

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
Kate Doodson	Independent Governor	KD
Katherine George	Co-opted Board Member	KG
Duncan Swift	Independent Governor	DS

In attendance

Will Mintram	Student Governor; President, Marjon Student Union (MSU)	WM
Sarah Boyd	Student Governor and President, MSU (Designate)	SB
Prof Michelle Jones	Deputy Vice-Chancellor	MJ
Simon Arthurs	Chief Operating Officer & Finance Director	SA
Jessamie Thomas	Governance Officer (note taker)	JT

The meeting commenced with an item of Reserved Business – *please see RB minutes*

1. Welcome, Apologies & Declaration of Conflicts of Interests

- 1.1 Deputy Chair of the Committee, Prof Patricia Hind, welcomed colleagues to the meeting. Student Governor, Will Mintram, was thanked for his contributions to the Board and University, at this his last meeting. MSU President designate, Sarah Boyd, was welcomed as an attendee. Duncan Swift was welcomed to his first meeting as a Committee member.
- 1.2 Apologies were received from Alex Hawtin, Committee Chair.
- 1.3 PH invited members to provide any updates to the Register of Interests, included in Part C. Members noted that PH was a Trustee of the British Psychological Society and Chair of the Education and Training Board. These would be added to the Register 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 Estates Update

- 2.1 PH invited Deputy Vice-Chancellor, Prof Michelle Jones and Chief Operating Officer & Finance Director, Simon Arthurs, to provide an update.
- 2.2 The report had been discussed by the Estates Project Group (EPG) the previous week and a campus tour arranged. Updates on major projects and strategically important areas of activity were presented. The 10-year space-planning and capital update was presented for discussion and agreement in principle. An appendix provided visual examples of spaces from other HEIs.
- 2.3 MJ provided an update on how water leaks and high pressure were being addressed.
- 2.4 The Committee noted that EPG recommended giving the Chair of the Board, Graham Raikes MBE, authority to move ahead at the optimum time to sign a new energy deal, mindful that the current contract ran until 30/09/2023 and moving quickly to secure the optimum price would be important. F&R Committee **AGREED** with this proposal. Duncan Swift, Governor and accountant, offered to discuss the approach to this further with SA.

Approved Minutes

- 2.5 The Committee noted the update on renewables and the ongoing focus to improve renewable energy sources on campus.
- 2.6 The Committee noted the update on the PAHC project and OfS funding monitoring, noting that the premises would be vacated by October 2023 and the building refurbished to create a Health and Wellbeing Hub. Procurement, design, delivery and the construction timeline were noted.
- 2.7 The Committee noted the rationale for exploring access control and the duty placed on organisations by recent legislation. A digital access control system was being trialled. A report on the cost of the library access installation would come to a future meeting.
- 2.8 The Committee noted the approach of the Hall of Residence refurbishment programme.
- 2.9 In the context of estate management data, the Committee discussed the need to establish a 10-year space planning and capital plan that supported strategic priorities around growth, while also maximising the University's assets. Practical delivery would be facilitated by the accrual of the PAHC building and Studio School into the estate, thereby freeing up other spaces sequentially to allow for redevelopment, subject to funding and review of high level costings.
- 2.10 Capital Planning Boundaries would be set for how capital expenditure would be utilised; the capital window would need to grow in line with income growth. The Committee suggested that communications around the broad plan for refurbishing and redeveloping the campus (including creating areas for students living off-campus) could be helpful, with users' feedback invited as and when specific projects were launched.
- 2.11 The 10-year space-planning and capital update was **AGREED** in principle. The Committee thanked MJ and SA for the update.

3. To Review the Strategic Risk Register (F&R Risks)

- 3.1 The report was received. PH invited SA to provide an update.
- 3.2 SA noted that financial risks within the Strategic Risk Register were regularly reported to this Committee. Sector-wide, key risks were recruitment, financial resilience and cyber-security. SA went through points of interest and notable changes, with further analysis presented at item 6, budget 2023/24. The full Risk Register would be considered by Audit Committee and BoG.
- 3.3 The Committee thanked SA for the update.

4. To Receive the Health & Safety Annual Report, approve the Policy and approve the Statement of Intent

- 4.1 The report was received. PH invited SA to present an overview.
- 4.2 SA confirmed that there were no material issues to report from the Health & Safety Executive (HSE) perspective.
- 4.3 The Health & Safety Policy and Statement of Intent were **APPROVED**. Chair of BoG requested that for the July BoG meeting, the Statement of Intent be brought into Part A.
- 4.4 The Committee thanked SA for the update.

5. To Consider the Management Accounts

- 5.1 The report was received. PH invited SA to present an overview.

Approved Minutes

- 5.2 SA reminded the Committee that an investment deficit budget had been set. SA provided analysis of the current position. The Committee discussed student numbers and fees, partnership income, Schools' income and other income. Cost assumptions were discussed and estate-related costs as discussed at item 2 were contained in the report.
- 5.3 It was noted that the University had kept prices down in Marjon Stores, to support students during the cost of living crisis. An action had arisen from the BoG meeting in March to review communications around this, which SA was following up.
- 5.4 The Committee noted that the Capital Programme represented the capital envelope plus in-flight projects brought forward. SA provided information on how this was being managed. Following discussion, the Committee **APPROVED** the £400k capital to revenue swap. This recommendation would be brought to the BoG. A small amount of capital headroom would be retained.
- 5.5 The Committee requested an update on the loan which was being taken out to fund the Studio School purchase and requested that this be finalised as soon as possible.
- 5.6 SA summarised analysis contained in the appendices, regarding student numbers, revenue budget, treasury management and risk.
- 5.7 SA confirmed that the forecast year-end position in relation to cash, cash equivalents and balance sheet resilience had successfully been passed through the bank covenant (current and proposed) and would continue to be carefully monitored, along with the OfS rolling cashflow requirement.
- 5.8 SA confirmed the key actions being taken by SMT to reach the planned position by year-end.
- 5.9 SA was thanked for his report and update.
- 6. To Consider the Draft Budget Proposals (Capital and Revenue) for 2023-24**
- 6.1 The report was received. PH invited SA to present an overview.
- 6.2 SA provided national and sector context, threats and opportunities.
- 6.3 SA reviewed the previous year's budget-setting position and discussed analysis of variations for this year and how the anticipated gap would be addressed. Non-staff spend had been reviewed; staff spend would be carefully managed and discussed further with managers. Investment in the digital agenda, as well as learning and development and planning and data would be essential.
- 6.4 Student recruitment analysis across all areas of provision was discussed.
- 6.5 Analysis of contribution by School was discussed. Data would be triangulated and curriculum design and delivery would be reviewed. SA confirmed that a more sophisticated approach to data capture would be helpful in this respect. In response to a question, Vice-Chancellor, Prof Claire Taylor, gave an overview of the approach to curriculum modelling which she envisaged taking place.
- 6.6 Cost assumptions were reviewed, including a pension scheme update from the Department for Education.
- 6.7 SA confirmed that cash continued to be carefully managed to ensure resilience; the bank covenant affordability had been tested successfully.
- 6.8 The impact of the proposals was presented in the summaries, bringing the financial position together and outlining the impact on the cash and cash equivalents and balance sheet resilience.

Approved Minutes

- 6.9 Key risks were detailed in the paper, and highlighted by SA.
- **To Consider and Recommend Student Fees 2024-25**
- 6.10 SA presented the proposed Student Tuition Fees 2024/25 for the Committee's consideration and approval. SA reminded the Committee that the UK government capped the annual fee that English universities were permitted to charge UK undergraduate students; they had been set at £9,000 in 2012 and had been frozen at £9,250 since 2017; in real terms, this placed a considerable burden on HEIs. The proposal to increase those fees which the University set, by between £1,250 and £1,500 per annum, was discussed. The Committee was satisfied with the proposal and Student Tuition Fees for 2024/25 were **APPROVED**.
- **To Consider and Approve Marjon Student Union (MSU) Annual Financial Support**
- 6.11 It was noted that the MSU was an autonomous charity, yet financially and constitutionally accountable to the University. The Committee noted the MSU budget position, forecast and grant request. The Committee recognised the work of the MSU to support students and thanked the MSU for preparing a breakeven budget, which in real terms, given inflation, represented a reduction in spend. It was noted that the University's financial contribution to the MSU went far beyond the annual grant, by delivering activities which student unions in other HEIs would self-fund. SA confirmed that his team would work with the MSU to improve income and resilience over a three year business planning cycle.
- 6.12 The Committee felt it important to signal the BoG's support of the MSU and recognise the cost of living challenges faced by students, and accordingly **APPROVED** the full amount requested by the MSU, £0.135m, which SA and team would help the MSU work up into a three year planning cycle.
- 6.13 The Capital Budget for 2023-24 was discussed. SA reminded the Committee of the capital envelope which was proposed and the principles underpinning its allocation. A detailed Capital Plan would be finalised over the next month.
- 6.14 The Committee requested an update at an interim meeting the following week to confirm budget proposals ahead of the July BoG meeting. SA noted the areas which the Committee wished to review further. JT would contact Committee members to establish their availability.
- 6.15 SA was thanked for his report and the SMT for their update.
- 7. To Receive the Financial Regulations**
- 7.1 The report was received. PH invited SA to present an overview.
- 7.2 Following discussion around minor changes to the Financial Regulations, which were being proposed so as to strengthen these and also incorporate some more practicable delegations, the Committee agreed these were pragmatic. The Committee requested that the mechanism for write-offs should also be incorporated. **ACTION: SA**. On this basis, the Committee **AGREED** to recommend the draft 2023/24 Financial Regulations for approval by BoG.
- 7.3 SA was thanked for his report and update.

Part B

The following reports was received and approved:

8. Minutes of Previous Meeting (Interim 22 May 2023) were received as an accurate record and **APPROVED** with no amendments.

Approved Minutes

The following reports were received for information:

9. Matters Arising from Previous Meeting

Part C

The following reports were received for information:

- C Register of Interests
- C Office for Students (OfS) Guidance for the Annual Financial Return 2023
- C Notes of Estates Project Group meeting 01.02.2023; Confidential Notes of EPG Workshop 21.04.2023

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

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.