

EDINBURGH NAPIER UNIVERSITY
UNIVERSITY COURT

**Minutes of the meeting held on Monday 17th December 2012
at 3.45 pm in the Castle Room, Craighouse Campus**

Present: Dr G. Forbes (Chairman); Professor Dame J.K. Stringer (Principal & Vice-Chancellor); Ms M. Ali; Mr N. Ballantyne; Ms J. Boyle; Lady Clark of Calton (Chancellor's Assessor); Professor J. Duffield (Vice-Principal, Strategy, Resources & External Relations); Dr S. Jiwa; Mr R. Kemmer; Mr S. Logie; Mr R. MacLennan; Professor A. Sambell (Vice Principal, Academic); Dr P. Stollard; Mr R. Sweetman; Mrs P. Woodburn; Mr T. Zanelli.

Apologies: Mr M. Connarty; Mrs M Cook (Director of Human Resources); Dr V. Ellis; Mr W. Gallagher; Mr R. Hare; Mr B. Rigby; Ms L. Sitali.

In attendance: Mr D Cloy (Clerk to Court); Ms J Mackenzie (Director of Finance, Planning & Commercial Services); Dr G Webber (University Secretary).

Observer: Ms G Sharkey (Faculty Director International Development, the Business School).

1. WELCOME AND OPENING REMARKS

- 1.1. The Chair opened the meeting and reported the sad news of the death the previous week of Margaret Stephenson (Vice Chair of Court). The Chair and members reflected on Margaret's immense contribution through her eight years membership on Court and extended their sympathies to Margaret's family. Members observed a minute's silence in memory of Margaret before the meeting commenced.
- 1.2. Following the opening Presentation (item 2 below) the Chair welcomed Grace Sharkey (Faculty Director International Development, the Business School) who was observing Court as part of her professional development.
- 1.3. The Chair reported that the process for the appointment of a new Principal was progressing well, with interviews scheduled to take place on 7 January 2013. It was noted that Pamela Woodburn would fill the lay member vacancy on the Appointment Committee.
- 1.4. The apologies were noted.

2. PRESENTATION: ENHANCING THE STUDENT EXPERIENCE

- 2.1. Professor Sambell (Vice Principal, Academic) gave a presentation on the key activities underway to enhance the student experience at the University. Areas of success and areas requiring improvement were outlined and an overview

was given of the activities underway to further improve performance in these areas.

- 2.2. Discussion followed on some of the matters outlined, during which the measures in place to deal with negative feedback from students on their courses were noted. In response to a question about obtaining feedback from students who had dropped out of their courses, it was noted that feedback was obtained from these students using focus groups as locating and contacting such students after they had left for survey purposes was difficult. It was further noted that a new internal survey would shortly be introduced which would enhance the quality of student feedback received and that, where feedback was sought in relation to specific groups not distinguished by the survey, this would be obtained by the use of focus groups.
- 2.3. Thereafter, Court welcomed the presentation.

Part A For discussion and decision

3. MINUTES OF THE MEETING HELD ON 22 OCTOBER 2012 UC(12/13)17

- 3.1. The minutes of the meeting held on 22 October 2012 were **approved**.

4. MATTERS ARISING

a)Financial Regulations - Fit and Proper Person Requirement (*Minute 8.3*)

- 4.1. The University Secretary reported that, further to the query at the last meeting concerning the HMRC 'fit and proper person' requirement with regard to University managers, HMRC guidance had been consulted. Whilst it was noted that there was no statutory requirement to introduce declarations for managers, to ensure that the University satisfied the management requirement it had been determined that all managers at level 1 and 2 on the schedule of delegated financial authority would now be required to sign a declaration. This would at present add the University Secretary and Finance Director, who confirmed that they had signed the declaration (the Principal and Vice Principals already sign a declaration as Court members/Charity trustees).

5. PRINCIPAL'S REPORT

UC(12/13)18

- 5.1. The Principal introduced her written report to Court, and highlighted the introduction to Parliament on 27 November 2012 of the Scottish Government's Post-16 Education Bill. It was noted that the provisions which directly affect universities covered the expected areas of good governance, widening access, the power of the Scottish Funding Council (SFC) to conduct reviews of provision and the cap on rest-of-UK fees. There were concerns, however, that in a number of places the legislation was drafted in a way which could be interpreted as granting the Scottish Ministers and SFC more wide ranging powers than many in the sector would be comfortable with. In particular, it was noted that the section on good governance indicated that the Scottish Ministers could, through the SFC, require institutions to "comply with any principles of

governance or management which appear to Scottish Ministers to constitute good practice in relation to higher education institutions". Whilst this was understood to relate to the emerging Scottish Code on governance, as drafted the scope could be much wider. The sector's concerns about the implications of the draft in its current form for the autonomy of Scottish Universities were noted and it was further noted that representations would be made over the coming months to attempt to influence this matter. It was agreed that Court be provided with a briefing on the issue following the meeting and that members be invited to give their views to the Chair to inform an appropriate response in due course.

- 5.2. The SFC's refinement of their funding model for 2013/14 was highlighted and it was noted that the indicative funding decisions would be released by the SFC later in the week. It was noted that the Principal would communicate with Court members following this when the issues for the University were known.
- 5.3. It was noted that the Principal's Executive Group had met on 12 December to consider the strategic issues in the upcoming planning round, and that the priorities identified were to increase commercial income, grow research income, improve graduate level employment, improve National Student Survey performance and meet the University's estates needs.
- 5.4. The Principal updated Court on the Universities and Colleges Admissions Service (UCAS) applications report. It was noted that further analysis of the University's own application numbers would be undertaken and reported to Court if appropriate.
- 5.5. The Principal also highlighted the ongoing discussions between Lothian based institutions regarding the provision of Nursing education and research with a view to achieving more coherent provision at a regional level. It was noted that this was an issue with the potential to have significant impact on the University in the future.
- 5.6. Thereafter, Court **noted** the report.

6. APPROVAL OF THE ANNUAL REPORT AND AUDITED ACCOUNTS 2011/12 UC(12/13)19

- 6.1. The Finance Director introduced the paper which was presented to enable the Court to discharge its statutory responsibilities in respect of the Financial Statements for 2011/12. It was noted that the statements had previously been approved by the Finance & Commercialisation Committee and the Audit Committee. In her opening remarks the Finance Director highlighted the operating surplus of £5,888k, which was £1,354k above the Quarter 3 forecast due mainly to technical adjustments. It was further noted that the balance sheet of the University remained strong and that the year end cash position of £52m reflected the strong results for the year. It was noted that this outcome would allow the scheduled repayment of loans which fund the ongoing Estates Strategy and enable further prioritised investment in key strategic areas to enable growth.

- 6.2. Members' attention was drawn to a new paragraph which had been introduced to this year's report which made explicit the responsibility of Court members regarding awareness of audit information.
- 6.3. Thereafter the Court: **approved** the report and financial statements for 2011/12; **authorised** the Chair of Court, the Principal and the Finance Director to sign the financial statements on its behalf; and **authorised** the Chair of Court, the Principal and Finance Director to sign the letter of representation.

7. REVIEW OF CURRENT FINANCIAL POSITION UC(12/13)20

- 7.1. The Finance Director introduced the paper which gave Court an update on the University's financial position to 31st October 2012. It was noted that variances against budget were mainly due to timing issues and that the results overall gave no cause for concern.
- 7.2. Thereafter, Court **noted** the report.

8. KEY PERFORMANCE INDICATORS ANNUAL REVIEW UC(12/13)21

- 8.1. The Vice Principal (Strategy, Resources and External Relations) introduced the paper which presented for Court's information the Key Performance Indicators that are used to monitor progress towards the University Strategy 2015 and which included the additional performance measures as approved by Court in December 2012. An overview of performance against the indicators was given in which the overall good progress under the strategic objectives was noted, whilst areas which had proved more challenging and were the focus of further attention were highlighted. These included student satisfaction, league table position, commercial research income, research postgraduate student numbers and staff satisfaction.
- 8.2. Discussion followed during which it was noted that it would be desirable to include more sectoral benchmark data where possible which focussed on the key measures against which the University would wish to be judged against its peers, such as in employability and areas of student experience. It was also noted that it would be desirable to include further detail on the study and work destinations of graduates. In response to a question regarding the indicator for active knowledge transfer partnerships, it was acknowledged that due to changes in environment this measure should be reviewed. In response to a question regarding the staff satisfaction indicator, the activities which had been undertaken and were ongoing to address the issues were highlighted. It was noted that, in line with practice elsewhere in the sector, and on the advice of external advisers, the survey would be conducted in future on a two year cycle, which would allow time for the actions arising from the most recent survey to be implemented and to take effect. The next survey would therefore take place in 2013. It was further noted that staff would receive a one-off additional payment in their December salary as recognition of their valuable contribution to the University's success, and that this gesture had been very positively received.
- 8.3. Thereafter Court **noted** the report.

9. OUTCOME AGREEMENT 2013/14

- 9.1. The Vice Principal (Academic) updated Court on the current situation regarding negotiation of the 2013/14 Outcome Agreement (OA). It was noted that, given current progress, a detailed OA was not ready to be considered at this meeting, however the OA under development would not differ greatly from that previously endorsed by Court, but would be more concise and include greater definition around the research agenda. Given that Court's endorsement of the OA was required by the SFC, and that it had to be submitted before the next meeting of Court in March, Court was asked to delegate authority to the Chair to endorse the OA on Court's behalf. The final submitted version would be brought back to the March meeting for Court to note.
- 9.2. Thereafter, Court **noted** the update and **delegated authority** to the Chair of Court to endorse the 2013/14 Outcome Agreement on its behalf to enable submission according to the SFC deadline.

10. STUDENT ENROLMENTS TO ACADEMIC YEAR 2012/13 UC(12/13)22

- 10.1. The Vice Principal (Strategy, Resources and External Relations) introduced the paper which presented, for Court's information, a summary of forecasts for the University's on-campus student population segments and provided an indication of trimester one enrolments. It was noted that the forecasts showed that the University could be confident that it would achieve its SFC funded places. It was reported that, whilst SFC fully-funded indicative numbers would be exceeded, it was anticipated that the figure would fall due to withdrawals and consequently no penalty for over-recruitment was anticipated.
- 10.2. Discussion followed during which the complexity involved in managing this area was noted.
- 10.3. Thereafter, Court **noted** the report.

11. AUDIT COMMITTEE ANNUAL REPORT 2012* UC(12/13)23

- 11.1. The University Secretary, in the absence of the Convenor of the Audit Committee, introduced the annual report from the Audit Committee. It was noted that the Committee believed that the University was operating adequate and effective control systems.
- 11.2. In response to a member's question regarding the review of UK Border Agency (UKBA) compliance, Court was assured that significant efforts had been made to ensure that the University's internal systems and processes were now sufficiently robust and were compliant with UKBA requirements. In response to a member's question a summary of the background and current status of the legal case referenced in the external audit report was also given.
- 11.3. Thereafter, Court **noted** the report.

12. HONG KONG UPDATE

UC(12/13)24

- 12.1. The Principal introduced the paper which provided Court with an update on discussion and progress regarding ongoing investigations into the sustainability and viability of developing a university campus at the Queen's Hill site in Hong Kong. The paper provided a summary of the key information and progress since Court received an update in October 2012.
- 12.2. It was noted that preparations continued to ensure the University was well placed to respond when the Request for Proposals (RFP) was issued and at which point a bid/no bid decision would be required. Work undertaken with regard to the finance and governance issues was highlighted and it was noted that financial risks had been quantified and a number of "red line" issues identified beyond which the University may find the risk unacceptable and may choose not to proceed. It was further noted that these had been presented in detail at the last meeting of the Finance & Commercialisation Committee (F&CC).
- 12.3. Discussion followed during which it was noted that F&CC had approved expenditure on project development up to a limit beyond the Principal's delegated authority, but that there was no expectation that the University would be required to invest significantly in the capital development costs. Further discussion ensued which centred around the sharing of risks, and the need for Court to achieve a clear understanding of the full range of risks. With regard to the latter point, the role of the Court Working Group for the Hong Kong Project proposed under the next agenda item was recognised as important.
- 12.4. Thereafter, Court **noted** the report.

13. HONG KONG PROJECT: PROPOSAL TO ESTABLISH A COURT WORKING GROUP

UC(12/13)25

- 13.1. The Chair of Court presented the paper which sought Court's approval for the creation of a Project Governance structure for the Hong Kong Project, which followed on from discussion at the October 2012 meeting of Court.
- 13.2. Thereafter Court **approved** the creation of an informal Court Working Group for the Hong Kong Project as detailed in Annex A to the paper.

14. HONORARY AWARDS*

UC(12/13)26

- 14.1. Court **approved** the proposals for Honorary Awards, as recommended by the Honorary Awards Committee and approved by the Principal through Convenor's Action on behalf of Academic Board.

Part B For information

15. ACADEMIC BOARD MEETING 23 NOVEMBER 2012

UC(12/13)27

- 15.1. Court **noted** the minutes from the meeting of the Academic Board of 23 November 2012.

16. KEY RISKS MONITORING SCHEDULE UC(12/13)28

16.1. Court **noted** the paper which provided the first assessment of confidence in the management of the University's top risks for academic year 2012/13.

17. MERCHISTON CO-LOCATION PROJECT UPDATE UC(12/13)29

17.1. Court **noted** the progress report on the implementation of the Merchiston Co-location project.

Part C Not intended for discussion

18. REPORTS FROM COURT COMMITTEES

18.1. Court received and **noted** reports from the following standing committees:

18.a Health and Safety Committee meeting on UC(12/13)30
31 October 2012

18.b Human Resources Committee meeting on UC(12/13)31
6 November 2012

18.c Students' Association Committee meeting on UC(12/13)32
4 December 2012

It was noted that the Committee had welcomed the progress made to date on elite sports funding initiatives.

18.2 It was noted that the reports of the meetings of the Finance and Commercialisation Committee (UC (12/13)33) and Audit Committee (UC (12/13)34) held on 10 December 2012 would be circulated to members as soon as available.

19. DATE OF FUTURE MEETINGS AND EVENTS

19.1. The dates of future Court meetings were **noted**.

*Denotes a paper to which an exemption under the Freedom of Information (Scotland) Act 2002 applies.