

05.12 **Academic Restructuring**

The Committee **RECEIVED** oral progress reports from Deputy Vice-Chancellors on the implementation of plans approved by Council in December 2004 for the restructuring of six Schools.

05.13 **School Mergers**

The Committee **RECEIVED** a report (SPRC/05/16 attached for Senate and Council) that proposed a merger of: the Institute of Arab and Islamic Studies; the School of Historical, Political and Sociological Studies; and the School of Classics, Ancient History and Theology.

A merger between the Institute of Arab and Islamic Studies and the School of Historical, Political and Sociological Studies had been approved previously, to take effect from 1 August 2005. An integral part of the discussions that had led to that initial merger concerned the desire to also include the School of Classics, Ancient History and Theology in the new School. Meetings of academic and non-academic staff had provided momentum to take these discussions forward, and based on the progress made it was decided by colleagues within the Schools/the Institute that an earlier merger would be desirable, from 1 August 2005 for all elements of the new School.

The Committee noted that a number of benefits would be realised – in particular, consolidation of research strengths, wider opportunities in taught programme offerings, streamlinings in administrative structures and efficiencies in use of resources generally. The Committee noted that in future when considering such proposals, papers should include some quantification of the benefits and synergies expected to arise.

The Committee welcomed the proposal and **RECOMMENDED TO SENATE AND COUNCIL** that a new School be established with effect from 1 August 2005 incorporating the Institute of Arab and Islamic Studies, School of History, Political and Sociological Studies and Classics, Ancient History and Theology; and that the current Heads of the constituent elements and the relevant Deputy Vice-Chancellors discuss further the issue of title of the new School with a view to making a recommendation on the matter of title to Senate.

The Committee noted that Dr J Barry (currently Head of School of SHiPSS) would serve as Head of the new School for a period commensurate with completion of his existing term of office (i.e. to 31 July 2008).

A number of issues remained for resolution. Although marketing for student recruitment would be largely connected with programme titles and to a lesser extent departmental titles, nonetheless it would be important to get the right title for the new School, which would need to incorporate and preserve the Institute's name. It would also be necessary to bring together physically and make adjacent in the Amory building elements of the School of History, Political and Sociological Studies and the School of Classics, Ancient History and Theology. It was envisaged that these physical moves would be completed in time for the 2006/07 session.

05.14 **Annual Assessment of the University's Overall Profile of Risk**

The Committee **RECEIVED** a report from the Performance and Risk Steering Group (SPRC/05/17 attached for Senate and Council).

The current fundamental risk register was provided within the papers, as was the equivalent register from the previous risk reporting cycle. It was noted that registers at 'local' levels – i.e. for Schools and for Services were now a requirement of the revised planning process, and these would provide for information that would feed up to the fundamental register.

The comparison of profile of risk showed that the ongoing evolution of the risk assessment process had led to refinements in outcomes by way of scorings for individual risks. The evidence of increases in the gross risk were to a significant degree on account of better analysis of the issues, enabling management to better address these risks. Whilst there was the appearance that the University had quite abruptly entered much riskier terrain than previously – with a very high degree of change being managed, and significant restructuring being agreed and implemented – it was recognised that these actions in themselves were indicative of more effective control of risk. It was noted that these steps included the new approach to resource allocation adopted with effect 2004/05, and the new managerial

arrangements, in particular the introduction of Deputy Vice-Chancellors with line management responsibility for portfolios of Schools.

Taking those changes into account, however, the Committee noted a number of key issues:

- The general expectation was that the emphasis would shift towards maximising opportunities. Indeed, the risk register suggested, with the top grouping being mostly concerned with income-generation, that it was in this area where added impetus was required;
- Individual elements relating to income generation that featured prominently in the current fundamental risk register included the recruitment of postgraduate and international students, research performance, and generating income from business-related activities/exploitation of intellectual property. The risk was that should growth in income not be achieved, there would not be sufficient financial headroom to invest in vital infrastructure, such as long-term investment in IT;
- An assessment of the external environment context reinforced the message that it was only significant success in income-generation that would enable the University to prosper, but also that ever-greater efforts would have to be made if the University was to compete effectively for income;
- Although the new variable tuition fees for UK/EU undergraduates did give prospects of greater income from this source, a good deal of additional funds were essentially earmarked for bursaries and for improving the student experience to match enhanced expectations. There should be every expectation that public funding for HE would continue to work to an annual ‘efficiency gain’ whilst also seeing increasing pressure on employment costs. The sector would become increasingly competitive, both domestically and internationally.

The Committee **DECIDED** that the analysis should lead to the following points being addressed in the University’s strategic planning:

- (a) Resources should be directed as far as is possible to support the income-generating activities of the University, implying that Professional Services should align their services as tightly as possible to the imperative upon Schools (and also Hospitality Services) to improve income and diversify sources of income whilst controlling expenditure;
- (b) There remained a cultural hurdle to be overcome in order that income generation was fully accepted throughout the University as being central to the University’s mission ;

05.15 **Key Performance Indicators and Performance Indicators**

The Committee **RECEIVED** a report from the Performance and Risk Steering Group, in which a set of Key Performance Indicators (KPIs) and Performance Indicators (PIs) and an associated framework for performance management in key areas of activity were proposed (SPRC/05/18, attached for Senate and Council).

The indicators proposed cover the whole extent of the University’s activities including Professional Services. The Key Performance Indicators were a subset of the indicators, with some suitable for annual reporting and others appropriate for more frequent monitoring. Those in the latter category would form the basis of a termly KPI report to SPRC and through to Council.

The KPIs and PIs would be monitored by the DVC or Director responsible for the management of that area in most cases at a lower level of detail, often at School or even subject level. All KPIs would be benchmarked against the appropriate peer group or sector groupings and this understanding of the wider context would enable meaningful targets to be derived, against which progress would be monitored. There would be a greater amount of ‘bottom-up’ informing planning than was the case in the previous ‘FooS bullets’, with DVCs ensuring the targets that were being agreed at School level were both ambitious and achievable, given what was being delivered elsewhere in similar HEIs. Another change from the previous planning approach was to deploy much shorter timeframes for performance monitoring – i.e. looking to plans in the next year or two years, in addition to having plans across the full planning horizon.

Specific points raised for attention in finalising the KPIs framework included:

- Human Resources – the three KPIs selected (gender, ethnicity and staff absence) were all important but not necessarily at the KPI level as they did not fully capture the essentials of HR performance - this KPI/PI area should be reviewed;
- Hospitality Services – the lack of a KPI for this area was of concern and should be addressed;
- Procurement – this important area of activity had as yet not been captured within the framework, and it was of sufficient importance to warrant inclusion;
- Research – ‘esteem’ indicators, whilst difficult to measure, were important and should be a PI in the research arena;
- In terms of presentation, it would be helpful to do so graphically as well as through raw data;
- The framework should be subject to regular review, as certain indicators would gain or lose prominence.

The Committee **APPROVED** the performance monitoring framework and associated individual KPIs and PIs, subject to the Performance and Risk Steering Group addressing the points identified above.

05.16 **Annual Review of Institutional Performance 2004/05**

The Committee **RECEIVED** a report from the Performance and Risk Steering Group (SPRC/05/19 attached for Senate and Council). The report was the fifth Annual Review of Institutional Performance, and had been produced in line with the KPIs framework proposed in paper SPRC/05/17.

In discussion, the Committee noted the following:

- Research income had increased compared to previous years, with figures for the first six months strongly encouraging. Income from enterprise activity including consultancy and IP exploitation had also grown. However, both research income and income from enterprise activity were still a long way from the medium-term benchmarked targets.
- The number of entrants to the University had increased in most categories of students including international students. The proportion of international entrants has been maintained at 15% due to growth in both Home/EU and international numbers and the majority of international entrants continued to be postgraduate taught students. The average A-level tariff points of full-time undergraduates UK/EU entrants had increased but the proportion of entrants from lower social classes had decreased. Employment rates were being maintained, close to the location-adjusted benchmark.
- Although research and enterprise income showed some encouraging growth and the University showed a slight reduction in dependence on governmental funding, the University had some way to go to match the performance of many 94 Group institutions.
- Whilst the University’s balance sheet was sound at 31 July 2004, the impact of pension scheme liabilities and the relatively high level of borrowings resulted in adverse movements from the 94 Group medians in terms of financial health. The ongoing changes within the University highlighted the need for stringent financial controls to be maintained in order to control cash, reserves, borrowings and the achievement of financial covenants. The University’s early implementation of the FRS17 accounting requirements was welcomed.
- Expenditure levels now looked to be in the medium/upper quartile range of 94 Group institutions, but by contrast income levels were not competitive.
- The message to be taken overall was that encouraging progress was being made by the University on a number of areas, but that without an acceleration of progress the performance overall would continue to lag that of competitor institutions.

Council would be provided with the report and with a briefing presentation to assist its analysis of the University’s performance in 2003/04.

05.17 **Human Resources**

The Committee **RECEIVED** a report from the Human Resources Committee, through which updates on a number of important matters were provided (SPRC/05/20). Members of the Committee raised concerns on the practical implementation of the Contribution Based Reward (CBR) scheme, noting that

future CBR payments would be conditional upon the University's ability to pay and its performance overall. It was **DECIDED** to request the Director of Personnel to discuss these and related issues with the Chair of Human Resources Committee and provide a report to the Committee's next meeting.

It was also noted that future reports to the Committee would be expected to address more fully those HR issues of strategic importance.

05.18 **Physical Resources**

The Committee **CONSIDERED** a report from the Physical Resources Committee, which contained proposals for the establishment of a Capital Planning Group (SPRC/05/21).

The Committee **APPROVED** the proposals in the report. The Group (CPG) to be chaired by the Deputy Vice-Chancellor (Resources) and with the membership as set out in para. 2.1 of paper SPRC/05/21, would be the group responsible for the planning and management of the Capital Programme comprising all future significant capital spending (including both residential and non-residential elements). CPG would establish Project Groups and the Committee noted that it would still be possible to maintain a Project Group to help steer and co-ordinate academic-facing projects. The CPG would be a critical component in planning, enabling the University to plan its capital programme and the resources to support it, taking a medium-long term view. The capital programme would be dovetailed with academic priorities and would anticipate the future size and shape of the institution such that its academic, financial and physical planning would move forward in a synchronised way.

It was also **REPORTED** that Physical Resources Committee had reviewed the sale of Crossmead Conference Centre, and the development of Thomas Hall into a high-grade residential conference/accommodation facility. The Physical Resources Committee report on this matter would be circulated to members of the Committee.

05.19 **Information Services Committee**

The Committee **CONSIDERED** a report from the Information Services Committee on the development of the University's IT Strategy (SPRC/05/22). Reflecting on the earlier risk profile paper, in which longer-term IT investments featured prominently as a fundamental risk, the Committee reiterated its desire to receive sight of the new IT Strategy at the earliest opportunity.

The Committee **DECIDED** to request that Information Services Committee provide the IT Strategy for its consideration in June 2005.

05.20 **Programme & Pricing Group**

The Committee **RECEIVED** a report from the Programme & Pricing Group (SPRC/05/23). The developments were noted, with particular interest in the plans for setting fees for UK/EU entrants from 2006, and for international entrants, given the new tuition fees regime and the increased competition for students respectively. For the latter, it would be important to arrive at innovative solutions to maximise market share.

05.21 **Learning and Teaching Committee**

The Committee **RECEIVED** a report from the Learning & Teaching Committee (SPRC/05/24). The development of the new Education Strategy was welcomed, and should feature as a key part of the University Plan. The Strategy would seek to establish and promote the key features that would be necessary to build upon and market in order to gain prominence as a top-20 institution.