



BOARD OF GOVERNORS 2019/20
Finance & Resources Committee M4
10 June 2020, 10.00, Microsoft Teams

Approved Minutes

Present

Mr Alex Hawtin (Chair)	Independent Governor	AH
Mrs Kate Doodson	Independent Governor	KD
Ms Claire Gibson	Independent Governor	CG
Prof Patricia Hind	Independent Governor	PH
Prof Michelle Jones	Deputy Vice-Chancellor	MJ
Mr Graham Raikes MBE	Independent Governor, Chair of the Board	GR

In attendance

Mr Simon Arthurs	Director of Finance	SA
Mr Geoffery Gulzar	Student Governor	GG
Mr Stephen Plant	University Secretary & Registrar	SP
Prof Gary Shum	Academic Staff Governor	GS
Mrs Jessamie Thomas	Governance Officer (note taker)	JT

For item 6

Mr John Bailey	Director of Estates & IT Infrastructure	JB
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MAIN MEETING – all in attendance

1. Welcome, Apologies & Declaration of Conflicts of Interests

- 1.1 Chair, Alex Hawtin, welcomed colleagues to the meeting, including Deputy Vice-Chancellor, Prof Michelle Jones.
- 1.2 Apologies were received from Vice-Chancellor, Prof Rob Warner.
- 1.3 No conflicts of interest were declared.
- 1.4 It was requested that item 10, Matters Arising, be unstarred from Part B. The committee noted that Chair's approval had been given to withdraw investment funds. The committee requested that this be noted at the Board meeting 17 July 2020, with an update on where funds would be placed. Any change in strategy would require Board approval. **ACTION: SA**

2. Minutes of the previous meeting (24 April 2020)

- 2.1 The minutes were received as an accurate record and approved with no amendments.

3. To consider the Management Accounts

- 3.1 The report for Period 9 (April 2020) was received. Director of Finance, Simon Arthurs, summarised the position. SA reminded the committee that a break-even budget had been set but carried high levels of uncertainty. The position (-£0.623k) was a slight improvement on the previous period (-£0.649k), but a further weakening (by £200k-£300k) was evident due to COVID-related factors. SA confirmed that maximum effort was being made to manage the deficit.
- 3.2 SA explained that the revenue position would be improved by some revenue spend being moved to capital. Staff were being trained regarding bulk buying/capital thresholds.
- 3.3 SA confirmed the objective of holding the high level cash flow as close to £6m as possible.
- 3.4 SA confirmed that IT investment was proceeding, to support the return to campus and home-working. SA noted that the sector was looking at professional services teams working from home until early 2021 to create capacity for temporary classroom space. Best utilisation of space planning for students' return was being assessed.
- 3.5 SA confirmed that the consultancy element of the Quad project would be finished, in order to close off the planning stage. A note would be included in the annual accounts.
- 3.6 SA provided background to the pressure arising from the Flavour Project. SA confirmed that the draft Financial Regulations would include greater oversight of funding applications.
- 3.7 In response to a question as to whether personal protective equipment (PPE) would see adjustments in spend, SA confirmed that a capped cost centre had been set up to capture this, and other similar spend.
- 3.8 The amber risk judgement regarding severance was highlighted by the committee. SA confirmed that some budget remained. An overspend would be possible, given the benefit to come the following year. Individuals' pay back/affordability would be analysed.
- 3.9 SA confirmed that the HMRC furlough application had been approved. Its value was relatively low and 10% provision on its value had been included for contingency planning.

4. To Receive a Briefing note on the Development of the Draft and Final Budgets (Capital and Revenue) for 2020/21 and medium term forecasts to 2022/23

- 4.1 The committee requested that this item be deferred to an additional meeting (ahead of the next Board meeting) in order to consider the briefing note/slides tabled by SA. **ACTION: SA/JT**

5. To Receive an Update on the Financial Regulations and Financial Strategy

- 5.1 Acknowledging the length of the draft Fin. Regs 2020-21, SA noted the intention to condense, with detail at back-end, to have a more structural set of financial regulations to support the financial strategy. COVID-19 had interrupted this; work would continue in the year ahead.
- 5.2 SA noted key changes: a reduction in micromanagement; University Secretary & Registrar to be an additional signatory where required; more explicit guidance around budget management; greater definition regarding the split between estates and finance; clarity regarding purchasing, to effect value for money; guidance on procurement.
- 5.3 The committee noted that SA had strengthened the element on credit control, and IR35.
- 5.4 SA confirmed that greater emphasis would be placed on budget holder training and accountability and gave examples of how this would be embedded.
- 5.5 Responding to a question regarding whether there was a default position on software systems purchased by departments, SA confirmed there would be a gateway managed by John Bailey, Director of Estates & IT Infrastructure.
- 5.6 Regarding procurement, SA confirmed there was an approved suppliers list and training would signpost budget managers to a local supply chain through the procurement network. A portal for purchasing and procurement was being considered as well as the frameworks.
- 5.7 AH commended SA on the progress made to date to be sure Fin. Regs. provided strong control yet a practical framework. The committee noted that the Fin. Regs. would go to Audit Committee, then Board 17 July 2020. SA confirmed that Fin. Regs. could be updated in-year.

6. To receive the Annual Report on Estates

- 6.1 Director of Estates & IT Infrastructure, John Bailey was welcomed to the meeting and his report was noted.
- 6.2 JB provided background to the annual estates management return, submitted to Higher Education Statistics Agency (HESA), reporting on over 450 data fields. Stephen Plant noted that the return was no longer statutory, but universities were strongly encouraged to engage with it (at extra cost) with the data published in league tables.
- 6.3 JB confirmed there had been little change in the past year; total property costs had come down slightly, from £3.8m to £3.7m.
- 6.4 JB noted the biggest difference was the reduction in Capex spend in Estates, from £2.9m to £647k; SMT was aware of this.
- 6.5 JB went through the AUD 2019 report, comparing spend with other universities, a useful reference point, alongside Tribal data. Deputy Vice-Chair, Michelle Jones, noted that it was a useful tool that reinforced the Marjon strategy being on track. GR noted that in the past it had been used as an evidence trail and leverage for funding

- 6.6 JB confirmed the definitions: A – as new; B – sound, operationally safe and exhibiting only minor deterioration; C – operational but major repair or replacement needed; D - inoperable or serious risk of major failure or breakdown. JB confirmed that, regarding the Campus Development Plan, the full strip back and refresh from the frame of the building would move Marjon to condition A. A lighter touch fit out would push the campus up to a B. JB confirmed that residential buildings were not in condition D, although a couple of rooms were, and had been taken out of service.
- 6.7 JB was thanked for his report and left the meeting.

7. Committee Effectiveness; Committee Membership; Committee Terms of Reference

- 7.1 Committee Effectiveness: referencing the questions posed in the committee effectiveness paper, which would be emailed to members, GR urged colleagues to reflect on the purpose of meetings and how best to achieve this. **ACTION: ALL**
- 7.2 There was discussion as to whether shorter meetings impacted on depth of coverage and decision making and whether separating straightforward decisions from discussion items – ‘asynchronous decision making’ – might be an option, or holding purely administrative meeting, or meetings with a single item agenda. There was consensus to trial different approaches including virtual meetings lasting longer than one hour. **ACTION: JT**
- 7.3 AH noted the importance of focusing on core deliverables of F&R, and felt that concise meetings had been effective and necessary.
- 7.4 MJ’s reasonable expectation was that most Board meetings would remain virtual until at least January. MJ felt that virtual meetings were effective; perhaps greater frequency with shorter duration would work well.
- 7.5 The benefit of ‘away days’, with other meetings remaining virtual, was discussed. GR noted that an outdoor meeting on campus would be beneficial and give a more palpable sense of the impact of Board decisions. MJ noted that the COVID-19 budget allowed for the creation of some outdoor teaching spaces, which were deemed safer, which could be used.
- 7.6 SA noted that this was a period of transition, and encouraged the mapping out of a plan for the year, highlighting which areas would need engagement, which decision. He noted the value of working groups.
- 7.7 Committee Membership: it was noted that Stephen Plant would be an attendee of this committee. From July 2020 there would be a vacancy for Deputy Chair. AH invited colleagues to consider putting themselves forward. AH thanked outgoing Deputy Chair Claire Gibson for her support and counsel. **ACTION: ALL**
- 7.8 In reply, CG noted the co-operation between the Estates Development Task Group (of which she was Chair) and this committee. CG flagged up the omission of the CDP from this agenda, and urged the committee to consider how it would formulate its formal recommendation to the Board.
- 7.9 CG urged the committee to further analyse the affordability of the CDP’s 15 year plan to give a degree of confidence to the Board that it could be delivered. It was suggested that a high level financial report be prepared showing funding options. **ACTION: SA**

- 7.10 GR recommended that questions posed by the Vice-Chancellor in his CDP priority criteria presentation should also be discussed by this committee.
- 7.11 In view of the above, the committee **AGREED** that further discussion and formalisation of the committee's recommendation would require an additional meeting. **ACTION: JT**
- 7.12 Committee Terms of Reference: no comments were made regarding the slightly amended document (one addition), to be considered by the Governance & Nominations Committee.

8. To Receive and Note Meeting Dates for the Year

- 8.1 The committee noted the schedule, and as discussed at 7.2 would support a flexible approach in 2020-21. Extending virtual meetings beyond one hour would be trialed.

Close

In closing the main part of the meeting, the Chair thanked Geoffery Gulzar and Gary Shum for their attendance and contributions. The committee joined AH in wishing GG all the best, this being his final meeting.

Part B – for information - noted

10. Matters Arising

This paper had been unstarred and discussed at Item 1.4.