

## INFRASTRUCTURE AND FINANCE COMMITTEE

TIME /DATE / VENUE	1030, Tuesday 4 October 2022, St Andrew's Court room 0.32
PRESENT	David Madoc-Jones (Chair) Roger Burke-Hamilton Jenny Crighton Professor Graham Galbraith (from Min 17) Vineet Khurana (via videoconference) Christopher Williams (via videoconference)
IN ATTENDANCE	Dr Liz Bartle, Deputy Director of Finance (Financial Systems) (Minute 19 only) Dr Rich Boakes, Staff Representative Dr Adrian Hull, Academic Council Nominated Staff Governor Dominic Owen, UPSU Officer Anita Randell, Insurance Officer (Minute 18 only) Bernie Topham, Deputy Vice-Chancellor and Chief Operating Officer Emma Woollard, Executive Director of Finance
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance Helen Malbon, Senior Governance Officer

### 15 Welcome, apologies, declaration of interests and apologies

- i. There were no apologies for absence.
- ii. The Chair welcomed all participants to the meeting.
- iii. There were no conflicts of interest to declare.
- iv. The Clerk confirmed that the meeting was quorate and could proceed to business.

### 16 Minutes of the previous meetings

The minutes of the meeting held on 13 September 2022 were confirmed as an accurate record, subject to the following amendments:

- i. Paragraph 5vi on the UPSU Budget would be updated to reflect the wording of the January 2022 Statement of Primary responsibilities. It should read:

Committee thanked the Chief Executive and her team and noted that receipt of the budget formed part of its duty on behalf of the Board to help to ensure that the Students' Union operated in a fair and democratic manner and was accountable for its finances (Statement of Primary Responsibilities 2022, paragraph 13).

- ii. It was noted that receipt of the UPSU Budget and Financial statements formed one aspect of the Board's duty to ensure that the Students' Union operated in a fair and



democratic manner. In addition, the Executive Director of Corporate Governance provided an annual report to the March meeting of the Board of Governors on the election of UPSU officers.

- iii. It was noted that Dr Rich Boakes had been present at the meeting held on 13 September 2022 and should be added to the list of attendees.
- iv. Confidential minute
- v. In addition, Committee asked that an update report be provided on statutory fire safety.

**Action: Deputy Vice-Chancellor and Chief Operating Officer**

**Post meeting note:**

David Willan had announced his intention to resign from being a member of Committee as well as from holding the role of Chair. Minute 3ii would be amended to reflect this:

David Willan announced that he would be standing down as the Chair and member of the Committee. He had taken the role of Chair on a one-year interim basis in 2021. A call for expressions of interest would shortly be issued to the full Board of Governors. If more than one candidate wished to be considered for the role then the Infrastructure and Finance Committee would hold a vote to elect a Chair.

## 17 Matters actioned and matters arising

- i. It was noted that:
  - a. The briefing scope used for the Victoria Building had been circulated to the Committee on 16 September 2022.
  - b. Following David Willan's statement on 13 September 2022 that he intended to relinquish the role of Chair, a call for expressions of interest for the role had been issued to the full Board of Governors on 14 September 2022. David Madoc-Jones was consequently appointed as Chair on 23 September 2022.
  - c. The Board of Governors would receive a report on 12 October 2022 requesting the updating of the Committee's terms of reference.

**Action: Executive Director of Corporate Governance**
  - d. David Willan has taken action to approve the Probation contract on 18 September 2022.
  - e. A report on the potential site purchase discussed at the previous meeting would be presented to the Board of Governors at its meeting to be held on 12 October 2022.

**Action: Deputy Vice-Chancellor and Chief Operating Officer**
  - f. The following items would be discussed at a future Committee meeting: Student Accommodation Strategy (Minute 3if), Capital Funding (3ig), UPSU Project funding report and Estates Masterplan projects (7xxii).

- ii. There were no further matters arising that were not already covered in other agenda items or did not appear as discrete items elsewhere on the Agenda.

## 18 Executive Director of Finance Report

Emma Woollard, Executive Director of Finance, presented an overview report that included the following items:

- i. The annual insurance report was presented by Anita Randell, Insurance Officer. In discussion, it was noted that:
  - a. The University's insurance was normally procured via the London Universities Purchasing Consortium Insurance Group (LUPC IG), which comprised 30 higher education institutions (HEI).
  - b. As different types of HEIs were perceived by insurers to pose different levels of risk, LUPC IG had grouped themselves into three clusters for the purposes of approaching the insurance market. However, in response, the rates offered by insurance companies had not varied significantly.
  - c. Following extensive pre-market engagement by LUPC, cover for all areas sought had been secured and a number of new insurers had been appointed.
  - d. As acknowledged in the 2021 report, insurance market conditions had deteriorated over the past three years with heavily reduced capacity, reduced cover and increased premium rates.
  - e. The provision of insurance cover for the higher education sector in the UK had been particularly impacted due to a number of high-profile, costly claims made by a number of HEIs.
  - f. **Confidential items**

## 19 Provisional Financial Statements 2021/2022

Emma Woollard, Executive Director of Finance and Dr Liz Bartle, Deputy Director of Finance (Financial Systems), presented the draft provisional Financial Statements for 2021/2022. The following points were noted in discussion:

- i. The external audit was at an early stage and the auditors were liaising with the Finance Department. The draft accounts were consolidated (University plus 100% owned subsidiary companies). The final clearance meeting with the external auditors and the Vice Chancellor was due on 24 October 2022. The financial statements were prepared in accordance with the Higher and Further Education Statement of Recommended Practice (SORP).
- ii. The draft accounts showed a provisional operating deficit of £7.9m, with a very limited number of substantial adjustments still to be progressed. This was broadly in line with the draft end of year management accounts, which had been submitted to Committee on 13 September 2022. The accounts included draft year end cash balances of £325.9 million, which would support future investment.
- iii. In response to a question, it was stated that there was a large non-cash adjustment linked to the Estate Masterplan private placement. This was the change in fair value of financial instruments (£15.4 million). The University was obliged to arrange for

this annual revaluation which was calculated as the present value of all future, discounted cash flows. The University had no intention of repaying the loan early but because it was a theoretical possibility, the exercise was required.

- iv. The EBITDA table showed the non-cash position and Committee agreed that it would be helpful if the cover sheet of the final November 2022 Financial statements paper contained information on net debt (i.e. cash and cash equivalents) less debt (but not only on an accounting basis) being £325 million minus £100 million, showing c.£225 million of cash.

**Action: Deputy Director of Finance**

- v. It was noted that staff costs had increased by £13.6 million (8.1%) compared to 2020/2021 but that this included the one-off end of year payment made to all members of staff.
- vi. International commission payments had increased by £2.7m, reflecting strong student recruitment. It was confirmed that these payments were calculated in pounds sterling.
- vii. The level of International tuition fees would be kept under review to ensure that they remained competitive and thereby optimised the number of applications received.
- viii. The Committee discussed and noted the 2021/2022 financial statements which were draft and subject to external audit.
- ix. The final statements would be presented to the Committee on 8 November 2022 and then to the Audit and Quality Committee on 10 November 2022, before submission to the Board of Governors on 23 November 2022. The final statements would be submitted to the OfS by the deadline of 30 November 2022.

**Action: Executive Director of Finance**

## 20 Office for Students (OfS) circulars

Committee noted that OFS circulars could be found on their website at:

<https://www.officeforstudents.org.uk/publications/>

## 21 Date of next meeting

The next meeting would take place at 1030 on Tuesday 8 November 2022.

## 22 Delegated authority

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