

Minutes of the meeting of the Cardiff University Finance and Resources Committee held on Tuesday 18 January 2021 at 10:00 via videoconference

Present: John Shakeshaft (Chair), Professor Colin Riordan, Hannah Doe, Tomos Evans, Professor Karen Holford, Chris Jones, Jan Juillerat, Dr Steven Luke, Professor Stuart Palmer and David Simmons.

Attendees: Dev Biddlecombe, Ms Katy Dale (Minutes), Rashi Jain, Alison Jarvis, Sue Midha, Melanie Rimmer, Claire Sanders and Rob Williams.

Apologies: Professor Kim Graham.

714 Welcome

The Chair welcomed all to the meeting.

715 Apologies for absence

Apologies were received from Professor Kim Graham.

716 Minutes of previous meeting

The minutes of the meetings held on 10 November 2020 (20/342C) and 15 December 2020 (20/343C) were confirmed as a true and accurate record and were approved to be signed by the Chair.

717 Matters arising

Received and noted paper 20/344, 'Matters Arising'.

718 Declaration of interests

The Chair reminded the Committee members of their duty to disclose any potential conflicts of interest. No declarations of interest were noted.

719 Report from the Vice-Chancellor

Received and considered paper 20/351C, 'Vice-Chancellor's Report to FRC'. The Vice-Chancellor was invited to speak to this item.

Noted

719.1 that the return of most students had been delayed until 22 February 2021, following Welsh Government announcements and on the basis of internal advice; in-person teaching was continuing for those subjects which required it (e.g. physics);

719.2 that the University would continue to keep this date under review, especially given high levels of anxiety around the uncertainty of start dates;

719.3 that students were allowed to return to Cardiff before the commencement of in-person teaching and there had been a number of students who had returned to Cardiff to continue their remote study;

719.4 that the University had agreed to refund residence fees for students not using their accommodation due to the current guidance; this would be refunded in the April collection of fees;

- 719.5 the University was in the process of updating the budget to reflect these refunds and had contingency funds for this; Welsh Government had today announced additional funding for this of £40m but guidance around spending of this funding was not yet known;
- 719.6 that the Business School had been particularly hit by the coronavirus pandemic, due to the size of its student numbers and its international exposure;
- 719.7 that there had been a drop in International Postgraduate applications, but it was difficult to compare to previous years due to the timing of applications; applications continued to be higher than the previous year;
- 719.8 that the School of Mathematics and School of Computer Science had continued to expand; this was benefited by the ability to teach these subjects remotely;
- 719.9 that target student numbers for 2021/22 had been set but could not yet be reported on due to the extended UCAS deadline and delay in confirming the current year's figures; it was hoped these would be reported on for the Committee's next meeting;
- 719.10 that in regards to strategic partnerships with China, the University had taken advice from GCHQ and the Cyber Security Centre, who had confirmed there was no need to alter current arrangements;
- 719.11 that the reduction in research awards compared to the previous three years was due to the impact of coronavirus and the need to focus on teaching provision; it was hoped this would return to nearer previous levels once teaching returned to normal;
- 719.12 that the workload allocation model was being reviewed in light of current circumstances and as part of the academic renewal work;
- 719.13 that the University was reviewing overheads and recovery of costs for research activity to ensure money was spent efficiently and effectively.

720 Report from Investment and Banking Sub-Committee

Received and considered papers 20/345C, 'Report from Chair of Investment and Banking Sub-Committee'. The Chair of Investment and Banking Sub-Committee was invited to speak to this item.

Noted

- 720.1 that the bond tap proposal would be discussed under a separate agenda item;
- 720.2 that going forward, the Committee would be looking at the bond tap and Bond Repayment Fund, projects that would benefit from being funded from the bond tap, and the success of previously bond-funded projects;
- 720.3 the Committee would also look at the investment managers and their remits, to ensure these remained appropriate;
- 720.4 that portfolios with a more thematic base had performed well during the recent economic uncertainty, whereas those focussed heavily on the UK had performed less well.

721 UEB decisions made under delegated authority

Received and noted paper 20/346C, 'UEB Decisions made Under Delegated authority'.

722 HR Dashboard

Received and noted paper 20/357C, 'HR Dashboard'. The Director of Human Resources was invited to speak to this item.

Noted

722.1 that the report provided an update on the staff profile for the first quarter of the academic session, from 1 August to 31 October 2020;

722.2 that during the reporting period, there was a reduction in the overall staff complement of 2.3%; in-establishment posts had decreased by 71.48 FTE and out of establishments posts by 116.01 FTE, whilst project funded posts had increased by 10.60 FTE and externally funded posts by 30.40 FTE;

722.3 that the employee average days lost to sickness absence was slightly higher than the sector average, however long-term days lost had decreased from 55% to 54%;

722.4 that the University remained very sensitive to the indications that women were taking on more care responsibilities during current periods of lockdown and home-schooling; the University was looking to offer flexibility in working patterns and workloads to help staff during this time;

722.5 that the University continued to investigate the possible benefits of the furlough scheme in certain areas;

722.6 that staff continued to be encouraged to take their annual leave where possible;

722.7 that the total headcount figure was larger than at the same time last year and this was partially due to changes in the counting of headcount (e.g. inclusion of invigilators who were previously excluded).

Resolved

722.8 to investigate the possibility of reporting on temporary staff figures within the report.

723 Finance report (financial management accounts)

Received and considered paper 20/347C, 'Finance Report'. The Deputy Director of Finance was invited to speak to this item.

Noted

723.1 that the report covered the November accounts and oral updates would be provided where possible;

723.2 [Redacted]

723.3 [Redacted]

- 723.4 that the increase in tuition fee income offset the shortfall in research income;
- 723.5 that pay figures remained less than budget due to recruitment controls and delays between staff leaving and replacements starting;
- 723.6 that it was too soon to determine if the position ahead of budget would remain until year end, given the ongoing risks and uncertainty.

724 Update on planning and budgeting for 2021-22 and beyond

Received and considered paper 20/378HC, 'Update on Planning and Budgeting for 2021-22 and beyond'. The Chief Financial Officer was invited to speak to this item.

Noted

724.1 [Redacted]

724.2 [Redacted]

.1 [Redacted]

.2 [Redacted]

.3 [Redacted]

724.3 [Redacted]

724.4 [Redacted]

724.5 [Redacted]

724.6 [Redacted]

724.7 [Redacted]

Resolved

724.8 to ensure the sensitives noted in 724.2 were included in the risk register.

725 Bond Tap Proposal

Received and considered paper 20/366C, 'Update on Bond Tap'. The Chief Financial Officer was invited to speak to this item.

Noted

725.1 that the University had engaged Rothschild to assist on the project, who had also been involved with the original bond issue;

725.2 that the prospectus had been submitted to the FCA last week and feedback was awaited;

725.3 that Lloyds were leading on the presentation to the investor community;

725.4 that investment from the bond tap would be used to invest in healthcare areas and digital education;

- 725.5 that any money received over £[figure redacted] would be placed into the Bond Repayment Fund (BRF);
- 725.6 that HEFCW had been supportive of the proposal and would be formally asked to approve the proposal shortly;
- 725.7 that Investment and Banking Sub-Committee would review the bond tap documentation at its meeting of 3 February 2021 and recommend approval to Council at its meeting on 8 February 2021; Council would also be asked to delegate authority to the Chair of Investment and Banking Sub-Committee and Chief Financial Officer to liaise with the book-runners;
- 725.8 that it was important to ensure the risks are clearly stated in the relevant paperwork;
- 725.9 that the University needed to ensure there were good returns on any investment made with bond funding and the University was reviewing the return rate required for projects that received bond funding.

Resolved

- 725.10 that the Chair of Council delegated all necessary powers (with the power to sub-delegate) to the Finance and Resources Committee to enable it to consider and approve the tap issue;
- 725.11 Finance and Resources Committee delegated all necessary powers (with the power to sub-delegate) to the Investment & Banking Sub-Committee to enable it to consider and approve the tap issue.

726 CIC update

Received and considered paper 20/349C, 'Cardiff Innovation Campus Update'. The Deputy Vice-Chancellor was invited to speak to this item.

Noted

- 726.1 that the paper noted the period 2 compensation event ran to the end of March 2022, but this should read March 2021;
- 726.2 that there had been an increase in the risk associated with the project due to a number of key project members (both internal and external) leaving their roles; the University was working to mitigate this risk and believed the current governance remained suitable to deliver the project;
- 726.3 that the appointment of a project director was now progressing;
- 726.4 that there remained a risk around information requests and work was being undertaken to resolve these as soon as possible;
- 726.5 that the benefit realisation risk should be reviewed.

727 Compound Semi-Conductor Ltd Deed of Variation

Received and considered paper 20/348HC, 'Compound Semi-Conductor Ltd Deed of Variation'. The Chief Financial Officer was invited to speak to this item.

Noted

727.1 [Redacted]

727.2 [Redacted]

727.3 [Redacted]

728 Membership of the SETsquared partnership

Received and considered paper 20/365C, 'Membership of the SETsquared Partnership'. The Chief Financial Officer was invited to speak to this item.

Noted

728.1 that SETsquared Partnership was an intellectual property partnership between a number of universities in Southwest England; the University had links to the partnership through GW4 and their programmes;

728.2 that the University had previously had a relationship with IP Fusion but had not developed any further intellectual property relationships of this manner since then;

728.3 that engagement with the partnership would help develop the University's research strategy by providing support and expertise to academics around intellectual property and commercial exploitation of this;

728.4 that membership of the partnership was £[figure redacted] per annum;

728.5 that there may be an opportunity to develop a limited company from this partnership for further benefit to the University, but this was in very early discussions;

728.6 that Professor Kim Graham (Pro Vice-Chancellor Research, Innovation and Enterprise) and Dave Bembo (Director of Research & Innovation Services) would be the University's representatives on the partnership;

728.7 that Jan Juillerat left the meeting during this item.

Resolved

728.8 to recommend Council approve joining the SETsquared partnership.

729 Any other business

Noted

729.1 [Redacted]

730 Agenda for next meeting

Received and noted paper 20/350, 'Agenda of next meeting'.