



**POLICY AND RESOURCES COMMITTEE**

**16 November 2015**

**Draft Minute**

- Present:** Dr Anne Richards (Convener)  
The Principal  
Vice-Principal Professor Jonathan Seckl  
Dr Chris Masters  
Ms Doreen Davidson  
Dr Marialuisa Aliotta  
Mr David Bentley  
Ms Alison Grant  
Lady Susan Rice  
Mr Jonny Ross-Tatam  
Ms Sarah Smith, University Secretary
- In attendance:** Senior Vice-Principal Professor Charlie Jeffery  
Mr Hugh Edmiston, Director of Corporate Services  
Ms Tracey Slaven, Deputy Secretary, Strategic Planning  
Mr Gary Jebb, Director of Estates and Buildings  
Mr Phil McNaull, Director of Finance  
Ms Zoe Lewandowski, Director of Human Resources  
Dr Lewis Allan, Head of Court Services  
Professor David Argyle, Head of the Veterinary School (for Item 5)  
Professor Simon Best (for Item 6)

**1 Minute Paper A**

The Minute of the meeting held on 31 August 2015 was approved.

**2 Matters Arising Verbal**

There were no matters arising.

**3 Principal's Communications Verbal**

The Principal reported on: contact made and support offered by the International Office to University of Edinburgh students in Paris following the 13 November terrorist attacks, with French students in Edinburgh also contacted and offered support; an ongoing investigation by internal audit; the outcome of the Enhancement-Led Institutional Review with the highest rating of 'effective' awarded; a successful international accreditation process undertaken by the Royal (Dick) School of Veterinary Studies; invitations to attend the recent state visit to the UK by the President of the People's Republic of China (20-23 October) and the visit to

the UK by the Prime Minister of India (12-14 November); the formal launch of the Alan Turing Institute and announcement of its strategic partnership with Intel (both on 11 November); discussions with Scottish Government Ministers and officials prior to the Scottish Government budget announcement (16 December) and Higher Education Governance (Scotland) Bill developments.

## **SUBSTANTIVE ITEMS**

### **4 Finance**

- **Finance Director's Update**

**Paper B1**

The Committee received a progress update on the external funding project, considered the latest Management Accounts (to October 2015) and noted that a future update will be provided on the University's Staff Benefits Scheme.

- **Draft Annual Report and Accounts 2014/15**

**Paper B2**

The draft Annual Report and Accounts were considered, noting that Audit and Risk Committee would provide detailed scrutiny prior to presentation to Court for approval. Members welcomed the headline figures and suggested amendments to the presentation, revised explanatory text on KPIs and targets and various minor amendments.

- **Subsidiary Companies' Annual Accounts 2014/15**

**Paper B3**

The financial performance of subsidiary companies was considered. A possible impairment to FloWave TT Ltd was discussed, with renewed efforts to seek new markets and improve marketing suggested. It was noted that first quarter results for Edinburgh University Press are more encouraging.

### **5 Edinburgh Global Academy of Agriculture and Food Security**

**Paper C**

The Head of the Veterinary School introduced draft plans to establish an Edinburgh Global Academy of Agriculture and Food Security. Members welcomed the paper, discussed linkages with SRUC and recommended submission to Court for approval.

### **6 Commercialisation**

- **Industry Engagement**

**Paper D1**

The Director of Corporate Services presented plans for an integrated approach to the development, management and investment in Intellectual Property (IP) at the University, including future governance of IP activity within the broader context of Industrial Engagement. The transfer of ERI research support staff

into the University was discussed, with the importance of continuing the strong levels of research support for Schools and senior management support for the new structure highlighted. The proposal was supported, with a future progress report requested after a six month interval.

- **Sunergos Innovations Limited**

**Paper D2-3**

Proposals to transfer equity held by the University in certain spin-out companies into Sunergos Innovations (Paper D2) and to delegate authority to the Director of Corporate Services to oversee the process leading up and including the Initial Public Offering (IPO) of Sunergos Innovations (Paper D3) were reviewed. Interest from other universities, market liquidity, the importance of avoiding dilution prior to IPO and the 'premium above cash value' or 'hope value' based on the track record of the management team, portfolio and future pipeline were discussed.

The Committee endorsed the recommendations of the papers and requested that the BioQuarter Sub-Group consider potential conflicts of interest (share issuance) and service fee charges (use of an independent arbiter) prior to IPO.

- **Roslin Technologies**

**Paper D4**

A summary business case and draft legal arrangements between the University and JB Equity Ltd for the creation of Roslin Technologies Ltd was considered. The importance of protecting inventors' rights, detailed understanding of the proposal by relevant academic staff, the 15 year exclusivity period and expected fundraising by JB Equity were discussed.

It was agreed that the BioQuarter Sub-Group will scrutinise the proposal further before resubmission to Policy & Resources Committee.

## **7 Strategic Planning**

- **Strategic Plan: Targets and KPIs progress report**

**Paper E1**

Progress made against targets and Key Performance Indicators within the Strategic Plan in 2014/15 (or 2013/14 as appropriate) was reviewed. It was noted that performance had been improved or maintained for 9 out of 10 KPIs, with 10 targets and sub-targets on track and 15 requiring further work. Members commented on the length of the document and the large number of KPIs and targets – with the Strategic Plan 2015-20 expected to contain a more focused number of KPIs/targets and associated reporting. The Committee agreed that the University is broadly on track to deliver against the Strategic Plan 2012-16.

- **Outcome Agreement 2016/17**

**Paper E2**

The proposed approach to negotiating the 2016/17 Outcome Agreement with the Scottish Funding Council was agreed.

**8 Estates**

- **Building a new biology project**

**Paper F1**

The Vice-Principal Planning, Resources and Research Policy introduced the business case for new and redeveloped facilities for the School of Biological Sciences at and nearby the Darwin Building in the King's Buildings Campus. Members welcomed progress to date in securing external funding and noted that, with the number of major estates projects ongoing or anticipated, it may be appropriate to commission an independent review of project management (pre- and post-project), with assistance from Internal Audit as appropriate. The Director of Corporate Services and the Director of Estates and Buildings replied that an independent review would be helpful.

The business case was endorsed and it was agreed to recommend to Court the approval of £35.25M funding for enabling works.

- **Data Technology Institute**

**Paper F2**

The business case and a progress update on the new Data Technology Institute at Potterrow was presented. The location of the building and the timescale for completion of approximately two years was noted.

The business case was endorsed and it was agreed to recommend to Court the approval of £39.2M funding to complete the project.

**9 City Deal**

**Paper G**

An update on the City Deal proposal discussed at the 31 August meeting was received. Subject to UK government support for the proposal, it was noted that governance arrangements would require agreement over a period from late November to March 2016. It was agreed that substantive discussion would take place at a later date when more detailed proposals are available.

## ITEMS FOR NOTING OR FORMAL APPROVAL

### 10 Finance

- **Report on the Analytical Review of the University Management Accounts**

**Paper H1**

The commentary and main factors underlying the variances were noted. The Committee supported the drive to increase forecast quality, in particular in estimating near term future activity.

- **Andrew Grant Bequest – Report, Financial Statements and Letter of Representation 2014/15**

**Paper H2**

The Andrew Grant Bequest Report, Financial Statements and Letter of Representation were noted.

- **Report from Investment Committee**

**Paper H3**

The report was noted.

### 11 Human Resources

- **People Report**

**Paper I1**

The report was noted, with the Athena Swan institutional Silver Award and increased completion rates for staff Annual Reviews welcomed.

- **Shared parental leave**

**Paper I2**

The provision of shared parental leave benefits to match the University's maternity pay benefits was approved.

### 12 Delegated Authority Schedule

**Paper J**

A revised Delegated Authority Schedule to reflect the current structures and needs of the University was recommended for approval by Court.

### 13 Report from Estates Committee

**Paper K**

The report and appendix (a draft Exception Committee paper relating to VAT implications for the Quartermile acquisition) was noted, with a minor amendment to the Committee's Terms of Reference to add 'and public engagement activities' to the Purpose approved. Following discussion, the Committee agreed to recommend to Court the approval of £2.15M funding request for the BioQuarter new build satellite gym, with further explanatory text to be provided.

**14 Report from BioQuarter Sub-Group** **Paper L**

The report was noted.

**15 Subsidiary Company Board Membership Changes** **Paper M**

The following items were approved:

- (i) Board of Accommodation Services – appointments of Gary Jebb (Director of Estates and Buildings), Bruce Nelson (CSE Registrar) and Lee Hamill (Deputy Finance Director) with immediate effect for an initial three year period and then eligible for re-election or until such time as the company is wound-up, whichever is sooner.
- (ii) Board of Sunergos Innovations Ltd – appointments of Professor Simon Best and Phil McNaull (Director of Finance) as the University’s representatives with immediate effect for an initial period of three years and then eligible for re-election.
- (iii) Sunergos Innovations Ltd – appointment of Bill Blair, an employee of Sunergos, as Business Creation Director
- (iv) Sunergos Innovations Ltd – sub-delegating authority to approve future executive appointments to the Director of Corporate Services.

Gender balance on the boards of subsidiary companies was raised, with the Director of Corporate Services noting that a review had been undertaken and an update will be provided.

**16 Any Other Business** **Verbal**

There was no other business.

**17 Date of next meeting**

Monday 25 January 2016 at 2.30pm