



POLICY AND RESOURCES COMMITTEE

4 June 2018

Minute

Present: Anne Richards, Vice-Convener of Court (Convener)
The Principal, Peter Mathieson
University Secretary, Sarah Smith
Vice-Principal Jonathan Seckl
Sarah Cooper, Senate Assessor
David Bentley, Co-opted Member
Alison Grant, Co-opted Member
Doreen Davidson, General Council Assessor
Patrick Kilduff, President, Students' Association

In attendance: Senior Vice-Principal Charlie Jeffery
Hugh Edmiston, Director of Corporate Services
James Saville, Interim Director of Human Resources
Phil McNaul, Director of Finance
Gary Jebb, Director of Estates
Lewis Allan, Head of Court Services

Apologies: Frank Armstrong, Co-opted Member
Susan Rice, Co-opted Member

1 Minute Paper A

The minute of the meeting held on 6 April 2018 was approved.

2 Matters Arising Verbal

The Convener thanked Alison Grant and Patrick Kilduff for their service and advice provided to the Committee during their terms of office.

3 Principal's Communications Verbal

The Principal reported on:

- i) Universities Superannuation Scheme – an independent expert group with members nominated by Universities UK and the University & College Union has been established. A report is expected in September. If a mutually agreed solution is not found a cost-sharing solution will be imposed, with significant increases in both employer and scheme member contributions;
- ii) Withheld pay – the University Executive will review a proposal to use pay withheld as a result of the recent industrial action for the benefit of students;
- iii) Planning Round – the Principal reflected on the annual Planning Round process (Item 4)

- iv) League of European Research Universities (LERU) – the LERU Rectors’ Assembly meeting was hosted by the University on 18-19 May. A statement on the future of European Science and Innovation post Brexit was agreed and issued on 23 May, following a speech by the Prime Minister on 21 May on science and Industrial Strategy;
- v) English Review of Post-18 Education and Funding – with potential cross-border implications for the University;
- vi) The forthcoming graduation ceremonies and recent celebrations of student sporting success at the Commonwealth Games and the annual Blues and Colours awards; and,
- vii) The Chancellor’s visit on 1 May – to celebrate 150 years of Engineering at the University, visit surgical training facilities at Little France and open the Charnock Bradley building and new Equine Hospital at the Easter Bush campus.

SUBSTANTIVE ITEMS

4 Planning Round 2018-2021

Paper B

The final draft of the University’s financial plan for 2018-21 and a synthesis of business plans developed by the main budget owners was reviewed. The change to attributing almost all income directly to the main budget holder area where the income is earned was welcomed and the intention to incorporate City Deal and Distance Learning at Scale proposals noted. The following points were raised in discussion:

- bids are not assessed solely on a financial return basis but include assessment of wider strategic priorities, e.g. improving student experience;
- a history of over-conservative projections by budget holders provides reassurance that planned surpluses can be exceeded and planned expenditure lowered;
- the introduction of quarterly review meetings provides opportunity to release funds at an earlier stage if there is over-performance/under-spending;
- the political context University financial planning operates within; and,
- commercialisation activities are relatively small but growing and will be recorded in a separate line when sufficiently large.

The proposed plans and associated surpluses were endorsed for approval by Court and the synthesis of the business plans welcomed.

5 Finance Director’s Report

Paper C

The Period 9 (April) Management Accounts, the Quarter 3 Full Year Forecast, the impact of endowment and investment fund movements and subsidiary company half-year results were reported. Underspensing in the third quarter was discussed, with past experience suggesting that expenditure will increase correspondingly in the fourth quarter.

6 City Region Deal

• Negotiations Update

Paper D1

An update on the final phase of negotiations was reviewed. The expected negotiating outcome was supported, with the Court paper to provide further clarification on the expected University contribution to capital projects, noting that business cases for the Edinburgh Futures Institute, Bayes Centre (formerly the Data Technology Institute) and Easter Bush infrastructure have previously been approved.

• Funding and Legal Arrangements

Paper D3

Proposed funding arrangements between the UK and Scottish Governments, the City of Edinburgh Council (the Accountable Body), the University and the other partners were presented.

• Estates Funding Strategy

Paper D2

The Vice-Convenor of Court declared a conflict of interest in relation to an existing borrowing and abstained from discussion and decision-making on this aspect of the Item.

The cashflow implications of the current City Region Deal proposal, expected impact on the University's financial sustainability metrics, the latest Estates Capital Plan (ECP) by approval category and options for funding the emerging priorities of the ECP were presented. Options included revision to the liquidity management policy from 90 days to 30 days given improvements in cash flow forecasting and accessing external debt at current low interest rates in common with other leading universities to repay existing higher interest rate debt and targeted against planned student residential developments. The following points were raised in discussion:

- Investment Committee had been sighted on proposals to revise the liquidity management policy;
- wider benefits to the student experience from University-owned and operated student accommodation, with high demand at the current size of the University; and,
- the need to re-examine the existing Statement of Risk Policy and Risk Appetite, with proposed changes to be considered by the University Executive and Audit & Risk Committee before submission to Court.

It was agreed to present a paper to Court summarising options and highlighting the opportunity presented by current low interest rates, with the intention to seek a decision through the governance structure by early summer.

7 Preventing and Responding to Sexual Violence and Misconduct Paper E

University activity in respect of both preventing and responding to sexual violence and proposed priority future actions were reviewed. The paper was welcomed, with the Committee recommending that it be submitted to Court for final approval and consideration given to the appropriate forum for future reporting.

8 Distance Learning at Scale Programme Business Case Paper F

A University-wide business case for the Distance Learning at Scale (DLAS) programme was presented. The opportunity to build on the University's existing strengths in research-led teaching and Massive Open Online Courses (MOOCs) and potential to benefit on-campus students with improved e-learning technology was discussed and supported. Recognising that the business case needed to be further developed to match the University's ambition in this area, it was agreed to include the DLAS profile within the Planning Round item to be presented to Court; allowing the development of the pilots to be progressed under Executive approval.

9 IT Network Procurement Paper G

An opportunity to include the Accommodation, Catering and Events student residences data network and telephony service into the University-operated campus network within the current Campus Network Replacement project was considered. The Committee agreed to endorse the proposed change of scope to the Campus Network Replacement project, endorse the associated increased capital cost and requested that the Court paper clarify the preferred option (Option 4).

10 Estates: IGMM 4D Cellular Medicine Paper H

A proposal to expand and upgrade space at the Institute of Genetics and Molecular Medicine (IGMM) to house the 4D Cellular Medicine Initiative led by the Medical Research Council's (MRC) Human Genetics Unit was presented. Noting that the proposal is under review by the MRC, that Estates Committee has approved expenditure for design fees subject to confirmation of the capital commitment from the MRC and that a full business case will be submitted, it was agreed to recommend Court approval of underwriting from University Corporate Resources to provide 1:1 match funding with the MRC.

ITEMS FOR NOTING OR FORMAL APPROVAL

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| 11 Estates Committee Report | Paper I |
| The report was noted. | |
| 12 People Report | Paper J |
| The report was noted, with a request for a future report to include an appendix providing an update on the HR Transformation project. | |
| 13 Investment Committee Report | Paper K |
| The report was noted. | |
| 14 Any Other Business | |
| There was no other business. | |
| 15 Date of Next Meeting | |
| Monday, 10 September 2018 at 10.30am | |