

Approved Minutes

Present

Prof Patricia Hind	Independent Governor, Chair of Committee	PH
Graham Raikes, MBE	Independent Governor, Chair of the Board, Deputy Chair of Committee	GR
Prof Claire Taylor	Vice-Chancellor	CT
Reena Bajaj	Co-opted Board Member	RB
Katherine George	Co-opted Board Member	KG
Duncan Swift	Independent Governor	DS

In attendance

Prof Michelle Jones	Deputy Vice-Chancellor & Provost	MJ
Stephen Plant	University Secretary & Registrar	SP
Kevin Dixon	Interim Assistant Finance Director	KD
Sarah Boyd	Student Governor; President, Marjon Student Union (MSU)	SB
Jessamie Thomas	Governance Officer (note taker)	JT

1. Welcome, Apologies & Declaration of Conflicts of Interests

- 1.1 Chair of the Committee, Prof Patricia Hind, welcomed colleagues to the meeting. A particular welcome was extended to Kevin Dixon, Interim Assistant Finance Director.
- 1.2 Apologies were received from Kate Doodson (Governor) and Prof Mark Llewellyn (Co-opted Board Member).
- 1.3 PH invited members to provide any updates to the Register of Interests, included in Part C. No new interests were declared.
- 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 a Financial Update

- 2.1 The report was received. PH invited Vice-Chancellor, Prof Claire Taylor, to provide an overview.
- 2.2 CT noted that the paper highlighted the broad context and key risks.
- 2.3 The Committee was aware that submission of the Office for Students (OfS) returns was pending final approval of the financial statements (which the Board of Governors (BoG) had conditionally approved on 30.01.2024), which was dependent on receipt of the bank's waiver letter (see item 3).
- 2.4 CT noted that the student growth forecasts had been prudently based on Higher Education Students Early Statistics (HESES) average reported data over the past four years. These reflected the baseline from the 2022-23 outturn and formed the basis of the case for the bank and OfS going forwards.
- 2.5 The Committee noted that the Annual Financial Return (AFR) workbook was contained in Part C for information. The Chair of the Board of Governors (BoG), (accountant), Graham Raikes MBE, would conduct a final check of this prior to submission, to provide a further layer of assurance to the financial scrutiny taking place. **ACTION: GR/JT** The Committee noted the revised OfS filing deadlines.

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- 2.6 With regard to the AFR narrative, the Committee discussed how margins compared with the historic profile of courses and margins. MJ confirmed the modelling which underpinned these forecasts, which would be carefully monitored.
- 2.7 CT explained the purpose of the Transparent Approach to Costing (TRAC) return, which allowed broader sector wide comparisons on real costs for undertaking university activity and gave an understanding of where there was cross subsidy.
- 2.8 The Committee discussed the University's growth plans, including the international forecast growth, and sought assurance that these were realistic.
- 2.9 The Committee asked further questions around the five year summary, revenue and expenditure analysis and specifically around costs and whether these were appropriately matched to the projected revenue growth and timed appropriately.
- 2.10 The Committee wished to be assured of the level of financial expertise within the University's staff, including the finance team and budget holders. The scheduling of regular finance briefings with Executive Leadership Team and also budget holders was noted.
- 2.11 CT confirmed that rigorous analysis of student data and course finance was moving forward at pace, and was part of the bank's covenant requirements. The objective was to generate a reforecast at mid-year point.
- 2.12 Reflecting on the report's narrative around student experience, the Committee received assurances from CT on how issues would be addressed.
- 2.13 The Committee thanked CT, MJ and KD for the update.

3. To Confirm Bank Covenant and Loan Term Approval

- 3.1 The report, with three appendices (indicative terms; fee quote Feb 2024; acceptance letter) was received. PH invited CT to provide an overview.
- 3.2 CT provided a contextual update, noting that the revised loan terms were summarised in the cover report and set out in the Indicative Terms/Appendices. CT asked the Committee to carefully consider the report and appendices, particularly around debt cover, cash flow, cash limit. Operational leverage covenants had been tightened up. Security against titles had been discussed with the University's legal advisors earlier in the week and it was noted that, with regard to any request from the bank for additional security over other property titles, as long as there had been full disclosure of the other charges that exist, it would be up to the bank as to whether they would seek to renegotiate the natural order of priority.
- 3.3 The Committee noted that the final terms were still subject to negotiation, and the purpose of seeking approval at this meeting was to secure the waiver letter.
- 3.4 The Committee noted that the re-valuation of the campus would be impacted by the presence of Reinforced Autoclaved Aerated Concrete (RAAC); the bank was aware that RAAC had been identified.
- 3.5 Following careful consideration, the Committee **AGREED** to:
 - 1. Recommend that the Board of Governors (BoG) authorise 'the transaction', as set out in the Barclays Bank Indicative Terms.
 - 2. Recommend that BoG certify Vice-Chancellor, Prof Claire Taylor and University Secretary & Registrar, Stephen Plant as the two executive officers, as per the Acceptance Letter.
 - 3. Recommend that BoG authorise Graham Raikes to re-sign the letter of representation, dated to align with waiver letter.

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- 3.6 The Committee **AGREED** the wording of the resolution to be sent to the BoG, to seek their approval by email, noting that the full BoG had been kept fully informed of the position, including most recently at an Extraordinary BoG meeting on 30.01.2024:

RESOLUTION OF BOARD OF GOVERNORS

The Finance & Resources Committee of Plymouth Marjon University's Board of Governors, at its scheduled meeting on Friday, 9 February 2024, considered and approved 'the transaction', specifically the Barclays Bank Indicative Terms and Pinsent Masons fee quote, for onward recommendation to the Board of Governors.

Following this, on Friday, 9 February 2024, the Board of Governors received and considered the same documentation relating to 'the transaction', specifically the Barclays Bank Indicative Terms and Pinsent Masons fee quote.

The Board of Governors **AGREED** to authorise the transaction.

The Board of Governors **AGREED** that Prof Claire Taylor and Stephen Plant should be the two University Officers authorised to sign the certificate, set out as a schedule to the Barclays Bank Indicative Terms.

- 3.7 The Committee was content with the position and thanked CT for the report.

A 5 minute break was taken at this point, during which Governance Officer, Jessamie Thomas, emailed the BoG members, to seek their approval of the above Resolution.

4. To Receive Marjon (South West) Ltd Accounts

- 4.1 The report was received. PH invited University Secretary & Registrar Stephen Plant to present an overview.
- 4.2 The Annual General Meeting of the Board of Marjon (South West) Limited was convened, its Directors being Prof Claire Taylor and Graham Raikes; Company Secretary was Stephen Plant.
- 4.3 The company was currently not active. Its strategic future would be considered in due course, noting that, the board could choose to simply undertake a strike off process in relation to this subsidiary.
- 4.4 The Directors considered and **APPROVED** the annual accounts, which would be filed at Companies House by 30 April 2024. **ACTION: SP/JT**
- 4.5 SP was thanked for the report. The AGM was closed.

5. To Receive an Estates and Digital Update

- 5.1 The report was received. PH invited MJ to present an overview.
- 5.2 MJ referenced the papers contained in Part C, which had been considered by the Digital & Physical Infrastructure Group (DPIG) at its meeting the previous month. Additionally, there was a RAAC Medication Update.
- 5.3 MJ noted that DPIG had carefully reviewed the Peninsula and Allied Health Centre (PAHC) building refurbishment project. MJ provided a contextual update and information on cost

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estimates and the careful budget management and value engineering which was taking place. It was noted that the contract had been separate out into enabling works and main contract. MJ detailed the responses which had been received and the objective of issuing the preferred bidder stage of the award within the next 10 days.

- 5.4 MJ confirmed her awareness of the University's financial regulations indicating that any purchase over £500k required the approval of the Chair of BoG.
- 5.5 MJ confirmed her confidence in working within budget, through further value engineering. MJ confirmed the University's adherence to key grant-funding compliance requirements.
- 5.6 The Committee commended those involved and suggested that the news be communicated to DPIG, the wider BoG, stakeholders, to highlight investment in the campus. **ACTION: CT**
- 5.7 It was noted that DPIG had discussed capital priorities in the context of a limited capital funding regime for the next three to four years. Priorities included mitigating the RAAC risk (as set out in the paper in Part B) and, in this context, CT gave assurances that health and safety was the utmost priority.
- 5.8 DPIG would hold a workshop to discuss two overlaying dynamic matrices, a cost versus opportunity matrix and a cost versus risk matrix to help generate an approach to prioritisation of capital investment, in both the physical and digital estate. The Committee noted that this would be fundamental to student experience.
- 5.9 MJ was thanked for the report and update.

Part B

The following report was received and approved:

6. Minutes of Previous Meeting (M1 3 November 2023) were received as an accurate record and **APPROVED** with no amendments.

The following reports were received for information:

7. **Matters Arising from Previous Meeting**
8. **HESA Return**
9. **Papers from DPIG 31.01.2024**
 - Minutes M1 17.10.2023
 - Capital Programme
 - Dix Hall of Residence
 - RAAC Mediation Update

Part C

The following reports were received for information:

- C2 AFR Workbook
- C2 Transparent Approach to Costing (TRAC) 2022-23 Workbook
- C Register of Interests

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

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

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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.

Acknowledging the ongoing support of the Committee and the financial expertise in its membership, CT thanked Committee members for their support and challenge.

The Chair thanked Jessamie Thomas, Governance Officer for her work.