

Approved Minutes

Present

Prof Patricia Hind	Independent Governor, Deputy Chair of Committee	PH
Mr Graham Raikes, MBE	Independent Governor, Chair of the Board	GR
Mrs Kate Doodson	Independent Governor	KD
Prof Rob Warner	Vice-Chancellor	RW

In attendance

Miss Lauren Edwards	Student Governor; President, Marjon Student Union (MSU)	LE
Prof Gary Shum	Academic Staff Governor	GS
Prof Michelle Jones	Deputy Vice-Chancellor	MJ
Mr Simon Arthurs	Chief Operating Officer & Finance Director	SA
Mr Stephen Plant (for item 9)	University Secretary & Registrar	SP
Mrs Jessamie Thomas	Governance Officer (note taker)	JT

1. Welcome, Apologies & Declaration of Conflicts of Interests

- 1.1 Deputy Chair of the Committee, Prof Patricia Hind, welcomed colleagues to the meeting.
- 1.2 Apologies were received from Chair of the Committee, Alex Hawtin.
- 1.3 PH invited members to provide any updates to the Register of Interests which was included in Part B. No new declarations were made.
- 1.4 PH invited governors to 'unstar' items from Part B for discussion. None were identified and they were taken as read. Contributors were thanked for their reports.

2. To Receive an Update on Estates

- 2.1 PH invited Deputy Vice-Chancellor, Prof Michelle Jones, to provide an update.
- 2.2 It was noted that the Board of Governors (BoG) had received an oral Estates Updates from MJ at BoG M3 (25 March 2022). The notes of the Estates Project Group (EPG) meeting held later that day were contained in Part C. MJ provided a high level summary, covering the following: staffing; the revised project approval process; the successful claiming of Salix grant funding.
- 2.3 MJ also provided details of the design planning taking place so as to utilise space in line with the principles of the Campus Development Plan.
- 2.4 MJ confirmed that the new halls feasibility study was underway, which would serve to provide an informed position from which to continue discussions on funding arrangements.
- 2.5 The Committee noted that the full condition and structural survey of the halls had been received. Some expenditure would be required for the older halls to continue to be operational and this had been built into the estates capital planning programme.
- 2.6 The Committee thanked MJ for the update and was satisfied with the position.

3. To Receive the Digital Strategy

- 3.1 The report was received. PH invited SA to present an overview.
- 3.2 SA summarised the approach which had been taken to inform this first draft of the Digital Strategy, noting with thanks the input of two Board members with particular digital

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expertise. SA confirmed the work which he and Pro Vice-Chancellor (Academic) had carried out in conjunction with key internal stakeholders, which would lead to a new digital matrix of Marjon Digital.

- 3.3 The three key lenses of the Strategy were highlighted.
- 3.4 The Strategy set out the digital ambition of the University and SA confirmed that funds had been allocated to reflect its strategic focus. The Vice-Chancellor, Prof Rob Warner, noted challenges in the regional IT recruitment market which may impact on the budget allocation required.
- 3.5 While the Strategy would cover 2021-2025, RW confirmed that it would be reviewed during this time. RW explained that the objective was to establish a durable framework which would flex appropriately with the changing landscape. MJ confirmed that the action plan would be regularly updated. The Committee agreed that further refinement of the Strategy should take place as appropriate, suggesting a review by F&R Committee in approximately six months' time. **ACTION: SA**
- 3.6 The inclusion of a further pillar encompassing social media, Customer Relationship Management (CRM), the website, data and insights was suggested.
- 3.7 It was suggested it could be useful to focus further, perhaps at the first review stage, on the upskilling of students and staff to support their agility in the digital space.
- 3.8 The Committee noted that the Strategy would inevitably result in the repositioning or reprioritisation of some staffing roles.
- 3.9 It was suggested that incorporating an estates touch point into the review may be beneficial, as would considering further the Strategy's alignment with the estate.
- 3.10 It was suggested than an external annual review of the Strategy to keep pace with digital innovation across the sector would be beneficial. **ACTION: SA**
- 3.11 The Committee thanked SA for his report and **APPROVED** the Digital Strategy.

4. To Receive the Cyber Security Policy

- 4.1 The report was received. PH invited SA to present an overview.
- 4.2 SA reminded the Committee that the University's approach to promoting cyber security had previously been set out within the IT policy. This standalone policy reflected the recognition of an increased cyber security threat facing the sector. SA summarized the approach which had been taken in its formulation, including a values-based narrative. It was noted that the Response Plan would flex appropriately as the required response evolved.
- 4.3 It was suggested that the training and preventative elements could be made more prominent. It was suggested that the provision of mandatory training for students, including support to help them better understand potential threats would be helpful, recognising that students could be victims or perpetrators. It was also suggested that evaluative work around the efficacy of training would be beneficial. RW suggested that the Board of Governors (BoG) receive an appendix detailing the training being delivered. **ACTION: SA**
- 4.4 It was recommended that a budget be allocated to monitor the service and that consideration be given to paying a retainer to a company able to support disaster recovery.
- 4.5 It was suggested that a review of insurance cover for cyber threats would be important.
- 4.6 It was suggested that further detail around the role of JISC be incorporated into the policy.

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- 4.7 Following discussion, the Committee **AGREED** to recommend to Audit Committee that, while cyber-security should continue to be audited as part of the regular cycle, careful assessment of the level of expertise within the auditing team should be undertaken, noting that specialists may need to be hired.
- 4.8 The Committee thanked SA for his report and **APPROVED** the Cyber Security Policy.
- 5. To Review the University's Borrowing Arrangements**
- 5.1 The report was received. PH invited SA to present an overview.
- 5.2 SA reminded the Committee of the approach taken by the University to secure financial resilience.
- 5.3 It was noted that a range of options would continue to be explored regarding the financing of the campus development. SA updated the Committee on the campus valuation and potential borrowing levels and arrangements, which would support the acquisition of the Studio School from the Department for Education (DfE), at a price which had now been approved. Testing of the bank covenant was being carried out against a range of scenarios. At BoG M3, it had been noted that F&R Committee would research a loan option to cover the acquisition and potentially also cover the cost of developing the Quad Terrace.
- 5.4 SA provided high level information around the cost, affordability and implications for cash management of taking out a loan and the securing of assets against this to minimise risk and protect cash resilience.
- 5.5 In response to a question as to whether borrowing would impact on published metrics, SA confirmed that reportable events related not to borrowing but to breach of covenant or insufficient liquidity, neither of which applied to Marjon.
- 5.6 In response to questions from the Committee, SA confirmed that while the University had rent agreements, it did not have leases. MJ provided details of the Studio School's capacity and potential utilisation and highlighted the opportunity around the skills agenda and the lifelong learning loan entitlement which this would enhance, together with the development of programmes.
- 5.7 Following discussion, F&R Committee **AGREED** that a summary proposal should be prepared for BoG, to formally approve the purchase in principle. This would set out the strategic rationale for the acquisition, reflecting BoG consensus which had been evident for a number of years. **ACTION: SA**
- 5.8 SA confirmed he would seek to contractualise an exchange and completion process with the DfE to provide assurance over the University's intent. **ACTION: SA**
- 5.9 F&R Committee **AGREED** that a more detailed report would follow, to provide financing options and recommendations. It would show the tabulation of timescales required to satisfy the DfE, noting the Land Registry and banking processes which would also need to be accommodated. It would be shared initially with the Chair and Vice-Chancellor, then on to F&R Committee for approval (at a virtual meeting or by email, as determined by the Committee) then on to BoG for formal approval by email, with an invitation to raise questions with the Executive. **ACTION: SA**
- 5.10 SA was thanked for his report and update. The Committee was satisfied with the position and with the proposal to seek BoG approval in two stages: formal approval in principle for the acquisition, followed by formal approval of the detail of financing and timescales.

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6. To Consider the Management Accounts

- 6.1 The report was received. PH invited SA to present an overview.
- 6.2 SA provided further commentary to the Committee on the headline figures within his report. SA explained to the Committee's satisfaction how the position was being managed. It was noted that the deferral of some projects had been necessary, so as to support headroom and protect the cash balance. SA confirmed the work which was being done to support the messaging around this, to manage expectations where projects were deferred. RW noted that the timely return of unspent budgets, where surplus to requirements, was being required.
- 6.3 SA confirmed that the forecast was tracked and scrutinised on a monthly basis and variations were checked to assess whether they were foreseeable. It was noted that at year end, £3.5m of Salix funding would be included in the revenue account, which would move the position notionally from a deficit to surplus. However, SA reminded the Committee that this would be presentational as cash would come out of the balance sheet. This would be discussed further in the autumn when the financial accounts were brought to the Board.
- 6.4 SA was thanked for his report and update. The Committee was satisfied with the position.

7. To Discuss Budgets (Revenue and Capital) and Business Planning Update

- 7.1 The report was received. PH invited SA to present an overview.
- 7.2 The Committee received an update from SA on the progress and plans to produce a 3-year medium term financial plan for the Board in July 2022.
- 7.3 SA confirmed that revenue budgets were being built up. Key assumptions were contained within the report. SA confirmed that the revenue income projection had been assessed and would be subject to sensitivity analysis for fee income.
- 7.4 The capital plan first draft had been reviewed and would be subject to further scrutiny.
- 7.5 The Committee noted the importance of continuing to focus carefully on cashflow and cash resilience through this period of strategic investment.
- 7.6 SA was thanked for his report and update. The Committee was satisfied with the position.

8. To Consider Financial Regulations 2022-23

- 8.1 The report was received. PH invited SA to present an overview.
- 8.2 SA reminded the Committee that the first part of the Financial Regulations was strategic in content, followed at Appendix 1 by Financial Limits and Appendix 2 Financial Procedures.
- 8.3 The Committee noted that Audit Committee had approved the Financial Regulations at its meeting in March 2022.
- 8.4 The Committee was appraised of minor changes to the Financial Regulations compared with the previous version, to reflect changes in Senior Management Team (SMT) membership. It was noted that the Financial Regulations also referenced changes to the University's approach to the reimbursement of the staff memberships to professional bodies and also to reinforce the requirement for the Chief Operating Officer & Finance Director or Head of Finance to conduct the HMRC IR35 test of employment v contractor to ensure compliance with tax requirements.

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- 8.5 Financial Regulations 2022-23 were **APPROVED** and would be brought to BoG for approval.
8.6 SA was thanked for his report.

9. **To Receive Marjon (South West) Ltd Accounts**

University Secretary & Registrar, Stephen Plant, joined the meeting for this item.

- 9.1 The report was received. PH invited SA to present an overview.
9.2 The Annual General Meeting of the Board of Marjon (South West) Limited was convened, its Directors being Prof Rob Warner, Mr Graham Raikes and Company Secretary Mr Stephen Plant.
9.3 The Directors considered and **APPROVED** the annual accounts, which would be filed at Companies House by 30 April 2022. **ACTION: SA/SP**
9.4 The strategic future of the business would be considered in due course.
9.5 SA was thanked for the report. RW and SP were thanked for their contributions. The AGM was closed.
SP left the meeting.

10. **To Receive the Health & Safety Action Plan**

- 10.1 The report was received. PH invited SA to present an overview.
10.2 The Committee scrutinised the Health & Safety action plan prepared by the Chief Operating Officer & Finance Director and the Health, Safety & Risk Compliance Manager.
10.3 SA reminded the Committee that the Health & Safety Policy had been approved by the Board of Governors in March 2022. The University used an external Health & Safety consultancy for support, advice and peer review. The University was exploring ways to enhance training and staffing capacity.
10.4 It was noted that the Health & Safety annual report would be presented at the next Finance & Resources Committee meeting.
10.5 In response to a question, the Committee received assurance that the safety and welfare of students, staff, contractors, suppliers, visitors and other third parties remained of paramount importance and there were no incidents of concern to bring to the Committee's attention.
10.6 SA was thanked for his report.

Close

In closing the main part of the meeting, PH thanked Lauren Edwards and Gary Shum for their attendance and contributions.

11. **Reserved Business – See RB minutes**

Close

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

Part B

The following reports were received and approved:

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12. **Minutes of Previous Meeting** (21 January 2022) were received as an accurate record and **APPROVED** with no amendments.
13. **Committee Effectiveness**
 - 13.1 The report was received. Committee Terms of Reference and Membership were **APPROVED**. The Chair and Deputy for 2022-23 were confirmed: Alex Hawtin and Prof Patricia Hind.
 - 13.2 Survey responses had highlighted as a priority the recruitment of committee members with financial expertise. GR requested colleagues' support in identifying potential candidates; this had also been discussed by BoG following consideration of the skills audit and diversity objectives. **ACTION: ALL**

The following were received for information with no queries:

14. **Matters Arising from Previous Meeting (21 January 2022)**
15. **Investment Update**
16. **Insurance Assurance Report**
17. **Report on Library Provision**
18. **MSU Audited Accounts**
19. **Strategic Risk Register (F&R Risks)**
20. **HESES Student Return 2021-22**
21. **Register of Interests**

Part C

The following report was received for information with no queries:

- C2 Notes from Estates Project Group (EPG) M3 (25 March 2022)