



UNIVERSITY EXECUTIVE

19 March 2019

Minute

- Present:** Peter Mathieson (Convener)
David Argyle, Leigh Chalmers, Eleri Connick, Chris Cox, Hugh Edmiston, David Gray, Lee Hamill, Gary Jebb, Charlie Jeffery, Gavin McLachlan, Wendy Loretto, Theresa Merrick, Dorothy Miell, Dave Robertson, James Saville, Jonathan Seckl, Tracey Slaven, James Smith, Sarah Smith and Moira Whyte.
- In attendance:** Professor Simon Kelley, Head of GeoScience (for item 4), Fiona Boyd and Kirstie Graham.
- Apologies:** Gavin Douglas, Richard Kenway, Andrew Morris and Jane Norman.

1 Minute Paper A1

The Minute of the meeting held on 19 February 2019 was approved as a correct record.

2 Matters Arising & Review of Action Log Paper A2

There were no matters arising and the action log was noted.

3 Principal's Communications Verbal

The Principal noted the sudden and tragic deaths of Professor Jason Reese, Regius Professor of Engineering, and PhD students Stuart Elliot and Peter Pukler, with sincere condolences to their family and friends.

He reported the strategic awayday on 11 April 2019 would be a continuation of the planning round discussions for budget holders, with the next University Executive awayday planned for 13 June 2019; an inspiring inaugural lecture by Professor Kev Dhaliwal; a recent Modern Education Conference at Ditchley, an international event which raised a number of issues including the role of technology in education, links between further and higher education, credit transfer, extracurricular activity and wellbeing and the role of philanthropy in the future funding of education; the Augar review was still not published and the continuing uncertainty alongside Brexit and pensions was contributing to a challenging planning round.

DISCUSSION ITEMS

4 Business Case for the Low Carbon College Paper B

Professor Simon Kelley spoke to the proposal to further develop the partnership with Shanghai JiaoTong University (SJTU) to establish a Low Carbon College in Shanghai Lingang, China. A conservative business case had been provided based

on three pillars: teaching, research and innovation and executive training. The proposal was presented as providing opportunities across those three pillars in line with international strategy and aspirations rather than focussing on income generation, although it would not be loss making and had the potential to unlock other opportunities.

In discussion the general issue was raised that in future it was hoped to streamline information about international ventures at an earlier stage, whilst accepting the timing issues in this case. There was general consensus that there needed to be a more strategic, joined up approach with a shared understanding of the University's international aspirations and direction to prevent duplication and opportunity cost. It was noted that the outcome of the recent strategic awayday on internationalisation should clarify the route for international ventures.

In relation to the specific proposal, members noted that SJTU was a good choice of partner and the risk was largely being taken by SJTU not the University. Concerns were expressed about the dependence on 'flying faculty' and also discussion on students' English language capability, with both these points recognised in developing the proposal. There was also concern about the small overhead and it was agreed it would be prudent to work with finance colleagues to test some of the financial assumptions in the paper to ensure that surplus generation capacity was being maximised.

Taking into account the need for some further work on the finances, it was agreed that this was an area the University wished to develop and the Executive was content to support the proposal progressing to Policy and Resources Committee and if supported to University Court.

5 Planning Round 2018-22

- **Director of Finance's Report**

Paper C1

The Director of Finance spoke to the period 6 Management Accounts and updated on the period 7 position, which showed a reducing draft operating surplus of £17m, which although £5m ahead of the full year forecast for an operating surplus of £12m, is below the finance strategy minimum of 2% of turnover. The report included the Russell Group financial benchmarking analysis for years 2014-15 to 2017-18 which indicated that operating surpluses are reducing across the University's peer group and that Edinburgh's income growth is lower than the peer and Russell Group averages. Internal funding (i.e. cash inflow from operations) of capital expenditure is reducing and Edinburgh had the lowest result in 2017-18 (28%), which is significant in the light of our ambitious capital programme. Although the capital programme has been funded by borrowing, there is a serious message that we are not supporting capital expenditure through our own income generation and there will need to be hard decisions to reduce our cost base and/or grow our income. This was helpful context to take forward into the Planning Round discussion.

- **Planning Round Update**

Paper C2

The Executive considered an update on the current business planning cycle, noting this has been accelerated from previous cycles to provide colleagues with time to operationalise plans before the start of the new academic year, with the intention that a synthesis of the plans and the finalised budget proposals will be considered by April Policy and Resources Committee and Court.

The Executive had previously agreed that main budget holders should aim to increase contribution levels (balance of income and expenditure) to produce the equivalent of a 5% underlying operating surplus p.a. over the planning period, however the current plans do not meet that aspiration. The challenges and uncertainties outwith the University's control had been referenced earlier by the Principal, including Brexit, the Augar review and pensions.

The main budget holders and the Senior Leadership Team were continuing discussions to build a collective understanding on whether it will be possible to increase contributions to meet aspirations or if not, to consider areas or activities which might be stopped, reduced/delayed or made more efficient. It was noted that there was a current prioritisation exercise taking place on the student experience plan, based on the number of students affected and the scale of impact so that by the 11 April Senior Leadership Team away there should be a clear understanding of priorities to inform the discussion.

6 Business Case for Gujarat

Paper D

The Executive considered the business case for the University's engagement in a transnational partnership with the Government of Gujarat (GoG) to establish the Gujarat Biotechnology University (GBU). It was noted a previous iteration had been reviewed by the Executive and that the business case had been developed with the support of the International Ventures Group, taking into account the feedback from the Executive.

The proposal was to progress to next stage and a sign an agreement with the GoG to fund the establishment of a new small specialist institution with UoE staff and expertise bought in to develop world-class higher education and translational research capacity. It was noted that the College of Science and Engineering strongly supported the proposal as biotechnology was a major strategic area it was keen to develop internationally and this initiative may also position the College to exploit other opportunities. The Executive agreed there was a need to maximise international opportunities by ensuring connectivity, linking to earlier discussion about the Low Carbon College, where international ventures should not develop in isolation but should be able to benefit from and contribute to wider University knowledge and contacts. There was discussion about reliance on 'flying faculty', as for the earlier Low Carbon College discussion. It was also noted that further work was required to clarify the relationship of students to the University and the nature of experience and services to be delivered.

Taking this into account, the Executive was supportive of the proposal progressing to Policy and Resources Committee and if approved, to Court.

7 Update on Old College Capital

Paper E

The Executive had previously received information on venture funding which had highlighted the need for a decision on the future of Old College Capital (OCC), the University's own fund that has been in existence for 8 years, received 2 rounds of investment and funded 19 companies. Although there had not been an exit to date, there were indications that there could be a number of exits over the next 12-14 months. The recommendation was that the University continued to invest in OCC as it shows the University's confidence in the quality of its research by supporting intellectual property generation from research through to venture investment. There was discussion of OCC's role in the broader commercialisation activity of the University and the importance of ensuring a balanced portfolio.

The Executive agreed with the proposal for an additional £6m of investment funding over a 3 year period, to be sourced from the University's investment portfolio and requested an update on the OCC and the broader commercialisation activity for a future meeting. This would now progress to Policy and Resources Committee and to Investment Committee.

8 China Merchants Group

Paper F

The Executive considered an update on the development of a strategic partnership between the University and the China Merchants Group (CMG), a large-scale state owned conglomerate in China operating in three core business sectors: transportation, finance and property. CMG had been tasked by the Chinese Government to build a new biomedical campus in Hainan to embrace a modern, international model of healthcare delivery. As CMG has limited experience in the healthcare sector it recognised the need to identify a strategic partner. CMG representatives visited the BioQuarter development in December 2018 and as a result, CMG wishes to partner with the University to replicate the BioQuarter education-research-healthcare-innovation-commercialisation model in Hainan.

The Executive recognised that this was a significant opportunity and welcomed the opportunity to consider it at this stage, where support was requested for an initial 8 month feasibility assessment to develop the proposition and prepare an outline business case. It was supportive of the proposal progressing to Policy and Resources Committee.

There was consideration of the reputation risk of growing the relationship with China and it was agreed that strategic communication needed to be considered. This linked to the broader issue of taking a number of international proposals forward to Policy and Resources Committee and the need to articulate how these align with the overall international strategy.

9 Communications, Marketing and Stakeholder Relations Strategy

Paper G

The Executive considered a proposed strategic approach to communications, marketing and stakeholder relations, with the Director of Communications and Marketing being clear that this would be start of the journey to bring communications

and marketing up to the level the University needed to support its strategic ambitions. Effective implementation of the strategy would will require a number of operational decisions and negotiations to develop a shared understanding across the University.

The Executive welcomed the paper and there was discussion on the balance between proactive and reactive communication; internal and external communication; brand reinforcement and the effective use of social media. It was noted that there was a cost associated in building capability and as there was no additional resource, this would need to be addressed by more effective use of existing resources.

The Executive was fully supported of the strategic approach and endorsed the recommendations set out in the paper.

10 Staff Experience Update

Verbal

The Director of Human Resources provided a verbal update, informing members that the staff experience plan was still being developed. Two papers had recently been considered by People Committee, one on wellbeing and one on taking staff engagement forward. In relation to wellbeing it was agreed it was important to be clear what we are already doing and that there need to be a more co-ordinated and better communicated approach. A task and finish work group had been set up on bullying and harassment and work was ongoing on performance management. The overall governance approach and the role of People Committee was being reviewed to develop a more strategic committee framework appropriately aligned with the University Executive.

In discussion, members noted that there had been a recurrent theme throughout the meeting around joined up decision making and the work to develop a cohesive and coordinated plan was welcomed.

ITEMS FOR NOTING OR FORMAL APPROVAL

11 Leave and Family Friendly Policies Update

Paper H

The Executive approved changes to a suite of Leave and Family Friendly policies, including annual leave, special leave, adoption/surrogacy, maternity, paternity, parental and shared parental leave, emergency time off for dependants, flexible working and flexible retirement as set out in the paper. It was noted that this suite of policies reflected the University's values as a caring employer and that this should be effectively communicated to internal and external stakeholders.

12 Learning and Teaching Spaces Strategy

Paper I

The Executive approved the Learning and Teaching Spaces Strategy and noted an implementation plan was being developed to identify and track the actions required to deliver the strategy.

13 REF2021 Code of Practice **Paper J**

The Executive noted the near final version of the Code of Practice, and members were invited to submit any comments before the final version returned for approval at the next Executive meeting.

14 Social Impact Pledge **Paper K**

The Executive noted progress in meeting the three pledges made by the University in 2018, and approved the proposals for pledges for 2019: to establish a Centre for Homeless and Inclusion Health; to enhance our infrastructure for the support of Student Social Enterprise with the aim of increasing the number of start-ups and ensuring their sustainability over the longer term; and to expand our Digital Ambassadors Service to promote digital inclusion and enhance employability amongst community groups.

15 Service Excellence Programme Update **Paper L**

The Executive noted the update and approved the task group to develop options for the development and evolution of generalist management roles in the University.

16 College of Arts, Humanities and Social Sciences Reorganisation of Endowments **Paper M**

The Executive supported the proposal that Court was invited to exercise its power under Ordinance 209 and adopt reforms with regard to the application of endowment funds which have been held in excess of 25 years in the College of Arts, Humanities and Social Sciences.

17 Chair of Design Informatics **Paper N**

The Executive approved the establishment of a Chair in Design Informatics in the College of Science and Engineering.

18 University Executive Communications **Verbal**

Communication on staff experience, service excellence and the social impact pledges was agreed.

20 Date of Next Meeting

The next meeting will take place on Tuesday 23 April 2019 at 10 am in the Raeburn Room.