

**EDINBURGH NAPIER UNIVERSITY**  
**UNIVERSITY COURT**

**Minutes of the meeting held on Monday 25<sup>th</sup> June 2012  
at 3.45 pm in the Castle Room, Craighouse Campus**

**Present:** Professor G.C. Borthwick (Chairman); Professor Dame J.K. Stringer (Principal & Vice-Chancellor); Ms M. Ali; Dr J. Boyle; Mr M. Connarty; Lady Clark of Calton (Chancellor's Assessor); Professor J. Duffield (Vice-Principal, Strategy, Resources & External Relations); Mr R. Hare; Mr R. Kemmer; Mr S. Logie; Mr G. McCarra; Mr R. MacLennan; Mr B. Rigby; Ms M. Stephenson (Vice-Chair); Dr P. Stollard; Mr R. Sweetman; Mrs P. Woodburn.

**Apologies:** Professor A. Burns; Ms K. Dudgeon; Mr W. Gallagher; Dr G Webber (University Secretary); Mr T. Zanelli.

**In attendance:** Mr J Berney (Changepoint Consulting) (item 4); Mrs M Cook (Director of Human Resources); Mr D Cloy (Clerk to Court); Ms J Mackenzie (Director of Finance, Planning & Commercial Services).

**Observers:** Gráinne Barkess (Researcher Developer, Human Resources Services); Darren Thompson (Policy Officer, Universities Scotland).

**1. WELCOME AND OPENING REMARKS**

- 1.1. The Chair welcomed everyone to the final meeting of the 2011/12 Academic year and welcomed Darren Thompson (Policy Officer, Universities Scotland) and Gráinne Barkess (Researcher Developer, Human Resources Services) who were observing the Court meeting as part of their professional development. The Chair also welcomed Professor Alistair Sambell (Vice Principal, Academic) who had joined the University in April, to his first Court meeting.
- 1.2. The Chair welcomed Jonathan Berney (Changepoint Consulting) who was attending to support the presentation of the Hong Kong campus item.
- 1.3. The Chair reported on the outcome of the recent election for the academic staff member of Court, and advised that Dr Vaughan Ellis had been elected and would join Court from 1 August 2012.
- 1.4. The Chair reported the sad news that Dr Joseph Dunning CBE, the first Principal of Napier College of Science and Technology in 1963, had passed away.
- 1.5. The apologies were noted.

## **Part A For discussion and decision**

### **2. MINUTES OF THE MEETING HELD ON 26 MARCH 2012 UC(11/12)47**

2.1. The minutes of the meeting held on 26 March 2012 were **approved**.

### **3. MATTERS ARISING**

3.1. No matters arising were identified.

### **4. HONG KONG CAMPUS UC(11/12)48**

4.1. The Principal introduced the paper which provided Court with an update on discussions and progress regarding ongoing investigations into the strategic desirability and financial viability of developing an Edinburgh Napier University campus at the Queen's Hill site in Hong Kong. The Principal re-iterated the context and driving factors behind this initiative, as previously considered by Court, and which provided the imperative for the University to fully explore this opportunity. Further background and information on activities being undertaken by the Executive team around market and competitor analysis was provided by the Vice-Principal (Strategy, Resources & External Relations) followed by a detailed presentation by Jonathan Berney (Changepoint Consulting) who was acting as the University's Hong Kong Co-Ordinator and Bid Director. This outlined in some detail the programme of work that would be undertaken by the Executive and the wider project team in the coming weeks to ensure that, by around mid September, there would be a sufficiently developed and robust business case and financial plan to form the basis on which to make a recommendation to Court in October as to whether or not to bid for the campus.

4.2. In response to members' questions regarding Court's ability to engage with and fully consider the detailed proposal, it was noted that Court's sub-committees would be engaged as appropriate ahead of any recommendation to Court to consider the various aspects of the proposal in detail, and that the Finance and Commercialisation Committee would play an important role in scrutinising the detail of the financial plan produced. It was also noted that sufficient time would be devoted to enable Court to fully consider the matter and reach a decision, and that this may entail an extraordinary meeting of Court if necessary.

4.3. Discussion followed during which the importance of ensuring the availability of the necessary management resources to support the bid, and its implementation if successful, was acknowledged. It was noted that a clear mobilisation plan within the bid was an expectation of the Hong Kong government.

4.4. There was discussion around the complexities and risks of entering into a joint venture such as was being explored with Aberdeen University during which it was noted that, to succeed, both partners would need to be fully comfortable with the arrangement and risks involved, have clarity as to their strategic objectives and share common goals. They would also need to be able to deliver on their respective obligations and be committed not to pull out.

- 4.5. Following a series of questions by members around legal and financial aspects of the proposal, Court was assured that the key issues had been identified and were understood and that detailed work was underway which would answer these questions and enable Court to understand the issues and risks fully. It was further noted that a risk strategy would be produced which would assess the various risks and the extent to which these could be managed or mitigated. Court was assured that there was a reasonable expectation that a funding package for the development could be put in place, involving elements of philanthropic funding and Hong Kong government funding, which would limit the risk to the University. It was considered of greater importance to ensure that there was a sustainable business model which would enable the successful ongoing operation of the campus going forward. In response to a query regarding restrictions on re-patriation of profits from businesses operating on mainland China, Court was advised that Hong Kong was not subject to the same restrictions and was more flexible in this area.
- 4.6. Thereafter, Court **noted** the update report.

## **5. REVIEW OF CURRENT FINANCIAL POSITION UC(11/12)49\***

- 5.1. The Finance Director introduced the paper which gave Court an update on the University's financial position to 30 April 2012. It was noted that operational forecasts for the year had been robust and that adjustments had been made as information had become available and assumptions which could not previously be quantified had crystallised. In view of this, it was reported that the operational surplus for the year would exceed the budgeted surplus of £255k with the total surplus for the year now forecast at £4.235m after exceptional items. It was considered unlikely that the forecast outturn would not be achieved and was further noted that this had the potential to increase further if outstanding areas of uncertainty were to have favourable outcomes.
- 5.2. Thereafter, Court **noted** the report.

## **6. THREE YEAR FINANCIAL FORECAST AND BUDGET FOR 2012/13 UC(11/12)50\***

- 6.1. The Director of Finance introduced the paper which provided Court with the financial forecast for the period to 2014/15 and the indicative budget for 2012/13. It was noted that the Finance & Commercialisation Committee had, at its meeting on 7 June 2012, considered the financial strategy including the financial plan, budget for 2012/13 and the key risks and sensitivities. The Committee had subsequently agreed to recommend to Court that the indicative budgets for 2012/13 and the approach taken to the preparation of the financial forecasts for the period to 2014/15, which would form the basis of submissions to the Scottish Funding Council, be approved. A summary of the key elements of the financial strategy and the assumptions used was provided.
- 6.2. Thereafter, Court **approved** the three year financial forecasts for the period to 2014/15, which form the basis of the submission to the Scottish Funding Council, and **approved** the indicative budgets for 2012/13.

**7. REPORT FROM NOMINATIONS COMMITTEE ON COURT AND COMMITTEE MEMBERSHIP**

**UC(11/12)51**

- 7.1. The Chair of Court introduced the paper which provided Court with a report of the recent meeting of the Nominations Committee and highlighted a number of decisions taken regarding Court membership, the recruitment exercise to fill forthcoming lay member vacancies and the proposals for membership and convenorship of Court Committees. The Chair also highlighted the good response to the recent advertisement for lay members.
- 7.2. In response to a member's comment regarding the number of committees allocated to staff Court members it was noted that allocations would be considered further at the next meeting of Nominations Committee in September.
- 7.3. Thereafter Court:
- a) **Noted** the recruitment exercise to fill forthcoming vacancies and **delegated authority** to the Chair, in liaison with the Nominations Committee, to appoint suitable candidates to lay-membership of Court.
  - b) **Approved** the proposal to invite Moi Ali, Paul Stollard and Willie Gallagher to serve second four year terms of office upon the expiry of their current terms in 2013.
  - c) **Approved** the proposed membership and convenorship of Court Committees, noting that further consideration would be given and recommendations may be made to the October meeting.

**8. RESEARCH AND INNOVATION INSTITUTES**

**UC(11/12)52**

- 8.1. The Vice Principal (Strategy, Resources & External Relations) introduced the paper which provided Court with a description of the current arrangements relating to the University's Research Institutes. It was noted that the Institutes had been formally in existence for approximately two years and to assist in assessing their continuing fitness-for-purpose, particularly in the challenging economic climate in which the University was operating, a number of questions had been generated which would form the framework of a review.
- 8.2. Discussion followed during which it was noted that activity arising from the Research Excellence Framework would feed into the review and as a consequence it was likely to conclude in early 2013, whereupon Court would receive a further update. In response to a member's question, it was agreed that annual reports produced by the Institutes would be included as annexes to the future update report. The support available to Institutes to market their activities was also noted.
- 8.3. Thereafter Court **noted** the report.

## 9. HONORARY AWARDS

UC(11/12)53\*

- 9.1. Court **approved** the proposals for Honorary Awards, as recommended by the Honorary Awards Committee and approved by Academic Board.

## 10. APPOINTMENT OF PRINCIPAL AND VICE CHANCELLOR UC(11/12)54

- 10.1. The Chair of Court introduced a proposal from Nominations Committee regarding the process for the appointment of a new Principal and Vice Chancellor, to take office following the departure of the current Principal, Professor Dame Joan K. Stringer DBE.
- 10.2. It was noted that Odgers Berndtson had been appointed as recruitment consultants to assist with the search, and that a representative had met with a number of Court members to seek their input into the development of the specification for the role.
- 10.3. Lay Court members who wished to be considered for membership of the Appointment Committee were invited to send an expression of interest to the University Secretary.
- 10.4. Thereafter Court:
- a) **Approved** the proposed constitution of the Appointment Committee
  - b) **Delegated authority** to the Chair of the Appointment Committee to appoint the remaining members of that committee, with effect from 1 August 2012
  - c) **Delegated its authority in full** to the Appointment Committee, with effect from 1 August 2012, to manage the recruitment process and appoint the Principal & Vice Chancellor.
  - d) **Delegated** authority to the current Chair of Court, in liaison with the incoming Chair of Court, to take any decisions necessary in advance of 1 August 2012 in relation to the recruitment process.

## 11. REVISED STUDENT COMPLAINT PROCEDURE

UC(11/12)55

- 11.1. The Vice Principal (Academic) introduced the paper, which outlined proposed changes to the University's Student Complaint Procedure. It was noted that this had been considered in detail by Academic Board's sub-committees and approved by the Academic Board, which had recommended it to Court for final approval. It was further noted that the Scottish Public Services Ombudsman had made recommendations regarding the adoption of a model complaints procedure which would necessitate further revisions at a future point.
- 11.2. Discussion followed during which members raised a number of questions on detailed drafting points, and sought and received clarification on how the procedure was communicated to students and the process that had been

followed in terms of assessing the needs of overseas students studying in Edinburgh. The Vice Principal (Academic) undertook to refer the outstanding points back to the working group of the Regulations Committee to consider.

11.3. Thereafter Court **approved** the revised Student Complaint Procedure.

**12. ANNUAL REPORT TO THE SCOTTISH FUNDING COUNCIL ON INSTITUTION LED REVIEW UC(11/12)56**

12.1. The Vice Principal (Academic) introduced the paper which presented the annual report on institution led review for the Scottish Funding Council, which Court was invited to approve ahead of its submission.

12.2. Thereafter, Court:

a) **approved** the report ahead of its submission to the Scottish Funding Council.

b) **authorised** the Vice Principal (Academic) to sign-off the final report to be sent to the Funding Council by 30 September 2012.

**13. PRINCIPAL'S REPORT UC(11/12)57**

13.1. The Principal introduced her written report and highlighted the Scottish Funding Council's intention to negotiate Outcome Agreements with each institution by the start of the 2012/13 financial year. It was noted that achieving these agreements would be a condition of grant and that institutions which failed to reach an Outcome Agreement with the Council by 31 July 2012 could have their grant payment frozen at 2011/12 levels until such time as an Agreement is reached.

13.2. It was noted that this development had given rise to a number of concerns. In seeking to negotiate outcomes based on institutional strategic objectives, there was a risk that institutional autonomy could be impinged upon given that determining strategy was the responsibility of each institution and its governing body. There was also a risk that, if the strategic direction set by the SFC through this process conflicted with the University's strategy, the University may risk committing to targets which it could not deliver on. It was noted that whilst the SFC had made clear that the 2012/13 Outcome Agreements would evolve in subsequent years and that they would take a pragmatic approach, the University would need to very carefully assess the possible long term implications of any agreement entered into for 2012/13. It was further noted that there remained uncertainty around the extent to which funding directly associated with Outcome Agreements might replace the current formulaic funding streams.

13.3. In view of this situation, and the 31 July deadline, Court **delegated authority** to the Principal to take whatever action was considered necessary in the best interests of the University in relation to negotiating the University's Outcome Agreement ahead of further consideration by Court at its next meeting in October.

- 13.4. The University's performance in recent league tables, where the University had fallen back in its position, was noted. The Principal highlighted the work underway to analyse the reasons behind these movements and put measures in place to improve the University's league table performance.
- 13.5. The Principal highlighted the highly successful summer graduation ceremonies which had taken place on 20-21 June, for which some very positive press and social media coverage was achieved.
- 13.6. The Principal also highlighted the recent success of three Edinburgh Napier graduating journalism students who had secured places on the highly competitive BBC production trainee scheme.
- 13.7. Thereafter Court **noted** the report.

**14. CORPORATE PLAN ANNUAL UPDATE UC(11/12)58**

- 14.1. The Principal introduced the paper which presented Court with the annual update on the Corporate Plan, which provided an updated overview of how strategic progress would be delivered over a three year planning horizon. It was noted that this document was extremely detailed and that its format would be reviewed to produce a more appropriate document for Court to consider. This revised report would focus on high level actions which were linked more closely to Court's Key Performance Indicators (KPIs) and would make better use of the information available in the University's Data Warehouse.
- 14.2. Discussion followed during which a number of points were noted that would be considered in producing the revised report for Court.
- 14.3. Thereafter Court **noted** the report.

**Part B For information**

**15. APPOINTMENT OF NEW CHAIR OF COURT UC(11/12)59**

- 15.1. Court **noted** the report of the Chair of Court appointment process and its outcome.

**16. ACADEMIC BOARD MEETING 1 JUNE 2012 UC(11/12)60**

- 16.1. Court **noted** the minutes of the meeting of Academic Board, held on 1 June 2012.

**17. ANNUAL REPORT ON EQUALITY AND DIVERSITY UC(11/12)61**

- 17.1. Court **noted** the annual report on Equality and Diversity.

**18. HEALTH AND SAFETY ANNUAL REPORT UC(11/12)62**

- 18.1. Court **noted** the University's Annual Report of activity in Health & Safety management for the period April 2011 to April 2012.

## **19. RISK MANAGEMENT**

### **19a) Key Risks Monitoring Schedule**

**UC(11/12)63\***

19.1. Court **noted** the report which provided an assessment of confidence in the management of the University's top risks for the academic year 2011/12.

### **19b) University Top Risks for 2012/13**

**UC(11/12)64\***

19.2. In response to a member's query regarding non-inclusion of the financial risk of disengaging from the Halls of Residence among the top risks, it was noted that this had been considered but was not identified as a top risk given that there were sufficient mitigating actions and standard operating procedures in place.

19.3. Court **approved** the Top Risks Matrix for 2012/13

## **20. REPORT ON THE MERCHISTON CO-LOCATION PROJECT**

**UC(11/12)65**

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

20.2. A number of Health and Safety issues which had been experienced with the contractor, but which had been reviewed and dealt with, were highlighted.

## **Part C Not intended for discussion**

### **21. REPORTS FROM COURT COMMITTEES**

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

**21.a Audit Committee meeting held on 16 May 2012** **UC(11/12)66**

**21.b Estates Committee meeting held on 3 April 2012** **UC(11/12)67**  
In response to a member's query regarding the size of the figure for the estates maintenance backlog, the Convenor of Estates Committee provided reassurance that the figure was considered reasonable and that the matter had been thoroughly considered by the Audit Committee.

**21.c Estates Committee meeting held on 5 June 2012** **UC(11/12)68**

**21.d Finance & Commercialisation Committee meeting held on 7 June 2012**  
Not available at meeting. To be circulated to members when available.

**21.e Health and Safety Committee meeting held on 9 May 2012** **UC(11/12)70**

**21.f Human Resources Committee meeting held on 29 May 2012** **UC(11/12)71**



**16.g Students' Association Committee meeting held on  
12 June 2012**

**UC(11/12)72**

**22. MEETING DATES FOR 2012/13**

**UC(11/12)73**

22.1. Court **noted** the calendar of meeting dates for the 2012/13 session.

**23. VALEDICTIONS**

23.1. The Chair paid tribute to demitting members of Court; Katie Dudgeon who had completed her year as an NSA Sabbatical Officer; Greg McCarra who had completed his four year term as elected academic staff member; Allan Burns who was leaving after six years of service to Court and James Boyle who was leaving after 8 years of service.

23.2. The Chair reported that, through the University's Development Advisory Board, an Edinburgh Napier University Court Scholarship was being introduced, to which he had provided the inaugural donation. It was hoped that Court members past and present would also support it.

23.3. It was noted that this was the last Court meeting of the Chair, Professor Borthwick, who would demit office on 31 July 2012 after 12 years service to Court, the last four of which as its Chair. The Principal paid tribute to George for his sterling work and thanked him for his unequalled commitment, loyalty and time given in service to Court and the University.

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