

THE UNIVERSITY EXECUTIVE

Minutes of the meeting held on 28 May 2015

Present:

Prof J Jones, Acting Principal (Chair)
Prof R J M Craik, Vice-Principal (Malaysia) (via Skype)
Ms A-M Dalton, Secretary of the University
Prof D Hand, Interim Deputy Principal (Research & KE)
Prof G Hogg, Deputy Principal (External Relations)
Prof A Kaka, Vice-Principal (Dubai) (via Skype)

Mr A Kitchin, Joint Head, Edinburgh Business School (EBS)
Prof R MacIntosh, Head, Management & Languages (SML)
Prof S McLaughlin, Head, Eng. & Physical Sciences (EPS)
Mr A Menzies, Director of Finance
Prof P Morris, Act. Head, Life Sciences (SLS)
Prof J W Sawkins, Deputy Principal (Learning & Teaching)

Present also:

Mr M Bates, Director of Recruitment & Admissions (for items M15/105)
Mr M Spence, Director of Marketing & Communications (for items M15/105 and M15/89)
Ms Ruth Moir, Assistant Principal (International Development) (for items M15/90 and M15/910)

Ms Sue Collier, Director of Governance & Legal Services (for Items M15/105)
Mr R McGookin, Director of Planning
Ms L Kirkwood-Smith, (Clerk to the UE)

Apologies:

Prof G Gibson, Act. Head, Mathematical & Comp Sci (MACS)
Prof G Pender, Head, The Built Environment (SBE)

Prof F Waldron, Head, Textiles and Design (TEX)

M15/84 WELCOME AND ANNOUNCEMENTS

The Chair welcomed the following individuals to the meeting:

- Michael Bates, Director of Recruitment & Admissions who attended to jointly present paper item UE/15/86;
- Martyn Spence, Director of Marketing & Communications, who attended to jointly present paper item UE/15/86 and to join discussion on paper item UE/14/89;
- Sue Collier, Director of Governance & Legal Services, who attended to join discussion on paper item UE/15/89; and
- Ruth Moir, Assistant Principal (International Development) who attended to jointly present paper items UE/15/65 and UE/15/66.

M15/85 MINUTES OF THE PREVIOUS MEETINGS

The UE approved the minutes of the meetings held on 26 March and 23 April 2015

M15/86 ACTION LOG AND MATTERS ARISING

86.1 Action Log

The UE received and noted the Action Log report which included actions emerging from the previous ordinary meeting held on 26 March 2015 and progress made in completing these.

86.2 Matters arising

There were no matters arising.

M15/87 BUSINESS REPORTED BY THE CHAIR

There was no business reported by the Chair, other than that relevant to items already included in

the agenda.

M15/88 CONSULTATIONS AND PUBLICATIONS LOG

The UE received and noted a Consultations and Publications Log which reported on current consultations with a deadline date for responses up until May 2015 and recently released external publications.

M15/89 WEST LONDON COLLEGE (Oral report)

The UE received and discussed an oral report on West London College (WLC) provided by the Deputy Principal (External Relations).

The Deputy Principal reminded the UE of its decision, in September 2014, to review the agreement with the campus for a further three year period from June 2015. Any Renewal must have the agreement of UK Visas & Immigration (UKVI); UKVI had granted this until September 2015, pending clarification of new Sites and Partnerships Regulations around Tier 4 immigration.

Reserved section (Ref Sections 30, 33, FOI(S)A).

The UE agreed that an update report should be provided for the Court at its meeting in June 2015. In the meantime it was agreed that the Deputy Principal (External Relations) should issue the paper to the UE membership on which her oral report and the resulting discussion was based. The paper had not been available to table at the meeting.

M15/90 MALAYSIA CAMPUS STRATEGIC DEVELOPMENTS (Paper UE/15/65)

The UE received and discussed a briefing report, presented by the Deputy Principal (External Relations) and the Assistant Principal (International Development), which proposed a number of recommendations, a timetable and a process for decision-making in relation to Phase 2 development of the Malaysia Campus (HWUM).

The report described HWUM planning in terms of its research strategy, academic plans for taught programmes, teaching capacity and planning space requirement for teaching in Phase 2, and options for increased space. The UE noted also the current and planned portfolio of courses, and current teaching space, and noted forecast additional costs which were associated with Phase 2 developments.

a) Reserved section (Ref Sections 30,33, FOI(S)A).

The UE approved a summary of recommended actions, responsible officers and timescales within 2015 required to deliver against the above recommendations.

It was agreed that the Director of Campus Services should be central to discussions on infrastructure and space planning, and especially discussions with PJH.

M15/91 DUBAI CAMPUS STRATEGIC DEVELOPMENTS (Paper UE/15/66)

The UE received and discussed a briefing report, presented by the Deputy Principal (External Relations) and the Assistant Principal (International Development), which provided an update to the UE discussion on the strategic development of the Dubai Campus, as agreed at its meeting in February 2015. It was noted that, since then, further work had been carried out in three main areas: portfolio development; research and knowledge exchange; and United Arab Emirates (UAE) accreditation.

The UE approved recommendations and proposed actions, as recorded below, noting that the timetable for delivery of those actions remained to be developed and should be aligned to the requirements of the timetable for the Dubai Campus contract re-negotiation; the Assistant Principal (International Development) and the Secretary of the University would develop the timetable.

a) **Reserved section (Ref sections 30, 33 FOI(S)A.**

M15/92 REPORT FROM THE DEPUTY PRINCIPAL (EXTERNAL RELATIONS) (Oral)

The UE received and discussed an oral update from the Deputy Principal (External Relations) on the matter of supplementary guidance notes relating to the Performance & Development Review (PDR) process. These had been developed within the School of Management & Languages for use by that School; however, there had been some staff resistance to this individual School approach. At a recent meeting of the Combined Joint Negotiation and Consultative Committee (CJNCC), it had been confirmed that the local University and College Union (UCU) would support the establishment of a pan-University working group with the responsibility for the development of individual School guidelines, but within a co-ordinated framework where guidelines for all are developed at the same time.

The UE expressed its support for this approach, making the following additional recommendations:

- that the guidelines must be consistent with delivery against the University's strategic aims;
- the School of Management & Languages guidelines will provide a good base from which to develop suitable guidelines for all Schools;
- the Secretary of the University recommended that further consideration be given to the development of PDR guidelines for Professional Service staff as part of the above developments;
- the underlying approach for each School should be consistent, for example in the advice provided to reviewers, and in the use of evidence-based performance data;
- in recognition of the differences that exist between Schools and across departments within the same School, guideline wording should be neither too generic or too constrictive. There should be a guard also against developments which might drive unhelpful changes in staff behaviour, e.g. a focus on areas which are measured to the exclusion of other important aims;
- in developing the guidelines, reference should be made to the relevant role descriptors.

The Acting Principal requested that a meeting should be scheduled which includes the Deputy Principals (Learning & Teaching) and (Research & KE) and Heads of Schools to consider current PDR guidance, to discuss the issues associated with the proposed School supplementary guidance and to consider and develop proposed Terms of Reference for the pan-University working group. It was agreed that the Director of HR should be involved in the above process and should be invited to provide sector examples to help inform those discussions. The Vice-Principals (Dubai) and (Malaysia) should also be involved to ensure consistency of approaches across all campuses.

M15/93 REPORT FROM THE INTERNATIONAL STRATEGY BOARD (Paper UE/15/70)

The UE received and noted a report, presented by the Deputy Principal (External Relations) on behalf of the International Strategy Board, which related to the meeting of the Board held on 16 April 2015. All items in the report were presented for information.

M15/94 REPORT FROM THE DEPUTY PRINCIPAL (LEARNING & TEACHING) (Paper UE/15/78)

The UE received and noted a report from the Deputy Principal (Learning & Teaching). Each item in the report was presented for information. The substantive item reported included a summary update report on the outcomes of the University's Enhancement-Led Institutional Review (ELIR).

The UE noted that the University had received the draft Outcome (summary) and Technical Reports for comment. These will be returned to the QAA by 12 June 2015 and the final reports published on the QAA Web site by Friday 10 July 2015.

It was noted that an action plan will be drawn up by the Learning and Teaching Board and presented to the UE, Senate and Court in due course. A one-year, follow-on Report will be made to QAA Scotland in June 2016.

The UE noted an extract from the Outcome Report which summarised 'Areas for Development' and 'Positive Practice'. The fuller Technical Report provided more detailed information and will be used to frame the recommended actions.

M15/95 REPORT FROM THE LEARNING & TEACHING BOARD (Paper UE/15/79)

The UE received and noted a report, presented by the Deputy Principal (Learning & Teaching) on behalf of the Learning & Teaching Board, which related to the meeting of the Board held on 6 May 2015. All items in the report were presented for information.

The UE approved the report for onward presentation to the Senate at its next meeting.

M15/96 ADDITIONAL ENTRY POINTS BRIEFING PAPER (Paper UE/15/80)

The UE received and noted a briefing paper, provided by the Deputy Principal (Learning & Teaching) for information. The paper titled 'Additional Entry Points in the Academic Year: Key Principles for Campus-based Programmes' was presented as part of the Learning & Teaching briefing note series.

Some doubt was raised by the Secretary of the University as to whether the briefing note accurately reflected previous recent discussion by the UE on additional entry points. It was agreed that the Deputy Principal and the Acting Principal should discuss this further following the meeting to resolve.

M15/97 FIVE YEAR FINANCIAL PLAN: 2015/16 – 2019/20 (Presentation)

The UE received, discussed and approved the 2015 Five-Year Financial Plan which was presented by the Acting Principal for onward presentation to the Finance Committee and, subsequently, the Court at their meetings in June 2015.

The Acting Principal drew particular attention to:

- a) TRAC (Transparent Approach to Costing) performance for teaching (including the Dubai Campus also) and research. The UE noted that an adjustment was required to correct the EBS figure in order to show that the School's teaching income was in surplus. It was agreed also that the Director of Finance should ensure that EBS figures are included where appropriate in the Dubai Campus. The UE noted highly variable performance across Schools, particularly in relation to the reported recovery of costs relating to research activity. In the case of a few Schools, recovery of direct costs was not being achieved and only IPE returned a pre-FEC surplus in the reported figures. It was noted that an analysis of current performance against the rest of the sector had yet to be carried out to determine the extent to which the University's performance reflected a wider trend. The Acting Principal confirmed that there will be a particular additional focus on TRAC performance in the 2015/16 planning round;
- b) the budget envelopes, which were agreed by the UE in March 2015, with contribution and surplus targets;
- c) key features of the forward financial plan which included: increasing priority of growing the staff base; significant growth in teaching income with a shift from PGT to UG and an increasing dependence on RUK income; research grant growth which was on track - but with increasing risk and declining recovery rates; an excellent REF result – but with no increase in 2015/16 and future redistribution of funding required between schools; international income as an essential component - however, Dubai Campus student numbers were being moderated and the Malaysia plan was undergoing revision; investment capacity as a growing priority; excellent growth with surpluses growing but not yet at target; research income currently on track, but at risk; and Professional Services expenditure on track;
- d) capital investment plans with cashflows arising from the programme agreed in principle at the recent UE and Court Away Days. The plans would impact on interest, running costs and other revenue expenditure;
- e) borrowing and interest payment levels. Additional borrowing could be achieved in the first two years of the Financial Plan without extending current bank agreements, although discussions were still required with the Clydesdale Bank around an existing caveat. Extension of the current agreements would be required from 2017;
- f) consolidated income and expenditure figures over the life of the plan, highlighting changes over the March 2015 version;
- g) plan versus envelope figures. It was noted that discussions were continuing with Schools to reconcile the variations highlighted, and the figures reported for the Malaysia Campus were yet to be checked and validated. In the case of the latter, a potential reason for the variation lay in exchange rate calculations. The Joint Head of EBS and the Director of Finance agreed to discuss the presentation of the EBS figures in this table with a view to these being revised or

- explained. The figures were affected by the way in which interest earnings were reported in the Plan; and
- h) key further risks, over and above those normally covered by budget contingency, which had been highlighted in discussion at the recent UE Away Day. The potential impact between best and worst cases would become clearer over time, but the six month review point agreed by the UE in April would approach rapidly and work will need to continue in the meantime to develop a better understanding of the potential impact, including the impact of a close to worst case scenario and whether this would breach bank covenants. There remained further work to do in this area and there could be no commitment to major projects until the risks become clearer. The Acting Principal highlighted two further potential risks to be considered; these could arise from any further government restrictions affecting incoming international student numbers, and a change to full fiscal autonomy in Scotland.

The Vice-Principal invited UE members to report, as budget holders, on their level of confidence that their plans can be delivered, whether the assessment of risks was sufficiently prudent, and whether the UE as a whole, is confident to recommend the five year income and expenditure and investment plans to the Court.

All present confirmed that plans will were expected to be deliverable, confirming that sufficient prudence had been applied to assessment of the risks against that delivery. The UE therefore agreed to recommend the Five-Year Financial Plan to the Finance Committee and the Court. A few caveats were highlighted, and it was noted that the ability to scale back or defer planned investments as and when this might prove necessary remained important while recognising the risk to future income that such changes may give rise to. The areas highlighted with caveats included:

- the overall business case for the Lyell Centre would need to be revisited in the light of the change in Natural Environment Research Council policy on grant submissions, reported recently to the UE which, at least, could impact on the speed of Global Platform appointments;
- the risks against delivery against its Plan for EPS centred around Baku Oil School income, the research recovery rate and - in common with other Schools – and potential deferral of Global Platform appointments due to space constraints if these are not resolved quickly;
- an adverse trend had been detected in relation to international student recruitment to the Dubai Campus; those risks might be sufficient to move Dubai from a likely neutral impact to a small impact in terms of risk to the Plan; and
- the impact at School and University level of changes in Malaysia Campus planning, in particular the impact of delay in delivery of phase 2 of the Campus plan.

The Acting Principal emphasised that the Five-Year Financial Plan, as presented to the Court at its June meeting, represented the budget plan for the forthcoming academic year and indicative plans for the four subsequent years (although the UE should maintain a firm view of planning objectives over a three year horizon). As part of the iterative process towards the budget plan for those future years, the optimal phasing of capital investment plans will be considered, working closely with the Director of Campus Services.

The UE discussed and endorsed moves, led by the UE, to develop the desired “one University” approach. The annual planning process relating to the Edinburgh Business School (EBS) stood out as a notable example of an area where further work was needed to more closely integrate planning processes with those of the rest of the University. It was agreed to consider how greater commonality in the application of systems, processes and supporting planning data might be introduced for the 2015/16 planning round involving EBS as steps towards better integration.

The UE discussed the presentation of EBS figures in the presentation given and it was agreed that this would be reviewed and revised by the Director of Finance.

M15/98

MANAGEMENT ACCOUNTS (THIRD QUARTER) (Paper UE/15/73)

The UE received and noted Management Accounts for the period up to quarter three which were presented by the Director of Finance.

The Joint Head of EBS highlighted an inaccuracy in reporting of the reason behind the favourable budget position of EBS in the Group Financial Summary Dashboard. This confirmed lower than anticipated non-pay spend which was at variance with information on the detailed report for EBS (on page 22), which correctly reported the positive variance was due to restricted income related to the Panmure House project. It was agreed that the Director of Finance and the Joint Head of EBS

should further discuss and resolve the matter following the meeting.

M15/99 STUDENT RECRUITMENT OVERVIEW (Paper UE/15/74)

The UE received and noted a Student Recruitment Overview Report for 2015/16 entry, as at mid-May 2015, which was presented by the Director of Planning.

The UE was asked to note the overall position, which was broadly on track, and to pay particular attention to the pressure points highlighted within the narrative of the report.

Reserved section (Ref: Section 30, FOI(S)A.)

M15/100 RAIL SYSTEMS ADVANCED RESEARCH CENTRE: BUSINESS CASE (Oral update)

The UE received and discussed an oral report provided by the Director of Planning on developments in relation to the business case for a Rail Systems Advanced Research Centre based at Heriot-Watt. It was noted that this developing multi-partner project remained at a dynamic stage, but was expected to reach a point soon when a business case is ready for presentation to the Finance Committee and the Court.

Reserved section (Ref Section 30, 33, FOI(S)A.)

M15/101 REPORT FROM THE DEPUTY PRINCIPAL (RESEARCH & KE) (Paper UE/15/81)

The UE received and noted a report which was presented by the Deputy Principal (Research & KE). All items in the report were presented for information and included, inter alia, a report on the developing research strategy for the Dubai and Malaysia Campuses for future presentation for discussion at a meeting of the University Executive.

The UE received and noted a report of Research Grants & Contracts: Proposals and Awards as at the end of April 2015 (period 9).

M15/102 REPORT FROM THE RESEARCH & KNOWLEDGE EXCHANGE BOARD (Paper UE/15/82)

The UE received and noted a report, presented by the Deputy Principal (Research & Knowledge Exchange) on behalf of the Research & Knowledge Exchange Board, which related to the meeting of the Board held on 15 May 2015. All items in the report were presented for information.

The UE approved the report for onward presentation to the Senate at its next meeting.

M15/103 REPORT FROM THE SECRETARY OF THE UNIVERSITY AND REPORT FROM THE SECRETARY'S BOARD (Paper UE/15/83)

The UE received and noted a report from the Secretary of the University in the form of the Secretary's Board Bulletin for March and April 2015, and reports from the Secretary's Board which related to meetings of the Board held on 7 April and 12 May 2015. All items within the reports were presented for information.

M15/104 STRATEGIC PROJECTS REGISTER (Paper UE/15/85)

The UE received and noted the Strategic Projects Register and Project Proposal Pipeline reports as at 21 May 2015 which was presented by the Secretary of the University. The report highlighted changes made to the Register since the last report made to the UE in March 2015. The report highlighted a range of projects which had been completed or terminated and closed. A range of new initiatives had been added recently to the Pipeline Report.

M15/105 GLOBAL RECRUITMENT AND MARKETING WORKSHOP (Paper UE/15/86)

The UE received and discussed a report on the second Heriot-Watt Global Recruitment & Marketing workshop, which was held over two days in January 2015. The report was presented jointly by the Director of Recruitment & Admissions and the Director of Marketing & Communications.

The UE noted that the workshop had focused on the alignment of recruitment and marketing activities throughout the world and co-ordination of international recruitment activities in key markets. The resulting report, which included emergent recommendations, had been considered and approved by the International Strategy Board in April 2015; an update will be provided to that Board in due course. Meanwhile, the Secretary's Board had received an update on progress at its meeting in May 2015 and had agreed that the recommendations and actions will be reviewed by the Board at its meeting in November 2015. The report and recommendations were presented at the May meeting of the UE for discussion.

The UE discussed the pattern of resources available across the University to carry out market research; potentially these were too dispersed and not best aligned to ensure the most effective delivery against the core strategic aims of attracting the right students to the right courses, set at the right price. Both general and subject specific expertise and guidance will need to be available and working together effectively, as and when required, to support Schools' recruitment planning undertaken in the context of the annual planning round. It was noted that the Director of Learning & Teaching role within Schools was not always the central point for the co-ordination and application of market intelligence within Schools' planning activities.

In the course of its discussion the UE agreed in 2015 on the need to give further consideration to the framework which will be required to ensure that market intelligence, both broad-based and subject specific, is gathered and used – drawing on required central and School resources, to optimise planning and marketing activities. This framework, under the responsibility of the University Executive, will bridge strategic and operational planning and delivery, ensuring that there is effective feed into the planning round process.

It was proposed that market intelligence and the University's marketing plan should be presented for discussion by the UE a few times each year, including at a point early in the planning round cycle. In the course of discussion it was emphasised also that responsibility for the framework required to ensure resourcing of research also lay with the UE. The UE concluded that further consideration should be given to the type of reports that the UE should receive and discuss at least annually, and how the annual schedule of UE business should be shaped to accommodate those discussions. This was a matter for initial discussion with the incoming new Principal.

M15/106 REPORT FROM THE RISK AND PROJECT MANAGEMENT STRATEGY GROUP (Paper UE/15/87)

The UE received and noted a report from the Risk and Project Management Strategy Group, presented on behalf of the Group by the Secretary of the University, which related to the meeting of the Group held on 31 March 2015. All items in the report were presented for information.

M15/107 STRATEGIC RISK REGISTERS AND OVERVIEW (Paper UE/15/88)

The UE received and noted Strategic, Malaysia and Professional Services Directorate Risks Registers which were presented by the Secretary of the University. The Risk Registers had been reviewed and updated at a meeting of the Risk and Project Management Strategy Group on 13 May 2015.

The UE approved the Registers for onward presentation to the Audit and Risk Committee for consideration at its meeting on 4 June 2015.

M15/108 INTERNAL AUDIT REPORTS (Paper UE/15/89)

108.1 Report on the review of endowments

The UE received and noted a report from the Internal Audit on a review of endowments. The UE endorsed the proposed management responses to each recommendation and noted that the report

would be presented to the Audit and Risk Committee at its next meeting in June 2015. In the meantime, UE members were invited to feed any comments they might have on the Registers to the Secretary of the University.

M15/109 TRAC DEVELOPMENT AND RESOURCE MODELLING GROUP TERMS OF REFERENCE (Paper UE/15/90)

The UE received, noted and approved revised Terms of Reference for the TRAC Development and Resource Modelling Group. The Terms of Reference had been revised in the context of the agreed annual process of review and update. The most substantive update had been the inclusion of an equality and diversity statement in accordance with earlier University Executive approval of Athena SWAN aims associated with committee governance.

M15/110 LEARNING AND TEACHING BOARD TERMS OF REFERENCE (Paper UE/15/91)

The UE received, noted and approved revised Terms of Reference for the Learning and Teaching Board. The Terms of Reference, which had been approved by the Board at its meeting on 6 May 2015, had been revised in the context of the agreed annual process of review and update. The most substantive update had been the inclusion of an equality and diversity statement in accordance with earlier University Executive approval of Athena SWAN aims associated with committee governance.

M15/111 RISK AND PROJECT MANAGEMENT STRATEGY GROUP TERMS OF REFERENCE (Paper UE/15/92)

The UE received, noted and approved revised Terms of Reference for the Risk and Project Management Strategy Group with the change noted below. The Terms of Reference, which had been approved by the Board at its meeting on 31 March 2015, had been revised in the context of the agreed annual process of review and update. As part of this process the membership of the Group had been updated to reflect international and research members and an equality and diversity statement had been included in accordance with earlier University Executive approval of Athena SWAN aims associated with committee governance.

The UE agreed with a further proposal that one or two Heads of School should be included in the composition of the Group. It was suggested that this might best be organised on a rotational or swop-around basis, as the agenda for each meeting might drive the choice of best Head(s) present.

M15/112 DATE OF NEXT MEETING

The UE noted that the next meeting will take place on Friday 3 July 2015.

Signed

Date