

CONFIRMED MINUTES OF THE MEETING HELD ON 13 JANUARY 2021

PRESENT (via Zoom):

Neil MacDonald OBE (Chair)	Chris Kenny
David Bradley	Julie Morrissy
Lord Kerslake	Meg Munn

IN ATTENDANCE:	AGENDA ITEM
Michaela Boryslawskyj, University Secretary and Clerk to the Board	All
Jo Allen, (Observer)	All
Richard Calvert, DVC Strategy and Operations	All
Deborah Harry, Chief Finance and Planning Officer	All
Sally Jackson, Chief People Officer	All
Prof Chris Kinsella, Chair of Audit and Risk Committee (Observer)	All
Pete Sweeney, Governance Senior Adviser (Minute Secretary)	All

APOLOGIES: Professor Sir Chris Husbands

Agenda item Paper Ref	Opening Comments	Minute Ref	FEC/1/21/1
	1.1 The Chair welcomed Prof Chris Kinsella and Jo Allen as observers to the meeting.		
Agenda item Paper Ref	Declarations of Interest	Minute Ref	FEC/1/21/2
	2.1 There were no declarations of interest.		
Agenda item Paper Ref	Minutes of Meeting held on 11 November 2020	Minute Ref	FEC/1/21/3
FEC/7/20/M			
	3.1 The minutes were <u>confirmed</u> as an accurate record.		
Agenda item Paper Ref	Matters Arising and Action Tracker	Minute Ref	FEC/1/21/4
FEC/7/20/A			
	4.1 There were no matters arising or amendments to the Action Tracker.		
Agenda item Paper Ref	Office for Students (OfS) – Financial Forecast Return	Minute Ref	FEC/1/21/5
FEC/1/21/5			
	5.1 The Committee received the OfS Financial Forecast, noting that: <ul style="list-style-type: none"> I. The delay (due to the pandemic) in defining Future Strategy outcomes meant that it was not possible to reflect detailed financial impacts relating to these in this year’s OfS submission. II. A light touch approach had therefore been taken which produced a forecast compliant with OfS requirements and which also met financial covenants set out in loan facility agreements, met minimum in-year cash balance requirements consistent with the risk appetite of the University, provided sufficient cash availability to enable delivery of the Campus Masterplan as currently phased and, maintained an operating surplus in all years. 		
	5.2 In discussion of the forecast, the Committee acknowledged the ongoing work of the Future Strategy Group (FSG) and encouraged the development of an integrated plan that united operational and financial planning, as soon as possible. The following points were made in response to comments and questions from members: <ul style="list-style-type: none"> I. FSG was currently developing programmes in relation to the areas of assumed financial improvements set out in the forecast. The FSG would be challenged with a financial target which exceeded the improvements forecast. 		

- II. The figures presented on pay costs reflected updated assumptions on pay inflation.
- III. The Committee was assured that any non-pay savings were not dependent on investment in and delivery of the Campus Masterplan but reflected potential occupancy and utilisation changes.
- IV. The forecast advised the OfS of the University's intentions to undertake additional borrowing. Overall borrowing limits were monitored by the Finance and Employment Committee. If additional borrowing were not obtained, it would not be possible to proceed with the Campus Masterplan as currently phased. The Board Task Group on Financing the Campus Masterplan would be convened following the completion of the current pre-market assessment process. A paper on debt capacity was also being developed to support discussion on funding options.

5.3 The Chief Finance and Planning Officer referred the Committee to the commentary to support the OfS Annual Financial Return 2020 workbook (Annex 3 within the overall report). Members were invited to submit any comments they had on the narrative outside of the meeting, by 15 January 2021 at the latest.

5.4 The Committee resolved to recommend approval of the OfS Annual Financial Return submission to the OfS in March 2021 to the Board of Governors.

Agenda item 6 Paper Ref FEC/1/21/6	Students' Union Trustees Report and Financial Statements for Year Ended 31 July 2020	Minute Ref FEC/1/21/6
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- 6.1 In presenting the Students' Union Trustees Report and Financial Statements for year ended 31 July 2020, the Chief Finance and Planning Officer drew attention to the following points:
- I. There were no substantive changes from the draft version considered in November 2020. The key issues in the report had been raised previously with the Committee.
 - II. The error in connection with the Students' Union Superannuation Scheme which had previously been reported to the Committee had been resolved. This liability had increased compared to the previous year.
 - III. A reminder regarding the timeliness of future final, approved reports to the Committee and Board of Governors had been raised with the Students' Union. The SU did not anticipate any such issues for the 2020/21 reporting period.

6.2 The Committee received the report.

Agenda item 7 Paper Ref FEC/1/21/7	Annual Business Cycle 2020/21	Minute Ref FEC/1/21/7
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7.1 The Committee received the forward programme of business.

Agenda item 8	Other Urgent Business	Minute Ref FEC/1/21/8
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8.1 A minute confidential to the Committee was recorded.

8.2 The Committee noted that this would be the final meeting to be chaired by Neil MacDonald before he handed over to Meg Munn on 1 February 2021 under succession arrangements approved by the Nominations Committee. The Vice-Chancellor and the Chair of Board of Governors both thanked him for the substantial contribution he had made in the role. In turn, Neil thanked his fellow governors who had served on the Committee, and those members of the University's Finance, HROD and Estates teams for the support they provided to the work of the Committee.

Agenda item 9 Paper Ref	Date of Next Meeting	Minute Ref FEC/1/21/9
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9.1 10 February 2021.