

Minutes of the Finance and Services Standing Committee
4.30pm on Monday 4 November 2024
Braid Room, Charles Stewart House

Present: Almira Delibegovic-Broome, Convener, FSSC
Lucy Hunter Blackburn
Manya Buchan (online)
Kirsty MacGregor
Alan Ross
William Duncan, Secretary of the General Council
Gordon Cairns, Convener of the Business Committee
Bruce Nelson, Vice Convener of the Business Committee
Alison McNulty, Assistant Secretary of the General Council

In attendance: James Saville, Director of HR

1. Welcome and Introductions

The Convener welcomed the committee to the first meeting of the session, including new members Lucy Blackburn and Alan Ross, and invited James Saville to provide an update on HR and staffing matters.

This was a closed meeting and only FSSC members, Business Committee Office Bearers and secretariat were present.

2. Presentation by James Saville, Director of HR

- The Secretary and Convener had prepared a list of questions for Mr Saville, which were forwarded to him in advance of the meeting and the discussion centered on those areas;
- JS began by looking at the challenging context within which the University is currently operating, including geopolitical events, the financial pressures facing the sector from which Edinburgh is not immune, and the debate around Artificial Intelligence. He spoke about the unexpected costs with issues relating to Reinforced Autoclaved Aerated Concrete (RAAC) which continues to affect University buildings, and the resulting impact on teaching, research and student satisfaction;
- He remarked on the welcome progress made since his last presentation to the committee in March 2023, including a positive revaluation of the USS and local SBS pension schemes affecting the contribution rates for employees and employers, and reported that there has been no industrial action since the Marking and Assessment Boycott (MAB) in 2023, which has allowed the University to work more positively in partnership with local unions and make significant progress on a number of joint initiatives.

Hybrid/Flexible Working policy

- A review in early 2024 of hybrid working and its effectiveness concluded that the current policy was fit for purpose and a further review would take place in 3 years, unless there was a need to adapt sooner, because of the introduction of new UK government legislation;

- The University has an ongoing commitment to flexible working practices and JS highlighted how hybrid working policies have evolved, and how they are seen as a major draw for new starters. Some concerns about equity in flexible work policies were acknowledged, particularly around staff with disabilities and their capability to adjust to on-site work requirements, as well as the need to address changes in building utilisation, especially on Mondays and Fridays.

Recruitment “freeze”

- JS explained that it was a misnomer to refer to what was happening as a freeze, but given the need to reduce staff costs (due to reduced international student numbers and increasing operational costs) a more rigorous approach was being adopted to filling vacancies and there was a general ‘tightening’ of recruitment;
- The impact on remaining staff due to reduced recruitment was recognised, with the need to maintain staff morale and operational efficiency being balanced against efforts to achieve financial targets and set the organisation up for success as part of Strategy 2030;
- BN described the challenges of trying to predict where resource was most needed;
- JS explained the overall level of staff turnover was low because of the high standing and reputation of the University, and this made it challenging to deliver significant cost reductions purely through attrition, and some control on recruitment was needed;
- Plans to strategically manage spending without compromising on the quality of staff, particularly in research driven areas, were related to consideration of the future size and shape of the University. It may be necessary to suspend certain initiatives or programmes that are no longer sustainable or relevant.

Staff satisfaction and morale

- JS noted the following examples of recent positive action by the University:
 - Equalized annual leave, which has benefited staff on grades 1-5;
 - Staff are now allowed to carry forward 5 days leave which can be used throughout the following year instead of having to be taken by March;
 - Introducing a life cover scheme for NEST members;
 - 286 academic promotions were awarded in the last year;
 - Review of the pay grade scale in 2024 benefited the majority of staff and reduced 1% of the gender pay gap due to changes at grade 10; this was the first review since 2006 and there is an agreement with the Trades Unions to revisit progress much more regularly in future.
- The results of the next two-yearly staff survey are due in 2025 – looking to improve the low participation rate of the last survey (36%);
- There was some discussion relating to a possible correlation between staff and student satisfaction. Suggested taking a more holistic approach by looking at the high rates of student satisfaction in, for example, the Vet School, and focusing on activity taking place across the University that might encourage a similar sense of belonging. The Teviot student union building will not re-open until 2026, which presents a challenge in that respect.

Autumn 2024 Budget update

- There was positive news on research funding, but the University will be impacted by additional NI contributions from employers (2.1%);
- The minimal increase in student fees for next year announced after the Budget by the UK government could provide some financial offset to the extra NI costs but we are yet to see what approach the Scottish Government will take.

The Convener thanked JS for an interesting and encouraging presentation.

3. Apologies for absence

None.

4. Minutes from the meeting held on 21 May 2024

Members approved the minute from the meeting.

5. Matters arising from the minutes of 21 May 2024

Item 5.c: Protocol for General Council Involvement in University strategies

WD reported that a revised version retitled as a 'Practice Note' had been drafted by the former Convener of the Business Committee, Sir Philip Mawer, with the Secretary who will raise this with the University Secretary, Leigh Chalmers, at an appropriate time.

Action:-

Secretary to circulate a copy of the Practice Note to the committee.

6. FSSC's work plan 2024-25

- As Lee Hamill has recently resigned as Director of Finance, the committee will invite his interim replacement (when this has been announced) to the meeting in March 2025 to review the University's annual published set of report and accounts to 31 July 2024;
- The committee agreed that the final meeting of this session should focus on the University's digital infrastructure and that the Director of Estates could be invited to the first meeting of the next session in 2025-26;
- The Convener invited members of the Committee to consider future topics for FSSC to explore, and to feedback comments from each meeting to her and the Secretary, both in terms of any follow up actions the members would like to suggest, and in order to select appropriately the points to highlight in the Committee's report to the Business Committee. She reminded members to try to submit questions for the speaker in advance of each meeting, as that was helpful in structuring the discussion and in using the time with speakers effectively;
- Kirsty MacGregor raised the issue of online meetings for standing committees and expressed a strong preference for the committees to meet in-person;
- The Secretary explained that FSSC meetings would continue to take place in-person as these were restricted to FSSC members and office bearers, but for other standing committee meetings, which were open to all Business Committee members, it was more practical for them to be held entirely online, given the constraints on the size and availability of meeting rooms in Charles Stewart House.

- **Action:-**
- ***Invite Gavin McLachlan, VP and Chief Information Officer to the final meeting on 6 May 2025;***
- ***Secretary to send a farewell message, on behalf of the Business Committee, to Lee Hamill, who had been a regular contributor to meetings of FSSC during his time as Director of Finance.***

7. General Council Budget 2024-25

- Papers 2 and 3, circulated previously, gave a detailed statement of General Council operational budget receipts and payments for the year 2023/24; due to substantial expenses incurred for the June 2024 HYM and the more realistic cost of producing two editions of Billet, the budget allocation was almost fully spent;
- Operational Budget for 2024/25 remains the same as in previous years at £64k, despite budget cuts in other areas of the University;
- Costs in 2024/25 are likely to be similar to those in 2023/24; except that:
 - the allocation for a joint summer event at the Usher Institute with D & A/CMVM in 2025 will be capped at £10K;
 - if the Business Committee agrees at its December meeting to proceed with a digital alternative to Billet and no longer have an externally designed and printed version, the saving in cost of producing a summer Billet (around £15k) could be put towards a different project.

Action:-

The Secretary will provide FSSC with a more detailed budget at the meeting in March 2025.

8. Any other business

None.

9. Date of Next Meeting

The next meeting of FSSC will be held on Tuesday 4 March 2025 at 4.30pm in the Braid Room, Charles Stewart House.