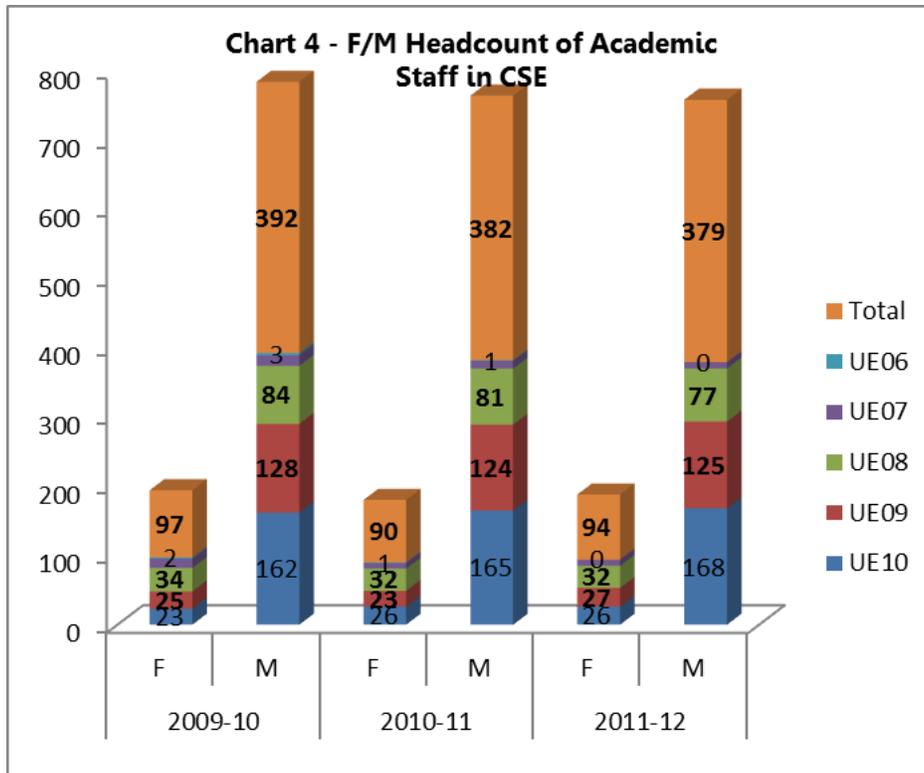
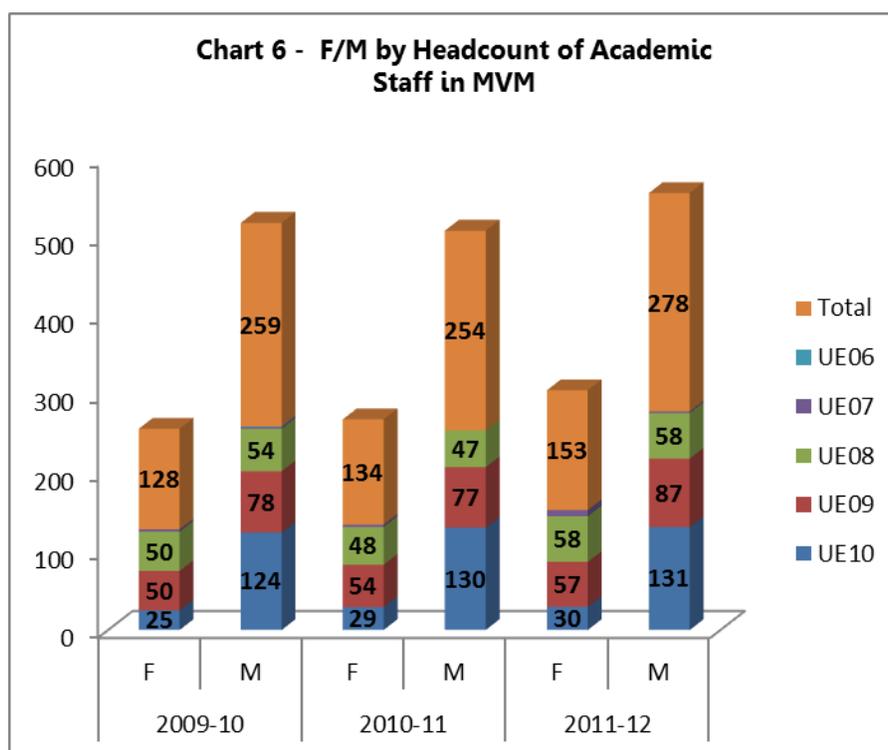


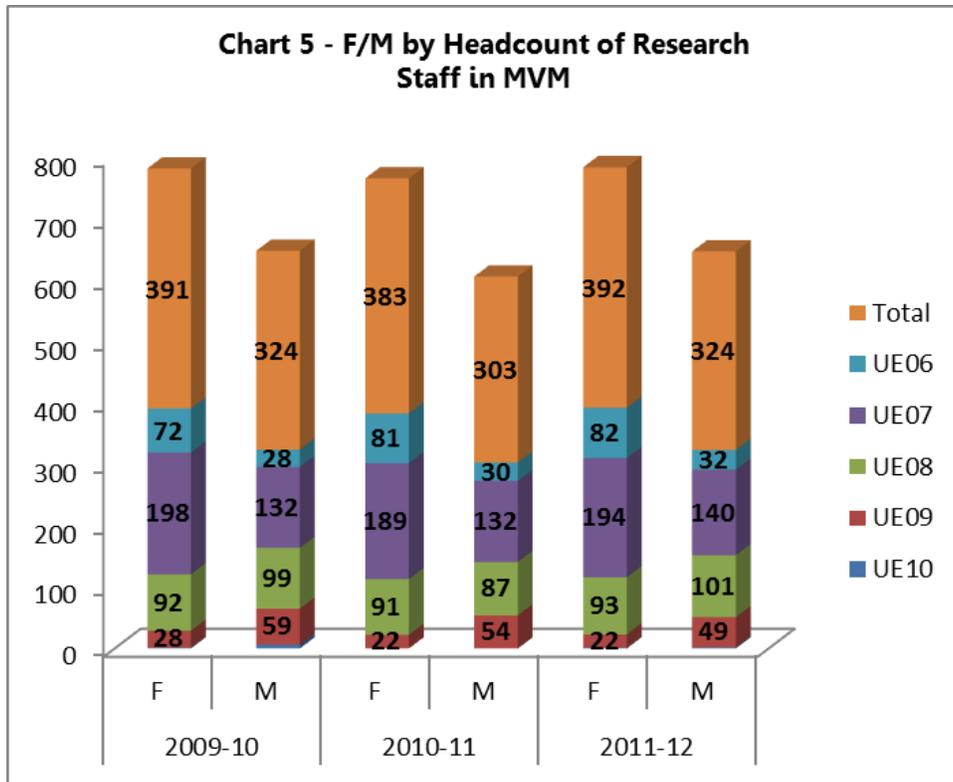
Table 6a and Chart 3 show a mixed picture for research staff in CSE. There is a very small increase in the proportion of female staff at UE08 and a marked increase at UE06, reflecting the University figures. At other grades there is little change.

Table 6b and Chart 4 show a very small increase in the proportion of female academic staff in CSE at all grades (except UE06, where the numbers are too small for comment) since 2009, continuing a gradual overall rise since 2007.

<b>Table 7a F/M Ratio by Headcount of Research Staff in the College of Medicine &amp; Vet Medicine</b>														
<b>MVM</b>	<b>2009-10</b>				<b>2010-11</b>				<b>2011-12</b>				<b>Average</b>	
	F	M	F%	Total	F	M	F%	Total	F	M	F%	Total	F%	
<b>UE10</b>	1	6	14.3%	7	0	0	0.0%	0	1	2	33.3%	3	15.9%	
<b>UE09</b>	28	59	32.2%	87	22	54	28.9%	76	22	49	31.0%	71	30.7%	
<b>UE08</b>	92	99	48.2%	191	91	87	51.1%	178	93	101	47.9%	194	49.1%	
<b>UE07</b>	198	132	60.0%	330	189	132	58.9%	321	194	140	58.2%	334	59.0%	
<b>UE06</b>	72	28	72.0%	100	81	30	73.0%	111	82	32	71.9%	114	72.3%	
<b>Total</b>	391	324	54.7%	715	383	303	55.8%	686	392	324	54.8%	716	55.1%	

Table 7b F/M Ratio by Headcount of Academic Staff in the College of Medicine & Vet Medicine														
MVM	2009-10				2010-11				2011-12				Average	
	F	M	F%	Total	F	M	F%	Total	F	M	F%	Total	F%	
UE10	25	124	16.8%	149	29	130	18.2%	159	30	131	18.4%	161	17.8%	
UE09	50	78	39.1%	128	54	77	41.2%	131	57	87	39.6%	144	40.0%	
UE08	50	54	48.1%	104	48	47	50.5%	95	58	58	50.0%	116	49.5%	
UE07	3	2	60.0%	5	3	0	100%	3	8	2	80.0%	10	80.0%	
UE06	0	1	0.0%	1	0	0	0.0%	0	0	0	0.0%	0	0.0%	
<b>Total</b>	<b>128</b>	<b>259</b>	<b>33.1%</b>	<b>387</b>	<b>134</b>	<b>254</b>	<b>34.5%</b>	<b>388</b>	<b>153</b>	<b>278</b>	<b>35.4%</b>	<b>431</b>	<b>34.3%</b>	





Tables 7a/b and Charts 5/6 show that the proportion of female research and academic staff is around 50% or higher in grades UE06-08 in MVM. At all grades, there has been little change in the proportion of female research staff since 2009. Amongst academic staff, there has been a modest increase at lecturer and professorial grades, and relatively little change at Senior Lecturer/Reader level. The numbers at grades UE06/07 are too small for comment.

Word count: 990

## **Supporting and advancing women's careers – 4500 words in total**

*Please provide a report covering the following sections. Within each section provide data for at least the last three years (including clearly labelled graphical illustrations where possible) and a short analysis of the data sets listed, commenting on changes and progress made measured against the original action plan and Bronze application, including details of successes and where actions have not worked. Comment on plans for the next three years, which should also feature in your new action plan.*

*Please also attach the action plan from your last application with an additional column indicating the level of progress achieved (e.g. zero, limited, excellent, completed for each action*

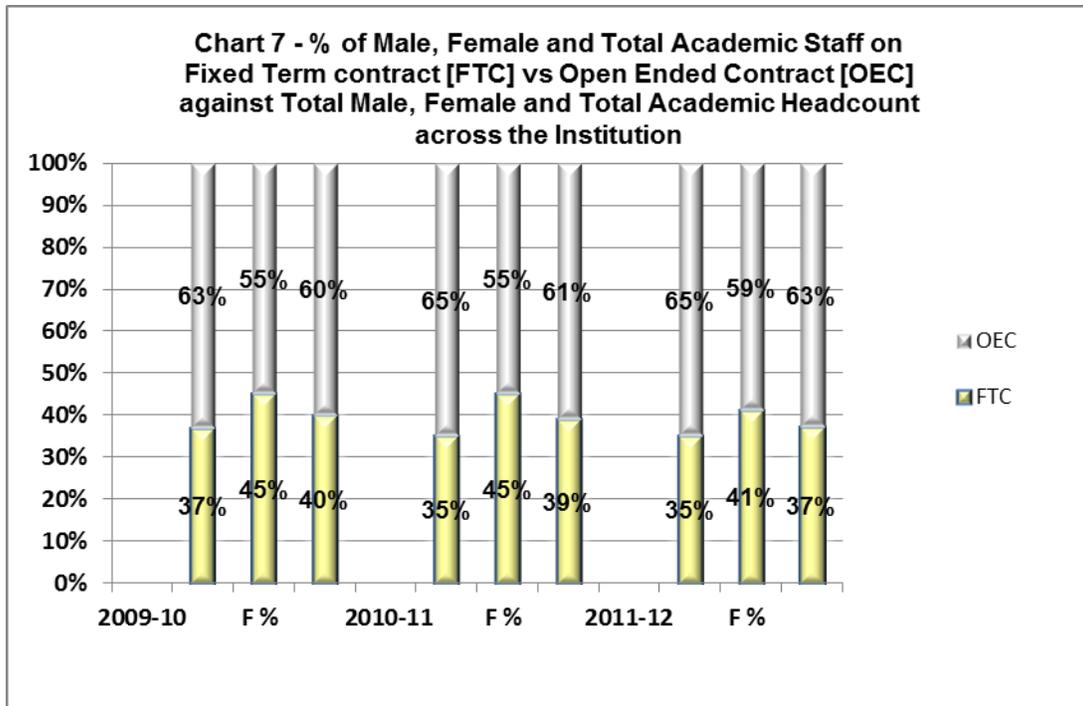
The UoE AS Action Plan 2009 – with 2012 progress update is attached as Appendix 1.

### **4. Key career transition points**

- (i) *Comment on the effectiveness of policies and activities in your institution that are supportive to women's career progression in your SET departments at key career transition points as demonstrated by the following data.*
  - a) **Female:male ratio of academic<sup>3</sup> staff on fixed-term contracts vs. open-ended (permanent) contracts** – across the whole institution and in SET departments.

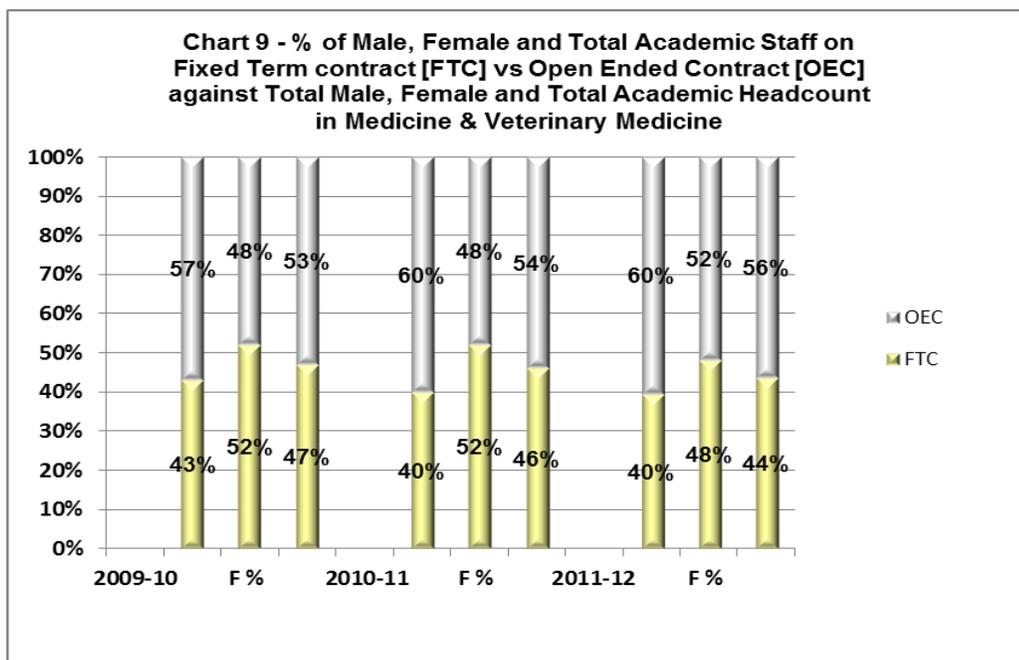
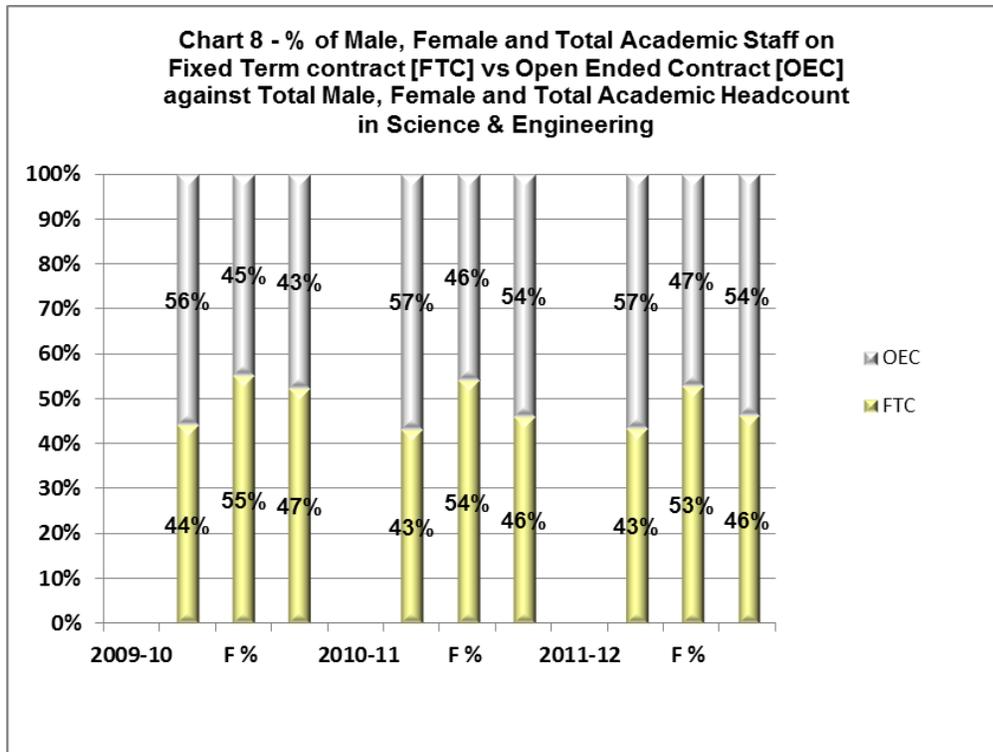
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<sup>3</sup> In all figures from here on, 'Academic staff' includes research staff unless otherwise specified.

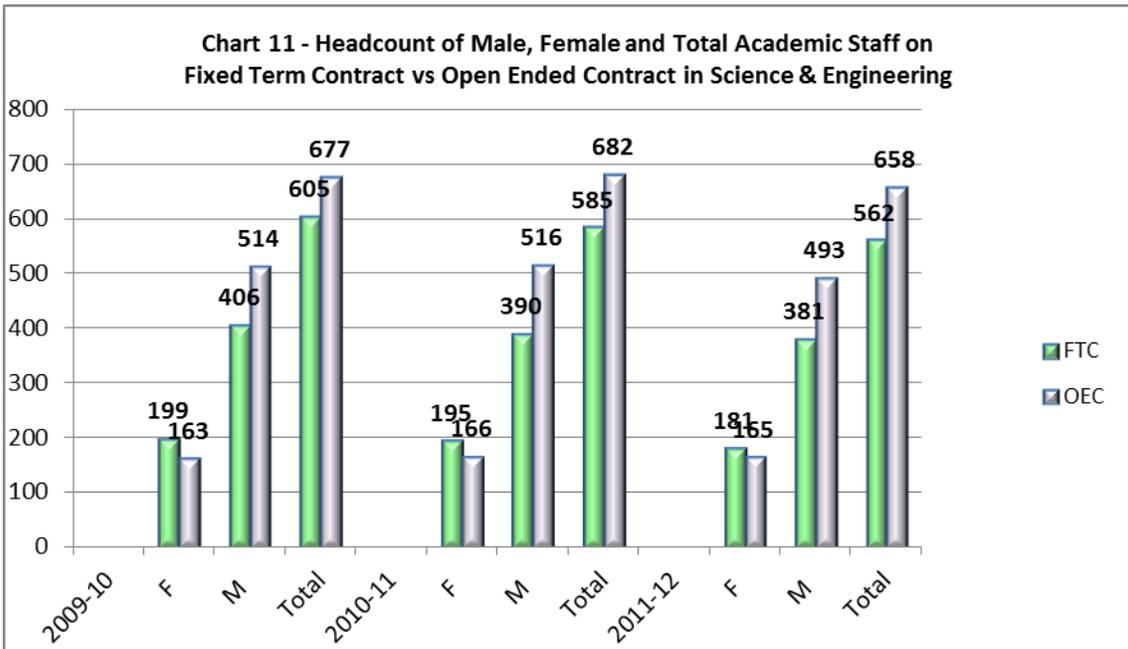
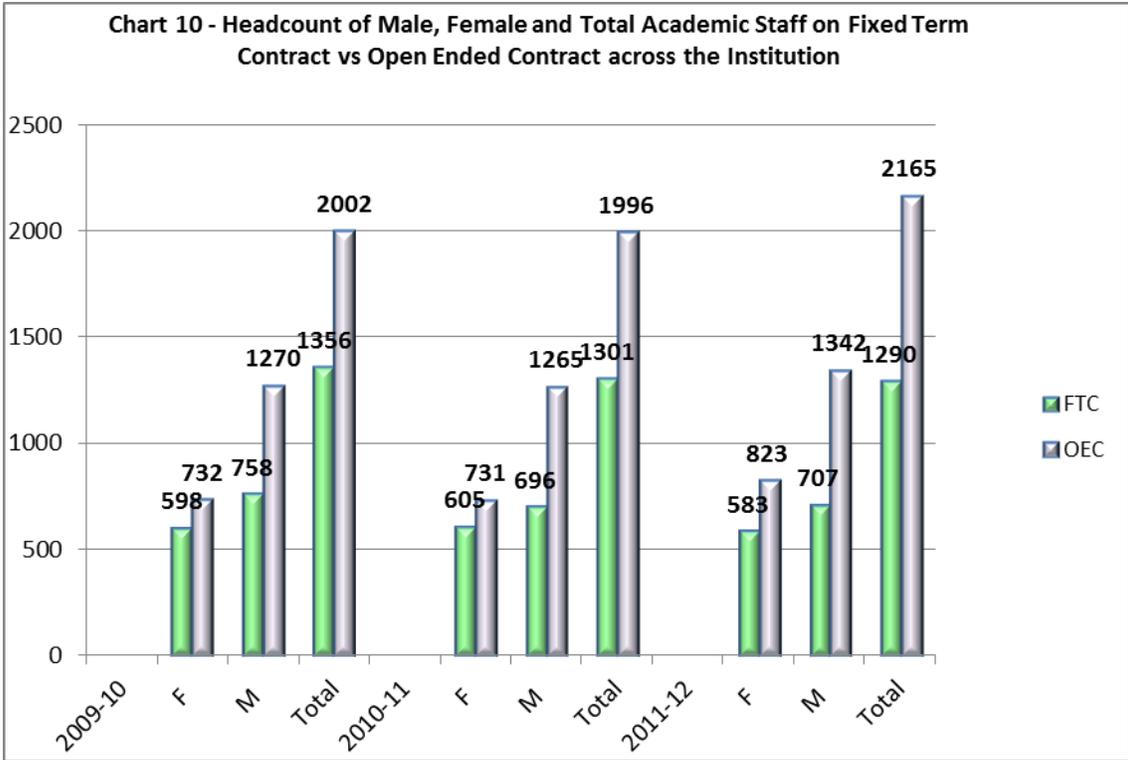


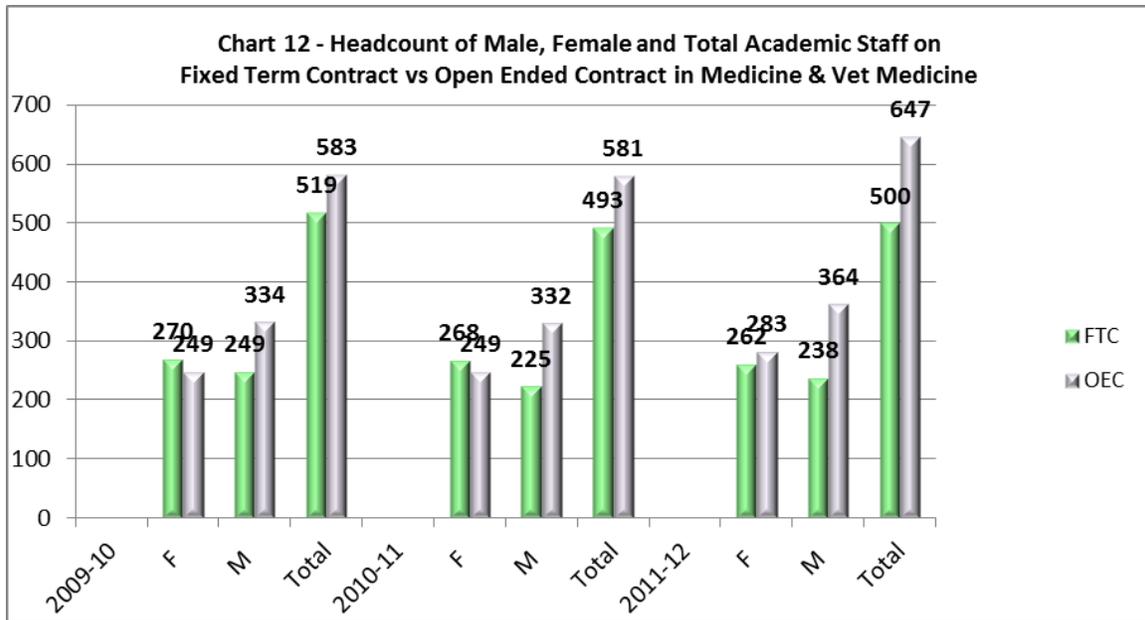
**Chart 7**<sup>4</sup> shows that there has been an increase in the proportions of both female and male academic staff on open-ended contracts since 2009, with a larger increase for female staff – narrowing the difference in the relative positions of female and male staff.

<sup>4</sup> Figures have been rounded in accordance with usual convention.



**Charts 8 and 9** show similar patterns in CSE and MVM: an increase in the proportions of academic staff on open-ended contracts in STEMM Schools. The proportion of fixed-term contracts in CSE and MVM is higher than for the University as a whole, reflecting the higher proportion of staff employed on research contracts in STEMM Schools.





**Charts 10-12** further illustrate the pattern of contract use. There was a significant change in University policy on the use of fixed-term contracts in the early 2000s, which had a significant on-going impact, reducing their use.

- b) **Female:male ratio of academic staff job application and appointment success rates** – across the whole institution and in SET departments. Comment on any positive action taken to ensure diverse applicant pools and short lists.

The following data are based on the University's information systems during 2009-12, when equality information was collected largely manually and was not sufficiently robust to enable in-depth analysis of all stages of the recruitment process.

To address this and other issues, the University embarked on a major project in 2009 to introduce 'eRecruitment' – a comprehensive on-line recruitment system. This gives improved data from October 2012. eRecruitment has been designed to ensure that full equality information is gathered throughout the recruitment process and will enable significant improvement in our capacity to analyse application and success rates.

<b>Table 8 - Academic Staff Job Application and Success rates across the Institution</b>								
<b>Applications</b>								
<b>2009/10</b>			<b>2010/11</b>			<b>2011/12</b>		
Gender	Total	%	Gender	Total	%	Gender	Total	%
F	3534	37.3%	F	3468	38.63%	F	4746	38.38%
M	5623	59.4%	M	5243	58.40%	M	7337	59.33%
Not known	308	3.3%	Not known	267	2.97%	Not known	284	2.30%
Total	9465		Total	8978		Total	12367	
<b>Success Rates</b>								
<b>2009/10</b>			<b>2010/11</b>			<b>2011/12</b>		
Gender	Total	%	Gender	Total	%	Gender	Total	%
F	608	50.0%	F	333	47.1%	F	277	47.6%
M	607	50.0%	M	374	52.9%	M	305	52.4%
Total	1215		Total	707		Total	582	

Table 8 shows that the rate of appointment of female academics consistently exceeds the rate of application. The proportion of female applicants is approximately the same as the proportion of female academic staff in the University, while the appointment rate is notably higher.

<b>Table 9 - Academic Staff Job Application and Success rates in the College of Science &amp; Engineering</b>								
<b>Applications</b>								
<b>2009/10</b>			<b>2010/11</b>			<b>2011/12</b>		
Gender	Total	%	Gender	Total	%	Gender	Total	%
F	783	21.9%	F	672	24.9%	F	959	24.4%
M	2737	76.5%	M	1994	73.7%	M	2899	73.8%
Not Known	57	1.6%	Not Known	38	1.4%	Not Known	70	1.8%
Total	3577		Total	2704		Total	3928	
<b>Success Rates</b>								
<b>2009/10</b>			<b>2010/11</b>			<b>2011/12</b>		
Gender	Total	%	Gender	Total	%	Gender	Total	%
F	155	38.1%	F	77	29.8%	F	68	34.2%
M	252	61.9%	M	181	70.2%	M	131	65.8%
Total	407		Total	258		Total	199	

Table 9 shows broadly similar success rates in CSE to those reported in the previous submission and is consistent with the higher success rate than application rate in the University figures. The proportion of female applicants is

slightly lower than the proportion of female academic staff in CSE. However, the appointment rate is higher.

<b>Table 10 - Academic Staff Job Application and Success rates in the College of Medicine &amp; Veterinary Medicine</b>								
<b>Applications</b>								
<b>2009</b>			<b>2010</b>			<b>2011</b>		
Gender	Total	%	Gender	Total	%	Gender	Total	%
F	1577	54.3%	F	1196	48.7%	F	1642	52.4%
M	1240	42.7%	M	1191	48.5%	M	1438	45.9%
Refused	88	3.0%	Refused	67	2.7%	Refused	53	1.7%
Total	2905		Total	2454		Total	3133	
<b>Success Rates</b>								
<b>2009</b>			<b>2010</b>			<b>2011</b>		
Gender	Total	%	Gender	Total	%	Gender	Total	%
F	127	50.0%	F	123	59.7%	F	103	53.9%
M	127	50.0%	M	83	40.3%	M	88	46.1%
Total	254		Total	206		Total	191	

Table 10 shows a different pattern in MVM. The proportion of female applicants is higher than the proportion of female academic staff in MVM. The appointment rate relative to applicants varies each year. However, in all cases the proportion of female staff appointed is higher than in the existing MVM academic staff. (MVM data were not reported separately in our previous submission.)

The University's Staff Committee has reviewed positive action to ensure diverse applicant pools and shortlists and tasked Heads of College to address this in the recruitment processes in their Colleges and Schools.

Since 2010, the University has made on-line 'eDiversity' training available for all staff, resulting in considerable growth in the number of equality trained staff. In addition, there has been increased uptake of Recruitment and Selection training provided – particularly in CSE - and a new on-line course is being developed. Promotion and evaluation of E&D training is part of our Action Plan (items 8 and 19).

Steps have been taken to revise the University's Jobs website's front page to feature the AS Bronze award logo and an E&D commitment statement.

The University's guidance for recruiters has been reinforced to further highlight the importance of E&D, including gender balance in panel composition.

The University is currently recruiting 100 new 'Chancellor's Fellows', for whom a support and development programme is being developed. We will be carrying out Equality Impact Assessment on the recruitment, induction and development

of this group and making arrangements to monitor progress and share good practice and lessons learned. (See Action Plan item 9).

- c) **Female:male ratio of academic staff promotion rates** across the institution and in SET departments – comment on the effectiveness of the process by which staff are identified and recommended for promotion.

Gender data on promotion applications and the academic population are produced as standard in the University's academic promotions processes. The data are analysed by grades in the UoE's grade structure and equivalent clinical and other grades, as set out in section 3.

Across the Institution						Across STEMM Departments					
2009-10	F	%	M	%	All	2009-10	F	%	M	%	All
UE10	8	25%	24	75%	32	UE10	5	23%	17	77%	22
UE09	28	42%	39	58%	67	UE09	10	28%	26	72%	36
UE08	8	50%	8	50%	16	UE08	6	43%	8	57%	14
UE07	2	25%	6	75%	8	UE07	2	33%	4	67%	6
<b>Totals</b>	<b>46</b>	<b>37%</b>	<b>77</b>	<b>63%</b>	<b>123</b>	<b>Totals</b>	<b>23</b>	<b>30%</b>	<b>55</b>	<b>70%</b>	<b>78</b>
2010-11	F	%	M	%	All	2010-11	F	%	M	%	All
UE10	11	31%	24	69%	35	UE10	7	26%	20	74%	27
UE09	18	35%	34	65%	52	UE09	8	32%	17	68%	25
UE08	4	36%	7	64%	11	UE08	1	17%	5	83%	6
UE07	2	50%	2	50%	4	UE07	1	14%	6	86%	7
<b>Totals</b>	<b>35</b>	<b>34%</b>	<b>67</b>	<b>66%</b>	<b>102</b>	<b>Totals</b>	<b>17</b>	<b>26%</b>	<b>48</b>	<b>74%</b>	<b>65</b>
2011-12	F	%	M	%	All	2011-12	F	%	M	%	All
UE10	13	37%	22	63%	35	UE10	8	31%	18	69%	26
UE09	16	36%	29	65%	45	UE09	7	26%	20	74%	27
UE08	8	42%	11	58%	19	UE08	4	31%	9	69%	13
UE07	3	33%	6	67%	9	UE07	2	25%	6	75%	8
<b>Totals</b>	<b>40</b>	<b>37%</b>	<b>68</b>	<b>63%</b>	<b>108</b>	<b>Totals</b>	<b>21</b>	<b>28%</b>	<b>53</b>	<b>72%</b>	<b>74</b>

As regards promotion to UE10 (Professor), Table 11, shows that, while the actual percentage figures can vary year to year due to the relatively small numbers of staff promoted each year, the proportion of female staff promoted is consistently above the proportion of female academic staff at grade UE10 in the University, and is increasing year on year. This suggests that the promotion rate is moving the proportion of women in promoted grades in the right direction.

<sup>5</sup> Figures have been rounded according to the normal convention.

As regards promotion to UE09 (Senior Lecturer/Reader) the promotion rate varies, but again is consistently above the proportion of female academic staff at that grade, University-wide. The picture in STEMM areas is more variable.

The numbers are shown for promotion to grades UE08 (Lecturer) and UE07. However, appointment to these grades is not normally through promotion, as is reflected in the small numbers.

The University's promotion policies, processes and documentation are published openly and promoted annually at University, College and School levels. All staff are encouraged to discuss their position with a senior colleague.

Positive action was taken to update the University's Grade Profiles in 2011 to further recognise teaching and public engagement in academic roles. This review reflected the University's mission in relation to Excellence in Education and recognised that there are proportionately more women in more teaching-focused roles.

Our academic promotions documentation was revised in 2010 to include circumstances such as reduced working hours and absences owing to maternity leave, caring responsibilities and long term ill-health. Promotions panels take this information into account when considering promotions. The University plans to use experience of complex circumstances cases in the REF 2014 as a basis for developing good promotion practice further.

Self-nomination for promotion is an option. It is a safety net for all staff who wish to have their cases formally assessed. However, the emphasis is firmly on the Schools' responsibility to review all academic staff annually to identify those ready for promotion and support all others in the development of their portfolio.

QuickCAT<sup>6</sup> surveys in all CSE Schools have identified a lack of understanding of the promotion processes, so we have included action to address this in our Action Plan (item 2).

In order to better understand career decisions, our Action Plan includes a project to improve understanding of the reasons that senior female staff leave the University (item 6).

We have also committed to introducing regular monitoring of redundancies (including fixed-term contracts ending) by gender (Action Plan item 5).

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<sup>6</sup> The short version of the UKRC's Cultural Analysis Tool.

## 5. Career development

(i) *Comment on the effectiveness of policies and activities in your institution that are supportive to women's career development in your SET departments.*

a) **Researcher career support and training** – *describe any additional support provided for researchers at the early stages of their careers, such as networks and training, staff appraisal scheme, and whether the institution is signed up to the Concordat.*

The University is signed up to the Concordat for the Career Development of Researchers. In recognition of our work in implementing the Concordat, we were one of the first institutions to be awarded the European Commission's HR Excellence in Research Award in 2010 and took part in the 2-year review in September 2012. We have been shortlisted for the THE Award for Outstanding Support for Early Career Researchers four times since 2006.

We have had a Code of Practice for the Management of Research Staff since 2008 and a 'Quick Start Guide' was launched in 2010. These set out the responsibilities of research staff and their managers in relation to professional management practice, including wider career development. The annual review arrangements are included in the Concordat as a good practice example. This has set normative standards of good practice in the management of researchers and contributed to a shift in culture, as is evidenced by continuing improvement in the University's biennial CROS results.

In 2010 the University established an Institute of Academic Development (IAD). Its aim is to help students and staff to succeed in their current roles and future careers by providing academic and transferable skills development and support. It is effective in supporting women's career development through, e.g.:

- A programme for female researchers, introduced in 2011/12, 'Ingenious Women: A programme to boost enterprise, creativity and resilience in women researchers'. Following evaluation, this is being repeated during 2012.
- A Researcher Led Initiative fund to help researchers develop their own training and development initiatives. In 2012 funding was agreed for an initiative to support women researchers: "Open Windows, Open Doors" - formal shadowing of successful women as a foundation for a sustainable career-orientated female network.
- The Researcher Development Programme, an extensive programme of career and professional development covering all career stages and including access to private Career Development Consultations. Events are run at different times and days to be accessible to part-time researchers.
- A new 4-day Research Leader Programme for new and aspiring Principal Investigators. Schools will be encouraged to target this programme at female academics – see Action Plan item 13.

The University's 'Informatics Ventures' provided funding for Girl Geek Scotland's three residential workshops for women in Autumn 2010 on Creativity, Computing and Enterprise.

The University makes effective use of CROS in relation to advancing women's careers. In the most recent results, a number of measures were analysed by gender and these showed parity between female and male researchers, e.g. on the take up of development opportunities, appraisal, and integration into the research community.

The University is active in promoting careers in STEMM through regular engagement with the SRC's Interconnect programme for female students.

- b) **Mentoring and networking** – *describe any mentoring programmes, including any SET-specific mentoring programmes, and opportunities for networking.*

## **Mentoring**

The University has had a Researcher's Mentoring Programme for several years—providing comprehensive information and support with finding and contacting mentors. This will be reviewed during the next two years (see Action Plan item 12).

A new University-wide mentoring framework and programme is being developed to support leadership and professional development in the University (see Action Plan item 10). The framework will be inclusive, but will particularly target certain groups to support achievement of the University's strategic objectives. In particular, it will be promoted to female academic staff with a view to improving career progression. A pilot is running from October 2012 to March 2013 - after which it will be reviewed for wider application. The pilot involves two STEMM areas, for which the Mentoring Project Group representatives are local Athena SWAN coordinators.

In addition, there are mentoring schemes in a number of Schools. E.g. two School of Biological Sciences institutes have career mentoring arrangements for post-doctoral researchers and the School of Chemistry assigns mentors to all new lecturers and researchers.

## **Networking**

The University was effective in establishing a Scottish Athena SWAN Network, which all Scottish HE Institutions have joined. The first meeting was in Edinburgh in August 2012 and the next is in December 2012.

The University's own AS network is an effective hub for publicising events, awards and initiatives relevant to women in STEMM – such as SRC events. This is also done via Colleges and Schools, School E&D Coordinators and other networks, as well as on our E&D website.

The University sponsors the successful Girl Geek Scotland organisation – a community for women and girls interested in technology, creativity and computing – and promotes their events.

The University has successfully established an LGBT<sup>7</sup> Staff Network in 2012, which has a growing membership and meets monthly. Membership is around 60% female.

The Edinburgh University Hoppers in our School of Informatics is part of an international social network for women, which celebrates women in Computing.

The University introduced a useful guide to help post-doctoral research staff to set up societies. There are now societies in the Schools of Biological Sciences, Chemistry, Engineering, GeoSciences, Informatics, Physics and Astronomy and Veterinary Medicine and at the two main Medical School bases. We have identified an action to encourage these societies to include events in their programmes that focus on women who have developed successful careers (Action Plan item 14).

The Press Gang aims to encourage interaction between the School of Biological Sciences and the wider community. They are a group of mainly women researchers from the School, working with the University Press Office and the Scottish Institute for Biotechnology Education to promote the communication of scientific breakthroughs and discoveries that are of interest to the public.

We have committed to exploring the establishment of an Edinburgh association for women in STEMM in our Action Plan (item 11).

(ii) *Comment on the effectiveness of activities in your institution that raise the profile of women in SET generally and also help female staff to raise their own profile such as:*

**a) Conferences, seminars, lectures, exhibitions and other events.**

The University introduced an International Women's Day (IWD) Annual Lecture series in 2010, featuring inspiring women speakers of international reputation. These lectures have successfully reached a wide audience of staff, students and members of the public, including MPs, Members of the Scottish Parliament and

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<sup>7</sup> Lesbian, Bisexual, Gay, Transgender



names. The women STEMM women honoured included: Ada Lovelace, Computer Programmer (see photo above); Nora Alcock, Plant Pathologist; James Miranda Barry, Army Medical Officer and reformer; Dorothy Buchanan and Molly Fergusson, Civil Engineers; Marie Curie, Physicist and Chemist; Sophia Jex-Blake, Doctor and campaigner for women's medical training; Sheila Scott MacIntyre, Mathematician; Anna MacLeod, Brewing Scientist.

The King's Buildings Library has been permanently renamed the Noreen and Kenneth Murray Library.

The University and EUSA have held a number of other IWD events including a Global Women, Global Leaders student conference in 2011 to showcase experts in fields including science and global leadership and, in 2012, a discussion on women and employment hosted by the University Secretary and a women's networking lunch.

The University hosted a public lecture: 'Women in Public Life – Have They Closed the Gender Gap?' by Alice Brown, UoE Emeritus Professor, in 2010.

In 2011, to celebrate the 100<sup>th</sup> anniversary of Marie Curie's second Nobel Prize win, the University's Bulletin featured 'Breaking the mould', profiling some of the University's female pioneers and asking about the women who had influenced them.



"I think my most important contribution has been my articles about the nature of modelling and what it contributes to biological science."

**Breaking the mould:** Barbara Webb, Professor of Biorobotics

We are currently planning a portrait exhibition of women connected with the University for 2013/14 .(Action Plan item 16).

**b) Providing spokeswomen for internal and external media opportunities.**

The University is successful in ensuring that our female staff feature prominently in the media on a local, national and international basis. Tables 12 and 13 provide just some of the examples of UoE women in STEMM featured in the press, radio and TV in 2012:

<b>Table 12 Examples of 2012 Press 'Headlines' about UoE women in STEMM</b>
❖ Physicist Victoria Martin comments as CERN finally discovers Edinburgh-inspired Higgs boson.
❖ Prof Agata Smoktunowicz helps judge Spain's best young mathematician.
❖ Snail fever compromises immune system, Dr Francisca Mutapi finds.
❖ Sinead Collins discusses how to create evolution.
❖ Dr Deborah Ritchie highlights risk to children from second-hand cigarette smoke.
❖ Jenna Richardson given industry-funded scholarship to study exotic animal medicine at the Vet School.
❖ Dr Sophie von Stumm suggests exercise, friends and good diet improve academic performance.
❖ Dr Catherine Heymans takes part in largest-ever survey of dark matter.
❖ Dr Kerry McInnes finds link between low testosterone and diabetes in men.
❖ Prof Jane Norman finds that inducing labour could save some babies' lives.
❖ Sasa Djokic discusses MSc in sustainable energy systems.
❖ Dr Sue Lewis tracks changing breeding habits of Antarctic Albatross.
❖ Jessica Frances Lampe discovers that horses are skilled at recognising individual people.
❖ Meerkats in the wild are highly inbred, finds Johanna Nielsen.
❖ Prof Amanda Amos comments on smoking culture.
❖ Study into parasite interaction in malaria. Antoine Claessens quoted.
❖ Prof Alex Rowe discovers common link between strains of severe malaria.
❖ Karen Horsburgh looks at link between lifestyle and Alzheimer's.
❖ Women of Pakistani origin less likely to have breast cancer screening, finds Narinder Bansal.
❖ Dr Penny Haddrill finds long-term benefits of sexual reproduction.
❖ Dr Fiona Denison develops techniques to curb stillbirths.
❖ Joan Simón is quoted on space/time theory.
❖ Dr Liz Patton offers expert perspective on rise in skin cancer cases.
❖ Warm autumn evenings make plants flower early, finds Dr Karen Halliday.
❖ Prof Anna Glasier comments on use of contraceptives in under-age girls.
❖ Prof Anna Meredith discusses need to study conservation medicine.

- ❖ Sue Fleetwood-Walker looking at how cold treatment affects pain.
- ❖ Emeritus Professor of Midwifery Rosemary Mander comments on Chinese maternity care.

**Table 13 Examples of 2012 Radio and TV interviews  
by UoE women in STEMM**

- ❖ Radio 4, BBC World Service, BBC Radio Scotland. Prof Lesley Yellowlees speaks of Government's failure to help women in science.
- ❖ BBC Radio 4, Sky news, Gulf news, News Australia. Prof Jane Norman discusses diabetes drug trial in obese expectant women.
- ❖ BBC Radio Scotland, News-Medical.Net, Webindia123, Asian News International, Indo-Asia News Service, Newstrack India. Prof Alex Rowe discovers common link between strains of severe malaria.
- ❖ BBC. Dr Penny Haddrill finds long-term benefits of sexual reproduction.
- ❖ Life TV (Cn), BBC Radio 5 Live. Prof Danielle Gunn-Moore comments on rigid-limbed disease in cats.
- ❖ BBC Radio Scotland. Prof Polly Arnold created molecule that could inspire better nuclear waste clean-up.
- ❖ Bloomberg News, Asian News International, Zee News, China News, China News Agency. Gabi Hegerl comments on world temperature forecast.
- ❖ BBC Radio Scotland, BBC Reporting Scotland. Bill Earnshaw and Mar Carmena gain fresh insight into drugs to target cancer.
- ❖ Bloomberg News. Dr Evelyn Telfer teams up with US scientists to create human eggs from stem cells.
- ❖ BBC. Single genes are linked to multiple diseases, Dr Evropi Theodoratou finds.
- ❖ BBC Radio/ TV. Female deer can wander from their harems during the rut, finds Katie Stopher.
- ❖ Asian News International. Laura Pollitt discovers how malaria parasite competes with other strains to survive.
- ❖ Asian News International, BBC Scotland. Dr Sarah Reece provides expert comment on flying ant swarms and says humid weather is causing ants to come out and mate
- ❖ Asian News International. Rising number of female students hit by kissing disease, says Dr Karen MacAuley.
- ❖ BBC World Service, Australian Broadcasting Corporation. Red hair common in Scotland because of weather, theorises student Emily Pritchard.

**c) Nominations to public bodies, professional bodies and for external prizes.**

The following are some examples of achievements of UoE women in STEMM from the last 3 years.

Professor Polly Arnold, Chair of Synthetic Inorganic Chemistry - presented with the Royal Society's Rosalind Franklin Award for her proposal to promote women in STEM as well as her scientific achievements. In 2008/9 she received the University's 'Chancellors Rising Star' award.

Joanna Brooks, psychology PhD student, won the Royal Society of Edinburgh Beltane Innovator's Prize for Public Engagement (2011).

Professor Heather Cubie, Head of the Human Papillomavirus Group - MBE for Services to Healthcare Science in Scotland (2012).

Professor Candice Currie, Director of the Child and Adolescent Health Research Unit - Action for Children Scotland Women of Influence Award (2010).

Dr Olga Degtyareva, Fellow of the Institute for Condensed Matter and Complex Systems (ICMCS), in the Centre for Science at Extreme Conditions, School of Physics won the 2010 European High Pressure Research Group (EHPRG) Award.

Professor Noreen Murray ("godmother of lambda vectors"), with Professor Ken Murray - Nexus Life Sciences Lifetime Achievement Award (East) (2010).

Jane Norman, Professor of Maternal and Fetal Health, and Professor Philippa Saunders, Director of the MRC Centre for Reproductive Health - admitted to the Academy of Medical Sciences (2012).

Jill Pilkington, Research Associate, School of Biological Sciences - MBE for services to science (2011).

Dr Jennifer Smillie, School of Physics and Astronomy and Dr Sarah Reece, School of Biological Sciences appointed Royal Society University Research Fellows (2012).

Professor Veronica Van Heyningen, FRS - CBE for services to science (2010).

Professor Joanna Wardlaw, Professor of Applied Neuroimaging and Head of the University's Centre for Clinical Brain Sciences - elected to Fellowship of the Royal Society of Edinburgh (2011) and presented with a Chancellor's Innovation award (2008/9).

Professor Kathryn Whaler - elected President of the International Association of Geomagnetism in 2011.



Professor Lesley Yellowlees - elected President of the Royal Society of Chemistry in 2011 and, in the University, appointed Vice-Principal and Head of the College of Science & Engineering in 2011 – the first woman to hold these positions. (Shown here as featured in Staff News, March 2011.)

Vicky Jane Young, Science communicator and PhD student, won I'm a Scientist Get Me Out of Here in 2011 and the Society for Applied Microbiology Communications Award in 2012.

A number of women in STEMM have also won University Chancellor's Awards and Principal's Medals as well as EUSA Teaching Awards.

## 6. Organisation and culture

(i) *Comment on the effectiveness of policies and activities in your institution that show a supportive organisation and culture in your SET departments as shown by the following data.*

a) **Female:male ratio of Heads of School/Faculty/Department across the whole institution and in SET departments.**

Table 14 – Female:male ratio of Heads of School (HoS)										
Heads of School	2008/9					2011/12				
	F	%	M	%	Total	F	%	M	%	Total
	3	14.3%	18	76.2%	21	6	27.3%	16	72.7%	22

The number of female Heads of School across the institution has doubled since a low point in 2008/9 to 27% in 2011/12.

In CSE one of the seven HoS is female, as in 2008/9.

MVM has 2 female and 2 male HoS.

<sup>8</sup> Photo credit: The Royal Society of Chemistry

Of the University's three Heads of College, two are women in 2012, compared to one in 2009.

The University is committed to ensuring that more women develop into senior academic and management roles. The continuing growth in the number of women attending the Senior Academic Leadership Programme, averaging 45.5% over the last 3 years compared to 39% in 2009, supports this aim. Four women who attended this programme have succeeded in being appointed as HoS.

We recently introduced a new Leadership and Management Development website which includes a range of courses for staff new to the University or to leadership roles and for those seeking career and professional development. This Leadership programme has been very successfully attended.

<b>Table 15 – Leadership programme attendance by gender</b>						
<b>Leadership Development</b>	<b>2009-2010</b>		<b>2010-2011</b>		<b>2011-2012</b>	
	<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>
<b>Insights</b>	51.7%	48.3%	50.0%	50.0%	43.8%	56.3%
<b>Managing 21st Century: -</b>						
Employment Law	44.7%	55.3%	44.4%	55.6%	33.3%	66.7%
Enhance Performance	22.2%	77.8%	22.7%	77.3%	50.0%	50.0%
Personal Presence	37.8%	62.2%	38.2%	61.8%	40.9%	59.1%
Influencing Skills	N/A	N/A	27.7%	72.3%	50.0%	50.0%
Managing Change	N/A	N/A	44.0%	56.0%	31.3%	68.8%
Managing Difficult Conversations	38.9%	61.1%	29.4%	70.6%	42.9%	57.1%

Table 15 shows that the majority of delegates on our Leadership programme are women – a substantially higher proportion than in the staff population. We will continue to encourage this, to promote the advancement of women through leadership development.

The recently restructured E&D Committee in CSE is chaired by the Head of College to demonstrate her commitment to E&D.

b) **Gender balance on the senior management team at university level.**

<b>Table 16 - Gender balance on the Senior Management Team</b>						
<b>Senior Management Team</b>	<b>2008/9</b>			<b>2011/12</b>		
	<b>F</b>	<b>M</b>	<b>F %</b>	<b>F</b>	<b>M</b>	<b>F%</b>
		7	15	31.8%	10	13

The proportion of women in the Senior Management Team has risen from 32% to 42% between 2008/9 and 2011/12.

c) **Gender balance on influential committees at university level.**

<b>Table 17 - Gender balance on University Court</b>						
<b>Court</b>	<b>2008/9</b>			<b>2011/12</b>		
	F	M	% F	F	M	% F
	7	15	31.8%	6	17	26.1%

The University's Governing body is the Court. Overall there has been a slight decline in the proportion of women on Court.

In 2009/10 Court introduced a skills-based approach to making external appointments to Court Committees, agreeing that all elected committee members would be appointed using University-recognised recruitment procedures. This initiative was first used to appoint external committee members for 2009/10 and for Court members for 2010/2011.

<b>Table 18 – Gender balance on Influential Committees at University level</b>				
	<b>M</b>	<b>F</b>	<b>% F</b>	<b>Change since 2009</b>
<b>Committees of Court</b>				
Audit Committee	4	2	33.3%	No change
Estates Committee	10	5	33.3%	Not previously reported
Staff Committee	6	9	60.0%	Increased from 41.2%
Knowledge Strategy	6	4	40.0%	Not previously reported
Finance & General Purposes	8	2	20.0%	Increased from 12.5%
<b>Senate Committees</b>				
Researcher Experience	7	6	46.2%	New committee
Learning and Teaching	9	10	52.6%	New committee
Curriculum and Student Progression	13	7	35.0%	New committee
Quality Assurance	7	8	53.3%	New committee
<b>Other</b>				
Central Management Group	10	6	37.5%	Increase from 23.1%

Table 18 shows a substantial increase in the proportion of women sitting on influential committees since 2009.

**d) Evidence from equal pay audits/reviews.**

A further Equal Pay report has been produced since our last submission. While this primarily covered Grades UE01-UE09, it included a pay gap figure for grades UE01-UE10 for the first time. The pay gap at 31 May 2010 was 22.7% based on the average basic salaries of all Grade UE01-UE10 staff, and 23.4% based on median salaries. This reflects the greater proportion of male staff at higher grades. As for the 2007 Equal Pay report, no significant gender pay difference was found within grades, for grades UE01-UE09.

<b>Table 19 – Pay Gap for Professorial Staff</b>				
	<b>2010</b>		<b>2011</b>	
	Average Salary	Median Salary	Average Salary	Median Salary
Non-clinical professors	9.4%	6.5%	6.6%	3.3%

An annual equal pay audit is carried out for professorial and equivalent staff. However, a change in the methodology – to include allowances as well as basic pay – means that comparable figures are only available for the last two years. Table 19 shows that there was a significant pay gap for non-clinical professorial staff in the last two years.

For clinical professors, there is a negative pay gap, i.e. men are paid less than women on average. However, that is based on a small population of women: only 5 out of 66 clinical professors (8.2%) – indicating a different concern for that group.

While the professorial pay gap reduced between 2010 and 2011, it remains a concern. The Remuneration Committee commissions an independent observer, Professor Kenny Miller, an Employment Law expert, to report and make recommendations based on the Equal Pay information each year. In view of the significant pay gap – both at professorial level and across the whole staff population – a new target has been included in the University’s Strategic Plan 2012-16, to reduce the gender pay gap (see Action Plan item 17). This ensures that the matter will be monitored and discussed annually by Court.

In addition, it has been agreed that a full Equal Pay Audit will be carried out every two (rather than three) years, covering all staff, from 2012 (see Action Plan item

3). An audit will continue to be carried out for professorial and equivalent staff only in the intervening years.

- e) **Female:male ratio of staff in the 2008 Research Assessment Exercise/ Research Excellence Framework – across the whole institution and in SET departments.**

Overall, 31% of the University's eligible RAE population were female. The University's actual submission was 30% female. 90% of eligible females were included in the submission, compared with 93% of eligible males.

In the STEMM population, 23% of our eligible RAE population were female, the same as in our STEMM submission. 93% of eligible females were included and 95% of males.

In preparation for REF the University has produced a REF E&D Code of Practice, which has been approved by the Scottish Funding Council, and has formed a REF E&D Group. The Group is responsible for making decisions on some complex circumstances cases, for 'quality controlling' decisions on such cases across the University and for undertaking Equality Impact Assessment of the University's REF submission and process. The Group has undertaken to ensure lasting value from its work, through identifying learning points for the institution for the next REF and for the advancement of equality and organisational development more broadly.

As part of the REF process, all those involved in selection decisions – who are mostly senior academic staff - have received E&D training.

- f) **Transparent workload models – describe the effectiveness of the systems in place to ensure that work, including pastoral and administrative responsibilities, is allocated transparently and equitably, and is rewarded and recognised in appraisal and promotions.**

The University introduced the Principles for Academic Workload Schemes document in June 2010, which sets out a framework to which all schemes should adhere.

Workload Models are the responsibility of individual Schools, and a variety of models are used across the University, to suit the particular needs of each area.

Amongst other things, the Principles specify that workload will be compatible with work-life balance; there must be transparency in the scheme to aid equality and equity of treatment of staff; workload allocation will take into account all the areas of activity that are expected of staff; and adjustments should be made to acknowledge an individual's career position and development needs.

- g) **Work-life balance** – *describe the measures taken by your institution to ensure a healthy work-life balance including, for example, that meetings and other events are held during core hours and to discourage a long hours culture.*

The University successfully achieved the Gold Healthy Working Lives award in 2010. This award recognises commitment to enhancing health and wellbeing in the workplace.

A new Health & Wellbeing website published in 2010 brings together information on health promotion within the UoE and includes a Healthy Working Lives section. In addition, the Staff Counselling Service was expanded in 2011 to provide counselling at King's Buildings, the main CSE campus.

The most recent CROS survey showed that there was no difference between the sexes in terms of their satisfaction with their work-life balance.

The University introduced a Trans Equality Policy in 2011 to support that group of staff and students and prevent discrimination.

Our QuickCAT survey results indicate that all Schools try to ensure that meetings are scheduled during core hours to take account of those with family responsibilities.

All staff can request that teaching is scheduled at certain times if they have constraints, e.g. due to childcare commitments. The University is implementing a new timetabling system, on which an Equality Impact Assessment is being carried out. This has identified that flexibility to meet personal circumstances should be monitored.

- h) **Publicity materials**, *describe policies for production of publicity materials including the institution's website or images used.*

Materials produced to promote the University, whether in print or online, are designed to be inclusive, accessible and representative. In terms of photography within a publication, images are checked to ensure the balance of gender, race, ethnicity and age is appropriate and balanced throughout.

## **7. Flexibility and managing career breaks**

- (i) *Comment on the effectiveness of policies and activities in your institution that are supportive of flexibility and managing career breaks in your SET departments as shown by the following.*

**a) Flexible working** – describe how eligibility for flexible and part-time working is advertised to staff.

Our E&D website has a family friendly section, which brings together our family friendly policies e.g. maternity, paternity, adoption, flexible working, with information on facilities and benefits, such as our nursery provision and childcare vouchers. These policies and facilities are also publicised through the HR website and periodic articles in our Staff News bulletin.

Guidance on applying for flexible retirement was produced in 2012 and we are currently reviewing our Flexible Working Policy, which was last reviewed in 2009. We are developing a Special Leave Policy to take account of non-standard leave situations not already covered in other policies/procedures.

**b) Parental leave** – the uptake of leave entitlement (including maternity, parental, adoption and paternity leave) and the return rates and support offered to those returning to work.

In the last 3 academic years, 158 members of academic staff have taken maternity/paternity/adoption leave, of whom 5 did not return to work,<sup>9</sup> giving an average return rate of 96.8%. This is a slight increase from 95% in our 2009 submission. The return rate in STEMM areas alone is slightly higher at 97.1%.

We have identified a need to develop our systems to enhance our ability to report on maternity and other parental leave and this is included in our Action Plan (item 4).

**c) Childcare** – describe the institution's childcare provision and how it is communicated to staff.

The University Childcare Vouchers scheme continues to be successful. It gives significant tax savings for staff with children. The number of employees in the scheme has increased by 61% from 450 employees in 2009 to 724 employees in 2012.

Of these, 42% are academic staff based within STEMM subjects, reflecting the promotion of the scheme that has been undertaken locally by HR to support the careers of women in STEMM. The vouchers are promoted through our standard maternity letters and websites.

The University has two nurseries, which are available to staff and students. We are reviewing our nursery/childcare provision and are planning to open a nursery on the King's Buildings campus, where most of CSE is based.

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<sup>9</sup> The return figures do not include any member of staff who did not return due to the end of their contract before the end of leave.

The aforementioned are publicised through Staff News and on the HR and E&D websites.

Word count 4388

## **8. Any other comments – maximum 500 words**

*Please comment here on any other elements which you think relevant to the application, e.g. other SET-specific initiatives of special interest since the original application that have not been covered in the previous sections, and promoting the Athena SWAN Charter.*

The University is seen as a sector leader in the promotion of Athena SWAN. We have convened a Scottish AS network (as above); we are frequently asked to meet with colleagues from other HEIs from across the UK and Ireland to share our experience and good practice in relation to Athena SWAN; we participate in the League of European Research Universities Gender Group and contributed to their July 2012 paper: 'Women, Research and Universities: Excellence without Gender Bias'.

A number of UoE staff and honorary staff contributed to the production of the Royal Society of Edinburgh's 'Tapping all our Talents' strategy for Scotland for women in STEM. The working group was established to address the importance of women in the workplace qualified in STEM and the advancement of women to senior positions in all sectors of the economy.

The University takes most seriously its commitment to fostering an environment in which women flourish. To that end, we have embarked on a review of our E&D governance and management structures (see Action Plan item 18) and we are participating in the ECU Mainstreaming equality through governance and management programme and are actively engaged in enhancing our governance of Equality & Diversity at all levels and across the institution.

The University is working towards applying for a University Athena SWAN Silver award and we would be most grateful for feedback from the Athena SWAN panel to help direct our ongoing work in this area.

Word count: 242

## **9. Action plan**

*Provide a new action plan as an appendix. An action plan template is available on the Athena SWAN website.*

*This should be a table or a spreadsheet comprising plans to address the priorities identified by the data and within this application, success/outcome measures, the person responsible for each action and a timeline for completion. It should cover current initiatives and your aspirations for the next three years.*

The University of Edinburgh AS Action Plan 2012 is attached as Appendix 2.

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## Appendix 1:

### The University of Edinburgh

#### Athena SWAN Action Plan 2009 – with 2012 progress update

*Diversity and equality have been priorities for the University for some time and included in successive strategic plans. A number of actions are already underway or planned, which are part of the Gender, Disability and Race Equality Schemes. This Athena SWAN Action Plan draws together the actions that are of particular importance to promoting good employment practice for women working in science, engineering and technology in the University, which is a key pillar of the University's commitment to the promotion of gender equality, and excellence in research and education.*

*Professor Lorraine Waterhouse, Vice-Principal (Equality and Diversity)*

Aim	Action	Timeline	Lead Responsibility	Progress since 2009: Category (Excellent, Good, Some or None) and notes
To promote Gender Equality, through inspirational women with international recognition.	Delivery of International Women's Day Lecture.	Spring 2010 and annually	VP for E&D with Lecture steering group	Excellent.  Three annual lectures held and the fourth is already scheduled for 2013.

<p>To embed the Athena SWAN learning into our operations and across the institution.</p>	<p>Ensure that at least one School in Medicine and Veterinary Medicine and another three Schools in Science and Engineering apply for Athena Swan Silver Awards by July 2012.</p>	<p>By August 2012</p>	<p>VP for E&amp;D with relevant Heads of School and Athena Swan Steering Group/GESIG.</p>	<p>Good.</p> <p>While the specific target on awards was partly achieved, progress towards the broader aim has been strong.</p> <p>The School of Biomedical Sciences achieved Silver in 2011. The School of Chemistry achieved Gold in 2012. Roslin Institute achieved Bronze in 2012 and are applying for Silver in 2013. The School of Physics achieved Juno Practitioner in 2010 and are applying for Juno Champion in 2013. The School of Biological Sciences and Royal (Dick) School of Veterinary Studies are applying for Athena SWAN awards in November 2012.</p> <p>A University Athena SWAN Network has been established and all schools in CSE and MVM are now actively working towards Athena SWAN accreditation.</p> <p>The Colleges have demonstrated their commitment by establishing two posts dedicated to supporting Schools with their Athena SWAN programmes.</p> <p>The University has demonstrated its commitment to advancing women's careers in STEMM by setting a Strategic Plan target to achieve an Athena SWAN Silver award by 2016.</p>
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<p>To ensure that women's careers are not disadvantaged by maternity leave or caring responsibilities.</p>	<p>Develop improved guidance on dealing with maternity leave in promotions processes.</p>	<p>By October 2010</p>	<p>Corporate HR with College HR.</p>	<p>Good</p> <p>The CV Summary template has been revised to highlight special circumstances which should be taken into account, e.g. maternity leave, to ensure that this is taken into consideration by promotions panels.</p> <p>The maternity policy and other family-related policies have been revised and the maternity policy provisions remain under review. A family friendly section has been created on the HR &amp; E&amp;D web pages, drawing together information about all relevant policies, facilities and benefits.</p>
<p>To ensure appropriate recognition of less traditional career paths and academic roles.</p>	<p>Review promotion processes and criteria to ensure that all areas of academic work are recognised.</p>	<p>By October 2010</p>	<p>Corporate HR with College HR.</p>	<p>Good</p> <p>The Academic Grade Profiles have been revised to further recognise teaching-focussed roles and public engagement activities.</p>

<p>To improve the gender balance of academic staff in the University.</p>	<p>Increase the proportion of female academic staff appointed and promoted to the lecturer, senior lecturer, reader and professor levels, year on year.</p>	<p>Annually</p>	<p>VP E&amp;D with Director of HR and Staff Committee</p>	<p>Some</p> <p>This is one of the gender equality targets in our Strategic Plan and a report is considered annually by Central Management Group and Court.</p> <p>There has been a gradual increase in the proportion of female lecturers, senior lecturers and readers over the last three years. The proportion of female professors has remained relatively level.</p> <p>The appointment and promotion rates for female staff fluctuate more each year, but have remained consistently higher than the underlying population, so contribute to improving the gender balance.</p>
<p>To understand reasons for staff leaving and identify barriers or possible unfairness.</p>	<p>Analysis of exit questionnaires by research staff in SET areas, by gender.</p>	<p>By Autumn 2011</p>	<p>Director of Researcher Development Programme with HR &amp; Equality Adviser, reporting to GESIG and E&amp;D Mgmt. Brd</p>	<p>None</p> <p>An online survey is in place, aimed particularly at research staff. However, there has been limited participation and so no analysis has been undertaken.</p> <p>This area has been identified for attention in our new action plan.</p>

<p>To promote gender equality through career and professional development, via good management practice</p>	<p>85% of all staff to have received Performance and Development Reviews (appraisal).</p>	<p>By August 2012</p>	<p>Director of HR</p>	<p>Some</p> <p>In 2011/12, approximately 60% of staff in colleges had Annual Reviews (ARs). While the target of 85% of staff receiving appraisals has not been met in academic areas, there has been a significant increase over the last three years.</p> <p>A University Annual Review Policy Statement has been introduced and reporting mechanisms have been put in place to enable better monitoring and management of the AR process.</p> <p>All three colleges have been actively promoting good practice and it is anticipated that there will be a considerable improvement in the AR rate in 2012/13</p> <p>Annual Review has been included as a KPI in the Strategic Plan 2012-16.</p>
<p>To support the promotion of gender equality through career, professional and personal development.</p>	<p>Introduce a Career &amp; Personal Development Information System for research staff, which will support recording and reporting of P&amp;DR and promote the maintenance and development of professional and personal development records.</p>	<p>By Autumn 2011</p>	<p>Director of Researcher Development Programme</p>	<p>Good</p> <p>The 'MyCareer' system has been developed and successfully implemented, enabling research staff to record information about their career progress and professional development on-line.</p>

<p>To ensure regular review of the University's pay practices in relation to Equal Pay.</p>	<p>Undertake a further Equal Pay Audit in 2010/11 for grades 1-9 and annual Equal Pay Audits for professorial and equivalent staff</p>	<p>By August 2011 and annually for grade 10</p>	<p>Corporate HR</p>	<p>Good</p> <p>The second Equal Pay Report for grades 1-9 was published in 2011 and annual equal pay audits have been produced for professorial and equivalent staff.</p> <p>The University's commitment to fair pay has been demonstrated by the introduction of a target to reduce the gender pay gap in the Strategic Plan 2012-16.</p>
<p>To provide comprehensive, high quality data on E&amp;D that ensures the University is able to identify and investigate possible areas of inequality and recommend action and to promote transparency and understanding of these data.</p>	<p>Annual EDMARC report and dissemination seminar.</p>	<p>Annually</p>	<p>Convenor of EDMARC</p>	<p>Good</p> <p>EDMARC has continued to report annually.</p> <p>The annual reports include spotlight reports on different themes each year. In 2010-11 the spotlight report focused on promotion/regrading for academic and professional services staff.</p>

<p>To promote Athena SWAN's values and principles, raise the profile of the charter and encourage further submissions for awards</p>	<p>Promote Athena SWAN best practice and award recognition on new E&amp;D website alongside other core Gender Equalities projects and commitments.</p>	<p>By December 2009</p>	<p>E&amp;D Manager</p>	<p>Good</p> <p>A new E&amp;D website has been launched, which includes specific Athena SWAN pages, news and all of the University's award applications. The Athena SWAN logo is featured on the front page. The website is currently being developed further to incorporate a good practice hub.</p> <p>The University's on-line newsletter for staff, Staff News, has included articles on all our successful awards, as well as regularly publicising the achievements of successful women in the University.</p> <p>Our new jobs webpage features the Bronze Athena SWAN logo and links to an E&amp;D page highlighting the awards held by University schools.</p> <p>The University has established and convenes a Scottish Athena SWAN Network, including all Scottish HEIs. Its first meeting featured a presentation by Dr Stephen Moggach on our School of Chemistry's Gold award.</p>
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<p>To promote the Athena SWAN values and principles and encourage further submissions for awards by Schools</p>	<p>Hold an Athena SWAN seminar for Schools considering working towards an award, to share good practice and network.</p>	<p>By Autumn 2010</p>	<p>E&amp;D Manager, with Heads of HR in SET areas</p>	<p>Excellent</p> <p>We have successfully established a University Athena SWAN Network which meets regularly, i.e. 3 or 4 times a year. A number of speakers have been invited, including Geraldine Woolley from the Scottish Resource Centre for Women in SET and Professor Lesley Yellowlees, President of the Royal Society of Chemistry and Vice-Principal/Head of College.</p> <p>As indicated above, we have been successful in encouraging submissions for awards. All of the University's STEMM schools now either have or are working towards applying for awards.</p> <p>In addition, the College of Humanities and Social Sciences is planning to apply for awards in relevant areas, and has embarked on work to apply Athena SWAN principles and methods in its other schools.</p>
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## Appendix 2:

### The University of Edinburgh

### Athena SWAN Action Plan 2012

*The University of Edinburgh is committed to equality and our vision and principles are set out in our Equality and Diversity Strategy. As part of that Strategy, the University also has an Equality and Diversity Action plan, which includes a number of actions related to Athena SWAN and the promotion of good employment practice for women working in STEMM. This Athena SWAN Action Plan draws together both existing and new commitments to action to further our Athena SWAN charter commitment.*

*Professor Lorraine Waterhouse, Vice-Principal Equality and Diversity*

	<b>Action/Objective</b>	<b>Action taken and plans at November 2012</b>	<b>Timeline</b>	<b>Lead Responsibility</b>	<b>Success Measure</b>
1.	Strategic Plan Target: Achieve the institutional Athena SWAN Silver award.	Established University Athena SWAN Network to share and promote good practice. 4 Schools have Athena SWAN or equivalent award at Bronze, Silver or Gold levels. All other Schools in CSE and MVM are working towards Athena SWAN awards. The University has achieved most of the objectives set out in its 2009 Athena SWAN action plan. Athena SWAN plans are now being established in relevant parts of the College of Humanities and Social Sciences and other action is set out in this new University-wide Action Plan.	By 2016	Vice-Principal E&D, Deputy Director of HR and Heads of STEMM Colleges and Schools.	Most STEMM Schools achieve Athena SWAN Bronze or Silver awards by the end of 2014; University achieves Silver by July 2016.

<b>Self-assessment and evidence base:</b>					
2.	Analyse the combined results of staff surveys carried out in STEM Schools and identify priorities for action	All Schools in CSE are carrying out 'QuickCAT' surveys as part of their Athena SWAN self-assessment process. The combined results will be used to identify priorities for action at College and/or University level. It has already been identified that improving understanding of the academic promotion processes is a priority.	Analyse results by April 2013	University Athena SWAN network	Initially, identification of specific priority actions and timescales.
3.	Embed biennial equal pay audits for all staff	Annual equal pay audits are carried out for professorial and equivalent staff. Two equal pay audits have been done for staff on grades 1-9, three years apart. From 2013, biennial audits will cover all staff.	First biennial equal pay audit by March 2013	Senior HR Partner – Reward and Management Systems	Publication of biennial equal pay audits.
4.	Develop systems to enable automated reporting on maternity and other parental leave	Most information on maternity, paternity and adoption leave is held by local HR teams, making reporting difficult. A project will be established to develop the HR system to enable central reporting on maternity and other leave.	Project in 2013/14 IS programme	Senior HR Partner – Reward and Management Systems	Establishment of improved reporting facility
5.	Introduce regular, systematic monitoring of redundancies (including termination of fixed-term contracts) by gender	The Standing Consultative Committee on Redundancy Avoidance (SCCRA) monitors redundancy and redundancy avoidance figures. While this has periodically included gender analysis, this will be introduced as a standard practice.	By August 2013	HR Employee Relations Partner, SCCRA	Establishment of standard gender analysis reporting to SCCRA

6.	Improve understanding of reasons for senior female staff leaving the University, through exit surveys and analysis of turnover information, as a basis for identifying priorities for action.	There is currently limited analysis of information about leavers and a low return rate for existing exit questionnaires. A project will be established on this topic.	Produce project plan by August 2013	Deputy Director of HR	Initially, agreement on the project scope, objectives and milestones.
<b>Key career transition points:</b>					
7.	Increase the proportion of female academic staff appointed and promoted to lecturer, senior lecturer, reader and professor levels. [Strategic Plan Target]	<p>This remains a key commitment in the Strategic Plan 2012-16, having been part of the previous Plan. Figures are reported annually to the University Court and discussed by the Central Academic Promotions Committee. Action to achieve this target is embedded elsewhere in this action plan.</p> <p>In addition, action will be taken to ensure that academic staff who have not achieved promotion within a reasonable time (to be determined) are reviewed and receive career development guidance and support.</p>	<p>Annual report</p> <p>By August 2013</p>	<p>Heads of College</p> <p>Deputy Director of HR</p>	An upward trend in the proportion of female academic staff at each level.
8.	Introduce, promote and evaluate on-line Recruitment and Selection training, incorporating relevant E&D aspects	An on-line package is under development.	Launch by Dec 2012	Senior HR/OD Partner – Learning and Development	Completion of the course by staff from all parts of the University by July 2014 and positive evaluation of the course.

9.	Carry out equality impact assessment (EqIA) of the recruitment and induction of 100 Chancellor's Fellowships (CFs) during 2012 and put in place arrangements to monitor progress and share good practice and lessons learned.	Around 70 CFs have been recruited across the University and arrangements for induction have been developed. A programme of support and development is being developed, along with management guidance. A survey of those already in post has been carried out. It is intended to monitor this cohort of new academic staff, including from an equality perspective, with a view to learning from their experiences and extending effective practices to the recruitment and induction of all academic staff in future.	EqIA by March 2013; other milestones to be confirmed	CFs Steering Group	Actions identified from EqIA by March 2013.
	<b>Career development:</b>				
10.	Develop and implement a University mentoring framework and programme, open to all staff groups, but targeting particular groups including female academic staff.	Pilot organised to run from November 2012 to May 2013. Plan to evaluate the pilot in June/July 2013 and, subject to the outcome, extend the programme to further areas and, in due course, University-wide.	Complete pilot by June 2013	Senior HR/OD Partner – Learning and Development	A cohort of mentoring relationships is established in the pilot areas by December 2012; evaluation results are positive; and the scheme is extended to further areas by the end of 2013
11.	Explore the establishment of an Edinburgh association for women in STEMM	No formal association or network exists. This will be discussed by the University's Athena SWAN network initially, and taken forward from there.	Discussion by AS Network by April 2013	University Athena SWAN network	Initially, confirmation of whether to establish an association.

12.	Review the Research Staff Mentoring Programme	The Research Staff Mentoring Programme will be kept under review, in the light of item 10 above and the support in place for Chancellor's Fellowship holders	Review and potential developments by April 2014	Institute of Academic Development (IAD)	Interest in programme monitored and compared with number of partnerships established
13.	Support women taking on the role of PI	Schools will be encouraged to target the newly established 4-day Research Leader Programme for new and aspiring PIs at female academics.	Throughout 2013 and 2014	IAD with School and College Deans of Research	Gender balance of participants monitored, aiming for increasing numbers of females attending compared to total population
14.	Involve Research Staff Societies in showcasing successful female careers	Encourage Research Staff Societies to include an event in their programme of activities which focuses on women who have developed successful careers	Throughout 2012/13 and 2013/14	IAD with Research Staff Societies	The inclusion of one or two of these events in society programmes
<b>Raising the profile of women:</b>					
15.	Inspire women to succeed through the Annual International Women's Day (IWD) lecture series.	Three successful annual lectures held since 2010, featuring internationally successful women: Harriet Lamb, Irene Khan and Phillipa Gregory. The 2013 speaker has been booked: President of the Royal Society of Chemistry, Professor Lesley Yellowlees.	Annually on IWD in March.	VP for E&D with steering group	Well-attended annual lecture by internationally successful woman
16.	Mount an exhibition of portraits of University of Edinburgh women	Currently being planned. Portraits to be commissioned and exhibition mounted.	Exhibition during 2013/14	VP for E&D with steering group	Exhibition mounted, well publicised and well attended.

<b>Organisation and culture:</b>					
17.	Reduce the gender pay gap for University staff [Strategic Plan Target]	Achievement of this target is dependent on a number of factors, including improvement in the recruitment and career progression of female academic staff, so action is embedded elsewhere in this plan.	Reported annually	Heads of Colleges and Support Groups	A downward trend in in the University's gender pay gap figure.
18.	Revise and implement new E&D governance, management and consultation and committee structures.	Participating in ECU Mainstreaming through governance and management programme; drafted remit for Equality Management Board. Aim to arrange first Board meeting by April 2013	By end 2013	Vice-Principal E&D	Establishment of senior level Board and clear structures for E&D governance, management and consultation in place across the University.
19.	Promote and monitor take up of E&D training	On-line training in E&D and Equality Impact Assessment is available to all staff. In addition a number of E&D-related staff development opportunities are available, such as a workshop on 'Developing an understanding of Equality, Diversity and Internationalisation' and a module on the University's Post-Graduate Certificate in Academic Practice. It is intended to build on existing processes to improve the monitoring of uptake, to inform further promotion and targeting of training as required.	Set specific milestones/targets by April 2013; Review progress by April 2014	Deputy Director of HR	Initially, specific milestones/targets set by April 2013.

This Action Plan will be reviewed annually by the University's Athena SWAN Network.



The University of Edinburgh

Central Management Group

23 January 2013

**Proposal to establish a Chair in Tomographic Imaging**

Brief description of the paper

A Chair appointment is proposed to facilitate the appointment of an external Head of School whom has been appointed through a competitive process.

Action requested

For approval.

Resource implications

Does the paper have resource implications? Yes

The Chair is intended to be funded from existing School resources.

Risk Assessment

Does the paper include a risk analysis? No

Equality and Diversity

Does the paper have equality and diversity implications? No

Originator of the paper

Professor Lesley Yellowlees, Head of the College of Science and Engineering  
January 2013

Freedom of information

Can this paper be included in open business? Yes

## **Appointment in the School of Engineering**

### **Background:**

In Summer 2012, the University made a decision to have an external recruitment for the Head of the School of Engineering. This process concluded in December 2012 when the position was offered to and accepted by Professor Hugh McCann, Professor of Industrial Tomography and Associate Dean (Research) in the College of Engineering and Physical Sciences, University of Manchester. Prof. McCann was previously Head of the School of Electrical and Electronic Engineering (1999-2002) and Head of the Unit of Assessment for the RAE2008 return in the University of Manchester. It is proposed that, inter alia, this appointment will augment the University's joint return with Heriot Watt University to REF2014 through Hugh's own high calibre research track record and ongoing research portfolio and also his knowledge and expertise derived from his leadership of the RAE 2008 return for UoA24 at Manchester.

**Funding for the Post:** School reserves are such that this appointment can be funded entirely from internal means.

The University of Edinburgh

Central Management Group

23 January 2013



**Proposal to Establish a Chair of Synthetic Biology in the  
School of Biological Sciences**

Brief description of the paper

The School wishes to establish a Chair to lead new developments in synthetic biology. In particular the proposed Chair offers an opportunity to strengthen collaborative links with the School of Engineering in this developing field. Substantial RCUK, UK government and commercial funding is now being directed towards synthetic biology, and with appropriate leadership the School has the potential to be a major player in this emerging discipline.

Action requested

For approval.

Resource implications

Does the paper have resource implications? Yes:

The salary will be funded by School's core budget. Start-up costs will be met from a combination of reserves expenditure, sustainability pot investments and external grants and awards. A key ambition is to secure major Centre funding which will generate income to offset the costs of the new position.

Risk assessment

Does the paper include a risk analysis? Yes:

There is a substantial risk in not making this appointment – SBS and other Schools (notably Engineering) have been working hard to create a national and international profile in synthetic biology and a number of junior/mid-level appointments have been made. However without credible leadership in this field we will be unable to capitalise on this groundwork to secure the really large partnerships and funding awards. The cost of an appointment, even including start-up commitments (which may not be enormous - the School already has a good equipment base), will be more than offset by the expected income that can be secured in the relatively short term.

Given the timing of this recruitment there is a risk we will not be able to make an appointment before the REF census date (although we will focus on trying to achieve this). However the long-term benefits from having the right person in the post will substantially outweigh the loss of income should the timing prove untenable for REF.

Equality and diversity

Does the paper have equality and diversity implications? Yes, in the context of the School's aims to recruit more women to senior academic positions. We have succeeded in securing a higher proportion of female applicants to our most recent Chair recruitment and will take the same pro-active approach in this case.

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  
December 2012

## **Proposal to Establish a Chair of Synthetic Biology in the School of Biological Sciences**

Synthetic Biology is one of the key themes which the School of Biological Sciences (SBS) and College of Science & Engineering have identified as a strategic focus for investment and growth of our research capabilities.

Synthetic Biology has recently emerged as a new field where significant funding opportunities are becoming available (e.g. EPSRC contacts have indicated £50M for synthetic biology over 2013-2015, shortly to be announced). It has the potential to be transformational in a large number of application areas which address a diverse range of important socioeconomic challenges, e.g. Healthcare, Agriculture, Novel Materials, Bio-fuels/Energy, Bio-remediation/Clean Water, and Manufacturing. It is a focus area for both BBSRC and EPSRC, as well as for direct government funding. For example, it is highly likely that substantial funding will be made available by RCUK for the creation of Centres for Synthetic Biology (similarly to the creation of Centres for Systems Biology previously, where Edinburgh was extremely successful in securing an £11M award for CSBE).

Edinburgh is apparently currently well thought-of by potential funders but we, and they, recognise that we are not optimally placed to capitalise on these opportunities because of lack of senior leadership in this field. We have been building strength at the grass roots level through the appointment of Louise Horsfall to a lectureship in biotechnology (May 2012) and Patrick Cai to a Chancellor's Fellowship (starting July 2013). We also have Chris French in a Senior Lectureship and Alistair Elfick in a readership in the School of Engineering. Collectively, these individuals have been actively seeking and securing a range of funding sources, which bodes well for our future potential. We have rebranded CSBE as SynthSys, the Centre for Synthetic & Systems Biology, to reflect our interest in Synthetic Biology (currently led by Prof Vincent Danos of the School of Informatics—a systems modeller—with a management committee including Elfick and Prof Andrew Millar of SBS, also a systems biologist). What is required to ignite our presence in this field is a dynamic leader specifically in synthetic biology, with recognised international credentials. Until recently we had thought that it might be difficult to identify a sufficiently senior scientist for a Chair, but the field has matured and there are now a number of potential candidates we could hope to attract to Edinburgh. This is an opportunity where there is a small time window to make a significant impact on the UK landscape and secure substantial funding, and there is a strong case to attempt to do this. Creation of a Chair in Synthetic Biology will position SBS and the College exceptionally well to capitalise on these imminent future funding streams, to work across discipline boundaries with other Schools, and to exploit the potential of our fundamental research expertise.

The postholder will be a world leader in the development of synthetic biology. This is a very interdisciplinary field which comprises many scientific disciplines, most notably biology, engineering, informatics and chemistry. This Chair appointment will also therefore strengthen links between Schools in the College of Science & Engineering and will also be expected to further develop collaboration with the College of Medicine & Veterinary Medicine through the application of synthetic biology in medicine.

The University of Edinburgh

Central Management Group

23 January 2013

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**Proposal to create a Chair in Design Informatics**

Edinburgh College of Art seeks to create and appoint to a Chair in Design Informatics. This new chair will not be period-prescribed, but will join the School of Design at this critical post-merger period and following the departure of two senior colleagues in the run-up to REF. The post will support research activity and postgraduate teaching in the Centre for Design Informatics.

Edinburgh College of Art sees this post as a strategic appointment for the following reasons:

- The School of Design at Edinburgh College of Art will benefit from an additional Chair, working at a high level as it develops its research culture.
- The School of Design is developing new courses, programmes and research collaborations across the University and particularly in the School of Informatics and across the College of Science and Engineering. This post will support those developments.
- The School of Design is keen to position itself proactively within the design disciplines on a national and international stage. The creation of a Chair in Design Informatics will help raise the School's profile.

Edinburgh College of Art will insist on 4\* research outputs and a portfolio of high profile, externally funded projects. The successful candidate will have experience of international collaboration with sister institutions and industry. S/he will assume significant leadership, management and mentoring responsibilities in the School of Design and Edinburgh College of Art as a whole.

The School of Design has a robust plan for increasing research income and growing new programmes to which the Chair will make a significant contribution. Given the need to control expenditure at Edinburgh College of Art we believe that an internal recruitment process will identify candidates of exceptional expertise whose re-deployment will attract prestige and drive expansion.

- CMG is invited to recommend to Court and Senate the adoption of the appropriate Resolution.

Action requested

For approval

Resource Implications

Does the paper have resource implications? Yes

Risk Assessment

Does the paper include a risk analysis? No

Equality and Diversity

Does the paper have any equality and diversity implications? No

Freedom of Information

Can this paper be included in open business? Yes

Originators of the paper

Professor Chris Breward, Principal, Edinburgh College of Art.  
Alan Murray, Deputy Principal, Edinburgh College of Art, Head of the School of Design.

Professor Dorothy Miell  
Vice-Principal and Head of College of Humanities and Social Science  
16<sup>th</sup> December 2012