

Approved Minutes

Present

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
Reena Bajaj	Co-opted Board Member	RB
Kate Doodson	Independent Governor	KD
Duncan Swift	Independent Governor	DS

In attendance

Prof Michelle Jones	Deputy Vice-Chancellor	MJ
Simon Arthurs	Chief Operating Officer & Finance Director	SA
Katy Willis (Items 1-4)	Pro Vice-Chancellor, Student Success	KW
Liam Williams	Deputy President, Marjon Student Union (MSU)	LW
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. A particular welcome was extended to Reena Bajaj, Co-opted Board Member, and to Liam Williams, Deputy MSU President, to the first Finance & Resources (F&R) Committee meeting of their tenure.
- 1.2 Apologies were received from Katherine George, Co-opted Board Member.
- 1.3 PH invited members to provide any updates to the Register of Interests, included in Part C. RB reminded colleagues that she would withdraw from the meeting for any discussions around the University's investments, to avoid any potential conflict of interest.
- 1.4 PH invited governors to 'unstar' items from Part B for discussion. None were identified and they were taken as read.

2. To Receive an Update on Student Population Data

- 2.1 The report was received. PH invited Pro Vice-Chancellor, Katy Willis, to provide an update. KW introduced herself; the VC suggested that bringing student population data reporting into the main part of the F&R Committee agendas should be the approach going forward.
- 2.2 KW's report provided an update on the student numbers position, areas of challenge and areas of growth. The report set out the market context, student population, further actions for the year, considerations and context for 2024. CT noted that the data generated by this approach to reporting would allow for a better understanding of student behaviour, to then create a clearer link between numbers and finances and also allow a more proactive approach regarding engagement, retention and interventions.
- 2.3 With regard to current challenges, KW confirmed that managers were briefed and engaged in addressing these. There was evidence that the cost of living challenges were having a significant impact on recruitment and retention; KW gave regional examples of these. A retention dashboard was being developed to analyse this further, with a retention task force meeting monthly. KW noted that some Higher Education Institutions (HEIs) were offering bursaries to support students through cost of living challenges, which may be helpful for

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Marjon to consider, although sourcing the appropriate funding route had not yet been identified.

- 2.4 KW noted areas where there was strong interest and growth, including some late starts to courses which may see additional growth in recruitment.
- 2.5 The Committee noted that the financial implications of the student population data conclusions contained some areas of risk, as laid out in finance reports alongside other non-student-population-based impacts.
- 2.6 The Committee discussed the Government's narrative and its potential impact on student recruitment. In response to a question as to what other routes were being followed, KW noted that more people were staying on in colleges, moving directly into the workplace, meeting needs for example of supporting small businesses in rural communities; with regard to the latter, the Committee reiterated the importance of pursuing digital solutions.
- 2.7 In response to a question regarding how the Committee could be assured that lower retention was not an indicator of teaching quality or experience, KW summarised the student feedback mechanisms which consistently indicated a strong level of satisfaction. Exit conversations highlighted the challenge of juggling too many commitments, in a cost of living crisis, and not being able to cope.
- 2.8 It was suggested that a review of student support mechanisms, to rethink current roles and provide a personal coach, could be beneficial, notwithstanding the significant additional pressures this would put on resources.
- 2.9 The Committee asked how effective the manual systems were, for example in recording attendance, meeting of deadlines and engagement indicators. KW confirmed that data was captured but the priority going forward lay in data analysis and report generation.
- 2.10 It was noted that retention had been a key issue for employers post-pandemic, with recruitment of talent proving difficult; that heat had reduced but retention was still critical; it was suggested that there could be an opportunity to explore employer-supported study as a growth area, for example employers offering time off and study support to maintain staff engagement. It was suggested that the forum of a business show could be seen as an opportunity to pitch to employers as well as building its brand and reputation with visitors. Vice-Chancellor, Prof Claire Taylor and Deputy Vice-Chancellor & Provost, Prof Michelle Jones, confirmed that 'business to business' propositions were under discussion.
- 2.11 MJ commented on the apprentice agenda and apprenticeship levy and the curriculum design review which would focus on skills and employability. MJ also commented on the block delivery approach which was being considered as part of the curriculum review, with a view to providing manageable chunks of study, thereby improving retention.
- 2.12 The strength of the regional opportunity in teacher training and education was noted.
- 2.13 The Committee thanked KW, CT and MJ for the update.

3. To Receive the Draft Audited Financial Statements (Statutory Accounts) 2022-23

- 3.1 **Reserved Business** - *See Reserved Business minutes.*
- 3.2 The report was received. PH invited Chief Operating Officer & Finance Director, Simon Arthurs, to provide an overview, which SA presented via a slide presentation.
- 3.3 SA reminded the Committee that a deficit 'investment budget' had been set. The position showed a significantly less favourable position than anticipated, an operating deficit of

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£2.366m (versus the budget deficit of £1.114m). The Committee explored carefully with SA the rationale for this, noting factors which had led to an unexpected loss between period 10 and period 12.

- 3.4 The Committee discussed the cashflow position, noting the University's obligations with regard to the bank's debt cover covenant and the OfS cash resilience liquidity benchmarking, which now showed heightened sensitivities.
- 3.5 The sign-off of the financial statements would require the External Auditors' assessment that the financial statements represented a true record (which was the position). The External Auditors' confirmation of the University's going concern status would also be informed by the 12 month cashflow assurance (from the date of signing the financial statements). SA confirmed the work which was taking place to confirm this position noting that it was dependent on being able to make changes swiftly. SA confirmed that the Audit Committee would receive the draft financial statements and External Auditors' report at its meeting on 14 November 2023, with the letter of representation to follow, and, would have the opportunity to discuss this further with Internal and External Auditors, for approval and onward recommendation to BoG at the appropriate time.
- 3.6 The Committee discussed the implications of the financial statements being incomplete, and how this would be managed and communicated to the relevant parties.
- 3.7 SA reminded the Committee that the gain on the pension position was a notional figure, linked to the financial markets and revalued at year-end along with the pension service cost, both of which were non-cash items. There had been minimal movement compared with the draft budget position.
- 3.8 SA confirmed that the University had continued to create positive 'earnings before interest tax, depreciation and amortisation' (EBITDA) although this was much lower than in prior years.
- 3.9 The draft audited financial statements (statutory accounts) 2022-23, while not yet complete, were **APPROVED**, in so far as they were a true and fair record. However, given that they were incomplete, the Committee sought assurance from SA of the work required to finalise these, particularly with regard to liaising with the bank around the loan covenant. SA confirmed to the Committee his awareness of the OfS and Companies House filing protocols and deadlines. SA would bring the updated financial statements to this Committee, Audit Committee and BoG for approval. **ACTION: SA**
- 3.10 The Committee thanked SA for the presentation and update.

4. To Receive the Draft Final Budgets (Capital and Revenue) and Final MSU Budget for 2023-24

- 4.1 **Reserved Business** - See *Reserved Business minutes*.
- 4.2 PH invited SA to present an overview, which he did via a slide presentation.
- 4.3 SA provided 2023-24 background context. He reminded the Committee that a draft interim Revenue breakeven budget for 2023-24 with a £0.7m digital investment fund had been agreed by BoG in July 2023. The Committee noted analysis of the 2023-24 budget current position, with some areas still being finalised. SA provided an overview of the work being done to deliver a balanced budget, yet leave scope to invest in digital transformation and restructuring costs.

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- 4.4 In the context of careful examination of the University's operating costs, it was noted that the cost of governance should be included in this, to establish whether the same quality could be achieved at a lower cost, for example, by reviewing reimbursement of travel, accommodation or subsistence allowance.
It was subsequently reported that savings of approximately £1,750 had been identified by reducing the catering provision and equipment hire for the BoG meeting and Strategy Day, two events taking place later in the month; further control would continue.
- 4.5 It was suggested that income sources could also be reviewed and new avenues explored, for example the Church of England, alumni association or charitable donations/legacies.
- 4.6 SA shared summary analysis of the 2023/24 student population and the corresponding impact on income modelling assumptions.
- 4.7 With regard to the 2023/24 capital position, the Committee noted the 'live projects' and the phased approach to capital expenditure allocation for other projects and the possibility of deferring capital if this was necessary to protect cashflow in the short-term. A 10-year capital strategy was being drawn up.
- 4.8 SA shared with the Committee the timeline of key steps required so as to finalise the budgets and the actions which would be taken to finalise these. Key risks and opportunities were discussed. SA highlighted the possibility of needing to cash investments or seek an overdraft arrangement and having the authority to do so.
- 4.9 The Committee was satisfied with the actions being taken to manage the position and looked forward to receiving an updated position at the BoG meeting later in the month.
- 4.10 The Committee noted that the Marjon Student Union Budget for 2023-24, £135,261 had been approved in July 2023.
- 4.11 The Committee thanked SA for the presentation and update.

*A 5 minute break was taken at this point.
Kate Doodson and Katy Willis left the meeting.*

5. To Confirm the Approach to Office for Students (OfS) Returns

- 5.1 The report was received. PH invited SA to present an overview.
- 5.2 SA summarised the contents of the report, noting that it covered the reporting timeline, proposed scrutiny and sign off requirements for the following OfS returns: Recurrent Funding Monitoring; Capital Funding Monitoring; Annual Financial Return (AFR); Transparent Approach to Costing (TRAC).
- 5.3 The Committee noted that completion of the returns entailed a significant amount of planning, for example around metrics, inflation, pay award and the updating of the cost drivers base every three years, notwithstanding Marjon qualifying for a small university exemption. It was noted that the responsibility for signing off the AFR lay with the Chief Accounting Officer (the Vice-Chancellor), as had been the case historically, although sign-off by the BoG had also been required in recent years. So, although not now a requirement, in order to ensure oversight, the Chair of the Board signalled that both F&R Committee and Audit Committee would review the assumptions and submission, prior to the Vice-Chancellor's approval. The Committee agreed that this was a transparent and logical

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approach and GR confirmed that for completeness he would surface this at the November BoG meeting so that the full BoG could confirm its support for the approach.

- 5.4 The Committee **AGREED** with the approach as set out in the report.
- 5.5 SA was thanked for the report and update.

6. To Receive an Estates and Digital Update

- 6.1 PH invited MJ and SA to present an overview.
- 6.2 MJ and SA referenced the papers contained in Part C, which had been considered by the Digital & Physical Infrastructure Group (DPIG) at its meeting the previous month.
- 6.3 The Capital Plan was discussed, noting that requests far exceeded the provisional budget and would need to be carefully prioritised and managed.
- 6.4 DPIG had discussed the need to consider the changing priorities regarding student residential accommodation, so as to reflect student needs, profiles and numbers. The size and shape of the University would become clearer as the Marjon 2030 strategy was refined.
- 6.5 DPIG had discussed the Peninsula Allied Health Centre (PAHC) refurbishment project, most of which was being financed by an OfS grant, which needed to be spent by March 2025. It was confirmed that cashflow modelling was being undertaken.
- 6.6 MJ noted that DPIG had discussed renewables, water leaks and the active management of RAAC.
- 6.7 With regard to the digital remit of DPIG, updates were provided on recruiting to the Chief Digital, Data and Technology Officer role and also to identifying to appropriate Microsoft partner, which so as to move forwards would be done via the framework rather than tender. KD's offer of professional support in this area was noted. A skills package for staff digital development was being rolled out.
- 6.8 In response to a question around occupancy levels, MJ confirmed that analysis was being conducted regarding efficiency and utilisation of buildings across campus. Design work was taking place for the Studio School, with the intent to occupy this by Sept 2024; the PAHC building was unoccupied pending refurbishment. In response to a question around other potential sources of short let income, MJ confirmed that these were being explored.
- 6.9 MJ and SA were thanked for their report.

Part B

The following report was received and approved:

- 7. Minutes of Previous Meeting (Interim 6 July 2023) were received as an accurate record and **APPROVED** with no amendments.

The following reports were received for information:

- 8. **Matters Arising from Previous Meeting**
- 9. **Finance Update**
- 10. **Marjon Student Union Summary of Accounts**

Part C

The following reports were received for information:

- C6 Notes and Reports from Digital & Physical Infrastructure Group (DPIG) M1 17.10.2023:
 - 10-Year Capital Plan Review

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- Digital Update
- Notes of Meeting

C Register of Interests

In closing the main part of the meeting, PH thanked attendees for their attendance and contributions.

11. Reserved Business – See RB minutes

12. 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. The Committee felt that the risks were appropriately reflected in the Risk Register.