

INFRASTRUCTURE AND FINANCE COMMITTEE

TIME /DATE / VENUE	1030, Tuesday 17 September 2019, Board Room, St Andrew's Court
PRESENT	Jenny Crighton (Chair) Roger Burke-Hamilton Jane Hoskins Ingmar Rinck (by phone) David Willan Christopher Williams
IN ATTENDANCE	Fiona Bell, Director of Estates and Campus services, (Minute 11 only) Mark Carter, Deputy Director of Finance (Management Information) Anna Clodfelter, UPSU President, (Minute 7 and 8 only) Fiona Loughran, Director of Planning, agenda item 7, (Minute 6 only) Andrew Minter, Director Information Services, (Minute 12 only) Helena Schofield, UPSU President Darrell Sturley, Interim Director of Information Services from October 2019, (Minute 12 only), Observer Jenny Walden, Staff Governor (Minute 5 onwards)
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance Helen Malbon, Senior Governance Officer

1 Welcome, apologies, declaration of interests and apologies

- 1.1 Apologies were received from external governors Bishop Christopher Foster, Vice Chancellor Professor Graham Galbraith, Executive Director of Finance Emma Woollard, Bernie Topham Deputy Vice-Chancellor and Giorgio Bendoni, Staff Representative.
- 1.2 On behalf of Committee, the Chair congratulated Jenny Walden on her re-election as Academic Council Staff Governor. This time she held the post with a job share partner Catherine Carroll – Meehan (Head of School of Education and Sociology) who Committee would meet at the next meeting.
- 1.3 Thanks were recorded to two external governors who had moved from the Infrastructure and Finance Committee on 1 August 2019. David Wilding had moved to HR Committee and Anne Lambert had moved to Audit and Quality Committee.
- 1.4 There were no interests to declare.
- 1.5 The Clerk confirmed the meeting was quorate and could proceed to business.

2 Minutes of the previous meetings

The minutes of the meeting held on 26 June 2019 were confirmed and signed as an accurate record.

3 Matters actioned and matters arising

- 3.1 Action was reported on seven items: six were for note and one would appear on a future agenda.
- 3.2 Committee thanked Chris Williams for taking on the role of external governor representative on the Victoria Site Project Board.
- 3.3 It was noted that no one had volunteered to take on the role of Deputy Committee Chair nor the external governor vacancy on the Student Systems Project Board. Both were very important jobs and members were encouraged to contact the Executive Director of Corporate Governance if they wished to be considered for the role.
- 3.4 The project board vacancy would be discussed at the Nominations Committee meeting on the 25 September 2019.
Post meeting note: Roger Burke-Hamilton agreed to be the governor representative on the Student System project Board.
- 3.5 Following the approval at the last Committee meeting on the 26 June 2019 for changes in the delegation of authority of some estates contracts, Committee noted that any variations to contracts that might have health and safety or fire regulations implications were outside the scope of this delegation. All such proposals should be brought to the Infrastructure and Finance Committee for discussion.

4 Chair's actions

- 4.1 Committee discussed and agreed that a list of all Chair's action over the academic year should be attached to future annual reviews of committee business in order to see if there were any trends in topic or timings.
Action: Senior Governance Officer
- 4.2 Committee endorsed the Chair's action taken by Mark Readman on 11 July 2019. Financial regulation 32.1 stated that Committee was responsible for approving the Treasury Management Policy (TMP). The change approved to the TMP was to remove clause 7.5 that states, "The University will maintain an overdraft facility of £2 million to meet any unforeseen liquidity requirements". The University was charged £24K per year for this facility that it did not need.
- 4.3 Committee endorsed the Chair's action taken by Mark Readman on 17 July 2019. In June 2019, Committee had agreed changes in the authorising signatory of a variety of items including license agreements. Subsequently it became apparent that the authority for some specific low value innovation related license agreements would best sit under the responsibility of the Director of Research and Innovation Services rather than the Director of Estates and Campus Services.
- 4.4 **Confidential minute**

5 Terms of reference, membership and committee business

5.1 The Executive Director of Corporate Governance stated that each Committee of the Board was required to review its constitution on an annual basis to see if it was fit for purpose and to consider how the business undertaken during the previous academic year related to the terms of reference.

5.2 Committee noted the assessment of 2018/2019 and was assured that it had discharged its terms of reference. This would be reported to the Board when it meet on 9 October 2019.

Action: Executive Director of Corporate Governance

5.3 Discussion took place on the proposed terms of reference for 2019/2020. Committee agreed that item one in the terms should be expanded to include oversight of commercial related aspects, appropriate to a public sector charity, such as monitoring of the use of cash balances. It was noted that monitoring of investment performance was assigned to meetings in the Committee business. Once updated, the revised terms would be presented to the Board on 9 October 2019.

Action: Executive Director of Corporate Governance

5.4 It was noted that the new University Strategy 2020 to 2030 would be presented to the November 2019 meeting of the Board. Committee could revisit its terms of reference in 2020 if it felt that the emphasis of activity and areas of risk in the new Strategy merited a different approach by the Committee.

5.5 Committee discussed the outline Committee Business for 2019 /2020. It was agreed that an item on Brexit should be added to the November 2019 business and that a review and updating of the 2016 Estates Masterplan was key. Discussion would take place outside the meeting to ascertain if the January 2020 meeting was the most appropriate timing and forum.

Action: Executive Director of Corporate Governance

6 Student recruitment 2019/2020 – confidential item

7 Financial Memorandum of Understanding

7.1 Mark Carter, Deputy Director of Finance (Management information) introduced the paper by explaining that the University and the Students' Union (UPSU) established a financial memorandum in response to the requirement of the Education Act 1994 that the governing body of the University should take steps to see that the students union is accountable for its finances.

- 7.2 The version that was currently in force was agreed in October 2016 and so a review had been conducted by the University and UPSU to take account of the current sector requirements.
- 7.3 Following discussion, the Memorandum was circulated and approved by UPSU's Finance and Risk Committee in July 2019. The Memorandum was subsequently considered and endorsed by the University Executive Board (UEB) at its meeting on 2 September 2019.
- 7.4 The revised draft had been updated at clause 3.1 (iv) and (v) relating to the steps that should be taken by the University should it wish to amend the Block Grant to UPSU. As much notice as possible would be given by the University to UPSU if the size of the block grant was likely to change, but the external environment meant that the University might not always be able to give the two years notice stipulated in the previous edition of the memorandum. In addition, references to the Higher Education Funding Council (HEFCE) were replaced with the Office for Students that had become the regulatory body, with responsible for funding, in 2018.
- 7.5 Committee asked if the time-scales relating to disputes and termination in clauses 15.1.i and 20.1 were incompatible, because both stated 21 days. The Executive Director of Corporate Governance agreed to check with the University Solicitor. Committee approved the revised Financial Memorandum of Understanding subject to the University Solicitor agreeing an appropriate number of days in these clauses.

Action: Executive Director of Corporate Governance

8 UPSU budget 2019/2020

- 8.1 Anna Clodfelter, Chief Executive of UPSU, presented the group budget for 2019/2020 as agreed by the union Board of Trustees on 25 June 2019.
- 8.2 The proposed 2019/2020 budget was a breakeven core budget and included an amended UPSU Reserves policy passed by its Finance and Risk Board in November 2018. This change reduced the free reserves requirement and removed a designated fund for student led projects. Students were still able to submit proposals to the Trustees on a case-by-case basis.
- 8.3 Committee was informed of an additional risk to be added to those listed in the report prepared by Counterculture Partnership LLP. The Union had subsequently voted to dis-affiliate from the National Union of Students (NUS) and so would receive the loyalty TOTUM card on different terms to that of previous years. The terms for non-affiliated unions meant that a £25k deficit in this area of activity was likely. However, the union still wanted to offer this loyalty discount card to students because it offered numerous benefits.



- 8.4 Committee thanked Anna for her summary and asked what issues concerned her for the future year. She noted that the long-standing uncertainty of the pension revaluation was something felt by all Unions in the country. Once the new valuation was calculated by the NUS then unions would be given details of the significant additional payments that would be required to clear the national deficit. She was hopefully that the timescales would be realistic and she welcomed the support and advice that UPSU were receiving from the University on this matter.
- 8.5 In response to a question, Mark Carter agreed to check if research and development credits could be applied or if this was only applicable to those who paid corporation tax. He would liaise direct with UPSU.
- 8.6 The Committee thanked Anna for attending and noted the budget as part of their delegated duty to act on the Board's behalf to 'take such steps as are reasonably practicable to ensure that the Students' Union... is accountable for its finances. (Education Act 1994)' (Statement of Primary Responsibilities, para 11).

9 Risk register extract

- 9.1 Adrian Parry, Executive Director of Corporate Governance, informed Committee that the full corporate risk register was formally considered by the Audit and Quality Committee on a quarterly basis and by the Board of Governors on a six monthly basis. Other committees of the Board of Governors were annually invited to comment on aspects of the corporate risk register that were pertinent to their business.
- 9.2 Committee discussed the extract from the corporate risk register that detailed the risks associated with the financial stability and infrastructure of the University. It was agreed that the Executive Director of Corporate Governance would check to see that the risk associated with low student recruitment included consideration of the financial impact and associated mitigations.

Action: Executive Director of Corporate Governance

Post meeting note:

It was reported that Risk one (student recruitment and retention) did refer to scenarios that could result in income decline. However, the controls listed did not refer to financial solutions such as re-budgeting. The controls would be amended accordingly.

- 9.3 Discussion took place regarding the fact that even after the application of controls, risk 4.1 under the financial sustainability section still had a residual risk coding of red. It was noted that this related to future government policy which could not be predicated with certainty and volatility not completely removed. It was agreed that an explanatory note would be added by the Executive Director next time the Committee considered the risk register.

Action: Executive Director of Corporate Governance

9.4 In response to a question, it was confirmed that the full risk register contained several references to risks associated with Brexit.

9.5 Discussion took place as to what was meant by 'unexpected loss of significant facility'. Clarification was provided that it referred to such things as flood or fire causing the loss of a building or cyber-attacks disabling key IT systems. It was agreed that when the risk register was recast in 2020 this risk would be rewritten to refer to scenarios requiring the implementation of the disaster recovery plan in order to aid clarity.

Action: Executive Director of Corporate Governance

9.6 Committee noted that this was the last iteration of the risk register in its current form. It would be reviewed and recast in the light of the adoption of the new University Strategy 2020-2030. A new extract would be submitted to the Committee at its meeting on 28 January 2020.

Action: Executive Director of Corporate Governance

10 Police education – confidential item

11 Director of Estates and Campus Services report – confidential item

12 Director of Information Services report – confidential item

13 Management accounts – confidential item

14 Office for Students (OfS) circulars

Committee noted that OFS circulars could be found on their website.

[Press control click to go to the correct url https://www.officeforstudents.org.uk/publications/](https://www.officeforstudents.org.uk/publications/)

15 Date of next meeting

The next meeting would take place on Wednesday 2 October 2019 at 1030.

16 Delegated authority

Committee agreed to delegate to the Chair authority to take any required Chair's action before the next meeting.

17 Retirement

Ingmar Rinck announced that due to a job move to New York, he would be unable to attend any future meetings. He had therefore with regret decided he should resign his role as external governor. He was willing to continue in his role until the next meeting when consideration of the financial statements would take place. Committee thanked him for his invaluable contribution over the past 18 months and wished him well in his new job.