



POLICY AND RESOURCES COMMITTEE

6 June 2016

Minute

Present: Ms Anne Richards (Convener)
The Principal
Ms Sarah Smith, University Secretary
Mr David Bentley
Ms Doreen Davidson
Ms Alison Grant
Dr Chris Masters
Lady Susan Rice
Mr Alec Edgecliffe-Johnson
Vice-Principal Professor Jonathan Seckl

In attendance: Senior Vice-Principal Professor Charlie Jeffery
Mr Hugh Edmiston, Director of Corporate Services
Ms Zoe Lewandowski, Director of Human Resources
Mr Phil McNaull, Director of Finance
Ms Tracey Slaven, Deputy Secretary, Strategic Planning
Dr Lewis Allan, Head of Court Services

Apologies: Dr Marialuisa Aliotta
Mr Gary Jebb, Director of Estates

1 Minutes

A

The Minute of the meeting held on 4 April 2016 was approved.

2 Matters Arising

Verbal

The Convener noted that this is the last meeting for Dr Marialuisa Aliotta and recorded her thanks to Dr Aliotta for her contribution to the Committee. Mr Alec Edgecliffe-Johnson, EUSA President, was welcomed to his first meeting since taking office.

The Director of Corporate Services provided a verbal update on the student experience estates projects linked to the Research and Development Expenditure Credit (RDEC) rebate. The Committee welcomed progress made towards refurbishing 55 teaching rooms by early September, providing additional study space in the Main Library, refurbishment of King's Buildings House and the Edinburgh College of Art bar and 19 minor projects to improve School spaces.

3 Principal's Communications

Verbal

The Principal reported on: the award of the Shaw Prize in Life Science and Medicine to Professor Sir Adrian Bird, Buchanan Professor of Genetics; the acquisition by Facebook of start-up

company Two Big Ears founded by two Edinburgh graduates; the Court EU Referendum Sub-Group, which will meet as required following the referendum, with internal communications to be prepared; and, positive student application figures for 2016/17 entry, including a 43% increase in online learning applications.

Members discussed engagement with Scottish Government Ministers following the May 2016 election and with the City Council regarding the City Deal, considered under Item 8.

SUBSTANTIVE ITEMS

4 Business Planning Round 2016-19 B

The Deputy Secretary, Strategic Planning, presented the final draft of the University's three year financial plan for 2016-19, synthesising business plans submitted by the major budget owners. The Committee discussed:

- Income generating options set out in the plan and cost control mechanisms;
- The UK Government's Higher Education White Paper and expected legislation relating to tuition fee caps for English-domiciled students;
- The expected income and expenditure levels, particularly in the short-term and in the context of a strong cash position and plans for income growth;
- Post-investment analysis of estates projects;
- Appropriate oversight of major information technology projects by Knowledge Strategy Committee, Policy & Resources Committee and Court as required
- Management of College reserves within the University's overall finances and the approval process for spending reserves

The Committee endorsed the plans for approval by Court.

5 Edinburgh University Students' Association Budget 2016-17 C

The Student President introduced the budget for the EUSA financial year 2016-17 (April 2016 to March 2017), following initial approval by EUSA's Board of Trustees on 30 March and discussion at the EUSA-University Forum on 4 May. The intention to plan for a deficit budget given increases in staff costs (National Living Wage, National Insurance and pension contributions) and on-going disruption from the Bristo Square building works was noted. The Director of Finance commented positively on EUSA's financial management, with monthly monitoring meetings held with University finance staff.

The EUSA 2016-17 Budget was approved.

6 Strategic Plan 2016-2021 **D**

The near-final draft Strategic Plan 2016-2021 was reviewed prior to submission to Court. The intention to improve the Performance Measurement Framework, with a strategic basket of measures including key financial indicators to be reviewed by PRC and Court annually and a management dashboard to be monitored by Central Management Group 3-4 times per year, was noted. Members discussed the importance of communicating the Strategic Plan to all staff, emphasising the importance of research without boundaries, the City of Edinburgh and changes to the nature of the city as a result of the University's activities, e.g. Easter Bush.

The near-final draft and proposed Performance Measurement Framework was agreed for submission to Court.

7 Finance **E1**

- **Finance Director's Report**

The Director of Finance summarised the financial update report, including the Quarter Three forecast, a special report on Transparent Approach to Costing (TRAC) benchmarking and negotiations with the Trustees of the Staff Benefits Scheme. It was noted that the increased time spent by academic staff on teaching recorded in the TRAC report was in line with the strategic direction agreed by Court. Improving income-generating other activity (non-teaching or research) in line with peer group comparators was discussed and data on the strong research performance of Chancellor's Fellows welcomed.

- **Ten Year Forecast** **E2**

A summary of the latest iteration (May 2016) of the Ten Year Forecast was considered ahead of presentation to Court. The Committee discussed the potential for additional sales of non-essential assets in the context of the planned sale of land at Roslin.

- **Scottish Funding Strategy Forecast** **Verbal**

The intention to submit a funding strategy forecast to Court prior to submission to the Scottish Funding Council was noted.

8 City Deal update **F**

The Director of Corporate Services provided an update on negotiations to finalise a City Deal for the Edinburgh and South-East Scotland City Region (ESESCR). It was noted that a City Deal meeting will take place on 8 June and any further developments will be included in the report to Court on 20 June. Members emphasised the importance of establishing governance arrangements at an early stage and noted the potential to align some of the University's capital investment programme to the City Deal.

9 Estates

• Institute of Genetics and Molecular Medicine (IGMM) Business Case

G1

The business case for the refurbishment and expansion of the IGMM, including the creation of a Centre for Life-course Translation Genomics on the Western General Hospital campus was reviewed. It was noted that the project is dependent on a bid to the UK Government-funded Research Partnership Investment Fund (RPIF) – with a preliminary bid submitted and a full bid to be submitted by September 2016, if invited. The Committee:

- endorsed a recommendation to Court to underwrite a capital funding commitment to complete the project funding, noting the intention to secure a substantial part of this funding from the Medical Research Council;
- approved commencement of the OJEU procurement process for a design team, subject to a full RPIF application being invited;
- approved £200K of funding from University Corporate Resources to develop the design to RIBA Stage 2(C), also subject to a full RPIF application being invited.

• Holland House Refurbishment

G2

A proposal to refurbish Holland House – a 350 bed undergraduate catered residence constructed in 1965 – was considered. Members commented on the payback period (17.7 years), the increase in the anticipated expenditure (£10.8M) compared to the previously approved figure (£9.4M) to include enhancements not previously included and contingency sums for the project. Data on recent Estates projects displaying the initial budgeted sum, contingencies and level of over or underspend was requested for a future meeting. Procurement of the main contractor via the OJEU process was approved and the request for approval by Court of £10.789M expenditure to be wholly funded by an internal loan was endorsed.

ITEMS FOR NOTING OR FORMAL APPROVAL

10 People Report

H

The Director of Human Resources provided an update on the work of the People Committee and on other People related matters being taken forward by University HR Services. Links between the apprenticeship levy and a youth employment strategy and providing training for managers of staff returning from maternity leave was discussed.

11 Estates Committee Report

I

The report presented by the Vice-Principal Planning, Resources and Research Policy was noted.

12 Investment Committee Report **J**

The report presented by the Director of Finance was noted.

13 PRC Commercialisation Sub-Group Report **K**

The Convener of the Commercialisation Sub-Group provided an update on Sunergos Innovations, with a proposed cash investment facility to ensure majority ownership by the University prior to the planned Initial Public Offering submitted to Exception Committee. A rehearsal 'early look' presentation intended for potential investors had been held, with the Convener of the Sub-Group in attendance.

14 Research and Commercialisation Statistics **L**

The Director of Corporate Services provided research and commercialisation statistics for an eight month period to 31 March 2016. It was noted that while research awards are below the equivalent level last year, applications have increased and success rates have remained stable.

15 MVM Reorganisation of Endowments **M**

Following a previous submission to the Committee in January 2015 regarding endowments established for more than 25 years, the Director of Corporate Services submitted proposals to reform endowments within the College of Medicine and Veterinary Medicine established for between 10 and 25 years and a small number of older endowments with some previously uncertain elements.

The Committee endorsed the proposals for approval by Court and suggested that thought be given to appropriate physical or digital memorials for benefactors of the endowments. The Principal requested that the Vice-Principal Philanthropy & Advancement consider suitable options for remembering the benefactors of the endowments proposed for reform.

16 Any Other Business

A presentation on the digital student experience at the University to be held on 1 July was advertised to members.

17 Dates of meetings for 2016/2017

The meeting dates for 2016/2017 were confirmed as:

- Monday 5 September 2016 at 2.30 pm
- Monday 14 November 2016 at 2.30 pm
- Monday 23 January 2017 at 2.30 pm
- Monday 3 April 2017 at 2.30 pm
- Monday 5 June 2017 at 2.30 pm