



**POLICY AND RESOURCES COMMITTEE**

**3 June 2024, Argyle House**

**Minutes**

**Present:** Janet Legrand, Senior Lay Member (Convener)  
Frank Armstrong, Co-opted Member  
Leigh Chalmers, Vice-Principal & University Secretary  
Ruth Girardet, Co-opted Member  
Kim Graham, Provost  
Peter Mathieson, Principal & Vice-Chancellor  
Jock Millican, General Council Assessor  
Hugh Mitchell, Co-opted Member

**In attendance:** Lewis Allan, Senior Governance Advisor to the Vice-Principal & University Secretary  
Lee Hamill, Director of Finance  
Catherine Martin, Vice-Principal Corporate Services  
James Saville, Director of Human Resources  
Rona Smith, Deputy Secretary Governance & Strategic Planning  
Damien Toner, Director of Estates  
Daniel Wedgwood, Head of Court Services

**Apologies:** Douglas Alexander, General Council Assessor  
Sharan Atwal, President, Students' Association  
Kathryn Nash, Trade Union Academic Staff Member

**1 Minute**

**Paper A**

The minutes of the meeting held on 25 March 2024 were approved.

**2 Matters Arising**

There were no matters arising. The Action Log was noted.

### **3 Principal's Communications**

**Verbal**

Peter Mathieson, Principal & Vice-Chancellor, reported on the following matters:

- Higher education policy had been discussed in the on-going UK general election campaign. Any political changes affecting the ability of international students to enter the UK could have significant financial impacts for higher education institutions.
- For around four weeks, there had been a protest encampment in the Old College quad relating to the conflict in Gaza. An independent mediator had been appointed and engagement had been constructive. The protestors' demands on the University in this context were increasingly focused on calls for divestment from companies claimed to be involved in supplying technologies used in weapons systems in this conflict. There had also been related motions passed by Senate. The University Executive had discussed a related letter from groups of staff and students in this context and had instituted two working groups to consider relevant aspects of the University's ethical investment policies. Exception Committee had considered the process on behalf of Court. It had been made clear to all interested parties that the working groups would report to Court via the University Executive.

### **SUBSTANTIVE ITEMS**

#### **4 Director of Finance's Report**

**Paper B**

#### **5 Planning and Budgeting: 2024-25 Proposals**

**Paper C**

Items 4 and 5 were taken together, the Director of Finance's Report providing context for the discussion of planning and budgeting.

The Director of Finance's Report was reviewed and a verbal update was provided regarding the most up-to-date (Quarter 3) financial forecasts. These were broadly consistent with the scenario at Quarter 2, with changed patterns of international student recruitment affecting income from the start of the year and inflationary pressures and increased staff costs affecting expenditure.

The proposed Group-level budget for 2024-25 and indicative five-year figures were presented, alongside details of the annual planning process. Key elements of the financial context were summarised, including challenges facing the UK higher education sector as a whole.

The following key points were raised in discussion:

- PRC members re-affirmed their support for the University's ambitions and sought to ensure that the University would be in a position to deliver major projects sustainably in the future.
- Since the University had, to this end, an established and Court-approved minimum target for earnings (EBITDA as a percentage of total income), it would be a concern if a budget were set to fall short of this target.
- A variety of actions would need to be taken in order to achieve the desired budget. Strategic decision-making would be crucial, in order to ensure that targeted savings favoured long-term financial sustainability.

- Bearing in mind known challenges and risks at sector level, it would be helpful to continue to develop scenario planning for a wider variety of scenarios, recognising that budget holders may need to temper aspirations under some scenarios, making it crucial to have a clear understanding of priorities and trade-offs.

PRC agreed, as a recommendation to Court, that the University should set a budget for 2024/25 in line with the University's established strategic target.

## **6 People Report**

**Paper D**

The Committee received the regular People Report. There was discussion of pensions, noting that the current scenario was positive but that future fluctuation remained possible, and of plans for future evaluation of staff satisfaction.

## **7 Request to Form a Subsidiary Company**

**Paper E**

A University proposal had been awarded seed funding in the first round of the UK Government's Research Ventures Catalyst (RVC) programme. PRC considered and approved the establishment of a subsidiary company in the event that the proposal ultimately be accepted within this programme and relevant philanthropic support secured. If so established, the company would pioneer transformative technology within one of the five Critical Technologies identified in the UK Science and Technology Framework.

It was noted that the subsidiary company would function as a Focused Research Organisation, meeting the requirement of the RVC to employ innovative models of research and innovation.

## **Estates**

PRC received a summary of Estates Committee's scrutiny of a number of proposals that would require Court's approval, in most cases due to the level of funding sought and/or requests for funding that were not included in the current Capital Plan. It was noted that a wider strategic overview of Estates matters was important, in the context of rising costs and other financial challenges for the higher education sector, and that this should take into account opportunity costs and a range of possible actions, including potential disposal of assets. The appropriate framework to create this kind of overview would be provided in the development of the new capital plan, which was in progress.

## **8 Residential Strategy 2023-2030 Update**

**Paper F**

PRC considered changes to the Residential Strategy, which had been formulated in response to a changing context, and supported the recommendation that Court approve the updated strategy. The strategy had first been approved in 2023 and had been revised in line with a review process agreed at that time.

## **9 Strategic Acquisition** **Paper G**

PRC considered a proposed strategic acquisition of property. PRC recommended that Court approve the purchase.

## **10 Churchill House Refurbishment** **Paper H**

PRC considered a proposal for refurbishment of the Churchill House residences, the timing of which had been affected by the Covid-19 pandemic.

PRC recommended to Court approval of Capital Funding to progress this project to completion. It was noted that provision had not been made for this expenditure in the approved Capital Plan but that funding was available and the amount of funding allocated to Emerging Needs would be reduced accordingly. Completing the work would contribute positively to the student experience and protect rental income.

## **11 Sport & Active Wellbeing Facilities Development Recommendations Report** **Paper I**

PRC recommended to Court that part of the funding committed in the current Capital Plan for the delivery of the Peffermill Sports Complex be reallocated and approved to seven critical small works projects. It was noted that longer-term planning was being carried out in relation to the sports complex, with consideration of cost control and potential new sources of funding.

## **12 CRIC 4 – National Total-Body Positron Emission Tomography facility at Edinburgh Imaging** **Paper J**

PRC recommended to Court approval of capital funding to progress to completion works to facilitate the installation of a Total Body PET scanner and create a world-class imaging research facility also housing a research-dedicated photon counting CT scanner. It was noted that Edinburgh would be one of only two sites in the UK for this type of PET scanner, which had been secured through a joint bid to the Medical Research Council with the University of Glasgow. PRC discussed the importance of planning for such consequences of successful grants.

## **13 Queens Medical Research Institute Collaboration Works** **Paper K**

PRC recommended to Court approval of capital funding to enable the project to progress to completion.

## **14 Midlothian Centre of Excellence and First Opinion Practice** **Paper L**

PRC recommended to Court approval of funding from a combination of sources to progress a project that would enable the relocation of Small Animal First Opinion animal services from the current facilities at the Easter Bush Campus to a new, purpose-built facility. The committee noted a number of positive elements to the project, including high anticipated rates of return and educational synergies through adjacency to a proposed new STEM school. Provision had not been made for this

expenditure in the approved Capital Plan but funding was available and the amount of funding allocated to Emerging Needs would be reduced accordingly.

## **ITEMS FOR NOTING OR FORMAL APPROVAL**

### **15 Digital Strategy Paper M Digital Estates Capital Plan – 2023-2029 Paper N**

PRC noted the Digital Strategy and Digital Estates Capital Plan and supported the recommendation of Estates Committee and Knowledge Strategy Committee that Court approve the strategy.

In discussion, it was observed that the efficiency of the digital estate should be a key consideration in future work.

It was proposed that there should be a future Court seminar on the themes of the digital and physical estates.

### **16 Estates Committee Report Paper O**

PRC noted the report and approved the revised Estates Committee Terms of Reference.

### **17 Research Statistics Report Paper P**

PRC noted the report.

### **18 Any Other Business**

The Convener noted her appreciation of Sharan Atwal's contributions to the committee. She would shortly complete her term as President of the Students' Association and the new President, Dora Herndon, would take up PRC membership.

### **19 Date of Next Meeting**

Tuesday, 10 September 2024, 14.30-17.00