

UNIVERSITY OF EDINBURGH

MINUTE OF A MEETING of the University Court of the University of Edinburgh held in the Mary Kinross Room, Queen's Medical Research Institute (QMRI), on Monday 12 December 2011.

Present: Rector (in chair)
The Principal
Sheriff Principal E Bowen
Mr A Johnston
Professor A M Smyth
Mrs M Tait
Dr M Aliotta
Professor J Ansell
Professor D Finnegan
Professor S Monro, Vice-Convener
Professor J Barbour
Mr P Budd
Mrs E Noad
Ms A Richards
Mr M McPherson, President Students' Representative Council
Mr M Williamson, Vice-President Students' Representative Council

In attendance: Senior Vice-Principal Professor N Brown
Vice-Principal Professor D Miell
Vice-Principal Professor L Yellowlees
Vice-Principal Professor Sir John Savill
Vice-Principal Professor C Jeffery
Professor J Seckl
Dr K Waldron, University Secretary
Mr N Paul, Director of Corporate Services
Dr A Cornish, Deputy University Secretary and Director of Planning
Mr A Currie, Director of Estates and Buildings
Mr J Gorringe, Director of Finance
Ms S Gupta, Director of Human Resources
Ms F Boyd, Principal's Policy and Executive Officer
Dr K J Novosel, Head of Court Services

Apologies: Ms S Beattie-Smith, Rector's Assessor
Professor A Harmar
The Rt Hon G Grubb, Lord Provost of the City of Edinburgh
Dr C Masters
Mr M Murray
Mr D Workman
Mr D Brook

Court received a presentation from Vice-Principal Professor Sir John Savill and Professor Jonathan Seckl entitled 'An overview of activities in the College of Medicine and Veterinary Medicine'.

A FORMAL BUSINESS

1 MINUTE OF THE MEETING HELD ON 7 NOVEMBER 2011

Paper A1

The Minute of the meeting held on 7 November 2011 was approved as a correct record.

2 MATTERS ARISING

Court noted the current position in respect of nursery provision at King's Buildings and that proposals would be considered by the Estates Committee in the New Year and thereafter reported to Court.

Court further noted concerns raised in respect of student catering and other facilities at King's Buildings. There was discussion on the on-going building developments at King's Buildings and the improvements already undertaken and it was agreed to investigate if further short-term measures could be implemented.

B PRINCIPAL'S BUSINESS

1 PRINCIPAL'S COMMUNICATIONS

Paper B1

Court noted the items within the Principal's report and the additional information on: the successful Christmas Carol Service; the University's rugby team win over the team from the University of St Andrews at a special match hosted by London Scottish rugby club; the progress in taking forward a Personal Tutor system as a new approach to providing academic and pastoral support to students; the current position in respect of establishing a new office in Latin America; the very successful monitoring visit by the Scottish Funding Council in respect of the merger with the Edinburgh College of Art; the Enhancement-Led Institutional Review; and the current encouraging student application levels for 2012/2013 particularly international students.

2 DESIGNATION OF VICE-PRINCIPALS AND ASSISTANT PRINCIPALS

Paper B2

On the recommendation of the Principal, Court approved: the proposals to take forward the process to identify successors for the separate functions of Senior Vice-Principal and Vice-Principal Planning, Resources and Research Policy on the retirement of Professor Nigel Brown in late summer 2012; the extension of the current remit of Assistant Principal Dr Sue Rigby and to revise her designation with immediate effect to Assistant Principal for Student Progression and Taught Postgraduate Programmes; and the extension of the term of office of Assistant Principal Professor Asif Ahmed until 28 February 2014.

C SUBSTANTIVE ITEMS

1 REPORT OF THE FINANCE AND GENERAL PURPOSES COMMITTEE

Professor Monro presented the papers previously circulated.

Report of the Central Management Group meeting of 14 November 2011

Paper C1.1

Court noted the planning round assumptions and the indicative uplift to core budgets for 2012/2013. Court was very supportive of the project to take forward enhanced guidance on academic promotion in respect of excellence in learning and teaching and welcomed the detailed information on the restructuring of Development and Alumni and the success of the current fundraising campaign. In accordance with the new staff Appeals Process, Court noted that for the period 1 April until 30 June 2011, 5 appeals against dismissal had been lodged, 3 had been heard of which none had been upheld. It was further noted that this information would in future be routinely reported to Court via the Staff Committee.

Court approved the Subsidiary Companies Financial Statements 2010/2011 and noted the remaining items particularly welcoming the introduction of Chancellor's Fellowships.

2 RISK MANAGEMENT COMMITTEE END OF YEAR REPORT

Paper C2

Court noted the Annual Report on the activities of the Risk Management Committee which had included identifying new risks emerging during 2010/2011 and reviewing the risk registers of Colleges and Support Groups. Overall, the Committee was of the opinion that the University had satisfactorily managed its key risks during the year ended 31 July 2011. In particular Court noted the year end questionnaire and assurance map relating to version 8 of the University Risk Register. In respect to the former it was confirmed that the information on question 6 referred to specific isolated incidents and that overall there had been no significant breakdown in relationships with students or student representatives.

3 RISK MANAGEMENT – POST YEAR END ASSURANCE STATEMENT

Paper C3

It was noted that no new risks required to be drawn to the attention of Court since the completion of the Risk Management Committee's Annual Report which impacted on the ability of Court to approve the University's Annual Accounts for the year ended 31 July 2011. Court further noted the information on the Edinburgh College of Art and on the Andrew Grant Scholarship Fund and the University's position following the merger on 1 August 2011.

4 AUDIT COMMITTEE ANNUAL REPORT

Paper C4

Court noted the Annual Report on the activities of the Audit Committee during 2010/2011 and in particular the opinion of the Internal Audit Service, endorsed by the Committee, on the adequacy of the University's control and governance arrangements. The continuing satisfactory performance of Internal and External Audit Services was commended by Court and the decision to continue to annually assess performance.

The Report also provided assurance to Court in respect of the Edinburgh College of Art and the Andrew Grant Scholarship Fund Annual Accounts particularly the information contained in the annexes. The Convener of the Audit Committee further intimated that she had now had confirmation from the Edinburgh College of Art's Internal Audit Service that there were no further matters which required to be reported which impacted on the ability of Court to approve the Edinburgh College of Art and the Andrew Grant Scholarship Fund Annual Accounts for the year ended 31 July 2011.

Court further noted the draft Minute of the last meeting of the Audit Committee and the Committee's comments on the Annual Accounts for year ended 31 July 2011 and the Letters of Representation in respect of the University, Edinburgh College of Art and the Andrew Grant Scholarship Fund. It was further noted that the Audit Committee had considered in detail External Audit Highlights Memoranda in respect of these three Annual Accounts and that it was content that they represented a balanced view. It was agreed to consider further whether it would be helpful for the External Audit highlights memoranda to be presented to Court.

Reports and Financial Statements for the year ended 31 July 2011

Paper C5.1

The Reports and Financial Statements for the year ended 31 July 2011 were considered in detail. Court noted the inclusion of three new subsidiary companies: Flowave TT Limited, Old College Capital LLP and Research into Results Limited, the new requirements in respect of heritage assets and the additional information on members' attendance at Court and Committees. Court welcomed the very positive performance of the University during 2010/2011 with the Group Income and Expenditure Account recording an increase in income of 2.6% from the previous year and the achievement of a £42.2m retained surplus which equated to an appropriate 6.5% of turnover. The movements in income streams compared to the previous year were noted, particularly the increase in tuition income from full-time students charged overseas fees and the decrease in income from research grants and contracts. Court further noted the movements in expenditure costs and the tight control maintained particular in staffing expenditure in anticipation of funding reductions. The balance sheets confirmed an improved position from the previous year with the total net assets being recorded as £1.540bn for the Group. The very strong group cash flow position was also noted.

Court welcomed and approved the Reports and Financial Statements for year ended 31 July 2011, noting the External Auditor's report and unqualified opinion and authorised the Principal, Vice-Convener of Court and the Director of Finance to sign the Reports and Financial Statements for the year ended 31 July 2011 as appropriate on behalf of Court.

Letter of Representation

Paper C5.2

Court approved the Letter of Representation and authorised the Principal to sign the Letter on its behalf.

Review of 2010/2011 Outturn versus Forecast

Paper C5.3

The areas of movement between the quarter 3 forecast and the outturn achieved were noted and Court further noted the pattern of improvement achieved during the year across the University, most significantly in the corporate area.

Draft US GAAP Accounts

Paper C5.4

It had previously been reported that the University required to prepare a set of Accounts in accordance with the US Generally Accepted Accounting Principles (US GAAP) by 31 January 2012. Court noted the current draft Accounts prepared in accordance with the US GAAP and the on-going work to complete the final audited Accounts.

In order to meet the deadline, Court approved the establishment of a Sub-Group of the Audit Committee to consider the Accounts, Letter of Representation and the Report from the External Auditor in detail to enable this Sub-Group to then make recommendations to a Sub-Group of Court which would include members of the Finance and General Purposes Committee as time constraints did not allow for a separate meeting of Finance and General Purposes Committee. Court approved the establishment of Court/Finance and General Purposes Committee Sub-Group and its membership: Professor Monro, Mr Murray and Mr Workman. Court delegated to this Sub-Group approval on its behalf, having considered the recommendations of the Audit Committee Sub-Group, of the final US GAAP Accounts noting that Court had now approved the Reports and Financial Statements for the year ended 31 July 2011 prepared in accordance with the UK Statement of Recommended Practice: Accounting

for Further and Higher Education (SORP 2007) and applicable accounting standards. Court further delegated authority to the Court/Finance and General Purposes Sub-Group approval of the Letter of Representation associated with the US GAAP Accounts.

6 EDINBURGH COLLEGE OF ART

Edinburgh College of Art - Report and Financial Statements for the year ended 31 July 2011 **Paper C6.1**

Court considered in detail the Report and Financial Statements for the Edinburgh College of Art for the year ended 31 July 2011, noting in particular the unqualified audit opinion contained in the Auditor's Report to Court. Court further noted the consolidated income and expenditure account which recorded the income received from the Scottish Funding Council in respect of the merger and the achievement of a £8.2m operating surplus.

Court approved the Report and Financial Statements for the Edinburgh College of Art for year ended 31 July 2011 and authorised the Principal, Mr Workman and the Director of Finance to sign this document as appropriate on behalf of Court.

Letter of Representation - Edinburgh College of Art **Paper C6.2**

Court approved the Letter of Representation and authorised the Principal to sign the Letter on its behalf.

Trustee's Report and Financial Statements – Edinburgh College of Art, Andrew Grant Scholarship Fund **Paper C6.3**

Court considered in detail the Trustee's Report and Financial Statements for the Edinburgh College of Art, Andrew Grant Scholarship Fund for the year ended 31 July 2011, noting in particular the unqualified audit opinion contained in the Auditor's Report to the Trustee, the statement on the intention to transfer the Edinburgh College of Art Prize Fund and other specific endowments into the University's endowment portfolio and the £4.05m total value of the Fund as at 31 July 2011. Court in its capacity of holder of the Edinburgh College of Art Prize Fund and other specific endowments approved the Trustee's Report and Financial Statements for the Edinburgh College of Art, Andrew Grant Scholarship Fund for the year ended 31 July 2011 and authorised Mr Workman to sign this document on its behalf.

Letter of Representation - Edinburgh College of Art, Andrew Grant Scholarship Fund **Paper C6.4**

Court in its capacity of holder of the Edinburgh College of Art Prize Fund and other specific endowments approved the Letter of Representation and authorised Mr Workman to sign this document on its behalf.

7 PERFORMANCE MONITORING

Strategic Plan 2008-2012 Targets – Annual Progress Report **Paper C7.1**

Court welcomed this third report on progress towards achieving the targets set in the current Strategic Plan noting that the majority of targets were on track with four having already been met and exceeded. Court further noted and welcomed the actions being taking forward to address those targets which were not progressing as well as anticipated particularly the work on improving the student experience and the new approach currently being progressed to introduce a Personal Tutor system as previously intimated. It was also confirmed that in taking forward the development of the next Strategic Plan it was anticipated there would be fewer more focused, specific and

measurable targets.

8 STRENGTHENING THE ACADEMIC RELATIONSHIP WITH HERIOT-WATT UNIVERSITY Paper C8

Court was very supportive of the proposals to strengthen the already existing collaboration arrangements between the University and Heriot-Watt University and it approved the establishment of a joint high-level Strategy Group to take this forward including the membership and remit of the Group. It was further noted that this Group would report back to both institutions in July 2012.

9 REPORT FROM NOMINATIONS COMMITTEE Paper C9

On the recommendations of the Nominations Committee the following appointments were approved:

Committee on University Benefactors

Sheriff Principal Edward Bowen to be appointed with immediate effect until 31 July 2014.

Finance and General Purposes Committee

Mr Les Matheson to be appointed from the start of the 2012/2013 academic year for three years until 31 July 2015.

Ethical Fundraising Advisory Group

Professor Stuart Monro to be appointed with immediate effect until 31 July 2014.

Employment Related Appeals

Sheriff Principal Edward Bowen to be appointed with immediate effect for as long as he remains a member of Court.

10 UNIVERSITY'S DRAFT RESPONSE TO THE SCOTTISH GOVERNMENT'S 'LEARNERS AT THE CENTRE' CONSULTATION PAPER Paper C10

Court welcomed and approved this well drafted document noting that EUSA would be submitting a separate response.

D ITEMS FOR FORMAL APPROVAL OR NOTE

1 DONATIONS AND LEGACIES Paper D1

Court was pleased to note the donations and legacies to be notified received by the University of Edinburgh, Development Trust between 1 and 30 November 2011.

2 USE OF THE SEAL

A record was made available of all the documents executed on behalf of the Court since its last meeting and sealed with its common seal.