



CENTRAL MANAGEMENT GROUP

16 June 2015

Minute

Present: Senior Vice-Principal Professor C Jeffery
Vice-Principal Professor C Breward
Vice-Principal Professor D Miell
Vice-Principal Professor R Kenway
Vice-Principal Professor S Welburn
Vice-Principal Professor J Norman
Mr H Edmiston, Director of Corporate Services
Ms T Slaven, Deputy Secretary, Strategic Planning
Mr P McNaull, Director of Finance
Mr G Jebb, Director of Estates
Mr G McLachlan, Chief Information Officer
Ms Z Lewandowski, Director of HR

In attendance: Dr B Nelson, on behalf of Vice-Principal Professor Yellowlees
Dr C Elliot, on behalf of Vice-Principal Professor Sir John Savill
Ms L Chalmers, Director of Legal Services
Dr I Conn, Director of Communications and Marketing
Mr G Douglas, Deputy Secretary, Student Experience
Mr D Kyles, Chief Internal Auditor
Ms K Graham, Deputy Head of Court Services

Apologies: The Principal
University Secretary, Ms S Smith
Vice-Principal Professor J Seckl
Vice-Principal Professor J Smith
Vice-Principal Professor Yellowlees
Vice-Principal Professor Sir John Savill
Vice-Principal Professor M Bownes
Vice-Principal Professor J Iredale
Vice-Principal Professor S Rigby
Vice-Principal Professor A Morris
Vice-Principal Professor J Haywood
Mr B MacGregor, Director of User Services Division
Professor C Clarke, Head of School of Health in Social Science
Mr D Gorman, Director of Social Responsibility and Sustainability

1 Minute

Paper A

The Minute of the meeting held on 19 May 2015 was approved.

2 Principal's Communications

Senior Vice-Principal Professor C Jeffery, on behalf of the Principal, reported on the following: the ongoing challenging financial climate with the potential to impact on future business plans; challenges in aligning expectations of governance with SRUC; the implementation of the agreed investment strategy following the findings of the Fossil Fuels Review Group and the intention to bring forward proposals for a process to consider investment strategy in relation to armaments; a recent visit by senior staff to East Asia and a proposed Edinburgh Centre for Carbon Innovation office in Hong Kong, subject to Court approval; the Institute for Academic Development moving from the College of Humanities and Social Science to the University Secretaries Group from 1 August in line with its cross College role and linkages with Human Resources, Student and Academic Services and Communications and Marketing

SUBSTANTIVE ITEMS

3 Alan Turing Institute

Verbal

Vice Principal Professor Kenway updated CMG on recent developments in the Alan Turing Institute (ATI) in relation to staffing, the business plan, strategic partnerships and University engagement.

Former city financier Mr Howard Covington had been appointed Chair of the ATI board. Mr Covington is also chairman of the management committee of the Isaac Newton Institute, a fellow of the Institute of Physics and a trustee of ClientEarth and the Science Museum Group. The ATI board is in the final stages of appointing a Director and EPSRC will shortly be holding its final project board meeting, with the expectation of handing over to the ATI board on 1 July.

The business plan is over a ten year period from 1 April 2015 and it is intended that there will be research activity to directly benefit the University's REF submission as well as indirect benefits through connectivity with University staff and research. Following discussion it was agreed that the ATI represented a significant opportunity in terms of reputation and REF impact but the University would need to engage to maximise return particularly in the area of Informatics.

The ATI will also be exploring European funding options and seeking strategic partnerships to generate additional funding, with opportunities for relationships with major multinational companies and the public sector. The need to be selective in pursuing partnerships and to manage communications carefully was noted and the Director of Communications and Marketing was asked to consider our approach around potential communications challenges.

4 SRUC

Verbal

Director of Corporate Services Mr H Edmiston updated CMG that over 50 University staff plus external advisors had been involved in the due diligence exercise and there was now clarification on most of the major risks, however further work on pension schemes would be required post alignment if it were to proceed.

In order to deliver the strategic alignment the University is likely to have to make a property investment of £80m and a further £15m in other capital expenditure projects with £46m in SRUC land and property sales expected to off-set part of the investment. It is expected that staff restructuring exercises will be required to deliver the business plan in order to achieve a 7% surplus 10 years post alignment.

The SRUC Board had recently written to the Principal setting out a number of concerns with the proposed governance structure and business plan and seeking a commitment to maintaining local Further Education provision.

CMG discussed the required investment's potential impact on the University's financial situation and capital plans and concern about SRUC requests for commitment to the shape and scope of future provision. CMG was satisfied that the due diligence process had provided all the necessary information and a steer was now expected from Court on how it wished to proceed on the basis of this information and the emerging issues.

5 Collaborative Provision Guidance

Paper B

It was noted that the University has a large number of collaborative degree programmes with other universities, but there was a lack of coherence in the recording and approvals of such collaborations. Over the past year, a Steering Group, including the Conveners of Senate Curriculum and Student Progression Committee and Senate Quality Assurance Committee had developed materials to strengthen the University's approach to managing collaborative provision and to address recommendations in the 2012 Internal Audit report into Academic Collaborations.

CMG welcomed the guidance and during discussion it was considered that a representative from a College be included in the Steering Group membership and that further thought be given to guidance on the types of collaboration that the University will and will not consider entering into.

Subject the comments above, CMG approved the proposals as set out in the papers.

It was further noted that whilst the intention was to continue to manage collaborative provisions locally within existing resource, given the growing number and complexity, in the longer term consideration may need to be given to resourcing a central source of expertise, advice and oversight of collaborative provisions.

6 Complying with Consumer Law

Paper C

Following the introduction of £9k fees for RUK students, the Competition and Markets Authority (CMA) published advice for higher education providers on compliance with consumer law when dealing with students and advised that it would monitor the sector, carrying out a review, commencing in October 2015, to assess sector compliance with consumer protection law.

A working group convened by the Deputy Secretary (Student Experience) had revised the University's 'Terms and Conditions – Admissions' document and reviewed the information provided to students, to ensure the University met its obligations as a provider of education services under consumer law.

CMG noted this essential compliance work, commended the clarity of the documentation and approved the revised 'Terms and Conditions – Admissions' document as set out in the paper.

7 Search Engine for Fundraising

Paper D

CMG received a proposal from the Chief Information Officer that machines in the University's Open Access Labs default to a charity search engine as cost effective means of fundraising for a nominated charity. It was proposed to undertake a 12 month trial, with the Turing Trust as the nominated charity. The Chief Information Officer was asked to provide confirmation of the due diligence completed for the Turing Trust.

CMG discussed the importance of ensuring that the default search engine was not an unreasonable irritant to students and the need for due diligence in identifying charity beneficiaries and it was noted that SRS Committee would be the appropriate body to consider how to select future nominated charities.

CMG approved the 12 month trial of a charity search engine; that a review should take place before rolling out beyond the 12 month period including further consideration of the process for selecting a charity to benefit, through the SRS Committee.

8 Annual Review

Paper F

CMG noted a paper setting out progress against the Key Performance Indicator set out in the Strategic Plan for Annual Review and the objectives set by University Court.

CMG commended the increase in the completion rate for Annual Review from 71.9% in 2012/13 to 92.55% in 2013/14 and identified that the focus should now be on the quality of the process, which was more challenging to measure. There was discussion around using a staff survey or focus groups as a tool to capture more data on the effectiveness of the Annual Review process.

9 Financial Issues

• Finance Director's Report

Paper G

CMG noted the Management Accounts to April 2015 and the positive movement of key metrics. There was discussion of the accuracy of financial forecasting and the impact of this on business planning, particularly in an uncertain external financial climate, where further cuts to income from public sources were anticipated.

- Finance Strategy Update**
- Ten Year Forecast**
- Estates Funding Strategy**

Paper H
Paper I
Paper J

CMG noted the papers and in particular the proposal to raise up to £300 million of long-term external debt to fund the estates strategy, subject to Court approval.

CMG noted that this would lead to loan servicing costs at a time of ongoing cuts to income from public sources and potential investment in SRUC; recognised the current low cost debt market and acknowledged the University's significant reserves. There was discussion of the assumptions underpinning the funding of the long term estates plan, with work planned over the summer to explore the assumptions in fuller detail. CMG noted the University needed to continue to invest to maintain and grow its competitive position and that it was prudent to seek to reduce reliance on public funding. It recognised that there were challenges in realising the potential of this significant estates investment, but that meeting these was essential in enabling transformative change and growth.

ROUTINE ITEMS

10 Internal Audit Status Report

Paper K

CMG noted the update of progress against the Internal Audit Annual Plan, audits completed and the status of overdue closure of audit issues. There was discussion of progress against student attendance monitoring in relation to Tier 4 compliance and the ongoing work across colleges and schools to ensure compliance.

CMG also noted the progress in closure of overdue audit issues.

ITEMS FOR FORMAL APPROVAL/NOTING

11 Strategic Plan 2016-2021 update

Paper L

The outline process for developing the next Strategic Plan, as set out in the paper, was noted.

12 Internal Audit Annual Plan

Paper M

The Internal Audit Annual Plan 2015/16, as set out in the paper, was noted.

13 Meeting Dates 2015/16 and 2016/17

Paper N

The dates were noted.

14 Date of next meeting

Tuesday, 1 September 2015 at 10.00am in the Raeburn Room, Old College.