

Approved Minutes

Present

Mr Alex Hawtin (Chair)	Independent Governor	AH
Mrs Kate Doodson	Independent Governor	KD
Prof Patricia Hind	Independent Governor	PH
Mr Graham Raikes MBE	Independent Governor, Chair of the Board	GR
Prof Rob Warner	Vice Chancellor	RW

In attendance

Miss Lauren Edwards	Student Governor	LE
Prof Gary Shum	Academic Staff Governor	GS
Mr Simon Arthurs	Director of Finance	SA
Mrs Jessamie Thomas	Governance Officer (note taker)	JT

1. Welcome, Apologies & Declaration of Conflicts of Interests

- 1.1 Chair, Alex Hawtin, welcomed colleagues to the meeting, particularly Lauren Edwards, Marjon Student Union President, to her first meeting of the committee.
- 1.2 No apologies were received; all members were in attendance.
- 1.3 Written declarations of interest were noted in Part B. No additional declarations were made.
- 1.4 AH invited governors to unstar items from Part B for discussion; none were unstarred.

2. Minutes of the Previous Meetings

- 2.1 The minutes of the meeting held on 3 July 2020 (M5) were **APPROVED** as an accurate record with no amendments.
- 2.2 The minutes of the meeting held on 3 July 2020 (M6) were **APPROVED** as an accurate record with no amendments.
- 2.3 The minutes of the meeting held on 13 July 2020 (M7) were **APPROVED** as an accurate record with no amendments.

3. 2019/20 Financial Year End – headline position

- 3.1 The 2019-20 Financial Year-End Forecast (Period 10 April) report (restricted) was received. Simon Arthurs, Director of Finance, updated the committee on the headline draft outturn operational position, pre technical FRS102 adjustments. It was noted that an updated position would be presented to the Board of Governors (BoG) on 18 September 2020.
- 3.2 SA reminded the committee of the move being undertaken to a financial model where all annual costs would be covered by annual income, rather than cash reserves, irrespective of whether they were passing through the revenue budget or on the balance sheet.
- 3.3 SA went through the report in detail. The committee noted the year end total deficit of approximately £731k (before further provisions), compared with the forecast deficit of £873k. This deficit was operational (£31k) and debt principle (£700k). A loss would be showing on the University's investments, a position which the committee had discussed

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- previously. It was also anticipated there would be a loss on the pension valuation but this would be confirmed in October.
- 3.4 SA noted his view that this was a positive position borne out of a tight control on expenses and quick response to COVID-19. SA explained a range of reductions in non-essential spend which had contributed to the mitigation of the loss of income. Savings had been achieved through cost control and some deferral of spend.
- 3.5 SA reminded the committee of funds set aside to secure the campus against COVID-19. Indications were that additional funds would be needed. SA answered questions from the committee regarding the spend.
- 3.6 SA noted that bad debt provision for student fees was an area being analysed, and the University was keen to look at ways to support students for example by spreading debt repayments over a longer period than currently but not beyond the period of study.
- 3.7 It was noted that capital headroom had increased, although completion of 'in-flight' projects would bring this back closer to the forecast position.
- 3.8 The consensus from the committee was that this was a very good and reassuring position and reflected SMT's careful management and the subsequent prioritisation process for future business planning.
- 3.9 Prof Rob Warner commended SMT's calm and measured approach through the two phases of cost savings – planned (to achieve a balanced budget) and then imposed due to COVID-19 and viewed the outturn as a positive outcome. RW noted that staff morale had remained high through this difficult period and there had been positive engagement with unions through a period of restructuring. RW updated the committee on the challenges faced by others in the sector.
- 3.10 It was requested that communication be sent on behalf of the BoG to SMT and to staff, once the financial information was published, to thank them for their collective efforts.
ACTION: GR/RW
- 3.11 RW noted that he had circulated a video message to staff today to confirm that Marjon was in a steady position financially but must continue to be careful due to the unpredictability of the COVID-19 situation and the requirements which SAGE may instigate.
- 3.12 RW noted that he had also circulated a video to postgraduate students due to start their studies next week, to reassure them of Marjon's position. It was suggested that a sense of the University's robustness be conveyed to students, for example at upcoming Open Days, including a message from the Chair of BoG **ACTION: GR**
- 3.13 It was also suggested that developing a communications strategy for the local press around the University going from strength to strength be considered.
- 3.14 Lauren Edwards, MSU President and Student Governor, felt that students would welcome information on where their fees are spent including how their contribution to surpluses would benefit future cohorts (as they themselves were benefiting from their predecessors).
- 3.15 SA confirmed that the accounts would be finalised with the external auditor during October and brought to BoG in November. While the figures could not yet be shared widely, a positive narrative could.

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- 3.16 In response to a question, SA gave an update on Capex spend, and reminded the committee that the programme had been slowed down.
- 3.17 In response to a question about library cost savings, RW reassured the committee that the library was meeting students' needs effectively and most 'books' were digital (and 'COVID secure').
- 3.18 SA noted that paying debt back early, to reduce interest, was under consideration. The committee agreed that taking this approach could be helpful to pave the way for the introduction of major projects within the Campus Development Plan in the future.
- 4. To Receive a Briefing note on the Development of the Final Budgets (Capital & Revenue) for 2020/21**
- 4.1 The briefing note (restricted) was received. It set out the progress towards firming up some of the assumptions and savings contained in the July report.
- 4.2 SA and RW provided an oral summary of the recruitment position. The position was positive with late applications still being received. The most up to date comparable figures were as detailed on p1 of the report. RW noted that the majority of the University's income came from on-site students. Current indications were that recruitment would be on a par with the previous year. This was particularly positive given the demographic context, this year nationally having a low number of 18 year olds.
- 4.3 RW noted that he and LE had discussed a potential January 2021 start for new Masters courses.
- 4.4 Definitive student numbers would be reported to the November BoG meeting, when the final returns would be shared. For those unfamiliar with the financial cycle, SA explained that confirmation of the 2020/21 budget would also be required by the external auditors, to sign off the 2019-20 statement of accounts, so as to confirm that the University was a 'going concern'.
- 4.5 SA summarised the income position. He detailed the success of various initiatives, including: the food offer around campus; the relocation of the shop to a more prominent position; the installation of Amazon lockers; the sports centre offer. RW noted that the University had a contract with the council to keep the swimming pool open and flagged up potential ways for operating costs to be reduced.
- 4.6 SA noted potential sources of income, which had not been included in the budget presented in July 2020, which would be subject to scenario planning prior to accepting into the budget in November.
- 4.7 In response to a question about whether, in parallel with this budget a separate budget for a typical COVID scenario would be developed, SA confirmed that this would be a sensible approach. Unlike in 2019-20, it was likely that during future lockdowns students would remain on campus, which would present a different set of scenarios to model.
- 4.8 Regarding expenditure, SA confirmed that if there were to be a pay award the increased pension element had also have to be built in and that this was not budget, but would require further savings from the proposed list of actions contained in the briefing note.
- 4.9 SA flagged up the updated action plan and commentary.
- 4.10 SA highlighted changes to two items on the risk register.

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- 4.11 SA noted that the 'fishbone' diagram had been updated and would be newly presented to the BoG on 18 September 2020.
- 4.12 The committee was satisfied with the position and thanked SA and team for the work thus far.

5. Board of Governors Cycle of Business

- 5.1 The report was received. AH noted the reassurance that this provided, so that the committee could feel confident it had the opportunity to cover its wide remit of duties.

Close

In closing the main part of the meeting, AH thanked colleagues for their attendance and contributions.

6. Reserved Business – See RB minutes

Part B – for information only

The following were received for information with no queries:

- 7. Matters Arising from Previous Meetings
- 8. Microsoft Teams Meeting Protocol (draft)
- 9. Register of Interests