



POLICY AND RESOURCES COMMITTEE

10 September 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
Frank Armstrong, Co-opted Member
Susan Rice, Co-opted Member
Eleri Connick, President, Students' Association
- In attendance:** Hugh Edmiston, Director of Corporate Services
James Saville, Director of Human Resources
Phil McNaull, Director of Finance
Gary Jebb, Director of Estates
Tracey Slaven, Deputy Secretary, Strategic Planning
Lewis Allan, Head of Court Services
- Apologies:** Doreen Davidson, General Council Assessor – attending University's
Staff Benefits Scheme Trustee meeting
Senior Vice-Principal Charlie Jeffery

- | | |
|---|-------------------------|
| 1 Minutes | Papers
A1-A2 |
| The minutes of the meetings held on 4 June and 29 June 2018 were approved. | |
| 2 Matters Arising & Review of Action Log | Verbal |
| There were no matters arising. | |
| 3 Principal's Communications | Verbal |
| The Principal reported on: | |
| i) Senior appointments – Lee Hamill has been appointed as Director of Finance with effect from January 2019 and James Saville has been appointed as Director of Human Resources on a permanent basis. The Principal congratulated Lee Hamill and James Saville on their appointments and thanked Phil McNaull for his continuing service as Director of Finance until the close of the calendar year; | |
| ii) Edinburgh and South-East Scotland City Region Deal – the Prime Minister and First Minister visited the University on 7 August to sign the City Deal agreement; | |

- iii) External Finance – following Exception Committee approval on 5 July, a new debt facility has been agreed in a private placement with an existing University lender at a rate below target;
- iv) Research Awards – new research awards totalled £389m in 2017/18, the highest award total on record for the University; and,
- v) Student and staff experience – the disappointing 2018 National Student Survey results are symptomatic of a wider cultural issue, with work underway including improving communications, reviewing the Personal Tutor system and appointing a new Vice-Principal with a student experience portfolio. All staff members are expected to contribute towards achieving the necessary cultural change.

The Committee discussed student and staff experience and welcomed positive responses received to the Principal's recent all staff message on the topic. Possible outcomes following the Joint Expert Panel report on the valuation of the Universities Superannuation Scheme (USS) to be published later this month were considered. A USS presentation delivered by consultants Mercer to University staff will be circulated to the Committee.

SUBSTANTIVE ITEMS

4 Strategic Planning

- **Student Recruitment Update**

Paper B1

An overview of performance during the current recruitment cycle and a forward look for the next cycle was presented. Strong performance in international, EU and Scottish widening access recruitment was welcomed. The Committee discussed the intention to increase investment in Open Day activities and factors influencing lower than planned recruitment to online and distance learning courses, with plans for a refresh of the University's provision in this area.

- **Review of Undergraduate Scholarships and Bursaries**

Paper B2

The findings and recommendations from an evaluation of undergraduate scholarships (the Edinburgh Scholarship, the Scotland Scholarship and Access Bursaries) were reviewed. The following points were raised in discussion:

- Improving marketing of the University's competitive offer to attract prospective students – support available should be known in advance and presented in clear, accessible language;
- Scholarship expenditure is uncapped so more effective marketing should be expected to lead to greater expenditure; and,
- Options to further target support for the lowest income groups, in particular for Scottish domiciled students.

The proposals will be considered further by the senior team before submission to Court.

- **Brexit Update**

Paper B3

Potential impacts from the UK's departure from the European Union and any transitional arrangements were considered. It was noted that EU students commencing studies in 2019-20 will retain their fee status for the duration of their studies and a 'deal' scenario would likely extend this arrangement for those beginning studies in 2020-21. For research, UK universities continue to seek full participation in EU-funded research programmes and the University is continuing to build a series of 'deep partnerships' with major universities in a number of EU countries. Planning for a 'no-deal' scenario includes a risk review of materials supplied to the University from EU countries, including scientific supplies. The University's reputation and commensurate ability to recruit students and staff on a global basis was noted as a key mitigating factor.

5 City Deal Update

Paper C

Strong interest from potential industrial partners in the University-led data driven innovation programme and student experience opportunities were noted. The Committee discussed prioritisation of activity and scope for flexibility in spending – with a focus on finalising three detailed business cases to be submitted to HM Treasury by March 2019. The Committee will be updated on the University Grant Agreement (financial protocols and reporting requirements that will apply to funding provided to the University – managed by the City of Edinburgh Council as the City Deal Accountable Body) as it progresses towards formal signing.

6 Finance Director's Report

Paper D

The Period 11 (June) Management Accounts, draft financial results for 2017/18, a progress update on external debt raising and a special focus report on the University's Staff Benefits Scheme were considered. The rate for the external debt facility agreed with an existing lender to the University was welcomed and the following points discussed:

- The cash management accounts table could be updated to reflect the 30 days cash equivalent minimum specified in the Risk Appetite Statement;
- The draft capital prioritisation methodology will be reviewed by the senior team before presentation to the Committee; and,
- Forthcoming analysis of the year-end financial results could include a review of out-turn versus plan to illustrate areas of over and under-performance.

7 Core Systems (Phase 1) Procurement Update

Paper E

An update on the procurement programme to replace existing HR, Finance, Payroll and Procurement management systems with a single vendor, Software-as-a-Service solution was presented. The intention for Court to receive a paper at the October meeting including an estimated

contract value and implementation envelope prior to issue of the Invitation to Submit Final Tender to the two qualified bidders remaining in the procurement process was noted.

[Secretary's note: the paper is now expected to be submitted to Exception Committee after the October Court meeting to allow time for further development.]

8 Hong Kong Charitable Foundation

Paper F

Proposals for the establishment of a charitable foundation in Hong Kong in the form of a University subsidiary company were considered. Ethical screening of donations to follow established University practices, funds transference between Hong Kong and the UK, use of a local accountancy firm to provide third party support and board gender balance was discussed. The establishment of a University subsidiary in the form of a charitable foundation in Hong Kong and the delegation of authority to the Vice-Principal Philanthropy & Advancement to sign off the incorporation process and final legal documentation for the subsidiary company was approved.

ITEMS FOR NOTING OR FORMAL APPROVAL

9 Reimbursement of UK Visa Fees

Paper G

Proposed enhancements to the University's policy on the reimbursement of visa fees were reviewed. It was agreed to delegate authority to the Principal, working in conjunction with the Director of Human Resources and the senior team to finalise and agree a revised proposal.

10 Bayes Centre – Robotics Living Labs

Paper H

It was agreed to recommend to Court for approval the underwriting of £5m of capital expenditure towards the purchase of robotics equipment on the understanding that £3.6m will be notionally allocated from City Deal funds towards the equipment costs.

11 College of Science & Engineering: Reorganisation of Endowments

Paper I

It was agreed to recommend to Court for approval a proposal to reform endowment funds held in excess of 25 years in the College of Science & Engineering.

12 Disclosure of Intimate Relationships Policy

Paper J

The policy on disclosure of intimate relationships was welcomed and planned next steps noted.

13 People Report **Paper K**

The report and appendix on the HR Transformation project was noted. Potential industrial action relating to 2018/19 pay negotiations, communications for the first University-wide staff survey and the establishment of a University Leaders Forum was discussed.

14 Research and Commercialisation Statistics **Paper L**

The end year report for 2017/18, with a record of £389m in new research awards and increases in all categories, was welcomed.

15 Investment Committee Report **Paper M**

The report and annual endowment fund reports were noted.

16 Insurance Renewal 2018/19 **Paper N**

The annual insurance renewal was noted. It was suggested that Audit & Risk Committee could consider this topic further on the advice of the Director of Finance.

17 Any Other Business

The reporting cycle for the performance measures was discussed, noting that the measures are largely annual and will be presented to the next meeting. Papers containing data that impact on the performance measures, such as student recruitment, will be highlighted when presented to the Committee in future.

18 Date of Next Meeting

Monday, 19 November 2018 at 9.30am