WORKING SMARTER 2014

A NEW PHASE OF UNIVERSITY EFFICIENCIES

Universities Scotland

PREVIOUS REPORTS IN THIS SERIES:

Universities Scotland has published three previous editions of *Working Smarter* in 2011, 2012 and 2013 which you will find on the website: www.universities-scotland.ac.uk

I was very pleased to pick up the baton of Universities Scotland's work on efficiency from my predecessor, Professor Seamus McDaid, just over a year ago and let me start by thanking Seamus for all he did for Universities Scotland in this and many other areas.

Scotland has one of the best higher education sectors in the world given our size. It is incumbent on us to do everything to maintain the quality of our sector so that it can continue to offer the education that transforms the lives of our graduates and helps them to transform society; and research that powers innovation to drive our economy and society. Yet at the same time, in the current challenging fiscal environment, it is essential that universities are seen to deliver the best value for public investment and to ensure that every pound is spent wisely.

Universities have always been efficient yet have often not been so quick to communicate this. Communicating, understanding and sharing good practice throughout the sector and with many of our stakeholders is one of the main ways we can achieve greater efficiency. New and more efficient collaborations flow from it.

Higher Education in Scotland is good at working together and sharing new ideas and I have seen this intensify over the last few years with the existence of the Efficiencies Taskforce. For example, in the area of sharing services our latest assessment found over 170 examples happening across the sector as these pages will report in more detail. In a very broad agenda, that is just one aspect of our achievements to date.

I am pleased to be able to convene the Taskforce and move it on from such a strong start. As you will read, the initial three-year goals set by Seamus in 2012 to run to 2015, have largely been delivered ahead of schedule so we have refocused and set ourselves another set of priorities; pushing for more. In so doing we will continue to complement the work of the UUK who will produce a second report in 2015.

In my view, there are two major drivers for universities to be efficient. The first is undoubtedly the responsibility that comes from being a major recipient of public funding. The second is the need for the sector to remain competitive in a global context. We can do this, in part from levering the most out of that public, and private, investment and reinvesting it to improve our global competitiveness. The sector is committed to the continuous enhancement of the student experience; to the purchase and maintenance of cutting-edge laboratory, ICT and teaching facilities, a university estate that goes beyond serving its purpose to inspire learning and discovery, and the recruitment and training of the best researchers. This is an essential foundation of the sector's success. It is a competitive business as our students, our staff, and our partners choose Scottish institutions from amongst the world's institutions.

Efficiency is not a substitute for investment but it can and should make that investment go as far as possible and help to maintain the effectiveness of Scottish Higher Education. I am committed to ensuring, through the Taskforce, that the sector continues to ensure that together we can scale the twin peaks of effectiveness and efficiency.

Professor Sir Ian Diamond
Principal and Vice-Chancellor, University of Aberdeen

OVERVIEW OF PROGRESS AND PLANS FOR THE FUTURE

Higher Education is one of Scotland's key national assets, bringing £6.7 billion to the Scottish economy[1] and enjoying a global reputation for high quality education and world-leading research. It is no coincidence that the Scottish Higher Education sector is also a leader in efficiency. To thrive in a fiercely competitive international context, Scottish universities must make the most of their resources and invest for continual improvement.[2]

The sector also takes seriously its responsibility to the Scottish public: just under half of the sector's income comes from core government funding and universities work hard to make every penny of this investment count, and so to bring the maximum possible benefit to Scotland. This includes supporting around 142,000 jobs, generating £1.3 billion of export earnings from outside Scotland, and working with over 26,000 organisations to drive innovation in the Scottish economy.

Since 2008/09, the sector has quantified its efficiency through the Efficient Government Programme administered by the Scottish Funding Council. In the five years between 2008/09 and 2012/13, the sector collectively achieved new efficiencies of £276.7 million. Over half of these are recurring annual savings, and therefore over time represent further savings in the hundreds of millions of pounds. In addition, the sector's procurement shared service adds well in excess of £20 million worth of efficiencies a year. These savings are hard won and result from intensive and innovative activity both within institutions and collaboratively. A strong culture of sector-wide collaboration contributes to both world class achievement and streamlined operations: a recent report found more than 170 examples of collaborative or shared services in the sector, including partnerships with other organisations across the public and private sectors.[3]

£276.7 MILLION
WORTH OF NEW EFFICIENCY SAVINGS BY THE UNIVERSITY SECTOR IN THE LAST FIVE YEARS

£20 MILLION A YEAR
IS SAVED THROUGH THE SECTOR'S SHARED SERVICE APPROACH TO PROCUREMENT

The Universities Scotland Efficiencies Taskforce (USET) was created in 2011, to build actively on the sector's collaborative culture and ensure a strategic approach to the delivery of efficiencies. It is made up of senior figures from across the sector, selected for their expertise in a range of relevant areas. It was first chaired by the Convener of Universities Scotland at the time, Professor Seamus McDaid, to ensure this agenda was front and centre of Universities Scotland's work. The group coordinates work around the sector to share best practice and to stimulate, monitor and record initiatives that generate efficiencies. The Taskforce has reported annually on the sector's progress through its Working Smarter reports. The present report is the fourth in this series.

In 2012, USET launched an Efficiencies Plan for the sector, which identified four key areas in which greater efficiency could be delivered through collective action:

- information and communications technology (ICT);
- procurement and shared services;
- business process improvement; and,
- the university estate and carbon reduction.

This plan included one-year and three-year targets, which were set out in the *Working Smarter 2012* update.[4]

AHEAD OF SCHEDULE ON THREE-YEAR GOALS

Just two years into this three-year programme, almost all of the original Efficiencies Plan has been fulfilled, such has been the sector's support for this initiative and its commitment to efficiency.

The tables below summarise progress on the one-year and three-year targets published in 2012. Among the achievements in efficiency since 2011, universities have:

- Hit ambitious targets for procurement through collaborative agreements, which now account for around 35% of validated recurrent sectoral spending as at July 2013 – far ahead of other parts of the UK – and continue to grow.
- Created one of the first Cost Sharing Groups in the UK, enabling universities to run full shared services without attracting VAT.
- Embarked on new collaborative licensing deals for ICT.
- Created a sector-wide resource to support new shared services in Information Services, including ICT.
- Helped create and, without exception, signed up to the Universities and Colleges Climate Commitment for Scotland (UCCCfS) and are developing tailored institutional Climate Change Action Plans.

Building on this success, USET has revised and refreshed its Efficiencies Plan, with modified workstreams and a new programme of work up to 2017. The Taskforce is now under the Convenership of Professor Sir Ian Diamond, Principal of the University of Aberdeen and the leading figure in promoting efficiency in Higher Education across the UK. Professor Diamond also chairs the UK Efficiency Monitoring and Oversight Panel; this ensures coherence across Scottish and UK programmes of work. Where the current workstreams of the two groups overlap, careful co-ordination ensures there is complementarity rather than duplication.

This report outlines a summary of the aims and intended actions in USET's new programme of work, in the context of the success of the first efficiencies plan. It is intended as a guide for staff in the sector with a responsibility or role in delivering against this plan, as well as those outside of the sector with an interest in university efficiency.

- A review of the sector's one and three-year efficiency achievements to date can be found in Table 1.
- Forward planning and headline actions for the next three years can be found in Table 2.

DELIVERY AGAINST THE FIRST THREE-YEAR PROGRAMME:

TABLE ONE

	Overview of Goals set in 2012	One-year goals delivered in 2013
ICT	Put new collaborative deals in place. Contribute to wider government reform of ICT.	New collaborative licensing deal in place with Blackboard VLE. Estimated savings of up to 6% of expenditure plus an additional 5% through improved service & avoided costs.
£ procurement	Increase the proportion of validated recurrent spend going through collaborative agreements to around 25% by July 2012 and 35% by July 2013. Continued improvement in the number of institutions achieving the highest rating in the independent assessments of public sector procurement.	25% target achieved in July 2012.
shared services & business processes	Establish the sector's appetite for shared services in anticipation of new HMRC guidance in 2012. Demonstrable efficiencies through business process improvements (BPI).	Strong appetite for shared and collaborative services confirmed with 170+ such arrangements found in Scottish HE sector in 2012 Ernst & Young report (cf. around 100 instances found in 2007). APUC achieves Cost Sharing Group status in the terms of the HMRC guidance - believed to be the first in the UK.
estates & carbon reduction	Agree a series of metrics on which to track progress. Work to reduce the sector's carbon impact.	Taskforce members agreed a series of metrics which cover energy consumption, estate management costs, recycling rates, and revenue generation from the estate (sweating of assets).

2012-2015

Three-year goals delivered by 2014 – a year or more ahead of schedule

Examples of new collaborations:

- NE Scotland partnership between RGU, Aberdeen & regional colleges for primary data centre completed summer 2013
- Rowan Partnership Library Management System, shared by the 13 colleges and research institutions of the University of the Highlands and Islands, SRUC and the University of the West of Scotland

Universities are central participants in the FE and HE ICT Oversight Board which was established following the McClelland review of public sector ICT.

35% achieved in July 2013 (latest available figures) and growing further.

The proportion of HE&FE institutions rated as "superior" or "improved" in the independent Procurement Capability Assessment for public procurement has increased from 22% to 78%.

Information Services Shared Services Catalyst set up within APUC.

Over £6 million savings through BPI in 2012-13 reported through the Efficient Government programme.

The Scottish HE Improvement Network has been created to share expertise and best practice and formally linked to USET.

Inconsistencies in data reporting in Estate Management Statistics (EMS) has meant data sets are unreliable year to year. Work is ongoing with the Scottish Government and SFC to establish a reliable and coherent reporting regime.

Every HEI has signed up to the Universities and Colleges Climate Change Commitment for Scotland (UCCCfS). As part of this commitment, every HEI is developing a five-year Climate Change Action Plan; most have this in place already.

Three new Combined Heat & Power / district heating projects going ahead due to SFC allocations of existing sector funding.

PLANS FOR THE SECOND THREE-YEAR PROGRAMME:

TABLE TWO

	Why the Taskforce has continued to focus in this area	Overall aims to 2017
	Previous successes show that well targeted collaboration can bring significant cost savings and improve service in this area. The SFC-funded Information Services Shared Service Catalyst will provide a dedicated resource through which to boost progress.	Promote shared services and collaborative working, wherever they offer real cost savings, cost avoidance and/or enhancements to the student experience. In particular, USET will continue to build on strengths in shared Procurement and ICT.
 **procurement**	Scottish Universities are already leaders in joint procurement. This is a strong platform from which to create still further efficiencies and to promote best practice in sustainable procurement.	(I): Promote shared services and collaborative working, wherever they offer real cost savings, cost avoidance and/or enhancements to the student experience. In particular, USET will continue to build on strengths in shared Procurement and ICT. (II): Work to ensure the efficient use of Scotland's academic research infrastructure, through better understanding of the inventory, usage and availability of equipment across the sector.
 **finance & business processes**	Leaner business processes can release funding to support learning and research, while improving students' and other users' experiences. To ensure financial sustainability, efficiencies, investment needs and institutional operational plans must be looked at together.	Work with the Scottish HE Improvement Network (SHEIN) and other key groups to monitor and encourage continued growth of BPI across the sector, targeting opportunities to develop more efficient operations and realise benefits for students and other process users.
 **estates & carbon reduction**	With rapidly decreasing capital funding and a range of environmental imperatives, it is vital that university assets work as efficiently and effectively as possible.	Ensure that university activities are sustainable in all senses and work to recognise and encourage best practice relating to sustainability and social responsibility.

2014-2017

What the Taskforce will do	Selected one-year targets (Delivery by 2015)	Selected three-year targets (Delivery by 2017)
Review the overall ICT landscape and identify opportunities for further collaboration. Scope possible shared services in areas such as Virtual Learning Environments (VLEs), research data management, library information management systems & customer relationship management software.	Run a coordinated security week event for Scottish HE in 2015, raising awareness of ICT security issues and solutions, sharing best practice and exploring possible further collaborative activity on security.	Scope and, where appropriate, create shared services around VLE development, hosting and technical support.
Identify optimal levels of collaborative procurement and expand its use towards these levels. Support the sector to pursue sustainability and social responsibility in procurement and to take a leading role in implementing related legislation. Launch, promote and expand the EDAM research equipment database to facilitate sharing and future joint maintenance contracts.	Work with institutions to develop optimal collaborative spend targets across the sector.	Substantial progress towards targeted levels of around 40% of relevant sectoral spend through collaborative procurement.
Map past and present achievements in BPI with SHEIN and thereby identify new opportunities for improvement and share best practice.	Create a project plan to capture past and current BPI work across the sector, disseminating best practice, and to scope future opportunities for institutional and collaborative work.	Complete BPI project, identifying priority areas for BPI work in the immediate future.
Along with EAUC and other relevant organisations, support institutions to implement their Carbon Action Plans and to further improve the efficiency of estates. Continue to work on the best ways to capture progress at a sector level.	Work with EAUC to produce a Key Performance Indicator for carbon reduction that takes into account changes in the size of and patterns of activity in the sector.	Substantial reductions in carbon emissions through institutions' implementations of their Carbon Action Plans under the UCCCfS.

PROCUREMENT AND ICT: FURTHER COLLABORATION AND SHARED SERVICES

Aim to 2017: ***The Efficiencies Taskforce will continue to promote shared services and collaborative working, wherever they offer real cost savings, cost avoidance and/or enhancements to the student experience. In particular, it will continue to build on strengths in shared Procurement and ICT.***

A recent report found over 170 examples of collaborative or shared initiatives in the sector[5], from research pools to collaborative teaching and training; from shared IT infrastructure to national hubs for knowledge exchange and commercialisation.

One example of Scottish HE's leading role in shared services is the success of Advanced Procurement in Universities and Colleges (APUC), which manages joint procurement for Scotland's Higher Education and Further Education sectors. It is one of the first organisations in the UK to qualify as a Cost Sharing Group, allowing universities to take advantage of a VAT exemption when using its services. The percentage of the sector's validated recurrent spend going through collaborative agreements now stands at around 35%, up from less than 10% in 2009, and continues to grow. Calculated on a 'versus market' basis, annual savings from the use of collaborative agreements are estimated to be well in excess of £20 million. The sector is ambitious to grow these efficiencies still further: APUC is targeting a sector average collaborative spend of 40% within three years.

Many future opportunities for improved efficiency will inevitably come from new technologies and the sector has created its own structures to take advantage of these opportunities, collaboratively, as they arise. A new Information Services Shared Services Catalyst (covering ICT and Libraries in their widest sense) has now been formed within APUC, operating under its Universities and Colleges Shared Services brand. This provides a dedicated resource to identify, scope and implement shared services in this area. The Scottish Government and Scottish Funding Council's decision to support this resource shows recognition of the sector's determination to deliver ever greater levels of efficiency through collaborative activities. As the Catalyst develops, the sector will be watching closely to see whether this model might be expanded beyond Information Services.

Alongside this, HE sector ICT professionals are collaborating enthusiastically to explore the potential of a range of shared initiatives, looking at areas such as research data systems, virtual learning environments and generic apps for mobile devices. Crucially, they are also working to further improve understanding of the ICT infrastructure across the sector, to reveal new opportunities for collaboration.

In addition, the sector's strong collaborative culture is helping universities to tackle crucial cyber security issues in a maximally effective and efficient way. Building on a successful collaboration in 2014 with the University of St Andrews, the University of Dundee will host a Security Week series of events in early 2015. This will be open to the whole sector and to the Scottish Government and Dundee City Council. It will raise awareness of ICT security issues that may affect organisations in the HE sector and beyond and will facilitate sharing of best practice and exploration of further collaborative activity on security. Given the potential risks of breaches in information security, the value of collaboration in this instance goes well beyond any immediate cost savings by potentially helping to prevent substantial damage to operations and to the individuals in a university community.

CASE STUDIES OF EFFICIENT PRACTICE

The sector's procurement shared service, APUC, now runs a trainee procurement manager programme, ensuring the future availability of skills that are crucial to efficient operations.

Universities are also securing efficiencies through in-house procurement. For example, Heriot-Watt University created new annual savings of £697,000 and a further £167,000 of one-off savings in 2012-13.

CASE STUDIES OF EFFICIENT PRACTICE

A collective agreement for licensing and hosting of the Blackboard Virtual Learning Environment is in place, fulfilling part of the previous USET Plan. Savings are worth up to 6% of expenditure for each of the twelve institutions involved, plus a further 5% of expenditure in avoided costs through improved services and scope of licence coverage.

Aim to 2017: ***The Efficiencies Taskforce will work to ensure the efficient use of Scotland's academic research infrastructure, through better understanding of the inventory, usage and availability of equipment across the sector.***

The world-leading scientific research undertaken in Scotland's universities often requires expensive specialist equipment. Scotland's universities are seeking to maximise the value of research equipment through sharing and lending, co-ordinated action on procurement and reliable identification of equipment that can be re-deployed or re-sold.

This depends on the availability of reliable, detailed and easily accessible data on the university laboratory equipment that exists across Scotland. Seeing this need, APUC and the Scottish Universities Life Sciences Alliance (SULSA, leading on behalf of the main Scottish research groupings across the scientific disciplines) launched the Equipment Database and Maintenance (EDAM) project in 2012, with initial funding from the Scottish Funding Council's Invest to Save fund.

The resulting EDAM database went live in September 2013 and already has almost 18,000 items of equipment recorded in it, the details of which can be accessed by researchers and technicians across the country.

This creation of this resource has multiple benefits:

- Facilitating inter- and intra-institution information sharing and consequently higher utilisation rates of equipment, through sharing, re-use or re-sale;
- Identification of redundant laboratory equipment, facilitating re-use or re-sale;
- Identification of new areas for collaborative equipment purchase frameworks;
- Identification of areas for potential collaborative maintenance agreements: it is estimated that around 15% will be saved versus current costs on such contracts, which are collectively worth millions of pounds; and,
- By facilitating collaborative maintenance agreements, ensure regular maintenance of a wider range of equipment, thereby extending its life and improving the efficiency and quality of research.

Helping to ensure in these ways that the sector has a maximally cost-effective and well maintained equipment base will not only produce savings but will ultimately open up capacity for further expansion of Scotland's world class scientific research.

In addition to further developing the APUC/SULSA work, Scotland's universities will work to facilitate equipment sharing on a UK basis, wherever practical. For example, the Scottish sector will exchange insights and best practice with complementary work on asset sharing being carried out across the UK university sector by the N8 group of Northern English research universities. It has also been agreed that EDAM will form the user interface for institutions based in Scotland whenever they enter into equipment sharing under the UK-wide *equipment.data* project.

ESTATES

The sector invests across the nation in its estate, which ranges from historic buildings of national significance to state of the art research facilities and student residences. In the 2012-13 academic year, 83% of capital investment was on buildings.[6]

Since capital funding from the Scottish Government has reduced by around 80% in the last five years, universities increasingly have to fund estates maintenance and building themselves: 58% of capital investment by universities in 2012-13 was drawn from internal funds and only 17% from Scottish Funding Council grants.[7]

Innovative partnerships with the private and public sectors have also enabled significant capital investments in recent years. Partnership with industry has seen the creation of key assets such as the University of Strathclyde's Technology and Innovation Centre, which is projected to have an annual economic impact of £64.5 million by 2021/22.[8] Meanwhile, partnerships with the public sector drive further enhancements of services and facilities; for example, the Aberdeen Sports Village, a partnership between the University of Aberdeen, Aberdeen City Council and sportscotland.[9]

CASE STUDIES OF EFFICIENT PRACTICE

Heriot-Watt University has succeeded in accommodating growing student numbers by term-time repurposing of conference facilities for learning and teaching use. Relative to the cost of an otherwise necessarily new building, this has saved the university around £10 million. It has also released conference accommodation for student use, allowing new accommodation developments to be downsized, saving an additional £4.63 million.

Aberdeen Sports Village was completed this year with the opening of the £22 million Aquatics Centre, which gives both students and the local community access to state-of-the-art facilities of international competition standard. The Centre was the venue for the Commonwealth Water Polo Championships in April 2014.

ENVIRONMENTAL SUSTAINABILITY & SOCIAL RESPONSIBILITY

CASE STUDIES OF EFFICIENT PRACTICE

The University of Stirling's new CHP facility will generate estimated savings of over £400,000 per year for an initial investment of £2.6 million, while reducing carbon emissions by 2,944 tonnes per annum.

Glasgow School of Art is achieving an estimated £27,000 worth of annual savings through water-saving initiatives implemented from 2012-13 to 2014-15: meters, monitoring, improvement of heating and other water-using systems and sustainability awareness. For example, bottled water coolers and plastic cups located around the school were removed; plumbed-in water coolers were installed and sports bottles issued to staff.

Glasgow Caledonian University expects to create annual savings of over £200,000 as a result of implementing carbon management projects between 2012 and 2015.

In 2012-13 alone, SRUC created new annual savings of £42,000 through renewable energy and energy-saving measures in different campuses, including the installation of Solar Photovoltaics, a biomass boiler, energy efficient lighting and variable heat pumps.

Aim to 2017: ***The Efficiencies Taskforce will work to ensure that university activities are sustainable in all senses and to recognise and encourage best practice relating to sustainability and social responsibility***

Individually and collectively, Scottish universities are taking the lead in looking at their wider sustainability and social responsibilities.

The university sector is the first publicly funded sector in Scotland to publicly report, through APUC, on carbon emissions related to purchases of goods, works and services, known as 'Scope 3' emissions.

APUC has also developed a supply chain sustainability initiative called Sustain. This has produced two major innovations: a new Supply Chain Code of Conduct and the Sustain webtool. The initiative was developed collaboratively through the Sustain Working Group, with substantial input from student representative bodies (including the NUS) and key NGOs such as People & Planet, as well as the Environmental Association for Universities and Colleges (EAUC) and universities themselves. It is believed that this is the first time that a Procurement team has fully involved and empowered the student population and key NGOs to such a fundamental level in improving the sector's procurement performance, in this case in the key area of sustainable procurement through ethical and environmental performance management.

The Supply Chain Code of Conduct sets out a series of commitments on behalf of APUC and its community of universities and colleges with regard to the behaviours and standards of performance of their suppliers and also for organisations involved in manufacture or delivery of service further down the supply chain, regardless of where in the world they are. It was used to develop the Sustain database but can be (and is) adopted and used separately by institutions to integrate into their supply management processes. Its 29 clauses cover:

- forced, involuntary or underage labour;
- working conditions and terms;
- fair treatment of employees, including freedom from discrimination, harassment or victimisation;
- ethical compliance, including fair contracting and absence of corruption; and,
- environmental impact.

The Sustain webtool enables procurement staff to understand their suppliers' level of compliance with the Code of Conduct, improve awareness of supply chain issues and contribute towards improvements in standards. It is built on APUC's Hunter contract database; as suppliers are added, they are prompted to complete a self-audit with respect to Sustain criteria and also to submit details of their sub-suppliers. The existence of this sector-wide resource will prevent duplication of effort in assessing suppliers and so produces efficiency savings as well as promoting social and environmental responsibility.

Scotland's success in attracting cutting-edge research means that its universities house many energy-intensive facilities, but the sector is always seeking ways to supply these energy needs efficiently and with a minimal carbon footprint. Scotland's universities have all signed the Universities and

Colleges Climate Commitment for Scotland (UCCCfS), a strong commitment to reduce carbon emissions and to contribute to protection of the environment through universities' multiple roles as educators, community hubs and stewards of large estates. Each institution has its own Climate Action Plan (CCAP).

Energy efficiency can often follow as a by-product of business process improvement or collaboration, as streamlined systems replace older ways of working. This creates a 'win-win' of carbon reduction and cost savings that can be reinvested to maintain and enhance universities' core work. Similarly, institutions' utility bills are reduced along with carbon emissions through the widespread introduction of Combined Heat and Power (CHP) facilities across the sector. Three projects recently won major carbon reduction funding from the Scottish Funding Council. These are:

- the University of Stirling's new CHP facility;
- the University of Strathclyde's collaborative district heating project with Glasgow City Council; and,
- the University of St Andrews' biomass CHP plant, which is the centrepiece of rejuvenating a former industrial site.

The financial and environmental benefits of CHP are proven: the University of Dundee's investment of £2.1m on CHP in 1996 was recouped in under three years and has saved 136,000 tonnes of carbon dioxide emissions to date. This is now to be upgraded with a fourth engine/generator, which will enable the university to meet 95% of its own electricity needs. This too will pay for itself within three years and will reduce carbon emissions by a further 1,800 tonnes per annum.

A sector-level approach has the potential to create further progress, helping to identify opportunities for collaborative or individual actions and to ensure readiness for any potential larger-scale funding opportunities. The Taskforce will work with the Environmental Association for Universities and Colleges (EAUC) and other relevant groups to support institutions' work on their CCAPs and to investigate new opportunities for collaborative initiatives.

CASE STUDIES OF EFFICIENT PRACTICE

Edinburgh Napier University has achieved £380,000 worth of savings through various energy efficiency measures and continued energy management in 2012-13, on top of savings of £1.2m and 7,402 tonnes of CO2 between 2006/07 and 2011/12.

The University of St Andrews has a 73% recycling rate. Diverting waste from landfill creates savings of £148,000 per annum in waste charges and landfill taxation, while pure material segregation attracts an additional recycling rebate of £5,000-10,000 per annum.

The new Edinburgh Centre for Carbon Innovation, a collaboration between the University of Edinburgh, Heriot-Watt University and Edinburgh Napier University, stimulates innovation and supports leaders in carbon reduction. The Centre itself is the first refurbished building in the UK to achieve the industry sustainability 'BREEAM Outstanding' award at design stage.

The University of Edinburgh has established a dedicated department for Social Responsibility and Sustainability and is the first university in Europe to have become a signatory of the United Nations' Principles for Responsible Investment (UN PRI).

BUSINESS PROCESS IMPROVEMENT

CASE STUDIES OF EFFICIENT PRACTICE

Aim to 2017: ***The Efficiencies Taskforce will work with the Scottish HE Improvement Network (SHEIN) and other key groups to monitor and encourage continued growth of BPI across the sector, targeting opportunities to develop more efficient operations and realise benefits for students and other process users.***

The University of Strathclyde has worked with private sector partners to establish and develop its Business Improvement Team, which has to date trained over 200 staff in Lean tools and techniques. Current projects include the streamlining of staff recruitment and taught postgraduate admissions, where the turnaround time from application to offer has already been cut by two-thirds.

The University of Aberdeen has embedded its Business Improvement Team at the heart of a number of strategically important projects, such as OneSource, an ICT project seeking to integrate a range of business critical systems through a common technology platform.

The University of the West of Scotland has recently streamlined its postgraduate admissions processes to reduce turnaround time by over 80%.

By introducing an online booking system for short courses, the Royal Conservatoire of Scotland has reduced bad debts and freed staff time previously devoted to debt recovery, equivalent to over £10,000 annual savings.

Robert Gordon University estimates that in one School alone 950 hours of administrators' time will be saved annually by moving to the Grademark system.

Universities monitor their practices continuously to identify where improvements can be made, whether by exploiting new technologies or streamlining existing processes. Systematic approaches to business process improvement (BPI) are now embedded within the culture of universities in Scotland and dedicated BPI professionals are regularly employed within the larger of our institutions.

BPI eliminates wasteful practices, releases capacity and improves the user's experience of an organisation's processes. A simple process improvement can release hundreds of hours per year of staff time, leading to substantial cumulative efficiencies when this approach is applied across an institution. Recognising the continuing importance of this approach, the Efficiencies Taskforce has formalised its relationship with SHEIN, an expanding network of BPI practitioners, established to enhance the exchange of ideas and dissemination of best practice across the sector. To assist in this, the Taskforce and SHEIN will together initiate a project to map the past, current and planned BPI activity in the sector. This will be a significant stimulus for identifying and exploiting further opportunities for BPI within each institution.

The creation of SHEIN is a major contribution to the expansion of BPI across the sector, exemplifying the sector's collaborative approach to efficiency. In addition to sharing best practice at SHEIN meetings, members of the network regularly visit one another's institutions to share expertise; there were six such visits in just the first four months of 2014. The formal integration of SHEIN's work into the plans of the Efficiencies Taskforce ensures a joined-up approach to BPI as a key element of the wider efficiencies agenda. The Taskforce is ideally placed to bring together the different groups who can ensure that BPI has maximum impact across multiple areas of activity: Information Services, Procurement, Finance and Human Resources

BPI is implemented in different ways across the sector, in line with the structure and the needs of each institution.

END NOTES

1 Gross Value Added; see BiGGAR Economics (2013) *Economic Impact of Scottish Universities.*

2 Scotland's higher education sector comprises 16 universities and three small specialist institutions. In this report the term "universities" is used as shorthand to cover all of these diverse organisations.

3 Ernst & Young (2013) *An Assessment of Shared Services in Scotland's Higher Education Sector.*

4 Universities Scotland (2012) *Working Smarter: Progress Report 2012*.

5 Ernst & Young (2013) *An Assessment of Shared Services in Scotland's Higher Educaton Sector.*

6 HESA Financial record

7 HESA Financial record

8 BiGGAR Economics

9 www.aberdeensportsvillage.com see also Universities Scotland (2013) Working Smarter:Progress Report 2013.

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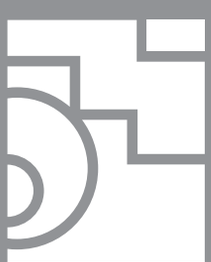

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