



BOARD OF GOVERNORS 2019/20

Finance & Resources Committee M2

24 January 2020

Approved Minutes

Present

Alex Hawtin (Chair)	Governor	AH
Ms Kate Doodson	Co-optee	KD
Ms Claire Gibson	Governor	CG
Mr Graham Raikes MBE	Governor, Chair of the Board	GR
Prof Rob Warner	Vice-Chancellor	RW

In attendance

Mr Simon Arthurs	Finance Director	SA
Prof Gary Shum	Academic Staff Governor	GS

From item 7 onwards

Mr John Bailey	Director of Estates and IT Infrastructure	JB
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1. Apologies and Declaration of Conflict of Interests

- 1.1 Apologies were received from Patricia Hind (Governor) and Geoffery Gulzar (Student Governor).
- 1.2 No conflicts of interest were declared.

2. Minutes of the previous meeting (16 October 2019)

- 2.1 Item 5.8 is incorrectly worded. CG had queried whether narrative surrounding future plans should be reviewed rather than an additional review. It was agreed that 5.8 would be removed.

3. Matters Arising

- 3.1 SA updated the committee on changes of personnel within the Finance team explaining that this had led to some papers being unavailable for this meeting.
- 3.2 SA informed the committee of his plans to transform the University Accounts into a stand-alone document. This would then form as a University wide annual report and would be driven by the University Strategic Plan.
- 3.3 SA noted that Finance KPI's have not yet been completed but will be drafted once there is capacity within the team and will then be reviewed by AH, GR and RW before being circulated to the committee.
- 3.4 It was agreed that item 8.4 would be a future agenda item.

4. TRAC and TRAC (T) return prior to Submission to OfS (31 January 2020)

- 4.1 OfS returns are nearing completion. TRAC needs to be submitted through the OfS Portal following the Board's approval. The deadline for this is Friday 31st January. Going forward, a Board Committee will need to formally approve the return and therefore F&R Committee meetings will need to align with this. The Committee will also require approval from the Board that it can approve future returns.

ACTION: SA to ensure that this is in line with the F&R Terms of Reference.

The ToR are due to be revised over the summer and need to explicitly state that annual sign off

and any other financial returns by the OfS can be granted by F&R and then reported to the Board.

- 4.2 RW noted that it was crucial that OfS deadlines are met.
- 4.3 The Committee agreed to receive a copy of the return by email.

ACTION: SA to circulate the TRAC (T) return to all members of the Committee by email.

- 4.4 Once submitted, the OfS will audit and compare with our other submissions.

- 4.5 The TRAC (T) return is used to drive a benchmark for research funding and focuses on the cost of teaching by subject group. It then allows a benchmark group to compare our costs to teach a particular subject compared to other Universities in the group.
- 4.6 At present, our surplus is being turned into a loss however debt finance and depreciation costs have stabled.

5. Student recruitment

- 5.1 RW noted that 2020 is the lowest point in the demographic downturn and will accelerate again in 2022.
- 5.2 A third of applications are made to UCAS between now and May.
- 5.3 It was noted that even in the weakest year our numbers are improving. Currently 2618 applications have been made compared to 2372 applications at this time last year. Early indication is very positive with a growth for onsite UG's, PGs' and PGCE's. A projected growth of 4% year on year is forecast before factoring in retention.
- 5.4 Retention data is continuing to improve year on year with 5% non-drop out. Recruiting more students to onsite courses will provide us with more chance to improve retention.
- 5.5 A new Marketing Strategy will come to the Board for approval in July.
ACTION: Katy Willis to attend the March F&R committee to provide an account of the journey from application to arrival.

6. Thorough Review of Finance and Resources KPIs and Risks

- 6.1 Discussed under item 3 with nothing more to add.

7. Proposal for this year's CAPEX spend and updates from the Capex Group

- 7.1 JB joined the meeting and noted that £1.9 million was the agreed budget for this academic year. £1.5 million had been allocated with approx. £400,000 remaining.

- 7.2 JB explained the purpose of the SMT Capex Group was to scrutinise and discuss proposed business cases. This was a two-stage process where an original project proposal form is submitted to a Triage group consisting of JB, Michelle Jones (Deputy Vice-Chancellor) and Claire Stevens (Transformation Programme Leader). This group determines whether a project falls under transformation or capital. Any capital projects are put forward to Stage 2 and submitted to the SMT Capex Group for approval.
- 7.3 At present, projects are largely overspending. We need to consider any emergency maintenance issues that may arise and having enough spend remaining. Pipeline projects could commence work at the end of the academic year to allow for spend to be taken from next year's budget. It was noted that it would be difficult for further major projects to take place this year. Both the Capex and Triage groups are aware of this.
- 7.4 RW assured that the spend will be kept to budget and SA and JB will not authorise any overspend.
- 7.5 JB noted that work is required to be carried out to some of the Village houses over the summer. A campus of this size will always bring costs with it.
- 7.6 GR queried the size of some of these projects and asked for reassurance to the Board that they will be delivered on time and within budget.
- 7.7 Financial Regulations will be revised in more detail later this year. Any project with a £10k and over spend will require F&R to report to the Board for scrutiny. Financial Regulations going forward will need to mirror what F&R can do. A KPI will be required to monitor overspend on capital projects. Audit Committee will review the revised Financial Regulations and work with F&R regarding any amendments. Audit will then recommend to the Board for approval in September.

ACTION: SA to develop headlines for revised Financial Regulations for the next F&R Committee.

7.8 The total budget for the Quad project is £500,000 which will be split over two years. £250,000 will be spent this financial year however we do not yet have a budget for next year. Our current business planning process is working on a 3-4-year budget. It was agreed that the next capital programme will be aligned with a 3-year business cycle. Financial Regulations state that RW and SA are within scope to approve the scale of the quad project. When the Board approves the 5-year income expenditure (November for submission to the OfS), they will also be able to approve the indicative capital budget and agree a committed budget for the next academic year.

7.9 Our Interim Procurement Projects Manager, Su Matthews, will sadly be leaving the University in February. JB and SA will begin sifting CV's to find a replacement.

8. To consider the Management Accounts

8.1 Our financial position was on the upside of £700,000. Our savings target was £910,000 to break even. Some of these would be able to be removed with an improved income position.

ACTION: SA to provide gross information at the next meeting.

8.2 Our Q1 budget variance shows an improved budget position in all areas.

8.3 It is vital that we make maximum use of our financial system however the system requires a lot of spreadsheet-based processes. The loss of our system administrator has had a knock-on effect with the running of the system. Sufficient training cannot be put in place until the system is working effectively. The current version of our OA system does not support Windows 10 which is causing further issues.

8.4 The University website is not currently legally compliant and must be updated to meet accessibility legislation. The framework for our website is approximately seven years old with the latest update taking place two years ago. The budget

for this project was £30,000 and our winning supplier is slightly under budget at £29,000. The deadline for the website to be compliant is September 2020.

ACTION: JB to investigate whether website compliance will then require a further update and feed back to the committee.

9. To receive the draft costing tool / model for evaluating financial performance of programmes

9.1 F&R to receive at the next meeting.

10. To consider an assurance report surrounding the academic performance of new and old programmes

10.1 F&R to receive at the next meeting.

11. Lavender Fund – discussion of use, output from student consultation

11.1 The Lavender fund is worth £100 per year and awards a prize for outstanding work by a student studying in teacher education. It was agreed that this could be afforded from our annual budget. There are not any ToR for this prize other than the prize is £100 and comes from a funding pot of £17,000. This cost will appear on the balance sheet rather than on revenue budget. Student consultation also took place.

12. Update on Estates Development Plan

12.1 The Campus Development Plan Stage 1 report had been received from Architype. Key questions arising from the document were discussed at the Estates Task Group. The report provided a brief update on the stages of the plan and meetings with Governors, SMT, Directors, Schools and staff members. A Campus Development Plan Working Group has been developed to be held monthly and has representation from SMT, Professional Services, the library, students and Architype.

ACTION: JB to share the Stage 1 report with the Estates Task Group.

- 12.2 Stage 2 will focus on working up ideas for moving forward. The campus has been divided into five main streams with the residential side sitting separate to the academic estate. Four zones consisted of Sports and Allied Health, Arts and Community, Student Engagement and Teaching and Learning. Digital, zero carbon themes, landscaping and travel will also be looked at. Costing and consultation will be carried out before the final section is developed over the summer with the aim of Governor approval in July. A decision will need to be made imminently on the preferred option plan. Estates Task Groups are to be scheduled at key decision-making points throughout the year.
- 12.3 We need to ensure that we strategically align our bank covenant so that we are perceived as a financially sustainable university. JB and SA will be responsible for major capital financing. SA will need to use commentary spaces when completing returns to explain and mitigate risk ensuring that the narrative is coherent and understandable.

13. H&S Audit report and update

- 13.1 JB presented the Health and Safety Audit report on behalf of John Chadwick, Health, Safety and Security Manager.
- 13.2 It was noted that the report was based on the calendar year as opposed to the academic year.
- 13.3 The report identified a few areas that require immediate action, one of these being
University Codes of Practice and Operational documents regarding Health and Safety. Codes of practice are currently on an annual review, but it was agreed at the Health and Safety Committee that this would now take place every three years. It was agreed that the Emergency and Major Incidents code of practice was the most urgent.
- 13.4 Health and Safety training for new staff has been reviewed. All new staff will now receive this when they commence work for the University.

13.5 Accident and Incident reporting has been refined. There are no major concerns regarding the incidents that have been reported, with the exception of one near miss at the nursery where a child was almost hit by a bin lorry. Bin lorries will now not arrive at the same time as nursery drop-offs and changes have been made to make the area safer. Most reported incidents are sports related and are dealt with in a slightly different manner. No riddor accidents have been reported. It was highlighted that with major building works taking place on campus within the next five years we need to encourage staff and students to report all incidents.

13.6 The University only currently has five first aid primary responders. Further recruitment is required. There are eight fire wardens who do not work on a rota. There are two RSA's and the security team are also available to respond to incidents.

ACTION: JB to investigate whether the security team form part of the five first aiders.

13.7 John Chadwick acknowledged that he had had good interactions with both students and staff since he had begun working here and felt confident that we can work together to achieve a good health and safety culture.

13.8 It was noted that the University is now meeting legislative requirements in terms of fire in the student halls of residence. JB confirmed he had responded to the Secretary of State in light of the Bolton fire.

14. Cyber Security report and Toolkit

14.1 JISC have recently carried out an infrastructure review and submitted a report to JB. Cyber security was highlighted in the report. This is to be discussed at a future SMT meeting. JISC felt that our back up process is well thought out and keeps storage to a minimum.

ACTION: JB to forward the JISC report to SMT prior to being taken forward to the next F&R committee.

14.2 An annual penetration test of the network will soon be carried out to enable us to see where our cyber issues are. Findings of this will be submitted to the next F&R committee.

14.3 It was noted that our biggest data security risk is when staff members put documents onto memory sticks. Deepfreeze is installed on all of the University's PC's and laptops and helps with data security as documents cannot be saved directly onto desktops.

15. Report on Fraudulent, Whistleblowing, Health and Safety Incidents and Legal Activities

15.1 To be circulated for information and provided to new governors upon induction.

16. Any other business

None