

## STRATEGY, PERFORMANCE AND RESOURCES COMMITTEE

A meeting of the Strategy, Performance and Resources Committee was held on Wednesday 12 March 2008 in Committee Room A, Northcote House.

PRESENT: Vice-Chancellor, Professor S M Smith (Chair)  
 Pro-Chancellor, Mr K R Seal  
 Pro-Chancellor, Mr P Lacey  
 Treasurer, Mr G A Sturtridge  
 Senior Deputy Vice-Chancellor, Professor R J P Kain  
 Deputy Vice-Chancellor, Professor N Armstrong  
 Deputy Vice-Chancellor, Professor J M Kay  
 Deputy Vice-Chancellor, Professor M Overton

Mr D J Allen  
 Professor J A Littlechild  
 Sir Robin Nicholson

Professor R Rylance  
 Professor N J Talbot  
 Professor R Van de Noort

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

IN ATTENDANCE: Acting Permanent Secretary to the Students' Guild, Ms T Costello  
 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  
 Mr P C Ruddock (for discussions under M08.18)  
 Director of Academic Services, Ms M I Shoebridge  
 Executive Officer to the Registrar and Secretary, Ms G L Weale

APOLOGIES: Mr C J Allwood, Ms J J Dow, Dr V J Gregory, Dame Suzi Leather

#### 08.16 Minutes

The minutes of the meeting held on 8 February 2008 were **CONFIRMED** (SPRC/08/27).

#### 08.17 Matters Arising

##### **08.03 Vice-Chancellor's Report**

The Committee **RECEIVED** an update on Council's decision to make an early approval of the detailed loan arrangements. The Director of Finance had reported to Council at its 22 February 'awayday' meeting on progress. The arrangements with the banks were proceeding satisfactorily with both RBS and Barclays now having credit approved the new loans. HEFCE approval was thought to be likely with the HEFCE Head of Assurance supporting the proposal, and confirmation was expected following the HEFCE Board meeting in April 2008. The trustees of ERBS have agreed to take a bank guarantee in place of contingent assets, although the University will need to pay £57k per annum for this. Some risk remains with regard to the breakage cost of the existing loans and the hedging rates to be obtained on the new loans.

##### **08.10 Forum**

The Committee **RECEIVED** an update on The Forum and Visitor's Centre Scoping Conference held on 28 February 2008. The Conference had been attended by around 150 colleagues, and had been very successful. It was clear that the overall concept attracted considerable excitement and indeed enjoyed consistently strong support. Discussion points from the Conference were now being taken forward to the Forum Project Group.

#### 08.18 What Next Following Top 20? Report from Task and Finish Group

The Committee **CONSIDERED** proposals for setting the University's next level of ambition (SPRC/08/28 attached for Senate and Council).

The Task and Finish Group convened for this purpose, chaired by Professor Overton, had reported its conclusions and recommendations to VCEG's 3 March meeting. The Group, having overseen and subsequently analysed an extensive process of consultation with staff and with Schools/Services, had concluded from that process that:

- There was strong evidence that our staff were highly engaged with the University's strategy and future plans.
- Our staff generally wished to both consolidate our success and also raise our ambition levels beyond our current 'top 20 by 2010' levels, as they saw a strong personal connection between their own personal aspirations and the success of the University.
- The precise definition of that ambition varied amongst our staff, but there was a general support for an overall strategy to go for a significant level of improvement (alongside consolidation of our current achievements). International reputation was a major theme, especially for new academic members of staff.
- There were a number of areas of particular focus - things that were thought to be amongst the 'necessary conditions' we needed to deliver better performance.

The proposals from VCEG had 3 main elements: the overall level of ambition and how best to express that, the KPIs and the surrounding 'balanced scorecard' and how overall to assess the University's progress to its next target, and the peer group that the University should benchmark itself with. The recommendations were, in summary that:

- Exeter should aim to become a "top 10" university within the UK by 2012.
- A set of 10 KPIs, all which would apply to Schools/subjects, should be adopted and which would cover the research, learning & teaching and external affairs parts of the mission, and for which there would be robust data readily available through which our performance could be measured and on a comparative basis with our peers.
- In addition to those KPIs, there should be further performance indicators and measures forming a 'balanced scorecard', in order to give a wider perspective on progress towards strategic objectives.
- A new peer group of 12 universities should be adopted, who in the main were currently placed in the range 5-15 in most external rankings of university performance.

The Committee recognised the critical importance of these proposals, and the potentially far-reaching implications that they would carry.

For ambition, there was a strong consensus that aiming for further improvements was vital. To aim purely to consolidate carried the risk of being not only static, but of slippage, given the intense efforts our competitors would be making. The evidence showed that it was possible for Exeter to make that level of improvement, but also showed the extent to which there was a challenge in a number of key areas of performance. As noted by colleagues in the consultation, it was the company that we kept that was most critical, rather than an individual position in an individual year. It was helpful, however, to have a short-hand expression for that ambition level, and "top 10" was agreed for that. For timing, it was important to ensure that the target could be delivered, ie that it was realistic, but also that it had sufficient immediacy to engage our staff in the strategy. The Vice-Chancellor said that in his opinion and that of his senior colleagues, there was a clear momentum established now, and given the University's strengthening market position and all the work including re-structuring done to date, a generational opportunity was there for Exeter to seize. The Committee decided to set 2012 as the target date for achievement of the top 10 ambition.

For the KPIs, the Committee was content with the 10 proposed, which would cover the 3 'legs' of the University's business – ie research, education and external affairs. These 'super' KPIs were proposed as follows:

- RAE, Research income per staff fte, PGR students per staff fte
- UG entry quals, UG progression/achievement, National Student Survey, UG Graduate level employment
- International student population, Postgraduate taught student population
- Earned Income

It was clear that in some cases these KPIs had critical contextual measures that should be monitored and reported on, and Planning Services would work on those with the relevant colleagues prior to the next academic year. There was a concern that the Knowledge Transfer element was under-played in the reporting system, and that given its growing importance as an indicator it should have a high profile place in our performance measures. This issue and in particular how best to measure the performance here would be subject to further work by Planning. It was also noted that performance measures for Services should be developed, to help better benchmark and measure their contribution to these super KPIs.

The concept of the 'Balanced Scorecard' was also welcomed, as this would provide for a richer analysis on Exeter's performance. It would be important to use this framework to integrate league table positioning within our own internal systems. It was noted that the measures included in the balanced scorecard would evolve over time, but that it was important to ensure that it included measures of service delivery through IT, and also how the new Infrastructure more widely contributed.

Whilst the ten KPIs would be absolutely central to driving priorities and actions, from a governance perspective the balanced scorecard would be used in addition to performance on those KPIs in assessing the University's progress and positioning. The Committee was content with the proposed peer group, noting that it set the right level of challenge for the next 3-4 years.

High quality communications were recognised as absolutely central to this work, as they would convert actual performance into reputation. The Professional Services would have a major contribution to make here as in other areas. Internationally, it was accepted that there was likely to be a considerable lag in migration of domestic to global recognition. In that context it was decided to not set a specific headline target relating to rankings, but that aiming for top 100 by our diamond jubilee year would be held as a supplementary target and message.

The Committee **RECOMMENDED TO SENATE AND COUNCIL** that:

- (a) Exeter should aim to be a "top 10" university, aiming for that level of excellence in the UK by 2012, primarily based on performance in 2011/12.
- (b) As a supplementary message, it is proposed that we aim to have the profile of a leading international university. On account of lagging effects in reputation particularly internationally, we aim to progress by 2015 to be one of the world's best 100 universities. The basis for defining international profile is, however, subject to further review, given the complexities of that assessment, and the current volatilities and methodological issues prevalent in the Jiao Tong and THES global rankings.
- (c) There should be 10 Key Performance Indicators, which will cover the 3 'legs' of the University's business – ie research, education and external affairs. These 'super' KPIs are proposed as follows:
  - a. RAE, Research income per staff fte, PGR students per staff fte
  - b. UG entry quals, UG progression/achievement, National Student Survey, UG Graduate level employment
  - c. International student population, Postgraduate taught student population
  - d. Earned Income
- (d) The potential inclusion of Knowledge Transfer as a KPI should be subject to further review.

- (e) Each KPI should have further contextual measures. For example whilst research income per staff fte (sensitive to subject mix) will be the KPI, supplementing that measure should be other indicators, for example success in attracting research council grants and recovery of full economic costs.
- (f) For each KPI there should be clear targets for action/improvement, which if met will deliver a positive result in the University's rank in that metric and therefore overall. These plans will exist at the level of Schools/Services as well as for the University as a whole.
- (g) Around the KPIs there should be a number of supportive measures and performance indicators forming a more balanced scorecard to assist in evaluating our performance, and this should incorporate league table positions.
- (h) The KPIs should be monitored against a new benchmark group of 12 universities (13 including Exeter) who are generally in the range of 5-15 in general reputational terms and in most league table rankings (in particular the Times). On an exception basis, comparisons at School / subject level should be able to incorporate additional (or potentially fewer) HEIs in order to generate a genuine top 10 evaluation for them.
- (i) Governance measures of institutional performance in the overall comparative sense should be based on the KPIs and the balanced scorecard.

The work of all colleagues involved in the consultation process was recognised, and Patrick Kennedy and Paul Ruddock (Planning Services) were thanked by Professor Overton for their work in bringing an excellent paper to the Committee.

#### 08.19 **Vice-Chancellor's Report**

The Committee **RECEIVED** a report from the Vice-Chancellor (SPRC/08/29). In addition to his written report, there was specific discussion on the Dartington College of Arts move to the Tremough Campus, with particular concern on the managerial and spatial capacity within UCF/DCA for that move to effectively take place without short and long term adverse implications for the University of Exeter staff/student experience in Cornwall. It was **DECIDED** that the Registrar and Secretary would bring a proposed resolution to the next meeting of Council, in which those concerns would be brought out more fully.

#### 08.20 **Financial Forecast 2007/08**

The Committee **RECEIVED** the financial forecast for the year to 31 July 2008 (SPRC/08/30). The Director of Finance reported firstly on the operating performance, and then on exceptional items.

The latest forecast operation position was for a £1m surplus, compared to the previous £0.7m surplus. The main sources of the improvement related to better research earnings in particular from PCMD, and also an improved position from the Professional Services. The Director of Finance also noted that he did expect some further improvements to come through in the remainder of the year to 31 July 2008, and that the current expected improvement is in the region of £1m. It was noted that there was some risk, considered by the Director of Planning to be low probability, of an application of holdback by HEFCE relating to 2006/07 but that could, if the risk materialised, have implications also for the current year and beyond. Given that situation, and that some of the research earnings were currently projected rather than realised, it was **DECIDED** to retain the remaining £0.5m of contingency at least until the Committee's May meeting. It was also **DECIDED**, in the light of the improving position, that VCEG should consider whether the current £0.55m target operating surplus should be revised upwards to its original £0.75m level, for report on its position to the Chair of Council.

A significant revision to the financial forecast was expected as a result of the re financing transaction arising from the Finance and Infrastructure Strategies. As a result, a historic cost deficit of £4.7m was forecast, compared to the forecast surplus approved by SPaRC on 8 February 2008 of £4.6m. Of this revision £7.4m concerned the breakage costs of the existing loan arrangements. It is being explored with the University's external auditors as to whether

this cost should be taken over the 35 year term of the loan or in a single year. For the sake of prudence plans are being made for it impacting the University's accounts this year. If there was the single year impact, then it was **DECIDED** that this should be treated within the General Reserves. This would also mean that the contribution from the SDF to General Reserves would need to continue several years longer than currently planned.

In this event the University would have a deficit in 2007/08. This being the case it did not seem appropriate to continue the sales of assets in 2007/08, which are only being undertaken to bring the University into surplus in a year when high pay costs are expected to cover the RAE process. If the University is to make a loss anyway these assets sales can be deferred to 2008/09 to endeavour to increase the prospect of a surplus in 2008/09. There was also advantage in their retention, as this would provide for circa 140 bed spaces for Exeter and for INTO students in 2008/09, which was a year in which there was considerable pressure on accommodation given much new build including that for INTO would not come fully on stream until 2009/10. These asset sales would be likely to generate some £2.2m. The Committee **APPROVED** the proposal to defer these asset sales until 2008/09.

Overall the Committee welcomed the proposals to address this situation. The financial benefit of this 're-mortgaging' would be at minimum £2m over the 35 year term period, potentially being double that level or higher. This demonstrated that the markets had increased confidence in the University's management, governance and overall market position, as the rates now on offer to Exeter were better than previous rates, despite the downturn in the credit markets. The Committee **APPROVED** the steps being taken by the Director of Finance to restructure these existing loans, noting that the new loans would be packaged in a way that would optimise future flexibility.

It was noted that it would be important to adopt a pro-active and positive communications strategy on this matter, as the decisions taken were very much to the University's advantage and reflected very clearly its improved position as viewed by the external world. The Registrar and Secretary would take this matter forward.

#### 08.21 **Finance Strategy Early Warning Points**

The Committee **RECEIVED** a report from the Director of Finance on Finance Strategy Early Warning Points (SPRC/08/31 attached for Council).

Council had approved the Finance Strategy at its meeting on 17 December 2008. In the Finance Strategy four "fundamental parameters" were identified and the Strategy noted that the University would not accept any plan or investment that would cause the University to transgress these.

The paper provided analysis on where the other 1994 Group universities were with these fundamental parameters, in comparison to Exeter. A number of interesting variations across the Group were noted, although it was also accepted that major deviations from the norms could in some cases be best understood within context that the figures did not and could not themselves provide. The paper also proposed at what levels SPaRC should be alerted that the University was approaching any one or more of the trigger points. The Committee **RECOMMENDED TO COUNCIL** that it approve these early warning levels and the associated process.

#### 08.22 **HEFCE and TDA Grant Settlements 2008/09**

The Committee **CONSIDERED** an initial report on the HEFCE grant settlement for 2008/09 including some tabled comparative data (SPRC/08/32, 32a attached for Council).

The settlement was a positive one for Exeter, with the University receiving an additional £3M compared with 2007/08. This was an overall growth of 5.7%. The 2008/09 grant totals £57.1M (including Pathfinder funding), a growth of over £26M since 2001/02 and an 83% increase. Although these additional revenues generally come with requirements, most notably in the need to teach the additional student numbers (ASNs) across our campuses

(and including PCMD), the continued growth in volumes gives further scope to generate efficiencies and to spread overheads.

Comparisons to the sector and groups within it were now available. On a % growth basis, Exeter was the highest in the Top 20 group, was higher than all but one (Liverpool) of the Russell Group HEIs, and 4<sup>th</sup> overall in the pre-92 part of the sector (12<sup>th</sup> nationally). Stripping out growth in volume, Exeter's settlement was in line with the inflationary allowances that HEFCE was working to – circa 2.7%. The proportion of HEFCE R grant to T remained relatively low, however, and the outcomes of the RAE for funding from 2009/10 were awaited with interest.

The Committee noted the details of this positive provisional grant settlement from HEFCE for 2008/09, and concluded that the recent, current and projected increases to total grant income gave Exeter an increasingly strong platform for the future. As previously reported to the Committee, HEIF funding will double from 2007/08 to 2010/11, with the University's allocation in 2010/11 confirmed at £1.9m which is the capped maximum for the sector, and with phased increases in the interim years.

### 08.23 **Professional Services Planning – Service Development Investments**

The Committee **CONSIDERED** a report on Professional Services Planning (SPRC/08/33). The purpose for the paper was to brief the Committee on the progress being made in Professional Services planning, and specifically to provide SPaRC with further information on investments being planned for service delivery. The investments, which were recurrent and with effect 2008/09, would form part of the underpinning to the top 10 strategy. As in the previous cycle, the investments seek to support income generation, to deliver improved services to students and staff whilst at the same time achieving savings through process improvements, and to improve the sustainability of our campuses.

The proposals were consistent with the existing student, staff and space rates (noting that the space rate is being adjusted to ensure recovery of higher utility rates as previously advised to SPaRC) that drive the apportionment of these costs to Schools. The Services' overall proportional share of resources would also remain stable over the planning period – with the PSC and Space charges at roughly 21% and 9% of School turnover respectively. The comparative data showed that Exeter's relative investment in Services was now approaching that of its main competitors, and around the upper quartile of that group was desirable which was now being approached.

The Registrar noted that he continued to expect the Services to be creative and efficient in their use of resources, and continually seek to find efficiencies and redeploy resources where they would most help the University's mission. The expectation of efficiency gains in Services continued into 2008/09 at 1% of pay/non-pay costs, in addition to the 2% staff vacancy savings from expected patterns of turnover.

Much of the investment headroom was in fact dedicated to prior commitments, many of which were proxies for spend for the University as a whole. These items included an additional £0.5m to support the Infrastructure Fund, replacing Foundation funding for DARO, provision for a higher speed 1Gb link to Cornwall and replacing working capital more generally for Cornwall-based activity. New investments also included more support for PGR and PGT applications processes, embedding the increased levels of support for marketing, community liaison support, and of particular note completing the investments in the restructured Academic and Corporate Services. Some non-recurrent support to the Guild of Students was also provided for.

The Committee endorsed these investment proposals. It noted how they had come through a substantive process, including consultation with SMG, were affordable within School business plans, and retained a balance of investment in Schools and Services that was consistent with our competitors. In particular they supported the University's ability to generate income, to become increasingly sustainable, and to deliver better service to students, staff and external customers. The 2008/09 budget for Professional Services and overall resource plans to 2011/12 would be considered by the DVC Resources for approval in May, then aggregated and summarised alongside all plans for SPaRC's June meeting.

## 08.24 Network Upgrade Investment Appraisal

The Committee **CONSIDERED** proposals for investing in the network (SPRC/08/34 attached for Council).

By way of context, it was noted that the University's current IT and telephone networks were largely installed in the early to mid 1990's and some parts (such as St Luke's) were installed in the 1980's. The most recent upgrade was the high-speed backbone, which was installed eight years ago. These systems were now outdated and not capable of supporting the required data, wireless and voice throughput, resulting in increasingly poor performance for users. The current network was built up in a piecemeal fashion, with little resilience, resulting in regular points of failure. The existing equipment and cabling were close to being 'unfit for purpose' and this had been verified through external audits to the network, cabling and wireless connectivity.

The overarching purpose for the project was to provide a fit-for-purpose network that was capable of supporting the research, learning & teaching and external affairs activity of a top level university. The best staff and students would see that level of seamless support for their activities as a pre-requisite for their coming to Exeter. Specifically, the objectives were to:

- Upgrade the fibre cabling to provide a faster, more resilient backbone.
- Upgrade the network switches and routers (infrastructure) to provide a faster and more resilient network, with multiple-routing options.
- Upgrade the wireless access to provide for easier campus-wide access.
- Upgrade the voice over internet protocol (VOIP) telephony system to provide a modern, resilient telephony system.

The upgrade being proposed would deliver a greatly improved service that will have capacity for further expansion and meet the needs of the University over the next five to seven years. The capital cost of the upgrade would be £5.48m with an annual maintenance cost of around £350,000. There were a number of risks to the project which, if they materialised, could cause delay, increase cost or could impact the scope if they occur, and the main risks together with their management were covered in the paper.

In discussion the following points were noted:

- That performance measures on the network should be introduced, monitored and reported throughout the project and beyond, to ensure that the University community was well briefed on the network's performance, and as a means also of giving contractors a clear briefing on our requirements
- The investment and the longer-term plan should avoid the boom/bust scenario where there was a periodic crisis that took a number of years to fix – the platform for continual improvement was being built
- There should be ongoing dialogue with the Met Office to ensure that all appropriate opportunities for mutually supportive working were explored and taken
- The network should be seen and planned within the wider context of the emerging Masterplan for the Streatham Campus and the Estate Strategy overall (minute 08.27 refers)
- The Project Board should take external advice, from time to time, during the implementation phase to ensure that the outputs continued to be fit for current and longer term purpose.

The objectives were in line with University objectives as defined in the Infrastructure Strategy and Plan as approved by SPaRC and Council. The project was defined and would be project managed in line with the Infrastructure Planning and implementation Framework as also approved by SPaRC and Council. It was noted that the project had been reviewed and strongly supported by the Infrastructure Strategy Group.

The Committee welcomed this important initiative, and **RECOMMENDED TO COUNCIL** that the project be approved within the budgetary limit of £5.48m and to the standards detailed in the report. The Committee also noted the prospect of procuring much of this equipment using a lease-type arrangement. SPaRC **APPROVED** the use of this arrangement where it was operationally and financially advantageous and authorised by the Infrastructure Strategy Group.

#### **COMMERCIAL IN CONFIDENCE:**

#### 08.25 **Acquisition of Land at Tremough**

#### 08.26 **Residential Developments in Cornwall**

The Committee **CONSIDERED** a paper on residential developments in Cornwall (SPRC/08/50 attached for Council).

The Committee was aware that the University, working in partnership with the University College Falmouth (UCF), had developed plans in Cornwall to build new student residences with capacity for 400 students by September 2009, to ensure that the University was able to meet its accommodation guarantee to first year students in September 2009 and thereby optimise its recruitment prospects. It had been previously proposed to the Committee that this development should be funded by leasing the existing student residences to provide a receipt to clear the existing debts and to build the new 400 residences.

Having taken expert advice, it was now apparent that this approach was no longer viable at present, as the yields on the proposed scheme were not favourable from the market's perspective. The view had been reached by Tremough Campus Services and senior staff at both Exeter and UCF that, in order to ensure that this accommodation was provided, it would be necessary to do so on a borrow and build basis. This would mean that the borrowings would, on an equal basis, sit on the partner institutions' balance sheets as any other such loan would. The total provisional expenditure that was expected was £20.70m, shared equally by Exeter/UCF. In order to proceed, it would be necessary before the loan arrangements were concluded for the University to provide working capital, the cost of which was within the overall loan total of £20.7m, of up to £2.65m.

The Committee **APPROVED** the provision of working capital, and noted also the steps being introduced to manage the risk of these arrangements. The Committee also endorsed the funding route of new loan finance for the University joint venture company Tremough Campus Services totalling £20m. The Committee noted that such a loan may need to be guaranteed by the University and will need to be consolidated into the University accounts. The Committee **RECOMMENDED TO COUNCIL** that it approve these arrangements to provide residential accommodation for our Cornwall Campus students.

#### 08.27 **Infrastructure Strategy**

The Committee **RECEIVED** an Infrastructure Strategy report (SPRC/08/36 attached for Council).

Since the approval of the Infrastructure and Finance Strategies at Council in December, Infrastructure Strategy Group (ISG) was now overseeing two critical strands of preparatory activity - masterplanning and the leasing of student residences, which would enable the projects in the Infrastructure Strategy to be delivered. It had also received updates on other projects and approved expenditure. The implementation of the capital approval procedures was also underway.

The Registrar and Secretary drew particular attention to the masterplanning work. Consultants had been engaged to assist in this exercise, and were generating some very interesting and important concepts for consideration. It was evident that the Streatham

Campus did have scope for further development, without detriment to its bucolic aspects, and indeed there was clear evidence that there was an over-provision of space given our current student numbers, relative to a number of our peers. The Committee would consider the report at its June meeting.

A number of project developments were noted, and including the proposal for refurbishing the Ransom Pickard halls, at a total cost of £1.7m. The Committee **APPROVED** this proposal.

The Director of Finance also reported on the Infrastructure Fund, noting that it would be in deficit in the current year. The Fund would however be in balance over the period of the plan to 2011/12, and the increased HEFCE capital settlement recently announced helped support this position. The Fund would be carefully managed to ensure that project commitments did not exceed financial capacity over the period of the plan.

#### 08.28 **RAE Equal Opportunities Analysis**

The Committee **RECEIVED** the RAE Equal Opportunities Analysis (SPRC/08/37 attached for Senate and Council).

The Funding Councils had required institutions to develop an equal opportunities code of practice to guide decision making regarding submission for RAE 2008. The University of Exeter's RAE Equal Opportunities Code of Practice included a commitment to monitor the University's submission by gender, ethnicity, disability, part-time status and fixed-term status, across the whole University, by School and by Unit of Assessment.

The Committee noted that the report fulfilled that commitment, and that the data supported the view that the University's decision-making processes in respect of the RAE had not been discriminatory against groups covered by the RAE Equal Opportunities Code of Practice. It was noted that the data specific to the School of Physics could be mis-interpreted, but it was explained by Professor Kay that these data were skewed by the number of new and female staff involved in the Diagnostic Radiography programme, who were in fact now contracted on a teaching only basis.

It was also noted, however, that the data for the University did highlight the continued under-representation of women, of staff declaring a disability and of Black Minority Ethnic staff among the Teaching and Research job family and it was expected that the Dual Assurance leads for Equality and Diversity (and the appropriate equality groups) and Dual Assurance leads for Human Resources would consider this in more detail.

#### 08.29 **Interim Report on Research Applications, Awards and Income**

The Committee **RECEIVED** an interim report on research applications, awards and income (SPRC/08/38 attached for Senate and Council), provided in response to the SPaRC's request at its February meeting (minute 08.05 refers). The information in this report was based on data extracted from the research database for the period to 31 January 2008, together with comparisons drawn from equivalent previous years.

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

	<u>Applications</u>	<u>Awards</u>
Comparative 12 month period	50%	32%
Comparative year to date (6 months)	65%	21%

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. Chart 2

presented in the paper showed encouraging signs of sustainable growth in income for a number of Schools, given their growth curve in awards in the current year compared to previous years. However, there were also some worrying signs for a number of Schools, with awards in the current year down on those for previous years, and in some cases this was for Schools that were already underperforming. The under-performance was not only in relation to their peers internally, but most importantly was in relation to their like-for-like peers in other universities that Exeter was aspiring to compete with.

The Committee was concerned to see this level of under-performance in a number of Schools, and identified this issue as absolutely central to performance towards top 10. The DVC Research would ensure that the upcoming round of Research Output Monitoring meetings dealt with these issues. It was noted also that the fEC recover rates for PCMD were substantially lower than those for Exeter's Science Schools – this would be discussed with PCMD for report back.

Further analysis would be presented to SPaRC when business plans have been prepared and would set the forecast gross income against the upward trends in applications and awards.

#### 08.30 **Performance and Risk Steering Group**

The Committee **RECEIVED** the following:

- (a) Annual Operating Plan 2007/08: Spring Progress Report (SPRC/08/39 attached for Senate and Council).
- (b) Performance Report (SPRC/08/40 attached for Senate and Council).
- (c) Termly Report on Risk (SPRC/08/41 attached for Senate and Council).

The Committee endorsed the findings in these reports. It was noted under the Annual Operating Plan that the action regarding Rowancroft should be updated, now that planning permission had been granted.

#### 08.31 **Ethics Committee**

The Committee **CONSIDERED** the draft Ethics Policy (SPRC/08/42 attached for Senate and Council). The status of the Policy was that it was still at a consultative stage – i.e. that SPaRC was being asked for input to guide a further and final iteration of it, prior to the final document coming back to SPaRC in June 2008. SMG, Senate and Council were also now being consulted.

This report was provided further to Council's request to Ethics Committee to undertake a substantial revision of the 2001 Ethical Issues Arising from Research and Teaching document. Drawing upon the procedural and practical advice contained in the Council for Industry and Higher Education's 2005 publication Ethics Matters: Managing Ethical Issues in Higher Education, a working party, chaired by Professor Kain, was established in 2007 to take forwards the substantive drafting of the new Policy.

In developing a holistic policy, which would underline the University's commitment to corporate social responsibility and the need for greater transparency, the Ethics Committee had sought to develop best practice and meet the latest requirements of outside research funders and collaborators. It was intended that the Policy would outline the key principles which would govern and inform all areas of University life, and provide a general framework for activities across research, teaching and enterprise.

The draft policy had been produced following widespread consultation with a large number of stakeholders whose comments were received and considered by the Working Party and the Ethics Committee. It covered eight substantive areas (University Governance; Research; The Student Experience; Finance; Sustainability; Human Resources; External Relations and Knowledge Transfer) and provided guidance for the reporting of ethical issues to the Ethics Committee.

Many of these areas had provoked rich debate and it was hoped that the draft Policy was a judicious balance of both principle and detail. In seeking to provide a holistic policy for the University the scope of the Policy covered both the Professional Services as well as Academic Schools which represented a major alteration to previous practice.

Committee members were invited to provide detailed comments to Professor Kain following the meeting. It was noted that, under para 5.2, there were some further amendments proposed so that it would meet the needs of the University's investment strategy. The Chair of Council requested that written confirmation that the policy was acceptable to our investment advisers be received prior to finalising the policy. The guidance would also need to be compliant with requirements of the Charity Commission, and further checks into this were in hand.

The Committee welcomed this important piece of work, noted that it was still work in progress although now in the final stages of revision, and looked forward to considering it in full at its June meeting.

#### 08.32 **Science Strategy Board**

The Committee received a report from the Science Strategy Board meeting held on 17 January 2008 (SPRC/08/43 attached for Senate and Council).

Professor Kay highlighted the main actions being taken forward in this implementation phase. Of particular importance was the internal bidding process for proposals for funding, the outcomes of which should be known by the end of April.

#### 08.33 **Dual Assurance**

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

- (a) Finance/Investment (SPRC/08/44)
- (b) Environmental Sustainability (SPRC/08/45)
- (c) Cornwall (SPRC/08/46)
- (d) Fundraising & Alumni Relations (SPRC/08/47)
- (e) Sport & Wellness (SPRC/08/49)

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.