UNIVERSITY EXECUTIVE
Raeburn Room, Old College
14 May 2019, 10 am

AGENDA

1   Minute   A1
To *approve* the Minute of the previous meeting held on 23 April 2019.

2   Matters Arising & Action Log   A2
To *raise* any matters arising.

3   Principal's Communications   Verbal
To *receive* an update from the Principal.

DISCUSSION ITEMS

4   Strategic Plan   B
To *consider* the paper from the Deputy Secretary Strategic Planning.

5   Transport Options Appraisal   C
To *consider* the paper from the Vice-Principal Business Development &
Director of Corporate Services.

6   Director of Finance's Report   D
To *consider* and *note* the report from the Director of Finance.

7   Service Excellence Programme Update   E
To *consider* an update from the Vice Principal Strategic Change &
University Secretary.

8   Annual Strategic Risk Report   F
To *approve* the Risk Register and report from the Vice-Principal
Business Development & Director of Corporate Services.

ITEMS FOR NOTING OR FORMAL APPROVAL

9   Undergraduate Access Scholarships   G
To *approve*.

10   Procedures for Consultancy   H
To *approve*.

11   International Education Agents   I
To *approve*.

12   Palm Oil Policy   J
To *approve*.

13   **University Executive Communications**   **Verbal**
        To _note_ the key messages to be communicated.

14   **Any Other Business**   **Verbal**
        To _consider_ any other matters by UE members.

15   **Date of Next Meeting**
        Tuesday 25 June 2019 at 10am in the Raeburn Room.

THE UNIVERSITY *of* EDINBURGH

UNIVERSITY EXECUTIVE

23 April 2019

[Draft] Minute

Present: Charlie Jeffery (Convener)
David Argyle, Leigh Chalmers, Eleri Connick, Chris Cox, Gavin Douglas, Hugh Edmiston, David Gray, Lee Hamill, Gary Jebb, Richard Kenway, Gavin McLachlan, Dorothy Miell, Jane Norman, Dave Robertson, James Saville, Jonathan Seckl and Tracey Slaven.

In attendance: Fiona Boyd, Rachael Robertson and Kirstie Graham.

Apologies: Wendy Loretto, Peter Mathieson, Andrew Morris, James Smith, Sarah Smith and Moira Whyte.

1	**Minute**	**Paper A1**

Prior to the start of the meeting the convener welcomed Rachael Robertson, recently appointed Deputy Director of Finance and noted this was the final meeting for Vice Principal Jane Norman, with thanks for all her work for the University on equality and diversity, union relations and other matters.

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

2	**Matters Arising & Review of Action Log**	**Paper A2**

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

3	**Principal's Communications**	**Verbal**

The Senior Vice-Principal reported that the UK government had extended the 'in principle' guarantee for ERASMUS+ to December 2020 and the Scottish Government had provided confirmation of funding and fee status for the duration of their studies for new EU UG and PGT entrants in 2020-21; the Senior Leadership Team had recently held a full day's discussion on identifying headroom to fund priority areas and this would be discussed later in the meeting under the Planning Round; and finally warm congratulations to the team who won University Challenge, the first Edinburgh University win and first win by a Scottish team since 1984.

DISCUSSION ITEMS

4	**The Student Experience Action Plan: Update**	**Paper B**

The Executive considered an update on the holistic, multi-strand programme of work to address the student experience, noting this had been reviewed by the Student Experience Standing Committee of the Executive and the Senior Leadership Team at its recent planning awayday. The Action Plan set out the six priority areas underpinned by 70 individual strands of work, with a programme management

methodology used to plan, cost, evaluate and prioritise these, to take the most important work forward over the next three years. To deliver all of the currently unfunded elements would require additional funding of approximately £15.3m over three years

The Executive discussed the proposed plan, noting the following:

Delivery will largely take place at a School level and it was essential to ensure clear communication of expectations and accountability to Heads of School. There was discussion of the interface between Schools, Colleges and Professional Services and the importance of alignment, recognising there was an institutional culture of creating additional layers of complexity that needed to be guarded against.

The proposed plan had a strong focus on student support, and also laid the foundations for work on curriculum reform, while allowing sufficient flexibility to accommodate the new Vice Principal Students, who may wish to develop this area.

There were concerns about affordability, although the Senior Leadership Team had identified this as a priority area. It would be necessary to continuously track and monitor the individual strands to ensure the intended benefits were being realised and value for money delivered. Linked to this, there needed to be a distinction between funding transformational projects and funding for essential services which fell under the category of 'business as usual'. Costs that are part of business as usual should be covered in standard budgeting and should not be included as part of the cost of the project.

The importance of effective communication to students was agreed, which should not focus on the financial investment but rather the human elements, and it was noted that this area of the plan required further work.

5   Strategic Finance and Planning

- **Director of Finance's Report**   **Paper C1**

The Director of Finance reported on the management accounts up to the end of February 2019 (period seven) and provided an update on period eight. The end of February position was £17m, £4m favourable to the Quarter One year to date forecast position and £1m favourable to the full year budgeted University operating surplus of £16m.

The Quarter Two forecast reported a University Group surplus position of £18m, £2m adverse to June 2018 Court approved plan surplus of £20m, partly due to additional interest costs resulting from new debt raised in 2018 that was not anticipated in the June 2018 budget. Once City Deal capital funding and incremental City Deal income and expenditure was added, forecast surplus before other gains and losses rose to £51m, however the very narrow margins for the University, without City Deal, reflected a worrying trend.

The University was required to hold provision on its balance sheet for its share of the USS Deficit Recovery Plan and following the adoption of the new UK Financial

Reporting Standard (FRS 102), is required to publish financial results in a prescribed format.   Updated modelling assumptions now reflect rule 76.4-8 which has come into operation and provide for Deficit Recovery Contributions of 5%, up from 2% previously. A large movement in USS Provision does not represent cash moving out of the University and does not impact on cash inflow from operating activities, but has the potential to distort published financial statements. This was a sector wide issue that may mean every Scottish University shows an 'on paper' deficit this year and will require careful consideration of communicating the underlying reason for this.

There was discussion of the issues raised in the Finance Director's report, particularly the need to strip costs and grow income, which may require hard decisions to be made. This set the scene for the following agenda item on the Planning Round.

- **Planning Round 2019-22 Update**   **Paper C2**

The Executive had received the Planning Round update that had been considered by Policy and Resources Committee. Excluding the City Region Deal capital inflows this showed surpluses of £12.5m (1.09%) in 2019-20, £26.9m (2.23%) and £45.9m (3.63%), assuming investment in the Student Experience Action Plan and City Deal revenue projects and a series of management actions (including post appointment controls) to address short term cost pressures while the Service Excellence Programme supports improvement in service delivery and sustainable release of resource through improved process design.

The Planning Round paper also included scenarios based on possible outcomes of Brexit and the Augar review and taking into account the impact of ongoing discussions on size and shape within the strategic plan refresh, testing the sustainability of maintaining the University undergraduate population at broadly the size anticipated in the current planning round while responding to both Brexit and Augar. This demonstrated the considerable challenges could be managed over the course of the ten year forecast and allowed for targeted reshaping of the undergraduate student community to reflect academic aspirations in various disciplines.

The Executive noted the very narrow surpluses and the dependency on delivering against management assumptions to achieve these and agreed the importance of a collective commitment to challenging unnecessary costs/processes and growing surplus generating opportunities, to be developed and understood across the University at every level.

6   Internal Audit – Follow Up Actions   **Paper E**

The Executive noted that the University had appointed Paul McGinty, KPMG as Head of Internal Audit in a co-sourced model. The new Head of Internal Audit had provided an update on outstanding management actions and requested the support of the Executive on clearing outstanding actions. Members welcomed the proposed quarterly report and new format for reports as providing an essential bridge between

the internal audit reports received by Audit and Risk Committee and management. The paper was accordingly noted and approved.

7   Reviews of Senate Governance   Paper F

The Executive considered two separate reviews which the University had commissioned: an internal review by a Task Group on Senate Committee Structures and an externally-facilitated review of Senate and its committees, which was a requirement of the Scottish Code of Good Higher Education Governance 2017, and had been conducted by Dr Jennifer Barnes of Saxton Bampfylde.

The main issues emerging from the external review of Senate were whether the University wished a more vigorous and engaged Senate, and if so how to achieve this and whether Senate should have a role in relation to research as well as learning and teaching. The Task Group's review of the Senate Committee structure had been through a number of iterations and had identified favoured options, set out in the paper for further discussion and consultation.

There followed a wide ranging discussion, in which the following points were raised:

It would be challenging for Senate to develop a stronger, more decision based role, given the newly constituted Senate would comprise 300 members. Although this was a considerable reduction in size, it would still limit its ability to meet frequently with a continuity of members in attendance to enable it to be a discussion and decision making body. Its role would therefore be more consultative and communicative and within that context it would seem appropriate that, as the University's supreme academic body, it also considered matters relating to research.

It was clarified for members that Court is the University's governing body and the legal persona of the University. Senate provides academic leadership, but Court is the final decision making authority on all matters. There were therefore not two parallel approval structures, but different decision making routes, through Senate Committees and/or through the University Executive and Court committees depending on the nature of the issue. The University Executive is the main operational decision making body, with matters progressing, where appropriate, through the Court Committee structure.

There was consideration of the option that the Senate Researcher Experience Committee be dissolved and transfer its responsibilities for strategic postgraduate research student matters to Learning and Teaching Committee, and its responsibilities for early career researchers to Research Policy Group, with some concern about PhD students, who could be considered both students and early career researchers.

There was discussion of the proposal that the Research Policy Group, currently a sub-committee of the University Executive, have a reporting line to Senate rather than (or as well as), reporting to the University Executive. There were concerns about the value of dual reporting, as leading to inefficiency and doubling up, particularly in the light of a Senate of 300 members that would not be able to meet as frequently or have consistency of attendance to support discussion and decision

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making. There was an alternative view that dual reporting can be effective as it would enable larger policy issues emerging from RPG to be voiced at Senate.

There was discussion of a joint Court/Senate Committee to oversee the Student Experience Project, rather than the current sub-committee of the University Executive. It was noted that there was an existing joint Court/Senate Committee, Knowledge Strategy Committee. There were a range of views expressed on how effective this was, but it was noted that it required considerable effort and there was always a risk of duplication. The view was that the new Vice-Principal Students should have the opportunity to shape the Student Experience project and structures to support it so it was inappropriate to suggest structural changes in this area at this time.

It was noted that these views were not necessarily consistent with one another, so it was agreed that the full range of views would be noted and fed into the consultation process for Senate to consider the outcomes of the two reviews at its meeting on 29 May 2019. Any changes which impacted on the University Executive and committees which reported to it would need further approval.

8   Reputational Due Diligence of Income Sources   Paper D

The Executive considered a process to ensure a more consistent approach to reputational due diligence relating to a range of income sources across the University, noting that due diligence procedures of one kind or another are already in place for different types of income. However these are often more thorough in terms of financial and auditing assessment of funders than for any potential reputational or ethical risk associated with the source of funding. Accordingly it was proposed to establish a short term 'Task and Finish' Group to undertake a light touch review to develop recommendations, using existing structures wherever possible, and avoiding unnecessary bureaucratic hurdles to developing funder relationships. Members welcomed the proposed approach, and approved the terms of reference and membership of the 'Task and Finish' Group, to be convened by the Vice Principal, Philanthropy & Advancement.

ITEMS FOR NOTING OR FORMAL APPROVAL

9   REF 20201 Code of Practice   Paper G

The Executive commended the REF2021 Code of Practice and approved its submission to the funding bodies, noting that it may be used to inform decisions within the University.

10   Report from Fee Strategy Group   Paper H

The Executive approved unregulated tuition fee inflation and rate proposals outlined in the paper and noted routine fee approvals taken by the Chair of the Fee Strategy Group. There was brief discussion on the importance of joined up decision making in setting fees and it was noted that it was planned that Fee Strategy Group would

merge with the Student Recruitment Strategy Group to provide an overview of fees, scholarships and recruitment to assist with this. A formal proposal would be presented to University Executive in June 2019.

**11   Preventing and Responding to Sexual Violence and Gender-Based   Paper I
          Violence: Update**

The Executive considered an update on activity by the University in respect of preventing and responding to sexual violence and gender-based violence; and the work of the University taskforce, established following approval from the University Executive in April 2018 with the remit of reviewing and refreshing the University's strategic approach to tackling this across the whole University community. The Executive noted thanks to Vice Principal Jane Norman for her excellent leadership of the Taskforce, and welcomed the Director of Legal Services, Leigh Chalmers (a current member of the Taskforce) as the new chair.

The Executive commended the work of the Taskforce, reiterated its commitment to the importance of its work and noted with regret recent press coverage of highly inappropriate language used by a staff member in the University's Centre for Sport and Exercise.

12   People Report   Paper J

The Executive noted the update on people related matters being taken forward by Human Resources and other University departments.

13   Health and Safety Quarterly Report: Quarter 2   Paper K

The Executive noted the summary of health and safety related incidents that took place during the period 1 December 2018 to 28 February 2019.

14   Email Autoforwarding: Change to Service   Paper L

The Executive noted the service change to staff and postgraduate research student email to prevent the automatic forwarding from University email accounts to external email accounts, to mitigate the information security and GDPR risk of disclosure of confidential or personal data.

15   Orphan Website Suspensions Report   Paper M

The Executive noted an update on activity to manage orphan websites across the University's Web Estate and commended the reduction in the number of no longer active websites.

16   Resource Lists Framework   Paper N

The Executive noted a revised version of the Resource Lists Framework produced following consultation with Schools, Colleges and EUSA as a route to increasing adoption of the Resource Lists service.

17   University Executive Communications   **Verbal**

Communication on the Student Experience Action Plan, REF2021 Code of Practice
and Preventing and Responding to Sexual Violence and Gender-Based Violence
was agreed.

18   Date of Next Meeting

The next meeting will take place on Tuesday 14 May 2019 at 10 am in the Raeburn
Room.

THE UNIVERSITY *of* EDINBURGH

UNIVERSITY EXECUTIVE

14 May 2019

Update: Strategic Plan: Delivering sustainable and inclusive impact for society

Description of paper
1. The paper provides an update on the activities currently in hand to support the refresh of the University's Strategy Plan and seeks input to the final draft.

Action/Recommendation
2. University Executive is asked to note the activities underway to deliver the new Strategic Plan, to comment on the final draft and agree the progression of the draft to Policy and Resources Committee and Court.

Paragraphs 3-10 have been removed as exempt from release due to FOI.

Risk Management
11. Consideration of risks and opportunities and institutional response to them is a key component of the Strategic Plan writing process.

Equality & Diversity
12. An Equality Impact Assessment will be conducted as part of the Strategic Plan writing process. This reflects the importance of strategic plan in guiding decision-making across the university.

Paragraphs 13-15 have been removed as exempt from release due to FOI.

Consultation
16. The decision to renew the strategic plan was an outcome from the strategic away session for the senior management team in June 2018. Consultation on the plan has been as outlined in paragraph 6 above.

Further information
17. Work on the process is being co-ordinated through the Governance and Strategic Planning team (Pauline Jones and Jennifer McGregor strategic.plan@ed.ac.uk) who may be contacted for more information.

18. *Author*   *Presenter*
    Jennifer McGregor/Pauline Jones   Tracey Slaven
    Governance & Strategic Planning   Deputy Secretary, Strategic Planning
                                                                    Governance & Strategic Planning

    10 May 2019

Freedom of Information
19. The paper is closed until publication. This provides the University with the opportunity to discuss and debate priorities openly through the development process.

THE UNIVERSITY *of* EDINBURGH

UNIVERSITY EXECUTIVE

14 May 2019

Transport Options Appraisal

Description of paper

1. Following updates to University Executive in June 2018 and December 2018 in relation transport options, this paper provides a summary and recommendations (including associated costs) from a University-wide public bus study undertaken by Peter Brett Associates for University Executive's consideration.

Action requested/Recommendation

2. It is recommended that the University Executive:
    - notes and considers the content of the paper and appendices;
    - considers the options for addressing student concerns in relation to current provision; and

in considering the first two points, thereafter provide direction as to the preferred way forward in relation to transport options for the University.

Paragraphs 3-21 have been removed as exempt from release due to FOI.

Consultation

22. Over course of last 18 months the Estates Department has consulted widely on the topic of transport for students with: EUSA; College of Medicine Veterinary Medicine; College of Science and Engineering; College of Humanities and Social Sciences; Director of Corporate Services, Director of Finance, Gavin Douglas, Timetabling Services, Senior Vice Principal, Charlie Jeffery.

Further information

23. *Author*   *Presenter*
    David Brook   Hugh Edmiston
    Head of Support Services   Director of Corporate Services
    7 May 2019

Freedom of Information

24. Closed.
This paper is closed as disclosure would substantially prejudice the commercial interests of the University.

THE UNIVERSITY *of* EDINBURGH

UNIVERSITY EXECUTIVE

14 May 2019

Director of Finance's Report

Description of paper

1. The paper reports on the latest[1] University management accounts (excluding subsidiaries) position up to the end of March 2019 (period eight). Appendix 2 provides a Special Focus Update on the tax implications surrounding international working in the University and what help is available from the Tax team in the Finance department.

Action requested/Recommendation

2. The University Executive is invited to review and comment on the latest update.

Background and context

3. The paper provides a regular update on finance related issues for the University Executive.

Paragraphs 4-11 have been removed as exempt from release due to FOI.

Resource Implications

12. There are no specific requests for resource in the paper.

Paragraphs 13-14 have been removed as exempt from release due to FOI.

Equality & Diversity

15. Specific issues of equality and diversity are not relevant to this paper as the content focusses primarily on financial strategy and/or financial project considerations.

Next steps & communication

16. We would welcome feedback as outlined in the discussion above.

Consultation

17. The paper has been reviewed by Lee Hamill, Director of Finance.

Further information

18. *Author*   *Presenter*
     Stuart Graham   Lee Hamill
     Head of FIRST (Financial Information,   Director of Finance
     Reporting & Strategy Team)
     3 May 2019

Freedom of Information

19. This paper should not be included in open business as its disclosure could substantially prejudice the commercial interests of the University.

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[1] At time of writing, full April (period nine) accounts were not available.

UNIVERSITY EXECUTIVE

14 May 2019

Service Excellence Programme Update

Description of paper
1.   This paper provides the University Executive with an update on the Service Excellence Programme following the most recent SEP Board on Thursday which received major items on the Student Administration & Support Programme and the Core Systems Programme.

Action requested/Recommendation
2.   The University Executive is asked to comment on and note the paper.

Paragraphs 3-33 have been removed as exempt from release due to FOI.

Next Steps
34. Each programme has a detailed programme plan which sets out the next steps and actions that need to be taken.

35. The communication and cascade of information relating to the Student Administration & Support Programme are being finalised and more information on the proposed changes and next steps will be shared through line management routes in the coming weeks.

Freedom of information
36. This paper is closed.

Further information
37. *Author*   *Presenter*
     Barry Neilson   Sarah Smith
     Programme Director   Vice-Principal Strategic Change &
     Service Excellence Programme   Governance and University Secretary

UNIVERSITY EXECUTIVE

14 May 2019

Annual Strategic Risk Report

Description of paper

1. The purpose of this paper is to present University Executive with the Annual Strategic Risk Management Report, summarizing risks identified across the University during the planning round 2018-2019. The report consists of an Excel risk register containing individual College and Group risk registers, a composite "All Risks" register, and a summary register presenting select risks from a strategic, University perspective.

Action requested/Recommendation

2. University Executive is requested to review and note the strategic risk register and summary report, prior to subsequent submission to Audit and Risk Committee on 23 May 2019.

Paragraphs 3-6 have been removed as exempt from release due to FOI.

Risk Management

7. This is the first iteration of the new risk management framework. Feedback on its effectiveness and recommendations for improvement are welcome.

Equality & Diversity

8. No EIA is required and there are no major equality impacts.

Next steps/implications

9. Pending review by the University Executive, The risk register and strategic report will be submitted to Audit and Risk Committee on 23 May 2019.

Consultation

10. Preparation of this report required the input of all Colleges' and Support Groups' risk registers. The initial draft of the strategic risk register and Strategic Risk Report were submitted to Risk Management Committee for initial consultation on 18 March 2019, and again for approval on 06 May 2019. The attached final versions are now presented to University Executive prior to submission to Audit and Risk Committee on 23 May 2019.

Further information

11. *Author*
    Chris MacLean
    Risk Manager
    7 May 2019

    Presenter
    Hugh Edmiston
    Vice Principal Business Development
    and Director Corporate Services

Freedom of Information

12. This paper is and its appendices are closed, as disclosure would substantially prejudice the effective conduct of public affairs.

UNIVERSITY EXECUTIVE

14 May 2019

University of Edinburgh Undergraduate Access Scholarships

Description of paper

1.   This paper proposes changes to the cost, financial value, eligibility criteria and operation of the University's access scholarship programme from 2020 entry.

Action requested

2.   University Executive is asked to consider the proposal to replace the existing access scholarships with a single, consolidated and simplified access scholarship programme named the Access Edinburgh Scholarships.

Recommendation

3*.*   That University Executive recommend that Court approve the proposal in time for changes to take effect for 2020 entry cycle.

Paragraphs 4-25 have been removed as exempt from release due to FOI.

Risk Management

26. These proposals do not alter the University's commitment to award access scholarships to students automatically on the basis of agreed criteria. As such, there is theoretically a risk that the actual financial cost of the awards is significantly above those projected, should the number of eligible students exceed those anticipated. However, any increase in financial cost will also represent the success of the programme in widening participation to the University. Development & Alumni are keen to continue to increase the donor-funded element of the access scholarships, which this new simpler programme should help facilitate.

Equality & Diversity

27. The University's access scholarships are intended to support equality and diversity by lowering financial barriers to access and participation.

Paragraph 28 has been removed as exempt from release due to FOI.

Consultation

29. These proposals have been discussed with Chris Cox, Vice Principal Philanthropy & Advancement, Tracey Slaven, Deputy Secretary, Strategic Planning, and Laura Cattell, Head of Widening Participation. Scholarships & Student Funding Services have contributed figures to the paper.

Further information

30. *Author*   *Presenter*
    Rebecca Gaukroger   Tracey Slaven
    Director, Student Recruitment   Deputy Secretary, Strategic
    & Admissions   Planning
    1 May 2019

Freedom of Information

31. This paper is closed. Its disclosure would substantially prejudice the effective conduct of public affairs. Its disclosure would substantially prejudice the commercial interests of any person or organisation.

THE UNIVERSITY of EDINBURGH

UNIVERSITY EXECUTIVE

14 May 2019

Procedures for Consultancy

Description of paper

1. The paper provides an update of the University's existing (2010) policy on Consultancy.

Action requested/Recommendation

2. University Executive is asked to approve the policy and consider the tax implications of the changes in procedure.

Paragraphs 3-8 have been removed as exempt from release due to FOI.

Resource implications

9. This paper has no additional resource requirements.

Paragraphs 10-11 have been removed as exempt from release due to FOI.

Equality & Diversity

12. There are no equality issues.

Next steps & Communications

13. Approval by the University Executive will allow implementation by Colleges, Schools and *EI Ltd*.

Consultation

14. This paper has been reviewed by the Human Resources Policy Development Group. The drafting process was undertaken by members of the Tax Office, Finance, *EI Ltd*, Internal Audit, and Legal Services. Following confirmation by this governance group, the procedures will be sent to CJCNC for ratification.

Further information

15. *Author*

Dr Charlotte Brady,
Project & Policy Officer

Presenter

Professor Jonathan Seckl,
Vice Principal Planning, Resources and Research Policy

Freedom of Information

16. The paper is closed as it is commercially-sensitive until it is fully approved.

THE UNIVERSITY of EDINBURGH

UNIVERSITY EXECUTIVE

14 May 2019

International Education Agents

Description of paper

1. This paper sets out proposed changes to our International Education Agents.

Action requested/Recommendation

2. The University Executive is invited to _note_ and _approve_ the paper.

Paragraphs 3-9 have been removed as exempt from release due to FOI.

Equality & Diversity

10. Not applicable.

Next steps & Communications

11. If University Executive approve the changes will be implemented in our education agent contracts for China from summer 2019 with the savings being introduced from September 2020 as students have already been actively recruited for entrance in September 2019 on existing legal contracts.

Further information

12. _Author_

Alan Mackay
Director, Edinburgh Global

Presenter

Sarah Smith
Vice-Principal Strategic Change and Governance and University Secretary

13. **Freedom of Information**

Closed paper.

UNIVERSITY EXECUTIVE

14 May 2019

University Palm Oil Policy

Description of paper
1. This paper provides background and justification for a University Palm Oil Policy. A copy of the proposed policy can be found in Appendix A.

Action requested/Recommendation
2. The committee is asked to _approve_ the proposed policy.

Background and context
Palm oil and its impact
3.   Palm oil[1] is a cost effective, versatile oil that is extracted from the fruit of the oil palm. It is a common ingredient in processed foods, cosmetics and cleaning products; roughly 50% of items in the supermarket are thought to contain palm oil in some form. The majority of the world's oil palm plantations are found in Indonesia and Malaysia, but as demand for palm oil grows, agribusiness firms are investing in new locations in West Africa and Latin America.

4.   Palm oil is one of the main drivers of deforestation in Southeast Asia, and the environmental and human rights impacts of the palm oil boom have been widely reported. Between 1990 and 2005, it is estimated that 55-60% of oil palm expansion in Indonesia and Malaysia occurred on forested land. These forests were carbon sinks, habitats for critically endangered species and homes to communities of people. Poor working conditions, forced labour, gender-based discrimination and other abuses have also been found on some oil palm plantations.

5.   A number of schemes now aim to address environmental and human issues in the palm oil industry by creating standards for "certified sustainable palm oil". The largest scheme is operated by the Roundtable on Sustainable Palm Oil (RSPO). The RSPO certifies growers that comply with a set of Principles and Criteria of sustainable palm oil production covering "environmental conservation, preservation of biodiversity and responsible consideration of workers and affected communities". Around 19% of all palm oil is now certified by the RSPO.

Policy development
6.   While the University does not purchase palm oil directly, it does buy spreads, baked goods, confectionary and cleaning products that are known to contain palm oil. The Department for Accommodation, Catering & Events (ACE), the Procurement Office and Department for Social Responsibility & Sustainability (SRS) agree that a policy will help the University manage the risks associated with sourcing this ingredient.

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[1]Palm oil is extracted from the flesh of the oil palm fruit. The kernel of the fruit can also be crushed to produce palm kernel oil. Both of these oils can be further processed to create numerous fractions and derivatives with specific applications. For simplicity, this policy uses 'palm oil' as a catch-all term for all oil palm-derived ingredients.

7.   Following exploratory student research, the SRS Department worked with colleagues in Catering, Estates Support Services, ACE Property and Procurement to develop a Palm Oil Policy. The Policy was initially presented to SRS Committee in October 2018. An updated version was approved by the Committee in March 2019. Discussions including a well attended event have taken place with our academic experts including the Centre for Sustainable Forests and Landscapes.

Policy commitments
8.   The Policy says the University will buy food and cleaning products that contain palm oil produced to a sufficiently rigorous and independently verified sustainability standard, such as RSPO, wherever possible. Alongside these purchasing commitments, the University will also aim to support a sustainable palm oil industry through engagement, research and teaching activities.

Why not a boycott?
9.   A boycott is not considered to be a viable or appropriate course of action for a number of reasons. Oil palms are highly productive and require less land, water, pesticides per hectare than alternative oil crops and alternatives may generate poorer outcomes. Millions of people also rely on palm oil for their livelihoods. With demand for palm oil expected to rise in the coming decades, it is critically important to support the market for sustainable palm oil rather than the blunt tool of a boycott.

Next steps
10. <u>Catering</u>: Over the next year, we will undertake an audit of University food products. When products are found not to contain certified sustainable palm oil, and alternatives are available, purchasing will be adjusted if possible within existing budgets. There is already high uptake of certified sustainable palm oil by the UK food industry, and we believe many of our catering suppliers will be compliant.

11. <u>Cleaning</u>: Due to the complexity of palm-based oleochemical supply chains, the simplest way for the University to comply with its policy is by using cleaning products that are certified by an environmental ecolabel that incorporates palm oil. This aligns with ongoing efforts by Estates and ACE Property to shift to eco cleaning products. These teams will continue to implement this transition over the next year.

12. <u>Procurement</u>: The University is a member of two purchasing consortia and has engaged both organisations in discussions about our aims and expectations.

13. <u>Engagement and communications</u>: The Policy will be communicated via a page on the Department for SRS website and updates integrated into SRS reporting.

Resource Implications
14. This policy will be implemented with existing resource and budgets.

Equality and Diversity
15. Irresponsible oil palm cultivation has significant equality and diversity impacts. Women, the poorest and indigenous communities are most negatively impacted.

Further information

16. *Author*
    Alexis Heeren
    Supply Chains Projects Coordinator
    Department for Social Responsibility
    and Sustainability
    14 May 2019

Freedom of Information

17. This paper is closed until agreed.

THE UNIVERSITY *of* EDINBURGH

Palm Oil Policy

1. Purpose

Recognising the risk that unsustainable oil palm production can be linked to biodiversity loss, climate change and exploitative labour practices, this policy sets out the University's position and courses of action to be followed by all relevant staff regarding palm oil[2] in our supply chains.

2. Background

Palm oil is found in a variety of consumer goods, in particular processed foods, cosmetics and cleaning products. While the University of Edinburgh does not purchase raw palm oil, it does buy confectionary, bakery items, cleaning products and other goods that contain palm oil. Unsustainable oil palm production can negatively impact the environment, workers and communities in palm oil producing countries in Southeast Asia, West Africa and Latin America. The impacts include deforestation, biodiversity loss, land grabbing, and human rights abuses (including modern slavery).

In response to risks associated with unregulated oil palm production, many organisations have committed to sourcing palm oil from certified sustainable producers. Boycotting palm oil is not seen as a responsible approach as it could increase the demand for lower yielding oil crops that require more land to produce an equivalent amount of oil. This could lead to even greater land conversion.

This policy forms part of a wider University commitment to social responsibility and sustainability in supply chains, reflected in the Procurement Strategy, Social Responsibility and Sustainability Strategy and, more recently, the Good Food Policy. It also links to the University's Modern Slavery commitment. The policy has been developed as part of a programme of work on embedding social responsibility and sustainability considerations into procurement, led by the Department for Social Responsibility and Sustainability (SRS) and the Procurement Office.

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[2] This policy uses 'palm oil' as a catch all term for all oil palm-derived ingredients, including palm oil, palm kernel oil, fractions and derivatives.

3. Scope

This policy has been developed by the Department for Social Responsibility and Sustainability (SRS), the Department for Accommodation, Catering and Events (ACE), the Procurement Office and Estates. It applies to University of Edinburgh sites.

4. The Policy

The University is committed to purchasing products that contain sustainably sourced palm oil wherever possible, as well as contributing to wider engagement and progress on this issue. This will be fulfilled by the following actions:

1. The University's Department for Accommodation, Catering & Events (ACE) whilst considering financial viability, will seek to purchase food products that contain sustainably produced palm oil from a certified physical supply chain wherever possible[3].
2. The University's Estates Department and ACE Property will seek to use cleaning products that contain sustainably produced palm oil from a certified supply chain wherever possible[4].
3. Delegated authorities of Court who are commissioning procurements or specifying relevant goods or services must demonstrate these commitments by:
    a. Ensuring questions or requirements relating to the sustainability of oil palm ingredients are included in relevant tenders managed directly by the University.
    b. Encouraging procurement consortia who manage framework agreements to include such considerations in shared procurements.
    c. Contacting suppliers of catering and cleaning products to explain the University's position, request compliance with our minimum sourcing requirements and encourage continuous improvement.
4. We will continue to research and implement strategies to support the most sustainable standards of oil palm production and, if relevant, propose new targets at the next Policy review.
5. Collaboration will be sought with other universities and public sector bodies across the UK, to improve awareness and action on palm oil sustainability.
6. The sustainability issues surrounding palm oil will be communicated to staff and students through events and online content.
7. Learning and teaching on palm oil will be encouraged and supported. Where relevant, living labs research will be used to inform the University's approach.
8. Links with certification bodies and standard setters will be investigated in partnership with academic colleagues.
9. Investors will be engaged through our membership in PRI to further understand opportunities and risks for responsible investment.

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[3] This means palm oil that is sourced via a mass balance, segregated or identity preserved supply chain. The University will seek to buy segregated and identify preserved palm oil wherever possible.
[4] This means palm oil that is sourced through a physical supply chain or is covered by credits. For example, the RSPO's Book and Claim supply chain enables manufacturers and retailers to buy credits from RSPO-certified growers, crushers and independent smallholders.

5. Procedure and responsibility

ACE Catering is responsible for point 1 of the policy. Estates and ACE Property are responsible for point 2. The Procurement Office is responsible for point 3, with support from ACE Catering and SRS where appropriate. The Department for SRS will lead on points 4 to 9. A full Implementation Plan is available on request.

6. Equality and diversity

This policy fits within a wider procurement strategy and advocates conforming to all applicable public procurement regulation, which includes consideration of 3 Equalities Duties. A separate Equalities Impact Assessment has therefore not been carried out for this specific policy.

7. Support systems

The SRS Department can provide contacts and advice regarding implementation of this policy.

8. Approval and review

Reviewers	This policy has been reviewed by the Joint Director of Procurement, the Director of Catering (ACE), the Director of Property and Residential Services (ACE), the Head of Support Services (Estates) and the Director of Social Responsibility and Sustainability.
Final approval by	University Executive
Consultations held	Colleagues from the Procurement Office, Estates, and ACE were consulted during the development of this policy. We sought feedback from academic colleagues where appropriate.
Date of commencement of policy	To confirm following approval.
Dates for review of policy	To confirm following approval.
How policy will be reviewed	SRS, Procurement, ACE and Estates will jointly review the policy every 3 years.
Policies superseded by this policy	This is the University's first Palm Oil Policy.

9. Contact

For further information, contact srs.department@ed.ac.uk. Please contact us if this policy is required in an alternative format.