



**POLICY AND RESOURCES COMMITTEE**

**4 April 2016**

**Minute**

- Present:** Lady Susan Rice (Chairing)  
The Principal  
Dr Chris Masters  
Mr David Bentley  
Ms Alison Grant  
Ms Doreen Davidson  
Mr Jonny Ross-Tatam  
Vice-Principal Professor Jonathan Seckl
- In attendance:** Mr Hugh Edmiston, Director of Corporate Services  
Mr Gavin McLachlan, Chief Information Officer  
Ms Tracey Slaven, Deputy Secretary, Strategic Planning  
Mr Phil McNaull, Director of Finance  
Ms Zoe Lewandowski, Director of Human Resources  
Dr Lewis Allan, Head of Court Services
- Apologies:** Dr Anne Richards  
Ms Sarah Smith, University Secretary  
Dr Marialuisa Aliotta  
Senior Vice-Principal Professor Charlie Jeffery  
Mr Gary Jebb, Director of Estates

**1 Minutes**

**A**

The Minute of the meeting held on 25 January 2016 was approved. The Chair noted that the meeting is the last to be attended by the incumbent Student President and thanked the Student President for his service at the Committee on behalf of the student body.

**2 Matters Arising**

**Verbal**

There were no matters arising.

**3 Principal's Communications**

**Verbal**

The Principal reported on: a student protest in Charles Stuart House relating to fossil fuel divestment; delay to finalisation of the Scottish Funding Council budget for higher education, with Ministerial statements on the value of research funding and its protected budget welcomed; the Edinburgh International Science Festival (26 March – 10 April) including a kaleidoscope exhibition held in Old College; a review of current arrangements to support students with disabilities, to be led by Vice-Principal People & Culture Professor Jane Norman and to include a EUSA sabbatical officer; support from the Chancellor for an Edinburgh and South-East Scotland City Deal; the Edinburgh Global Pop Up recently held in the San Francisco Bay Area; and, a

UK Government Science & Innovation audit in Edinburgh and the Lothians to be led by the University.

Members discussed the re-instatement of Scottish Government widening participation places, which had been previously announced as to be withdrawn and the issuance of a public statement on the review of current arrangements to support students with disabilities.

## **SUBSTANTIVE ITEMS**

### **4 Business Planning Round 2016-19 B**

The Deputy Secretary, Strategic Planning, presented a first overview of the draft plans submitted by major budget owners, including a financial assessment and contextual information on the wider financial environment.

The following points were raised in discussion:

- Bids for the creation of a Global Academy of Agriculture and Food Security and digital transformation projects are included;
- While the Planning Round is at a slightly earlier stage than in previous years given the later than expected funding announcement by the Scottish Government, the draft plans are well developed;
- The projected surplus appears low for an organisation of the University's size though the impact of external cuts and implications of the wider political environment were recognised. It was noted that the Service Excellence Programme referred to in the paper and a range of cost management initiatives should improve efficiency and effectiveness – although caution was expressed over estimating the size of financial benefits to be gained from IT projects in relatively short time periods.

It was noted that final draft plans will be submitted at the next meeting for recommendation for approval by Court on 20 June 2016.

### **5 Finance C1**

- **Finance Director's Update**

The Director of Finance summarised the financial update report, highlighting the conclusion of the external debt raising project, the 2015/16 Quarter Two forecast with an expected surplus currently above the Court approved level, the monthly Management Accounts for Period 07 (to 29 February) and revisions to the Universities Superannuation Scheme to take effect from 1 April.

- **Ten Year Forecast C2**

A summary of the latest iteration of the Ten Year Forecast was considered ahead of presentation to Court. The Committee discussed the methodology for recording and calculating the surplus; major Estates business cases expected in the second half of the ten year

period and the reassurance this provides Court in terms of financial control; University inflation levels and the link to overseas tuition fees; the growing importance of the digital estate – noting that online students spend 100% of their time in the digital estate and Edinburgh-based students spend increasing time using the digital estate.

- **Staff Benefits Scheme**

**C3**

The outcome of the Staff Benefits Scheme (SBS) Triennial Valuation and a proposed response from the University to the SBS Trustees with regard to their request for additional funding to repair the existing deficit and provide for future benefits was reviewed.

The proposal to contribute cash lump sums to aid deficit repair along with negotiation of a revised package of benefits to broadly align SBS with the restructured Universities Superannuation Scheme (USS) and to agree a package of measures to eliminate the deficit within a 14 year time frame was supported. Members noted that proposal did not exactly align with USS given actuarial differences in the two schemes and that all relevant contracts of employment would be checked with regard to references to guaranteed benefits.

The Committee approved the proposed approach set out in the paper and requested that the University's nominated negotiating group (Director of HR, Director of Finance, Director of Corporate Services, the Senior Vice-Principal and lay member of Court Mr David Bentley) take forward the negotiation of a revised package of benefits with the SBS Trustees that can be recommended to their members for acceptance.

- **Internal Loan arrangements**

**C4**

Circumstances under which internal loan arrangements may be entered into, procedures for seeking internal loan funding and the terms under which such loans will be provided were approved as set out in the paper.

## **6 Quatermile Development**

**G**

A progress update on the Quatermile development, a request for endorsement of funding to progress enabling works and an update on the emerging academic vision for the project was received. Members commented that the contingency (£535k) appeared relatively low, noting however that the current funding request is for preparatory works and that a larger funding request, with a larger contingency, will follow.

The Committee:

- agreed to recommend to Court the approval of £10.3M funding from University Corporate Resources to allow the investigative and detailed surveys to be progressed as well as the enabling and strip out work, asbestos and demolition packages, and for professional

fees up to Stage D and for other costs incurred by the project in progressing the work packages – with a request for a larger contingency to be considered and incorporated if appropriate;

- noted the executive summary of the academic vision for the development as endorsed by the Principal's Strategy Group;
- noted that an outline business case for the project will be prepared for approval by Court at the completion of Stage A/B in line with an agreed academic vision and a further detailed business case will be prepared at the completion of Stage D.

## **7 Estates Committee Report**

**I**

Members noted the pipeline of approved and unapproved major Estates projects, discussed the 4.5 hectare land sale adjacent to Roslin village and requested an update for the next meeting on student experience projects linked to the Research and Development Expenditure Credit tax relief to monitor progress towards completion by the end of the summer.

## **8 EDINA and Digital Curation Centre – Initial Approach**

**D**

The Chief Information Officer provided an initial briefing on the approach being adopted for future funding opportunities for EDINA (a UK data centre based at the University of Edinburgh) and the Digital Curation Centre. The initial approach was supported and it was noted that a business case will be submitted in due course.

## **9 Visa and Immigration Health Surcharge – Repayment Policy**

**E**

Following a paper at the August 2015 meeting, proposals for the University to provide financial support to its international staff through the repayment of costs incurred to enter and remain in the UK were considered.

The Committee approved the implementation of the visa and Immigration Health Surcharge (IHS) repayment policy detailed in the paper, the costs of which will be funded at School/College or business unit level, including:

- the fees which will (visa application fees and the IHS for new staff and dependents, visa extension fees and the IHS for existing staff and their dependants) and will not (any costs associated with securing indefinite leave to remain, costs associated with transferring visa status details from an old to a new passport, any tax payable) be repaid by the University;
- the effective date and back-dated implementation of the policy (6 April 2016)
- the additional employment costs which will arise from the introduction of the policy.

## **10 Sunergos Innovations and Roslin Technologies Updates**

**F/Verbal**

The Director of Corporate Services provided an update on Sunergos Innovations and Roslin Technologies, including discussions with a potential partner university for Sunergos, the expected appointment of non-executive directors to the Board of Sunergos and the incorporation of Roslin Technologies at Companies House.

Advice from the Sunergos Nominated Adviser on the preferred time for an Initial Public Offering before or after the EU referendum was discussed and a possible request for approval of a capital injection should a partner university join Sunergos was noted.

### **ITEMS FOR NOTING OR FORMAL APPROVAL**

## **11 People Report**

**H**

The Director of HR provided an update on the work of the People Committee and on other People related matters being taken forward by University HR Services. A ballot of University and College Union members on the UK-wide 2016-17 pay offer of 1.1% and the potential for industrial action was noted.

## **12 Investment Committee Report**

**J**

The Committee noted:

- the performance of the endowment fund to 31 December 2015;
- the bank loans position to 31 January 2016;
- the current status of the University's cash balances as at 31 January 2016; and,
- the positive progress made in aligning endowment investments to the Responsible Investment policy and areas where scope for action is currently limited due to limited availability of suitable products.

The description of the University by investment advisers Mercer as a significant leader in responsible investment in the UK higher education sector was welcomed, with the importance and methods of communicating the responsible investment policy to the student body and public discussed.

## **13 PRC Sub-Group Report**

**K**

The report was noted and the following recommendations approved:

- Mr David Bentley to formally join the Sub-Group as a lay member;
- The Sub-Group to be renamed from the BioQuarter Sub-Group to the Commercialisation Sub-Group to more accurately reflect the work of the Sub-Group.

**14 Any Other Business**

**Verbal**

There was no other business.

**15 Date of next meeting**

Monday, 6 June 2016 at 2.30pm in the Cuillin Room, Charles Stewart House.