



**CENTRAL MANAGEMENT GROUP**

**4 March 2015**

**Minute**

- Present:** Senior Vice-Principal Professor C Jeffery  
Vice-Principal Professor D Miell  
Vice-Principal Professor C Breward  
Vice-Principal Professor S Rigby  
Vice-Principal Professor J Smith  
Vice-Principal Professor S Welburn  
University Secretary, Ms S Smith  
Mr H Edmiston, Director of Corporate Services  
Mrs T Slaven, Deputy Secretary, Strategic Planning  
Mr P McNaull, Director of Finance  
Mr G Jebb, Director of Estates  
Mr G McLachlan, Chief Information Officer
- In attendance:** Assistant Principal Professor A Trew, on behalf of Vice-Principal Professor Yellowlees  
Dr C Elliot, on behalf of Vice-Principal Professor Sir John Savill  
Professor C Clarke, Head of School of Health in Social Science  
Ms L Chalmers, Director of Legal Services  
Dr I Conn, Director of Communications and Marketing  
Mr D Gorman, Director of Social Responsibility and Sustainability  
Mr B MacGregor, Director of User Services Division  
Mr D Kyles, Chief Internal Auditor  
Mr D Gillespie, Head of HR, on behalf of Mrs Z Lewandowski, Director of HR  
Mrs K Graham, Deputy Head of Court Services
- Apologies:** The Principal  
Vice-Principal Professor M Bownes  
Vice Principal Professor R Kenway  
Vice-Principal Professor A Morris  
Vice-Principal Professor J Seckl  
Vice-Principal Professor J Haywood  
Vice-Principal Professor J Norman

**1 Minute**

**Paper A**

The Minute of the meeting held on 20 January 2015 was approved.

**2 Principal's Communications**

Senior Vice-Principal Professor Jeffery on behalf of the Principal reported on the following: the expected announcement on REG

funding; the Labour Party policy on tuition fees; the Principal's meeting with the new Cabinet Secretary for Education and Lifelong Learning; the recent visit to India by University delegates.

## **SUBSTANTIVE ITEMS**

### **3 Draft Planning Round Submissions**

**Paper B**

CMG considered a first overview of the draft plans and welcomed the revised presentation format that facilitated a shared understanding of the cross University implications of individual plans.

The uncertain financial environment was noted, with limited time to smooth the effect of any changes in REG funding for 2015-16. On that basis, there was support for the recommendation that the target surplus for 15/16 should be in the lower half of the financial strategy range (3-5%) minus any immediate cut in SFC funding.

It was noted that the changed financial environment was not limited to next year and budget holders should ensure that years two and three of their plans increase efficiencies and grow income.

During discussion it was agreed there were opportunities for efficiency improvements and income growth but these required to be resourced appropriately to be sustainable. It was noted that the budget holders had taken varying approaches to managing within a flat-cash budget, with some building a deficit or utilising reserves. It was agreed there needed to be a consistent approach for drawing down reserves based on a clear rationale for how this would lead to longer term benefits. It was noted that it was often difficult to attribute the benefits of investment and support was required to enable budget holders to develop positive, realistic expectations of income that can be generated.

Following wide ranging discussion, CMG concluded that the University required growth in the long term, even if actions to achieve it narrowed the surplus in the short term. Growth and investment aspirations linked to strategy needed to be resourced and strategic investment was required for a sustainable reduction in process costs. Budget holders required a commonality of approach to using reserves and a clear steer for this. CMG endorsed the approach to budget setting for EUSA, ESCA and EUSU including the proposed budget increases.

It was noted that changes as a result of FRS102 would, in future, require restatement of the financial strategy targets in terms of operating cashflow. The principle would however remain unchanged.

## **ROUTINE ITEMS**

### **4 Financial Issues**

**Paper C1  
Paper C2**

CMG noted the reports including the endowment report which illustrated the benefit of co-ordinated fundraising. The implications of the implementation of FRS102 in interpreting the accounts were noted along with the implications of reporting USS on the balance sheet and the requirement for increased disclosure of senior management remuneration and interests.

The net forecast position was noted, with a changing trend of a reduced surplus position and the changing profile of staff costs.

### **5 Russell Group Comparative Financial Information**

**Paper D**

CMG noted the report and in particular the University's high net assets and low gearing comparative to other institutions. It was noted the report would also be considered by PRC and it was requested that an analytical section be added to clarify the implications of the University's comparative position.

### **6 Internal Audit Status Report**

**Paper E**

CMG noted the report, the progress on delivery of the 2014/15 audit plan and the progress on closure of overdue audit issues. The report had also been considered by Audit and Risk Committee, where the overdue closure of audit issues was also discussed. It was agreed there needed to be awareness of outstanding issues at a senior level in order to encourage accountability for implementing internal audit recommendations within the agreed timescale.

### **7 Any Other Business**

The University Secretary reported that CMG's terms of reference and membership had now been operational for over 9 months and it was planned to undertake a review to identify any areas for enhancement.

The Director of Finance reported there had been further information about procurement thresholds and it was important all colleagues were aware of the potential impact of new procurement legislation.

**ITEMS FOR FORMAL APPROVAL/NOTING** (Please note these items are not normally discussed.)

### **8 NHS Surcharges for Migrants**

**Paper F**

CMG approved an interest free loan to non-EEA migrants to cover NHS surcharges as set out in the paper.

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| <b>9</b>  | <b>Social Responsibility and Sustainability Report</b>  | <b>Paper G</b> |
|           | CMG approved the publication of the Social Responsibility and Sustainability Report 2013-14 and noted that discussions were ongoing to align this reporting with the Annual Review.   |                |
| <b>10</b> | <b>Recruitment and Admissions Strategy Group</b>  | <b>Paper H</b> |
|           | CMG approved the revised terms of reference as set out in the paper.  |                |
| <b>11</b> | <b>Report from Space Enhancement and Management Group</b>   | <b>Paper I</b> |
|           | CMG noted the report from the Space Enhancement and Management Group (SEMG) and requested clarification on amendment of the Space Enhancement and Management Policy.  |                |
|           | Post-Meeting note: the amendment was updating the Policy by replacing the SEMG remit with the remit approved by CMG on 12 November 2014.  |                |
| <b>12</b> | <b>Fee Proposals</b>  | <b>Paper J</b> |
|           | The proposed fees as set out in the paper were approved. CMG requested Fees Strategy Group explore a differential approach to fee setting which included subject demand level and the relationship between the overseas and domestic student cohort.                          |                |
| <b>13</b> | <b>Proposals for Chair Establishment and Changes</b>  | <b>Paper K</b> |
|           | CMG approved the establishment, re-naming and removal of Chairs in the College of Science and Engineering as set out in the paper.  |                |
| <b>14</b> | <b>Principal's Strategy Group</b>   | <b>Paper L</b> |
|           | The report was noted.   |                |
| <b>15</b> | <b>IT Security Policy</b>   | <b>Paper M</b> |
|           | CMG noted the report and welcomed the fresh oversight of IT security. The IT Security Policy had also been considered at Audit and Risk Committee where it had been agreed it would be timely for the newly appointed Chief Information Officer to review IT security issues. |                |
| <b>16</b> | <b>Report from Equality and Diversity Monitoring Research Committee</b>   | <b>Paper N</b> |
|           | The report was noted.   |                |

**17 Report from Health and Safety Committee**

**Paper O**

The report was noted.

**18 Date of next meeting**

Wednesday, 14 April 2015 at 2.30pm in the Raeburn Room, Old College.