

### Approved Minutes

#### Present

Prof Mark Llewellyn	Independent Governor, Chair of Committee	ML
Graham Raikes, MBE	Independent Governor, Chair of the Board of Governors (BoG), Deputy Chair of Committee	GR
Prof Claire Taylor	Vice-Chancellor	CT
Kate Doodson	Independent Governor, Joint Deputy Chair of BoG, Chair of Digital & Physical Infrastructure and Transformation Committee (DPIT)	KD
Eugene McCrossan	Co-opted Member of Committee	EM

#### In attendance

Liam Williams	Student Governor; President, Marjon Student Union	LW
Prof Michelle Jones	Deputy Vice-Chancellor and Provost	MJ
Ann Holman	Chief Operating Officer	AH
Karl Smith	Executive Director of Finance	KS
Jessamie Thomas	Governance Officer	JT

#### 1. Welcome, Apologies & Declarations of Conflicts of Interests

- 1.1 Chair of Finance & Resources (F&R) Committee, Prof Mark Llewellyn, welcomed colleagues.
- 1.2 No apologies were received; all members were present.
- 1.3 ML invited members to provide any updates to the Register of Interests, included in Part C; none were declared.
- 1.4 ML read out a confidentiality statement, based on wording contained in the Governor Affirmation and Governors' Handbook, to remind Board colleagues and attendees of their duties in this regard.
- 1.5 ML invited governors to 'unstar' items from Part B for discussion. No items were identified and the reports were taken as read.

#### 2. To Receive a Student Population Data Update

- 2.1 The report was received. ML invited Deputy Vice-Chancellor and Provost, Prof Michelle Jones, to lead on this item.
- 2.2 MJ summarised the position. Variations since the last report were discussed, as was correlation with the evolving integrated financial model (IFM) (now in its ninth iteration) and comparison with the equivalent period in the previous year. The Committee discussed the overall student population and trends, and analysis of taught, registered and transnational education (TNE) provision. MJ summarised the anticipated position to be set out in the June report. The Committee discussed in detail the domestic recruitment position, the impact of targeted marketing and level of resource available.
- 2.3 In response to a question, MJ confirmed that firm accepts were on track and in line with IFM v9. The model was evolving in line with increasingly robust, confirmed metrics. MJ confirmed the robust and prudent approach which then carried through into the financial forecasting.

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- 2.4 In response to a question, MJ explained how RAG-rated thresholds had been set. MJ confirmed that, going forward, the narrative would highlight any future trends where the Committee's strategic oversight would be required. **ACTION: MJ.**
- 2.5 The Committee discussed UKVI requirements and restrictions. MJ confirmed that an internal audit had been commissioned to provide assurance over compliance and risk mitigation with regard to regulations covering international student recruitment. Following discussion, the Committee was content with the robust and prudent approach being taken. With regard to ensuring assurance, transparency and appropriate oversight of mitigation, the Committee requested a paper for the next meeting, to set out any potential risk or exposure, to also be presented at Board level. This should include the impact of visa refusal rates on international activity and revenue streams. **ACTION: MJ** The Committee felt assured that the robust and transparent approach aligned with recent learnings for the HE sector from the Gillies Report, which the Vice-Chancellor Prof Claire Taylor, confirmed would be referenced in her next report to BoG.
- 2.6 MJ was thanked for the report.
- 3. To Receive the Management Accounts and Year-End Update**
- 3.1 The report, comprising: management accounts; balance sheet period 9 (P9), 13-week cashflow 07.04.2025; costs and benefits analysis of non-operating expenses was received. ML invited Executive Director of Finance, Karl Smith, to lead on this item.
- 3.2 KS presented the position to year-end (31 July 2025). The report provided a contextual introduction, the forecast overall financial position for 2024/25 and the financial position P9 compared with the previous year. It was noted that the Bank received this same report as per quarterly reporting requirements. The Committee discussed the detailed analysis of income streams. The Committee noted that increased student numbers coupled with stringent cost control, indicated an improved position compared with that set out in IFM v8. The Committee discussed and commended the Executive Leadership Team (ELT) on the increasingly robust data feeding into the model; this had allowed forecasts to be refined through the year and ELT was commended on the positive variance captured in the management accounts.
- 3.3 The Committee requested that, for enhanced clarity of governance, a dashboard summary of compliance with the bank covenants under the rolling credit facility should be made prominent at the start of each report. **ACTION: KS**
- 3.4 KS confirmed that staff costs were being carefully controlled, noting favourable variance compared to the same period 2023/24. KS summarised staff cost savings which had been achieved via the voluntary severance exercise. KS provided the rationale behind increased student-related costs, noting that these would be offset by additional income. KS highlighted the impact of the one-off in-year expenditure associated with the Health & Wellbeing Hub (HWH), funded by a capital grant.
- 3.5 The Committee discussed with ELT their mechanism for controlling spend and whether this could be devolved. CT felt that the system was well-embedded and effective, acknowledging that University Directors and Deans would be trained for future engagement with this process. The positive impact of this stringent cost control on cashflow was discussed and CT confirmed that regular executive meetings with Prompt Strategies took place to assess the position and any variances to the IFM.

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- 3.6 The Committee discussed with AH savings being achieved via Operation:Excellence, the transformation plan and commended the work being done in this area.
- 3.7 The cashflow position, as set out in the 13-week cashflow forecast, was discussed. The Committee interrogated the full cashflow analysis appended to the report. It was suggested that further narrative be included in future reports regarding the integration of the 13-week cashflow and 12 month model. **ACTION: KS** KS confirmed that in due course, ownership of the modelling instigated and supported by external consultants Prompt Strategies would be taken on by the University.
- 3.8 KS provided an overview of the capital expenditure position. The Committee received assurances regarding the delivery of the Health and Wellbeing Hub (HWH) which was being carefully managed and was on track and within financial parameters.
- 3.9 The Committee commended KS and ELT on their work.
- 3.10 KS was thanked for the report.

#### **4. To Receive and Approve:**

- **i. Proposed Budget (Income and Expenditure) 2025-26**
- **ii. Investment Spend (and reporting mechanisms)**
- **iii. MSU Annual Financial Support**
- **iv. Student Fees 2026-27**

- 4.1 The report was received. ML invited CT and KS to lead on this item.
- 4.2 CT summarised the budget position, noting the shift to a small surplus which would allow the University to move to a stage of identifying modest investment in people, process and technology, informed by the Marjon 2030 Strategy, its annual strategic priorities and also by the Strategic Risk Register. This position would eliminate the need for overdraft drawdowns, ensure covenants were met and secure an improved cash position to support future investment.
- 4.3 KS provided further context behind the proposals predicated on IFM v9, which reflected strong but achievable growth. Associated risks were acknowledged and carefully monitored via the Strategic Risk Register. KS summarised ongoing work to refine the model, including careful analysis of the contribution of the taught provision and professional services costs. ELT's work to develop commercial strategies to diversify income and spread risk were discussed. The cumulative savings which Operation:Excellence initiatives would deliver, through improvements in people, processes, and technology, were assessed.
- 4.4 KS emphasised the importance of embedding cost controls, leveraging technology to improve efficiency, and enriching staff roles.
- 4.5 The Committee discussed in detail the revised position captured in IFM v9 and rationale for key variances compared with IFM v8. Assurance regarding the prudence of growth plans was discussed in some detail, including overlays and areas of risk mitigation. In response to questions, MJ provided further information on student number modelling, which ELT confirmed represented prudent analysis regarding adjustments, retention, potential loss of partner students (in line with DfE and OfS consultations and registration requirements) and how risks would be mitigated. The Committee requested a form of RAG-rating or categorisation to help Governors understand where the budget reflected cautious forecasting and where it was more optimistic, particularly across different time horizons.

**ACTION: KS**

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- 4.6 MJ confirmed that IFM v9 was predicated on an evidence-based approach. In response to points of challenge from the Committee regarding student number forecasts, MJ provided examples and emphasised the prudence of assumptions. Reflecting further on findings of the Gillies Report, the Committee requested that ELT prepare a slide for the Board of Governors (BoG) to set out how the budget had been developed, to create a clear narrative with absolute consistency across plans, forecasts and communications. **ACTION: ELT**
- 4.7 To provide further assurance, the Committee requested that at F&R M1, stress-testing of the IFM, with scenario planning to assess best-case and worst-case outcomes, be conducted. In particular, the Committee would wish to seek assurance on the University's ability to respond effectively should significant risks materialise—such as delays or failures in partner registration with the OfS. CT confirmed that this would be worked on through the summer, with F&R invited to be involved in preparatory work at F&R M1 and ahead of the November Strategy Day; it also tied back into the Risk Register, which would be an area of focus on the Strategy Day. **ACTION: ELT** ELT reiterated the intrinsic value of the IFM as a strategic tool to support informed decision-making and readiness for a range of sector risks.
- 4.8 The Committee discussed key projected growth areas, seeking assurance regarding registered and TNE student numbers. The Committee anticipated this growth correlating with cash development, noting the good cost containment mechanisms and business opportunities in partnerships and international recruitment which were being carefully managed.
- 4.9 The proposed Budget (Income and Expenditure) 2025-26 was **APPROVED**. Investment Spend and reporting mechanisms were noted.
- 4.10 With regard to MSU Annual Financial Support, the Committee noted the proposed contribution for 2025-26, £130,000. This had been set in collaboration with MSU, noting that BoG's Student Governor, Liam Williams, was both President of MSU and Chair of Trustees. This represented a 4.7% reduction in line with University-wide cost control measures. The University would continue to support MSU to explore revenue generation opportunities. The ancillary benefits which MSU received, for example regarding services, accommodation, facilities, were discussed, as was the fact that the University ran the sports provision rather than this being integral to MSU operations. The Committee **APPROVED** the grant for onward recommendation to BoG.
- 4.11 With regard to Student Fees 2026-27, the Committee was aware that the government set the maximum fees which universities could charge, under the Higher Education and Research Act 2017. It was noted that these had not yet been set for 2026-27.
- 4.12 CT and KS were thanked for the report and update.

### **5. To Receive a Finance Update**

- 5.1 The confidential report was received. ML invited AH to lead on this item.

5.2- *Text redacted on grounds of commercial sensitivity.*

5.7

- 5.8 AH was thanked for the report.

### **6. To Receive and Approve the Financial Regulations and Procedures**

- 6.1 The report was received. ML invited KS to lead on this item.

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- 6.2 KS summarised updates, which the Committee agreed were not material. A further review would take place in 2025-26. The Committee was content with the position.
- 6.3 Financial Regulations and Procedures 2025-26 were **APPROVED**.
- 6.4 KS was thanked for the report.

#### **7. To Receive and Approve the Health & Safety Statement of Intent**

- 7.1 The report was received. ML invited AH to speak to the report.
- 7.2 Following discussion, the Health & Safety Statement of Intent was **APPROVED**.
- 7.3 AH was thanked for the report.

#### **Part B**

The following report was received and approved:

- 8. Minutes of Previous Meeting (M3 07.03.2025) were received as an accurate record and **APPROVED** with no amendments.

The following reports were received for information:

- 9. Matters Arising from Previous Meeting
- 10. Financial Statements 2024/25 – Assurance Report

#### **Part C**

The following reports were received for information:

- C Office for Students (OfS) – AFR Notice  
Register of Interests

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

#### **Close**

ML invited colleagues to consider whether any of the meeting's discussions impacted on the current Risk Register; no new risks were identified.

In closing the meeting, ML thanked colleagues for their contributions. The Committee thanked GR for his service to this Committee, noting that this was the last F&R Committee meeting of his tenure.