



POLICY AND RESOURCES COMMITTEE

Web Version

5 April 2019

Minute

Present: Anne Richards, Vice-Convener of Court (Convener)
Peter Mathieson, Principal & Vice-Chancellor
Sarah Smith, Vice-Principal Strategic Change & Governance; and
University Secretary
Sarah Cooper, Senate Assessor
Frank Armstrong, Co-opted Member
David Bentley, Co-opted Member
Susan Rice, Co-opted Member
Eleri Connick, President, Students' Association

In attendance: Charlie Jeffery, Senior Vice-Principal
Hugh Edmiston, Vice-Principal Business Development & Director of
Corporate Services
James Saville, Director of Human Resources
Lee Hamill, Director of Finance
Gary Jebb, Director of Estates
Tracey Slaven, Deputy Secretary, Strategic Planning
Leigh Chalmers, Director of Legal Services
Lewis Allan, Head of Court Services
David Gray, Head of School of Biological Sciences (for Item 6.2)

Apologies: Doreen Davidson, General Council Assessor
Jonathan Seckl, Vice-Principal Planning, Resources & Research Policy

1 Minutes

Papers A1-2

The Minutes of the meeting held on 28 January 2019 and the e-meeting concluded on 15 March 2019 were approved.

2 Matters Arising & Review of Action Log

Paper A3

The Action Log was reviewed and there were no matters arising.

3 Principal's Communications

Verbal

The Principal congratulated Charlie Jeffery on his appointment as the next Vice-Chancellor of the University of York. A staff communication will be issued in the following week providing an update on Vice-Principal changes, including senior leadership for the portfolios of Professor Jeffery and Professor Jane Norman and the announcement of the new Vice-Principal Students.

The Principal reported on: the Planning Round (Paper B2), where collective work has focused on prioritising given affordability constraints; a meeting with the Deputy

First Minister and the Chief Executive of the Russell Group regarding indefinite leave to remain for international staff; emerging long-term development plans from the City of Edinburgh Council; and, a recent Head of School recruitment exercise which led to two further professorial appointments given the strength of the field.

SUBSTANTIVE ITEMS

4 Strategic Finance & Planning

• Director of Finance Report

Paper B1

The period 7 (February 2019) monthly management accounts, benchmarking analysis of financial performance in comparison with Russell Group peers, the latest iteration of the Ten Year Forecast, the potential impact of accounting for Universities Superannuation Scheme (USS) deficit recovery and a review of subsidiary company performance for the six months to 31 January 2019 were considered

Members discussed the expected significant effect of higher employer USS pension contributions on the balance sheet provision within the Annual Report and Accounts. It was stated that, as a sector-wide issue for USS employers, a co-ordinated communication is desirable to reduce the risk of stakeholder misunderstanding. It was confirmed that loan covenants will be unaffected by an increased balance sheet provision.

Noting a declining financial performance relative to Russell Group peer institutions, further analysis was requested; to be linked to the University's Key Performance Indicators.

• Planning Round 2019-22

Paper B2

Draft financial plans for the three year rolling cycle from 2019-22 were reviewed. The following points were raised in discussion:

- Progress in incorporating City Deal activities and in submitting the draft plans two months earlier than in recent years was welcomed;
- Forecast student numbers were discussed in the context of estates capital prioritisation, noting that the majority of the predicted student growth is in online courses. More modest growth is expected in on-campus numbers;
- The University's ability to achieve the forecast surplus levels was discussed, with management actions to address cost pressures proposed and the relatively high proportion of staff costs to income noted.

The proposed plans were endorsed for progression to Court, including planned allocations to the Students' Association and to the Sports Union.

• Capital Prioritisation

Paper B3

An overview of the capital prioritisation exercise which took place in November and December 2018 and the resulting prioritised proposals were considered. The Committee discussed communicating the positive outcome of prioritised projects, cost control measures applied to some projects and break points if required – prioritised projects remain subject to individual business case approval. Planned

expenditure is weighted towards the earlier years of the ten year period as new projects are anticipated to enter in the later years that have not yet been proposed.

The outcome of the capital prioritisation exercise was recommended to Court for approval.

- **EUSA Budget 2019-20**

Paper B4

A narrative summary of the Students' Association budget for the 2019-20 financial year was reviewed. The budget projects an overall surplus of £100,000 after organisational changes, with support from the University towards restructuring costs. The long term move towards payment of the real living wage by increasing the base pay differential above the national minimum wage by a further 5 pence per hour for a total of 15 pence per hour was discussed in relation to the University's payment of the real living wage. The effect on the EUSA budget of increased external commercial trading in Bristo Square during the 2018 Festival was considered, with an update on University-EUSA discussions on joint planning to mitigate any unintended impact of changes in external commercial activity on the EUSA budget requested.

The 2019-20 EUSA budget was approved.

5 Commercialisation

- **Old College Capital Funding Proposal**

Paper C1

Following review and support from the Commercialisation Sub-Group, a proposed additional investment from the University's Endowment & Investment Fund to Old College Capital over a three year period from August 2019 was considered. This would support seed and early-stage investments in University spin-outs, start-ups and external spin-in companies. Additional follow-on funding may be sought at a later stage to create a self-sustaining fund. It was suggested that Old College Capital be empowered to make investments of up to 100% in exceptional cases to a capped limit. The investment proposal was approved, with the proposal to undergo final review by Investment Committee in May 2019.

- **China Merchants Group Partnership Opportunity**

Paper C2

Following review and support from the Commercialisation Sub-Group, a proposed strategic partnership with the China Merchants Group (CMG) and an initial 8 month feasibility assessment was reviewed.

The partnership opportunity and the feasibility assessment by third party consultants was supported. Associated legal documentation will be signed by the Vice-Principal Business Development & Director of Corporate Services following consultation with the Director of Legal Services.

6 International Collaborations

• Low Carbon College

Paper D1

A progress report and business case for the next phase of the development of a Low Carbon College in partnership with Shanghai JiaoTong University in Shanghai Lingang was reviewed. Noting that a capital contribution from the University is not required and that staffing can be increased on a staged basis depending on student number and research income growth, the business case was endorsed.

• Gujarat Biotechnology University

Paper D2

The business case for a transnational partnership with the Government of the State of Gujarat (GoG), India, to establish a Gujarat Biotechnology University was presented. The business case was recommended to Court for approval.

7 Estates Projects

• King's Buildings Nucleus

Paper E1

The funding request for the King's Buildings Nucleus (Phase 1) project to create a study spaces, large scale teaching accommodation and a new chemistry laboratory was considered, following approval of the business case by Estates Committee. The project intends to enable the majority of teaching and learning for College of Science & Engineering undergraduate students to take place at the King's Buildings campus from 2022/23. Strong student support for the project was noted and communications with staff and students affected by short-term disruption from the building work was recommended. The funding request from University resources to progress the project to completion was recommended to Court for approval.

• Advanced Computing Facility Extension

Paper E2

The funding request for an extension to the Advanced Computing Facility at Easter Bush to house the World Class Data Infrastructure for the City Deal was reviewed, following approval of the business case by Estates Committee. It was noted that Exception Committee had delegated authority for funding approval to Policy & Resources Committee to enable the University to enter into an advantageous fixed price contract for the construction by the end of April. The Committee approved the funding request.

8 People

• EDMARC Staff and Student Reports 2018

Paper F1

The annual staff and student reports of the Equality, Diversity Monitoring and Research Committee were considered prior to submission to Court. The Committee discussed the:

- Gradual increase in the proportion of staff working part-time, part of the University's commitment to providing flexible working opportunities;
- Improving proportion of black and minority ethnic academic staff;

- Greater proportion of female undergraduate students who graduate with first or upper second class honours than male students and whether this is a cause for concern; and,
- Four subject areas with current gender action plans: Nursing – 93% female student intake, Architecture – 64% female student intake, Engineering – 30% female intake, Informatics – 22% female intake.

Further work will investigate the intersection of gender and ethnicity for black and minority ethnic students.

- **People Report**

Paper F2

The People Report was reviewed. It was noted that the 2018/19 national pay round has now closed, with the 2019/20 pay round negotiations beginning on 26 March and expected to prove challenging. A suite of leave and family friendly policies with the Russell Group median as a benchmark have been approved by the University Executive and have been well received to date.

ITEMS FOR NOTING OR FORMAL APPROVAL

9 CAHSS Reorganisation of Endowments

Paper G

Following similar exercises for the Colleges of Medicine & Veterinary Medicine and Science & Engineering, the Committee agreed to recommend that Court exercises its power under Ordinance 209 to adapt the reform detailed in Appendix 1 for endowment funds in the College of Arts, Humanities & Social Sciences held in excess of 25 years.

10 Investment Committee Report

Paper H

The report was noted.

11 Estates Committee Report

Paper I

The report was noted.

12 Commercialisation Sub-Group Report

Paper J

The report was noted.

13 Any Other Business

There was no other business.

14 Date of Next Meeting

Monday, 3 June 2019, 2.30pm.