

Approved Minutes

Present

Alex Hawtin	Independent Governor, Deputy Chair of Committee	AH
Prof Patricia Hind	Independent Governor, Deputy Chair of Committee	PH
Graham Raikes, MBE	Independent Governor, Chair of the Board	GR
Prof Claire Taylor	Vice-Chancellor	CT
Kate Doodson	Independent Governor	KD

In attendance

Will Mintram	Student Governor; President, Marjon Student Union (MSU)	WM
Duncan Swift	Independent Governor	DS
Simon Arthurs	Chief Operating Officer & Finance Director	SA
Jessamie Thomas	Governance Officer (note taker)	JT

1. Welcome, Apologies & Declaration of Conflicts of Interests

- 1.1 Chair of the Committee, Alex Hawtin, welcomed colleagues to the meeting. A warm welcome was extended to Vice-Chancellor, Prof Claire Taylor, to this her first Finance & Resources (F&R) Committee meeting and to Governor (Chartered Accountant) Duncan Swift. AH invited colleagues to introduce themselves.
- 1.2 Apologies were received from Co-opted Board Member, Katherine George and Deputy Vice-Chancellor, Prof Michelle Jones.
- 1.3 AH invited members to provide any updates to the Register of Interests, included in Part C. No new declarations were made.
- 1.4 AH invited governors to 'unstar' items from Part B. None were identified and they were taken as read.

2. To Receive an Update on Estates

- 2.1 AH invited SA to provide an update.
- 2.2 Confidential Notes of the New Student Residential Accommodation Workshop, held on 21 April 2023, with members of Estates Project Group (EPG) and external advisors, were contained within Part C, as was the campus 'options map'. SA summarised the position via a slide presentation.
- 2.3 The importance of the University having direct access to the documentation depository, to be held in an accessible list format, was noted. SA confirmed that discussions were progressing, with regard to the feasibility of options under consideration, to identify mutually beneficial opportunities. An update would be brought to the Board of Governors (BoG) within approximately six months.
- 2.4 The Committee thanked SA for the update.

3. To Receive an Update on Forecast Outturn 2022/23

- 3.1 The report was received. AH invited SA to present an overview. SA summarised the position via a slide presentation.
- 3.2 SA provided details of the investment budget which had been set for the year, the current financial position, rationale for any variations plus mitigation underway to address these. SA

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confirmed the work being done to tightly monitor budgets, particularly during the next 18 months. The Committee discussed key actions set out in SA's report so as to achieve the projected year-end position

- 3.3 SA reminded the Committee that an advance partial pay award would be received by staff (except for Senior Management Team [SMT]). Costs would be incurred through the future-focused workforce initiatives. SA explained that his analysis included an underlying restructuring budget in the accounts. SA noted that strain costs analysis was being requested from the pension provider. The proposal brought to the Committee was to offset costs via a £0.400m capital-revenue swap. SA provided an update on capital (including Capital Programme 2022/23, original capital envelope and revised allocation). SA responded to questions regarding capital expenditure, confirming that it was not the intent to rely on this as a lever to balance the books, but it was his recommendation given these particular circumstances. The Committee **AGREED** to recommend to BoG the £0.400m capital-revenue swap.
- 3.4 SA confirmed that Bank Covenant compliance was carefully monitored. SA noted that the 30-day rolling cashflow compliance risk was being carefully managed and was included in the Risk Register. Details would be included in the quarterly report.
- 3.5 SA provided an update on revenue - Schools' income and other income; cost assumptions; revenue summary. SA responded to questions to the Committee's satisfaction.
- 3.6 SA provided an update on cash, risk and budget control. The Treasury Management Balanced Scorecard was included at Appendix C and Key Risks at Appendix D.
- 3.7 SA provided rationale for the early closure of Marjon Tenancies Co Ltd. Drawing on attendees' professional expertise in these matters, the Committee discussed likely timescales. The Committee noted that closure should bring some financial benefit, but it did not have a particular view as to whether this should be accelerated so as to fall in the current year or continue as projected and fall in the next financial year. The Committee was happy to leave this with SMT to progress as appropriate.
- 3.8 The Committee thanked SA for the report and update.

4. To Receive an Update on Budget 2023/24

- 4.1 The report was received. AH invited SA to present an overview. SA summarised the position via a slide presentation.
- 4.2 SA invited Vice-Chancellor, Prof Claire Taylor, to share her vision of the University's priorities. These included shaping the academic offer, curriculum design, digital transformation, building research and knowledge exchange and leveraging partnerships. Delivery models and academic resource models were being reviewed, as were capacity for strategic planning and data insights. The budget would provide the baseline to underpin the development of the rolling three-year business plans, aligned to academic planning, curriculum development and resource modelling. CT invited questions. The Committee was content with the approach and thanked CT for her overview.
- 4.3 SA commented on areas highlighted in the slide presentation, noting key drivers and the likely operational model. The intent was to reach the point where budget setting was data-driven. A corresponding shift in resources would facilitate that approach. An economic model based on margin rather than turnover would in turn support contingency planning. SA

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provided an overview of the targeted approach which would be taken so as to manage the anticipated position. He confirmed that the budget planning was also taking into account 2024-25 scenarios.

- 4.4 SA explained the work being undertaken by Deputy Vice-Chancellor, Prof Michelle Jones, to develop a 10 year capital plan. SA was gathering information to inform the capital programme budgets and lifecycle replacement. It was noted that a significant project would be the resurfacing of the 3G sports pitch.
- 4.5 SA confirmed that the Peninsula Allied Health Centre (PAHC) would be vacated at the end of October. The building would be prepared for a return to Marjon's use, via the Office for Students (OfS) funded project.
- 4.6 The Committee discussed with SA the modelling options for the Teachers' Pension Scheme employers' rate. SA had noted it as a risk, recognising that the cost would not be insignificant, but a definitive figure had not yet been received.
- 4.7 The student recruitment position was discussed and data enclosed in the report was considered. SA provided an update on Marjon's continued Initial Teacher Training (ITT) accreditation and opportunities which this afforded. SA provided examples of the marketing team's personalised approach to converting interest to 'firm accept'.
- 4.8 Continuation and the approaches in place to support students in this respect, were discussed. SA responded to questions from the Committee regarding projections for specific areas of provision and the support which would be offered to students.
- 4.9 Curriculum review and analysis of the cost base would be carried out. SA provided information on the short course income area of growth and contribution rate. A reallocation of resources to some priority areas, in order to reduce the cost base, was taking place and an update would be brought to the next scheduled F&R Committee meeting (23.06.2023).
- 4.10 SA noted that Professional Services income and expenditure review was being undertaken.
- 4.11 SA noted that a new Bank Covenant would be issued for the start of the next financial year. SA commented on key differences to the current covenant, noting that it should align with OfS metrics.
- 4.12 The Committee thanked SA for the report and overview, confirming that it had provided a clear update on the current position and on the approach to setting the next year's budget.

Part B

The following report was received and approved:

- 5. **Minutes of Previous Meeting** (10 March 2023) were received as an accurate record and **APPROVED** with no amendments.

The following report was received for information:

- 6. **Matters Arising from Previous Meeting (14 November 2022)**

Part C

The following reports were received for information:

- C2 Notes of New Student Residential Accommodation Workshop 21.04.2023
- C Register of Interests

In closing the meeting, AH thanked attendees for their attendance and contributions.

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7. Reserved Business – *See RB minutes*

Close

In closing the meeting, AH invited colleagues to reflect upon whether discussions impacted on the current risk register or if changes were proposed. None were highlighted.