

STRATEGY, PERFORMANCE AND RESOURCES COMMITTEE

A meeting of the Strategy, Performance and Resources Committee was held on Wednesday 25 June 2008 in Committee Room A, Northcote House.

PRESENT: Vice-Chancellor, Professor S M Smith (Chair)

Mr D J Allen
Mr C J Allwood
Ms J J Dow
Senior Deputy Vice-Chancellor, Professor R J P Kain
Deputy Vice-Chancellor, Professor J M Kay
Pro-Chancellor, Mr P Lacey
Professor J A Littlechild
Sir Robin Nicholson
Deputy Vice-Chancellor, Professor M Overton
Professor R Rylance
Pro-Chancellor, Mr K R Seal
Professor N J Talbot
Professor R Van de Noort

Director of Planning Services, Mr P J Kennedy (Secretary)

IN ATTENDANCE: Chief Executive, Students' Guild, Mr J Hutchinson
Dean of the Faculty of Postgraduate Studies, Professor H M Lappin-Scott
Director of Finance and Corporate Services, Mr J C Lindley
Dean of the Faculty of Undergraduate Studies, Professor M Macnair
Director of Academic Services, Ms M I Shoebridge
Executive Officer to the Registrar and Secretary, Ms G L Weale
Ms D Brett and Mr J Bardell - in attendance for Minute 08.52(a)

APOLOGIES: Professor N Armstrong, Dr V J Gregory, Mr G A Sturtridge

08.47 **Minutes**

The minutes of the meeting held on 25 June were **CONFIRMED** (SPRC/08/67).

08.48 **Matters Arising**

There were no matters arising.

08.49 **Vice-Chancellor's Report**

The Committee **RECEIVED** a report from the Vice-Chancellor (SPRC/08/68). In addition the Vice-Chancellor drew the Committee's attention to the following points:

Times League Table – that Exeter was ranked 13th, its highest ever ranking, should be warmly welcomed as a fantastic tribute to the work of our students, staff and governors. As we moved upwards we could expect our ranking to become rather more volatile, however. Improvements in subject rankings were also welcomed – out of 30 subjects that Exeter was active in there were 23 in the top 20, 10 of which were in the top 10.

Schools in Exeter – that a meeting of the Heads of the 5 Exeter Secondary Schools with Lord Adonis and Ben Bradshaw MP, together with the Vice-Chancellor and the DVC Education, was planned as part of the improvement agenda for Schools in the City.

Plymouth University – that good relations were being developed with the new VC of Plymouth, who was addressing a number of significant issues, including an apparent financial deficit. The Universities had agreed a change to the reporting of research income, which as of 2008/09 would be on the basis of the institution employing the principal investigator. PCMD would continue as at present to receive the combined income through the ‘community chest’.

Pay and Pensions – that the sector faced a rapid increase in pressure on salary costs, and that individual HEIs would, where they did not manage resources well, face decisions between pay increases and jobs. Anecdotal evidence revealed that a number would not be paying the RPI-linked increase due in October, unlike Exeter. With an increase in USS pension costs from 2009/10 looking likely, although we were well placed to meet these and had already assumed some growth in cost from 2009, there was no room for complacency at Exeter and careful management of pay costs was required of managers in Schools and Services.

Retiring members – the Vice-Chancellor also thanked those members retiring from the Committee. Particular thanks went to the Treasurer, the Deans of Undergraduate and Postgraduate Studies and the President of the Guild of Students.

08.50 **Financial Forecast 2007/08**

The Committee **RECEIVED** an oral report from the Director of Finance and Corporate Services on the financial forecast for the year to 31 July 2008. The new borrowing arrangements that had been approved by Council had led to a significantly lower breakage cost than anticipated – at £4.4m rather than £7.4m. It was expected that the position for 2007/08 would improve from a £1.5m historic cost deficit to a £1.5m surplus with an operating surplus of around £4m. It was possible that some further improvement was possible, relating in particular to contingency yet to be released of £0.5m, but equally there were some costs that might now be brought forward from 2008/09. It was expected on the basis of current information that the position would enable the University to make bonus payments to staff this coming December, subject to the actual year-end position being confirmed in November 2008.

COMMERCIAL IN CONFIDENCE

08.51 **Proposed Budget 2008/09**

08.52 **Investment Proposals**

The Committee **CONSIDERED** investment proposals as follows:

COMMERCIAL IN CONFIDENCE

- (a) **The Forum** (SPRC/08/70 attached for Council)
- (b) **Washington Singer** (SPRC/08/71 attached for Council)

The Group received two investment appraisals (IG/08/37) relating to the School of Psychology's submission to the Wellcome Trust for funding of £3.4m for a Mood Disorders Centre. In addition, a sum of £200k was requested from the Infrastructure Fund to refurbish parts of Washington Singer which the School would like to use even if the Wellcome Trust bid was unsuccessful. This sum had now been approved by the Infrastructure Coordination Group and incorporated into the latest Infrastructure monitoring statement, and the DVC Resources confirmed that he was content with the School's contributions to its infrastructure development.

A Wellcome funded centre would be a prestigious achievement but would only be sustainable if the associated revenue costs could be supported by the School, which was currently in deficit. The paper provided assurance on how this risk would be managed.

The Committee **RECOMMENDED TO COUNCIL** that it approve the progression of the Mood Disorders Centre, subject to the Wellcome Trust supporting the bid for £3.4m of funding.

(c) **Business Intelligence** (SPRC/08/72)

The aim of this project was to develop the technical expertise to build and maintain a data warehouse, to purchase a reporting tool capable of being used across the University for a variety of purposes and by a variety of users, and to use these to address the key reporting requirements of the University in a co-ordinated and structured way. The project would allow hundreds of users to access one version of all data from one database via the web, ensuring all users can make decisions based on consistent and current information. It would provide the facility for staff to drill down through data and generate reports as needed without having to reply on technical IT or Planning staff for assistance.

The estimated cost of the project, including contingency and project management support was £1.171m, and this has been provided for within the Infrastructure fund as follows:

	2008/09	2009/10	2010/11	Total
Total	£230,000	£325,000	£615,000	£1,171,000

The project budget was within the SPaRC limits of authority. Recurrent costs from 2011/12 were estimated at £70K pa.

The Committee welcomed this initiative, noted that it enjoyed strong support from Schools and Services, and was supportive of it. An assurance was provided that during and following the implementation there would be steps taken to ensure that individual Schools/Services did not maintain parallel local systems, as otherwise one of the key benefits (reduction of processing time and resulting savings) would not be achieved. The Committee **APPROVED** the recommendations in the report, and set the project budget at £1.171m.

08.53 **Ethics Committee**

- (a) The Committee **RECEIVED** a report from the Ethics Committee meeting held on 27 May 2008 (SPRC/08/73 attached for Senate).
- (b) The Committee **CONSIDERED** the final version of the Ethics Policy (SPRC/08/74 attached for Senate and Council). The Committee had reviewed an earlier draft of the Policy, and was content with the developments to it. Subject to some minor amendments, the Committee endorsed the Policy and **RECOMMENDED TO SENATE AND COUNCIL** that the Policy be approved.

08.54 **Performance and Risk Steering Group**

The Committee **RECEIVED** the following:

- (a) Annual Operating Plan 2007/08: Summer Progress Report (SPRC/08/75 attached for Senate and Council).
- (b) Performance Report (SPRC/08/76 attached for Senate and Council).
- (c) Annual Report on Risk (SPRC/08/77 attached for Senate and Council).

It was noted that the next iteration of the Annual Operating Plan would be set at a higher level, and reflecting the new ambition of Top 10 and the associated key performance indicators.

The Performance report provided an update on performance on our current KPIs against the previous Top 20 competitor group. From Autumn Term 2008 Performance reports would be on the new KPIs, together with 'balanced scorecard' information, and with reference to the

new Top 10 peer group. This latest report revealed a very important milestone in the University's progress. The data showed how our performance across the 15 metrics was indeed now at Top 20 levels, which correlated with league table rankings. Particularly important and gratifying was the progression in research income – which for the first time now moved to better than median against the competitor group. The chart continued to show the challenge facing us in maintaining our strengths, in particular on the student experience, whilst improving in the areas of research and earned income. The Committee also noted that the proportion of First and Upper Second degrees achieved by our students was now consistent with Top 10 performance, and they were to be congratulated. This improvement mirrored the improvements in entry standards and in particular the strength of the student experience evidenced by outstanding National Student Survey results.

The Annual Report on Risk was welcomed as a very clear statement on the University's current risk profile, and of the risks that were potentially emerging. The Committee would continue to receive regular briefings on major movements on our risk profile, and the new programme of risk assessment and management training for managers in Schools and Services would give stronger assurance that all risks were being captured, analysed and escalated where appropriate. The letter from HEFCE noting that the University was “not at higher risk” – this terminology meaning we had earned the highest category – was also welcomed.

08.55 Undergraduate Applications for 2008 Entry

The Committee **RECEIVED** a report on Undergraduate Applications for 2008 entry (SPRC/08/78 attached for Senate and Council).

This report provides the Committee with the latest position on undergraduate student applications and consequent admissions position for 2008 entry. Application rates, as measured by change from 2007, were the strongest in our new Top 10 peer group. Overall the number of offers was up by 11%, and conversion rates have improved significantly with firm acceptances up by an overall 42%. In conclusion, the University was in a very strong position for recruiting well-qualified students in October 2008. This was the best position that Undergraduate admissions has seen for several years and would allow the University to maximise entrance quality in terms of tariff scores. Schools had been reminded by the DVC Education that they would receive zero resources for any students admitted outside of the normal procedures. Professor Kay noted that this strong recruitment position carried operational risk, and she highlighted the steps already being taken to ensure that this risk was well managed. The Chief Executive of the Guild would also be providing operational support in this regard.

Internationally, the position was also very strong, with both applications received and offers made up 76%. What was very pleasing, and undoubtedly reflecting the University's strengthening reputation, was the increase in firm acceptances which were currently up 140%. Conversion rates from INTO foundation programmes were improving, and were reflected in the data.

08.56 Report on Research Applications, Awards and Income

(reference minute 08.29)

The Committee **RECEIVED** a report on research applications, awards and income (SPRC/08/79 attached for Senate and Council). This report presented to SPaRC the latest position in respect of research applications and awards, set alongside income projections for 2007/08 and 2008/09. The information in this report was based on data extracted from the research database for the period to 31 May 2008 and from School business plans 2008-12.

The underlying trend in both applications and awards by value continued to be strongly upward, as shown below:

	<u>Applications</u>	<u>Awards</u>
Change compared to previous 12 month period	+94%	+49%
Change for comparative year to date (10 months)	+94%	+52%

The Committee noted that the increase in research income would lag behind the increase in awards, reflecting the conversion from total award value to an annual income stream.

Overall, the improvements were stunning and a tribute to the work of our academic and support staff. Nonetheless, closer examination of the data revealed some major differences in performance by Schools. Items 2 and 5 of SPRC/08/79 showed how SALL, SELL, Law, Psychology and Sport & Health Sciences were not showing, as yet, the kind of sustained improvements that other Schools were managing (and allowing for discipline mix). Looking forward only a few years to a metrics-driven funding environment and where funding would continue to be concentrated to fewer research groups/institutions, that kind of performance would put in serious jeopardy the ability of academic staff to undertake research, as there would be insufficient grant income to support it. VCEG would be reviewing performance at its September planning meeting and engaging with Schools on actions to be taken following that meeting. The DVC Research noted that further engagement with the Medical School was important to drive up its recovery of full economic cost overheads.

08.57 **Research Monitoring 2008**

The Committee **RECEIVED** a report on research monitoring 2008 (SPRC/08/80 attached for Senate and Council). The report outlined the new research monitoring process for 2008, the data considered at the meetings and summaries performance at Unit of Assessment (UoA) and individual academic staff levels. It was noted that the Exeter elements of PCMD would be incorporated within the ROM meetings from 2009.

Data provided in the two appendices showed that 80% of teaching and research (excluding early career staff) were actively applying for research funding and 61% obtained funding during the period 2005-2008. However, and generally consistent with the data presented in SPRC/08/79, performance was patchy. Appendix 1 showed that for awards, in 18 of the 29 UoAs the professoriate (excluding Associate Professors) were underperforming with 57% receiving awards below the median value for their UoA and for PGR students in 17 UoAs 39% were below the median number for MPhil and PhD students.

A number of practical suggestions were discussed to help improve performance in Schools. In particular, there was good practice being followed in a number of areas, and that must be translated into other parts of the same School, and into other Schools. The direct involvement and support of the Vice-Chancellor was seen as a vital input to generating the improvements seen and to future improvements also. The increasingly competition for attracting funding for research made this work absolutely critical to the University's future success as a research-intensive university.

08.58 **Science Strategy Executive Board**

The Committee **RECEIVED** a report from the Science Strategy Executive Board detailing decisions made by VCEG on the allocation of funds to support the University's Science Strategy (SPRC/08/81). Funds totalling £12.1M (including School contributions) had been allocated across the five themes, which were:

- Climate Change and Sustainable Futures
- Extrasolar Planets

- Functional Materials: Fundamentals to Manufacture
- Systems Biology
- Translational Medicine, Personalised Healthcare and Public Health

The Committee welcomed the conclusion of this decision-making phase, and looked forward to receiving reports on progress over the investment period (2008/9 – 2010/11). Particular thanks were recorded to Professor Kay for her leadership throughout this review period, to Sir Robin Nicholson and Russell Seal for their invaluable input and guidance, and to Anne Shrubshall and colleagues in the Research & Enterprise Office for their support.

08.59 Education Committee

The Committee **RECEIVED** a report from the Education Committee meeting held on 10 June 2008 (SPRC/08/82).

08.60 Pricing Advisory Group: Fee-setting for 2009/10

The Committee **RECEIVED** a report from the Pricing Advisory Group meeting held on 9 June 2008 on fee-setting for 2009/10 (SPRC/08/83). The Committee noted the growth in standard fees for postgraduate taught programmes, and welcomed this shift as it would test the demand. Should it become apparent that the price was set too high for individual programmes then Schools would be at liberty to offer scholarships.

08.61 Safety Committee

The Committee **RECEIVED** a report from the Safety Committee meeting held on 28 May 2008 (SPRC/08/84).

08.62 Dual Assurance

The Committee **RECEIVED** Dual Assurance reports as follows:

- Finance/Investment **COMMERCIAL IN CONFIDENCE** (SPRC/08/85)
- Human Resources (SPRC/08/86)
- Equality & Diversity (SPRC/08/87)
- Infrastructure/Capital Programme (SPRC/08/88)
- Environmental Sustainability (SPRC/08/89)
- Cornwall (SPRC/08/90)
- Fundraising & Alumni Relations (SPRC/08/91)
- Arts/Culture (SPRC/08/92)
- Research (SPRC/08/93)
- Information Services (including C&IT infrastructure) (SPRC/08/94)
- Sport & Wellness (SPRC/08/95)

These reports included summaries of decisions taken under Dual Assurance as well as progress reports, and would be made available to staff via the intranet.