



POLICY AND RESOURCES COMMITTEE

31 May 2021 (Videoconference)

Web Version

Minute

Present: Alan Johnston, Co-opted Member (Convener)
Frank Armstrong, Co-opted Member
Sarah Cooper, Senate Assessor
Doreen Davidson, General Council Assessor
David Law, Co-opted Member
Ellen MacRae, President, Students' Association
Peter Mathieson, Principal & Vice-Chancellor
Jock Millican, General Council Assessor
Hugh Mitchell, Co-opted Member
Jonathan Seckl, Senior Vice-Principal
Sarah Smith, Vice-Principal Strategic Change & Governance; and
University Secretary

In attendance: Janet Legrand, Senior Lay Member
Leigh Chalmers, Deputy Secretary Governance & Legal
Colm Harmon, Vice-Principal Students
Lee Hamill, Director of Finance
Gary Jebb, Director of Place
Pauline Manchester, Interim Director of Strategic Planning
Catherine Martin, Vice-Principal (Interim) Corporate Services
James Saville, Director of Human Resources
Lewis Allan, Head of Court Services
Barry Neilson, Director of Strategic Change (for Items 6 and 12)
James Smith, Vice-Principal International (for Item 7)
Gavin Douglas, Deputy Secretary Student Experience (for Item 9)

Apologies: None

1 Minute Paper A1

The Minute of the meeting held on 12 April was approved subject to a minor clarification.

2 Matters Arising & Review of Action Log Paper A2

There were no matters arising and the action log was reviewed.

3 Principal's Communications Verbal

The Principal reported on:

- New Ministerial appointments following the Scottish Parliamentary elections: Shirley-Anne Somerville is the Cabinet Secretary for Education and Skills and Jamie Hepburn is the Minister for Higher Education and Further Education,

Youth Employment and Training, with the Principal meeting Jamie Hepburn the next day;

- The second semester and end of year examinations have now concluded. Many staff are continuing to work from home as per public health advice with much interest expressed in some form of continued home working in future. Managers will be expected to establish organisational needs in their own areas to determine the extent to which this can be accommodated;
- The House of Commons Scottish Affairs Committee has recently published a report on Scottish universities, which includes commentary on public funding and financial sustainability. The Scottish Funding Council's Review of Coherent Provision and Sustainability is awaited;
- UK Government research funding: the sector remains greatly concerned about potential further reductions to research funding following the in-year cuts announced to Official Development Assistance funding, particularly that the UK's affiliation fees for the EU Horizon 2020 funding programme may be fully or partially met by reducing existing research budgets. The UK wins more European Research Council awards than any other state (member or affiliated) and continued participation will be of great benefit but should not lead to a reduction in domestic research funding;
- The Scottish Funding Council's research excellence grant allocations for universities next year show the University of Edinburgh as the largest centre of research excellence in Scotland and that research excellence is concentrated in a relatively small number of institutions;
- Freedom of expression – new legislation that would apply to universities in England has been proposed;
- Increased governmental interest in the UK and other western countries in scrutinising overseas research collaborations for reasons of national security; and,
- The latest QS World University Rankings are expected to show a rise in the University's ranking from 20th to 16th in the world. While rankings should be treated with caution the general improvement in the underlying metrics which underpin this increase are encouraging.

The institutional impact of potential sector-wide research funding cuts was discussed. It was noted that the University of Edinburgh has greater exposure than many universities as it is a major centre for research but that if reduced funding leads to a concentration of remaining funds within the most highly ranked research centres then the University's strong position will be of relative benefit. With research funding increasing in many other countries, especially in Asian countries, the global position of all UK universities could suffer from domestic research funding cuts.

SUBSTANTIVE ITEMS

4 Director of Finance's Report

Paper B

An update on the 2020/21 full year forecast and the forecast financial position between 2021/22 and 2024/25 was reviewed. It was noted that the 2020/21 full year forecast has improved since the paper was produced and the latest position will be reported to Court on 14 June. The following points were raised in discussion:

- Whether the standard assumptions of growth in research income should be revised given the earlier discussion on likely UK government research funding reductions – the assumptions are supplied by specialists in the Edinburgh Research Office and are regularly reviewed and will be amended should assumptions change. If research income does fall this will lead to a commensurate fall in research expenditure with the impact to be felt more on the institutional mission than on the financial position; and,
- Whether the forecasts assume a resumption of the estates capital plan after the current two year deferral – this is assumed at present but once an outcome from the capital prioritisation working group is reached this will be inputted.

5 Planning Round 2021/22 Proposals

Paper C

A proposed income and expenditure budget and plans intended to deliver a 3% underlying operating surplus within the Court-agreed target range of 3-5% was considered. Uncertainty over student recruitment levels has been a key factor as the proposals have been formulated, including uncertainty over predicting assessment results for secondary school and college students across the UK, changes to Scottish Funding Council number controls for Scottish students and the impact of the pandemic on the admission of overseas students. It was also noted that land based carbon sequestration proposals remain under consideration to contribute to the 'Zero by 2040' carbon target and if the capital element is agreed the associated revenue costs will be met from within existing budgets.

The impact of a potential tuition fee reduction for English domiciled students following the Augar Review was discussed, noting that this would be of significant financial detriment if taken forward. The financial impact of potential further Covid-related 'lockdowns' was considered, with two of the four scenarios modelled incorporating this assumption, with the effects most apparent on Accommodation, Catering and Events income. It was noted that the approach taken of agreeing expenditure reductions across all budget areas was novel but had been necessary to achieve proposals with a 3% underlying surplus target.

The proposed approach to budgeting and planning for 2021/22 was endorsed and recommended to Court for approval.

6 Academic Year 2021/22 Planning Group Report

Paper D

An update on the work of the Academic Year 2021/22 Planning Group was reviewed. A Scottish Government group considering public health measures for universities is being established, with the terms of reference providing some optimism on the direction of travel. Internally, detailed planning assumptions for the next academic year have been communicated, with the main area of focus in May being timetabling work.

The following points were discussed:

- When public health guidance for the next academic year is expected – late June or early July is the earliest date anticipated;

- The timetabling assumption that Wednesday afternoons be free of core teaching was welcomed, acknowledging that this is dependent on a '1 metre plus' proposal being agreed by public health authorities;
- Arrangements in the event that some staff oppose a return to working on campus – the intention is to continue to build confidence in the safety of working on campus and to set requirements for on-campus working at a local level according to need in each area;
- Plans in other parts of the UK – Scottish universities are planning for '1 metre plus' distancing with the possibility of 2 metre distancing whereas universities in England are planning for either 1 metre distancing or no distancing; and,
- An innovative research project to develop a new approach to Covid-19 testing, called TestEd, is taking place at nine centres across the University and is available to staff and students.

7 China Collaborations

- **Update on current and pipeline partnerships in China**
- **Low Carbon College Joint Institute**

Paper E1
Paper E2

An overview of existing and planned strategic partnerships in China was reviewed, along with a proposal to extend the existing Low Carbon College partnership with Shanghai Jiao Tong University through the formation of a Joint Institute.

8 Usher Institute for Population Health Sciences

Paper F

An update on the construction project for the Usher Institute for Population Health Sciences was reviewed. It was agreed to recommend that Court agree an increase in the overall capital project cost resulting from a return to the Usher project budget which had previously been allocated towards construction of a shared University of Edinburgh car park at the BioQuarter.

9 University Pharmacy

Paper G

The proposed sale of the University's pharmacy contract (effectively the regulatory right to run a pharmacy) and a lease of the premises at Bristo Square to enable a specialist pharmacy provider to operate a pharmacy at the University was reviewed. It was agreed to recommend to Court that it:

- approves the proposed sale of the University Pharmacy; and,
- delegates to the University Secretary, acting in consultation with the Director of Legal Services, the authority to conclude and execute the legal documentation relating to the sale of the Pharmacy (including the lease of the premises) in line with the principles outlined in this paper.

10 People Report

Paper H

The report was noted and the consultation on the 2020 valuation for the Universities Superannuation Scheme discussed. Pro-active employer communications were strongly encouraged, such as pensions briefings for staff led by independent experts, which had been well received when last offered at the University.

ITEMS FOR NOTING OR FORMAL APPROVAL

11 Institutional Position on Scottish Independence Paper I

The current neutral stance position taken by the University on Scottish independence was reviewed and it was agreed to recommend to Court that this be reaffirmed.

12 People & Money System Report Paper J

An update on the implementation of the People & Money System (the programme delivering the core IT system for HR, Finance, Payroll and Procurement) was considered.

13 Commercially Confidential Item Paper K

A commercially confidential paper updating on the potential sale of a University joint venture was noted.

14 Estates Committee Report Paper L

The report was noted.

15 Investment Committee Report Paper M

The report was noted.

16 PRC Commercialisation Sub-Group Report Paper N

The report was noted.

17 Any Other Business

Janet Legrand, Senior Lay Member, thanked Alan Johnston and Doreen Davidson for their service on Policy & Resources Committee and for their advice and guidance more widely and looked forward to thanking them for their service to the Court as whole in due course.

18 2021/22 Meeting Dates

The finalised 2021/22 meeting dates were approved:

- Friday 17 September 2021, 2.30pm-5pm
- Monday 8 November 2021, 2.30-5pm
- Monday 7 February 2022, 2.30pm-5pm
- Monday 4 April 2022, 2.30pm-5pm
- Monday 30 May 2022, 2.30pm-5pm