



**POLICY AND RESOURCES COMMITTEE**

**10 September 2024, Raeburn Room, Old College**

**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  
Dora Herndon, President, Students' Association  
Peter Mathieson, Principal & Vice-Chancellor  
Jock Millican, General Council Assessor  
Hugh Mitchell, Co-opted Member  
Kathryn Nash, Trade Union Academic Staff 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:** None received

**1 Minute**

**Paper A**

The minutes of the meeting held on 3 June 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:

- A process was underway to secure the savings required to achieve the budget outcomes set by Court. Achieving the budget outcomes would also depend on intakes of fee-paying students. The admissions cycle was not yet complete and therefore intake numbers were not yet finalised.
- Implementation of previously agreed actions relating to the People & Money system had continued. This was now a regular part of change management structures, reporting to the University Initiatives Portfolio Board and onward to the University Executive, but had priority status within this.
- The successor to the University's Climate Strategy had been discussed by the University Executive and would undergo further development. It would be

presented to other relevant bodies, including PRC and Court, in due course, following further consideration by the University Executive.

- The Principal had attended a Universities UK conference on international security, which had emphasised and clarified the responsibilities of universities, individually and collectively.
- The University continued to engage with the UK Government regarding the funding of the proposed Exascale computing facility, which was due to be housed at the University. It was noted that Estates Committee had discussed the issue and had clarified the amounts spent to date by the University to prepare for the Exascale facility.

## **SUBSTANTIVE ITEMS**

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

### **Paper B**

The Director of Finance's Report was reviewed and a verbal update provided. There was a continued need to rebalance income and expenditure for core activities. A process to achieve this was already in progress, with a view to achieving the additional savings required for the agreed budget for 2024-25. Further detail would be provided to Court in a scheduled briefing session ahead of the next meeting of Court.

It was noted that the latest triennial valuation of the Edinburgh University Staff Benefits Scheme (EUSBS) had been struck at 31 March 2024. It was proposed that the University should seek to reach an agreement with the Trustee regarding contribution rates before addressing other intended outcomes in relation to the EUSBS. PRC agreed that negotiations should continue on this basis, with detail to be provided to Court in due course.

The following points were raised in further discussion:

- It was noted that changes to EUSBS pensions contributions had not affected calculations of the required re-balancing of income and expenditure, as these changes were not yet confirmed.
- It was recognised that Court would benefit from clear measures that distinguished headline EBITDA from underlying performance relating to core activities. The development of such measures had already been discussed with the Convener of Audit & Risk Committee. Clearer communication in this sense would also help to foster understanding among staff and students as to the need for expenditure restraint.
- Adjustments to the nature of financial reporting to PRC were requested by the Convener, such that the current financial position would be reported alongside any relevant mitigating actions.
- It was noted that student intakes were not yet confirmed and that any shortfall in numbers of fee-paying student entrants, relative to targets, could raise the levels of savings required to achieve the budgetary outcomes sought by Court.

The Committee received the regular People Report and a verbal update on the national pay negotiation and disputes process.

It was noted that grade scale reform implementation, a significant project for HR and finance colleagues, had been completed.

**6 Report from the Short Life Working Group on Investment Approaches in the International Context**

PRC received the Report of the Short Life Working Group on Investment Approaches in the International Context (WG-II) and comments in response to this report from members of Investment Committee. PRC recorded gratitude to the members of Investment Committee for producing rich and very helpful input in what had been a highly restricted timescale. It was noted that Investment Committee had not had an opportunity to discuss the report as a body and so had not been able to formulate a collective response.

It was noted that the members of the Working Group maintained diverse positions on several matters of substance but had agreed the report's recommendations. It was noted that one member of the Working Group had supplied additional information, which had been made available to PRC.

The following points were raised in discussion:

- This report stood alongside the report of the Short Life Working Group on Definition of Armaments for Investments for consideration by Court, while there was an on-going review of the University's Responsible Investment Policy, which had attracted a large number of responses from across the University community. Efforts should be made to consider all of these strands of work together, at an appropriate pace, to ensure a coherent overall response.
- Clear communication with the University community would be essential, to demonstrate Court's engagement with matters that had attracted a great deal of interest and to set clear and realistic expectations. Communications should also make clear the nature of the University's existing position on ethical investment, which was externally recognised to be more advanced than many comparable organisations.
- There would be risks in proposing any changes to policy or governance in a highly charged context.
- While it was recognised that the University could to some extent be a leader in this space, there could also be value in working with and learning from other organisations facing similar questions.
- One of the key recommendations of the report concerned the establishment of a new group that would operate in addition to Investment Committee, focusing on ethical questions relating to investments. In line with the input of Investment Committee members, PRC agreed that such a group could be of value but noted that the remit and membership of the group and its relationships to other bodies would need to be considered carefully.

It was agreed that PRC's gratitude should be communicated to the members of Investment Committee, recognising that, while their expert advice in this context was highly appreciated, that committee could only work within policies set by Court.

## **7 New Darwin – Estates Project**

**Paper E**

PRC considered a request to recommend funding to complete the New Darwin project. The following points were noted:

- The project budget was accounted for within the current Estates Capital Plan, as approved by Court.
- Estates Committee had reviewed the business case and found it to be among the strongest it had considered.
- The New Darwin project would deliver the final phase of the previous 'Building a New Biology' (BaNB) project and, in so doing, would contribute to a number of strategic priorities, opening new possibilities in education, research and commercialisation in growth areas and also contributing to the decarbonisation of the University's estate.

PRC recommend to Court approval of funding to progress the project to completion.

## **8 Strategic Acquisition Update**

**Paper F**

PRC received a summary of recent changes regarding the proposed strategic acquisition of property.

PRC recommended to Court the submission of the proposed offer, subject to assurances, to be realised within the next Estates Capital Plan, that work would be conducted to review and rationalise the overall University estate.

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

## **9 Scottish Funding Council (SFC) Outcome Framework and Assurances Model**

**Paper G**

PRC noted information regarding new reporting and assurance arrangements for universities, as issued by the Scottish Funding Council.

## **10 Estates Committee Report**

**Paper H**

PRC noted the report.

## **11 Investment Committee Report**

**Paper I**

PRC noted the report.

## **18 Any Other Business**

The Convener noted that Audit & Risk Committee had proposed to invite members of PRC to a workshop planned for the spring of 2025.

## **19 Date of Next Meeting**

Monday, 11 November 2024, 09.30-12.00