

Minutes of the Meeting of the Cardiff University Finance and Resources Committee held on Thursday 17 June 2021 at 10.00 via videoconference

Present: John Shakeshaft (Chair), Professor Colin Riordan, Hannah Doe, Tomos Evans [Minutes 749-760 & 763-775], Professor Kim Graham, Professor Karen Holford [Minutes 749-757 & 760-775], Dr Steven Luke, Professor Stuart Palmer and David Simmons.

Attendees: Dev Biddlecombe, Ms Katy Dale (Minutes), Rashi Jain, Alison Jarvis, Sue Midha, TJ Rawlinson [Minute 767], Melanie Rimmer, Ruth Robertson [from minute 755], Claire Sanders, Professor Ian Weeks [Minute 765], and Rob Williams [from minute 755].

Apologies: Chris Jones and Jan Juillerat.

749 Welcome

The Chair welcomed all to the meeting.

750 Apologies for Absence

Apologies were received from Chris Jones and Jan Juillerat.

751 Minutes of Previous Meeting

The minutes of the meetings held on 25 March 2021 (20/670C) were confirmed as a true and accurate record and were approved to be signed by the Chair.

752 Matters Arising

Received and noted paper 20/671, 'Matters Arising'.

753 Declarations of Interest

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

754 Report from the Vice-Chancellor

Received and considered paper 20/679C, 'Report from the Vice-Chancellor'. The Vice-Chancellor was invited to speak to this item.

Noted

754.1 that consideration was being given to the provision of teaching in the Autumn Term, given the remaining uncertainty over the likely date for COVID-19 restrictions to be lifted and how this would impact on student numbers and teaching provision; the University continued to liaise with Welsh Government to ensure universities were involved in the decision making;

754.2 that the University hoped to open facilities and provide in-person teaching for the next academic year; a traffic light system would be put in place to enable a quick move to social distancing and online teaching should this be required;

754.3 that there remained uncertainty regarding the Horizon 2020 project, whilst discussions between the UK Government and EU Commission were

ongoing; if this project did not go ahead, there was the possibility of the Discovery Fund.

755 Finance Report (Financial Management Accounts)

Received and considered paper 20/672C, 'Finance Report (Financial Management Accounts)'. The Deputy Director of Finance was invited to speak to this item.

Noted

755.1 [Redacted]

755.2 [Redacted]

755.3 [Redacted]

755.4 [Redacted]

755.5 that spending from the student claim provision was assessed on a case-by-case basis.

756 Finance Strategy

Received and considered paper 20/673C, 'Finance Strategy'. The Chief Financial Officer was invited to speak to this item.

Noted

756.1 [Redacted]

756.2 [Redacted]

756.3 [Redacted]

756.4 that the paper detailed targets for the next three years to achieve the desired level of operating surplus;

756.5 that the paper did not account for possible future large-scale strategic decisions (e.g. reduced investment in a School);

756.6 [Redacted]

756.7 [Redacted]

756.8 that the University was also reviewing the funding it received, how this was spent and the authorities for disbursement, to ensure it operated within the restrictions of these funds and within its borrowing limits;

756.9 that the surplus reported in 2020/21 was positive but could not detract from the focus for 2021/22 and the need to deliver a break-even budget in year;

756.10 that maintenance was considered an exceptional item in 2021/22 and would be funded from the cash surpluses generated in 2020/21;

756.11 that there had been additional funding for 21/22 due to an increase in tuition fee income and further capital grants from HEFCW, and savings due to reduced non-staff costs and a slowing in recruitment; although

these had been specific to the 20/21 academic year, it was expected some savings may also be seen in 21/22;

756.12 that the strategy was aligned with the University risk register.

Resolved

756.13 to recommend to Council approval of the Finance Strategy;

756.14 to recommend that given the scrutiny of the strategy by the Committee, it was sufficient to include a slideshow in the agenda for Council by way of introducing the strategy for approval; the written paper would be placed in the pack for members to review should they so wish.

757 Proposed Budget for 2021-22

Received and considered paper 20/674C, 'Proposed Budget for 2021-22'. The Chief Financial Officer was invited to speak to this item.

Noted

757.1 that the Deputy Vice-Chancellor left the meeting during this item.

757.2 [Redacted]

757.3 that an increased estates maintenance fund had been included and endorsed by UEB;

757.4 that the budget had been developed on the assumption that the University would be operating with limited social distancing measures and there remained a risk in this area;

757.5 [Redacted]

757.6 that the University was aware of the need to increase staff numbers in some schools to reduce pressure and this had been included within the predicted staff costs; it would be delegated to schools to recruit within their budget;

757.7 [Redacted]

757.8 that increases in pension contributions had also been included in the budget, along with increased staff costs for BAU to support the new buildings;

757.9 that work to achieve a break-even position would be managed by University Executive Board (UEB) who would receive monthly reports to ensure budgets were in line;

757.10 that there were no limitations on the University's reserve levels from HEFCW;

757.11 [Redacted]

757.12 [Redacted]

757.13 [Redacted]

757.14 that financial savings achieved from the Better Ways of Working project would be monitored, along with other indicators such as wellbeing and

productivity; it was noted that benefit realisation from this project may be slower than anticipated and it was important to consider wider industry knowledge in this area;

- 757.15 that travel costs would also be reviewed in line with the University's carbon neutral aims;
- 757.16 that there would likely be areas requiring investment over the coming years, as strategies were developed for areas such as carbon neutrality, recruitment, teaching and student experience;
- 757.17 that the financial projections were not as positive as had been recorded for the current year, but it was important to recognise the activity and work undertaken during the year was not sustainable;
- 757.18 that HEFCW were working to implement the recommendations of the Diamond and Reid review;
- 757.19 that investment from QR was expected to be at the levels indicated in the paper and plans were being developed on how best to invest this.

Resolved

- 757.20 to recommend to Council approval of the 2021/22 budgets;
- 757.21 for a presentation on this paper and the Finance Strategy be developed for Council on 7th July 2021.

758 Annual Report on Joint Ventures

Received and considered paper 20/675C, 'Annual Report on Joint Ventures'. The Chief Financial Officer was invited to speak to this item.

Noted

- 758.1 that High Performance Computing Wales Limited is in the process of being wound up;
- 758.2 [Redacted]

759 International Learning Exchange Programme Update

The Chief Financial Officer provided an oral update on this item.

Noted

- 759.1 that work was underway to establish this programme as the Welsh successor to the Erasmus programme;
- 759.2 [Redacted]
- 759.3 that financial and legal arrangements were now in place, with an obligation to establish the subsidiary company by the end of June 2021; it was hoped to register the company with Companies House in the coming days;
- 759.4 [Redacted]
- 759.1 that a paper was being developed for Council and could be shared with the Committee.

760 Shareholder in SETSquared Limited

Received and considered paper 20/690C, 'Membership of SETSquared Limited Company'. The Chief Financial Officer was invited to speak to this item.

Noted

- 760.1 that the Students' Union President left the meeting during this item;
- 760.2 that the Deputy Vice-Chancellor rejoined the meeting during this item;
- 760.3 that the Chair of Council identified a potential conflict of interest as a board member of the Mercia fund;
- 760.4 that Council had approved the University joining the SETSquared partnership, which was due to happen from 1st August 2021; it was also agreed the University would investigate the implications of becoming a member of the limited company;
- 760.5 that there were currently five universities who were members of the partnership (Bath, Bristol, Exeter, Southampton and Surrey);
- 760.6 [Redacted]
- 760.7 that any financial risk would sit with the investors and not the members, and the risk to the University was therefore reputational;
- 760.8 [Redacted]
- 760.9 that the joining fee and annual fee would be funded from the RWIF funding from HEFCW; this was allocated on an annual basis and so it was to be confirmed if this would fund the annual fee for 2022/23 and beyond;
- 760.10 that the necessary due diligence had been undertaken;
- 760.11 that it was proposed to establish an advisory group to review the business plan which would include the Chairs of Council, Finance & Resources Committee and Investment & Banking Sub-Committee;
- 760.12 that there was a trend for innovation activities to be funded from business entities rather than universities and membership of SETSquared would therefore benefit the University in this area;.

Resolved

- 760.13 to recommend to Council approval of the University becoming a member of the SETSquared limited company.

761 Estates Maintenance and Residential Fire Strategy 2020-21 Update

Received and considered paper 20/632C, 'Estates Maintenance and Residential Fire Strategy 2020-21 Update'. The Head of Estates and Campus Facilities was invited to speak to this item.

Noted

- 761.1 that in January 2021, HV cabling in the Data Centre had failed, resulting in the failure of a generator;
- 761.2 that based on this, a paper had been issued to UEB in March 2021 detailing six key areas identified at risk of failure; the paper had also included proposals for resumption of fire strategy works in some residences; UEB had recommended approval of the paper to the Vice-Chancellor;
- 761.3 that a paper was being developed on the longer-term maintenance plan; the Committee reminded the Executive of the need to ensure this plan aligned with key areas of risk and the aims for net zero carbon.

Resolved

- 761.4 to recommend to Council approval of the Estates maintenance activities and residential fire strategy works identified in the paper.

762 Risk Register

Received and considered paper 20/680C, 'Risk Register'. The Vice-Chancellor was invited to speak to this item.

Noted

- 762.1 [Redacted]

763 Pensions Update

Received and noted paper 20/691C, 'Pensions Update'. The Chief Financial Officer was invited to speak to this item.

Noted

- 763.1 that the Students' Union President joined the meeting during this item;

USS

- 763.2 that a response had been issued by the University to UUK on the USS Section 76.1 report of March 2021;

- 763.3 [Redacted]

- 763.4 [Redacted]

- 763.5 [Redacted]

- 763.6 that there was agreement that a strong review of the governance of USS was required;

- 763.7 that UCU had not confirmed their position on the proposals at the time of the meeting;

- 763.8 [Redacted]

- 763.9 that it was confirmed USS had agreed to adopt ESG investment approaches;

CUPF

- 763.10 [Redacted]
- 763.11 [Redacted]
- 763.12 [Redacted]
- 763.13 that approval for the agreed changes would be sought from Council in September 2021.
Resolved
- 763.14 to recommend to Council that the University tenders for a provider to create a Defined Contribution Scheme from 1st January 2022.
- 764 Costs associated with testing and quarantining students in 2020/21 and 2021/22**
- Received and considered paper 20/677C, 'Costs Associated with Testing and Quarantining Students in 2020-21 and 2021-22'. The Chief Operating Officer was invited to speak to this item.
Noted
- 764.1 that the Committee had approved costs for students to quarantine in hotel accommodation when travelling from or through red-list countries for 2021-22 via Chair's Action;
- 764.2 that the paper presented details of the testing and quarantining support for students travelling from or to amber-listed counties for placements, study abroad opportunities or for completing their studies; this was estimated at £[figure redacted] and could be reduced to £[figure redacted] if the testing could be undertaken using the University's testing service;
- 764.3 that it was hoped the University's screening service would shortly be accredited;
- 764.4 that currently Welsh Government required all international arrivals to Wales to undertake an NHS test, rather than those offered by a private provider (which would include the University's testing service).
Resolved
- 764.5 to approve the commitment of between £[figure redacted] and £[figure redacted] to support testing and quarantining for Cardiff University students..
- 765 COVID-19 Screening Service**
- Received and considered paper 20/676C, 'COVID-19 Screening Service'. The Pro Vice-Chancellor for the College of Biomedical and Life Sciences joined the meeting to speak to this item.
Noted
- 765.1 that the Pro Vice-Chancellor for the College of Biomedical and Life Sciences joined the meeting;
- 765.2 that the proposals had been endorsed by TaskForce and UEB;

- 765.3 that the screening service was a key element of ensuring a Covid safe campus;
- 765.4 that recent indications suggested lateral flow tests were only c.50% accurate and the University wished to maintain its screening service to ensure a high level of accuracy in test results;
- 765.5 that the University had been able to limit the spread of the virus by identifying positive cases early and identifying possible areas of concern;
- 765.6 that the Pro Vice-Chancellor for the College of Biomedical and Life Sciences left the meeting at the end of this item.

Resolved

- 765.7 to approve the £[figure redacted] funding required to operate the University's Screening Service until the end of June 2022.

766 HR Dashboard

Received and noted paper 20/681C, 'HR Dashboard'. The Director of Human Resources was invited to speak to this item.

Noted

- 766.1 that the paper presented information on the staff profile from 30th April 2021;
- 766.2 that there continued to be a downward trend in headcount, FTE and sickness absence and these were seen across the sector;
- 766.3 that the establishment model was a key element in managing the workforce and in workforce planning.

Resolved

- 766.4 to review if the number of deaths reported remained in line with other years.

767 Establishment of an Environmental Sustainability Sub-Committee

Received and considered paper 20/678C, 'Establishment of an Environmental Sustainability Sub-Committee'. The Director of Development and Alumni Relations joined the meeting to speak to this item.

Noted

- 767.1 that the Director of Development and Alumni Relations joined the meeting;
- 767.2 that the University had declared a climate emergency and committed to work towards Carbon Net Zero status, with Scopes 1 and 2 achieved by 2030;
- 767.3 that there was a well-established system of monitoring and reporting on Health and Safety matters, but that environmental sustainability elements had not yet been quantified or embedded;
- 767.4 that environmental sustainability impacted on all aspects of the University;

- 767.5 that the paper proposed to establish a sub-committee under Finance & Resources Committee to provide clarity and focus on the strategies and aims within this area;
- 767.6 that Governance Committee had approved the associated changes to the remit of the Health, Safety & Environment Sub-Committee which would now be renamed Health, Safety and Wellbeing sub-committee;
- 763.7 that the Director of Development and Alumni Relations left the meeting at the end of this item.

Resolved

- 767.8 to approve the establishment of an Environmental Sustainability Sub-Committee and the proposed Terms of Reference.

768 Cycle of Business for 21/22

Received and noted paper 20/682, 'Draft Cycle of Business 21-22.

769 Implementation Plans for Revised Sub-Strategies

Received and considered paper 20/713C, 'Civic Mission and Research & Innovation Sub-Strategies'. The Vice-Chancellor was invited to speak to this item.

Resolved

- 769.1 to recommend to Council approval of the Civic Mission and Research & Innovation Sub-Strategies.

770 Any Other Business

Noted

- 770.1 that thanks were extended to the Deputy Vice-Chancellor, Students' Union President and Chair of Estates & Infrastructure Sub-Committee for their contributions to the committee.

771 CIC Financial Update

Received and considered paper 20/631CR, 'Cardiff Innovation Campus Update'.

Resolved

- 771.1 to recommend to Council approval of the drawdown on contingency of £[figure redacted] for the period 3 compensation event in relation to COVID-19.

772 Procurement Policy

Received and considered paper 20/683, 'Procurement Policy'.

Resolved

- 772.1 to recommend to Council approval of the Procurement Policy.

773 Donations Policy

Received and considered paper 20/684, 'Donations Policy'.

Resolved

773.1 to recommend to Council approval of the Donations Policy.

774 Travel and Expenses Policy

Received and considered paper 20/692R, 'Expenses and Travel Policy'.

Resolved

774.1 to recommend to Council approval of the Expenses and Travel policy.

775 Items Received for Information

Finance & Resources Committee NOTED the following papers:

Paper 20/685C Capital Investment Plan Update

Paper 20/713C HEFCW Remit Letter

Paper 20/686C 2022/2023 Tuition Fee Levels

Paper 20/687C Report from Chair of Estates & Infrastructure Sub-Committee

Paper 20/686C Report from Chair of Investment & Banking Sub-Committee

Paper 20/689C Decisions made by the Vice-Chancellor Under Delegated Authority