



## CANTERBURY CHRIST CHURCH UNIVERSITY

### MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON THURSDAY 4 MARCH 2021 AT 9.30AM VIA MICROSOFT TEAMS

**Present:** Ms J Armitt (Chair), Sir I Johnston, Mr S Brown, Ms J Harding, Professor R Thirunamachandran (Vice-Chancellor) and Ms B Thomson

**In Attendance:** Professor H James, Deputy Vice-Chancellor  
Ms M Ayers, Director of HR&OD  
Mr S Johnston, Director of IT [Item 9]  
Mr D Leah, Director of Finance and Chief Financial Officer  
Mr B MacPhee, Students' Union Chief Executive Officer [Item 8]  
Mr S Gwynne, Director of Estates and Facilities  
Ms C Lambert, Director of Planning and Academic Administration [Item 7]  
Mr F Martin, Pro-Chancellor  
Ms A Sear, University Solicitor and Clerk to the Governing Body  
Mr P Ferguson, Governance and Legal Services Manager

**Apologies:** Revd R Stevenson

#### **117. Opening Prayer**

An opening prayer was delivered by the Chair.

#### **118. Apologies for Absence [Agenda: Item 1]**

Apologies for absence had been received from Revd R Stevenson.

#### **119. Declarations of Interest [Item 2]**

There were no declarations of interest in respect of any matters on the agenda.

#### **120. Chair's Communications [Item 3]**

The Chair welcomed everyone to the meeting.

The Chair acknowledged the intense and sustained activity undertaken by the Vice-Chancellor, the Director of Finance and the University Solicitor and Clerk to the Governing Body in respect of renegotiating bank covenants. She expressed thanks for everything they had done. The Vice-Chancellor was invited to provide an update to the Finance and Resources Committee on the position with the banks. This part of the item has been included in the Restricted Minutes.

**NOTED**

**121. Minutes of meeting of Finance and Resources Committee held on 5 November 2020 [Item 4]**

The Unrestricted and Restricted minutes of the meeting of the Finance and Resources Committee held on 5 November 2020 were approved and signed by the Chair.

The updated action log was acknowledged.

**122. Matters Arising not appearing elsewhere on the Agenda [Item 5]**

There were no matters arising.

**NOTED**

**123. Report on the University's Financial Position for the six-month period to 31 January 2021 and revised full year forecast [Paper N76] [Item 6]**

The Finance and Resources Committee considered a Report on the University's Financial Position for the six-month period to 31 January 2021 and revised full year forecast (Paper N76).

The Director of Finance presented the Report.

The University's financial results for the six-month period to 31 January 2021 showed a favourable position with income being £1857k better than budget along with favourable variances of £1206k and £1477k in staff and non staff costs respectively. The year to date surplus was £9289k compared to the budgeted position for the half year of £4747k.

Student recruitment and retention had proved to be better than the prudent budget assumption that was made to reflect the potential income risks of the pandemic.

In addition, pay restraint measures had been agreed with the trade unions and staff to include staff forgoing pay awards, increments and the introduction of 80% short time working ('STW'). STW had been a necessary measure. A decision had been taken to move to 90% STW as from February 2021, and following the six-month results and updated full-year projections, the decision had been taken as from 1 March 2021 to stop STW entirely. Estimated pay savings of £750k per month had been enabled through the 80% STW measures. The University was now forecasting an operating deficit of £2.3m which would be £1m better than budget. Without pay restraint measures and other cost savings, the deficit would have been between £6m and £7m.

The Director of Finance said that in addition to cost savings, better than budgeted student recruitment and retention had enabled an improvement in the tuition fee income forecast. Additionally, the forecast incorporated the beneficial financial impact of the November 2020 and April 2021 cohorts pursuant to a new agreement with the London School of Commerce, a significant partnership.

Appropriate and sufficient provisions had been made in the budget in respect of tuition fees and accommodation fees.

To ensure consistency in reporting to the Governing Body, the Finance and Resources Committee had been invited to recommend for approval by the Governing Body the 2020-21 re-forecast as the revised budget for 2020/21.

In terms of meeting the prospective bank covenants, in-year performance and projected performance demonstrated a positive position. The implications of the covenant re-set in respect of the University's risk appetite statement would have to be further considered as set out in the Report. Further analysis would also be required in terms of the impact of the better than anticipated financial performance of this year upon next year's budget and the projections for subsequent years. An up-to-date position would be provided to the Finance and Resources Committee in a report for its meeting on 3 June 2021.

Governors raised the following questions upon the Report:

- Whether the value (£2.9m) and numbers of students (676) in respect of credit notes were normal?
- How many students had withdrawn because of Covid-19?
- Were there any unexpected consequences of financial decisions taken by the University in the current operating period?
- How much of a financial lever is the ability of staff to work from home?

The Director of Finance said that the position regarding credit notes had been consistent with previous years and also the more prudent view that had been taken for budget setting purposes. Additionally, process improvements had enabled credit notes to be processed in a more timely way, improving the quality of management information. It was further noted that credit notes could be raised for either withdrawals or interruptions but the balance of these had changed in the current year. In 2020/21, there had been a relative increase in interruptions over withdrawals which had probably been a feature of the current operating context, reflecting also positive process improvements, including an engagement audit.

The Deputy Vice-Chancellor said that the Student Engagement Dashboard, a new collaborative development between IT, Planning and Academic Administration and Learning and Teaching, provided ready access to measures of student learning engagement. The multi-faceted impact had been transformational in terms of the identification and follow up of non-engaged students, and enabling the student record to be kept up-to-date, thereby also impacting on the quality of the University's HESA return.

The Deputy Vice-Chancellor said that, in terms of the impact of Covid-19 on student numbers, presently there had been no change to previous academic years, but there had been some flexing between withdrawals and interruptions. Instead of students electing to withdraw completely, some had indicated they did want to engage, but would re-engage subsequently. A re-engagement strategy had been instigated by the University accordingly. The Deputy Vice-Chancellor went on to say that students were engaged positively with being on-line, which had played a part in supporting retention.

The Director of Finance said that it would be beneficial for further reflection on the University's strategic financial responses to the challenges of the pandemic. The Deputy Vice-Chancellor said that the digital delivery of learning had accelerated exponentially with positive development impact, including internationally.

The Director of Finance said that financial savings had been made by staff working remotely, including travel and subsistence and reduced use of office consumables. In resource planning terms for the next academic year, consideration had to be given in terms of the requirements

for physical space and whether budget had to be prioritised for the digital transformation agenda for learning and teaching.

The Director of HR&OD said a hybrid working approach would be considered. A way had to be found though to ease staff back into the workplace, to enable staff to feel comfortable about returning to work on campus. Consideration should also be given as to how staff should work, how to save staff time, and how to enable quicker decisions to be taken. Although STW had been a strain for some staff, there had been an appetite for some staff to work on permanently reduced hours. The scope to consider these things would enable the University to become a more attractive employer. Solutions required careful planning and active staff engagement.

The Chair thanked the Director of Finance for the Report. The Chair said she was thankful that it had been possible to cease STW.

#### **RESOLVED**

That the six-month financial forecast be recommended for approval by the Governing Body as the revised budget for the 2020/21 Academic Year.

#### **124. Modernising Our Student Information (MOSI) Update [Paper N77] [Item 7]**

The Finance and Resources Committee considered an Update Report on Modernising Our Student Information (MOSI) (Paper N77).

The Director of Planning and Academic Administration presented the Report.

The University was in the second cycle of admissions using SITS. Significant learning had taken place within Admissions, and a number of benefits had been experienced for applicants, and registered students. In terms of functionality, improvements had been experienced in respect of the applicant view and admissions processes, including interviews and the ability to track communications. Further planning work was now underway to prepare for registration in September and the forward migration of continuing student records from the current student records system (QL) to the new student records systems (SITS). From September, new student applicant records would already be in SITS, which should deliver significant improvements to the registration of new students. Learning had taken place across MOSI, Planning and Academic Administration, Faculties and IT; the most significant being the focus on the student experience. For instance, the impact on student timetables and VLE access were being considered as part of the delivery of the new end-to-end registration process.

Management was committed to the delivery of MOSI as the key strategic priority of the University for the period until Spring 2022. There was an extensive programme of work to be undertaken, with a particular emphasis on registration, but the whole MOSI programme extended beyond registration and the Report included the key milestones across the student record. The project was currently on track. A critically important piece of work had recently commenced: curriculum checking to ensure programmes and modules were accurate, which would underpin downstream academic administrative processes. Other aspects of the programme had been set out in the Report, including assessment. The OfS recognised that some data improvements would be dependent upon full MOSI implementation. As such, significant progress had been secured in respect of improved data quality, which should enable all the actions associated with the University's data quality action plan agreed with the OfS to be met in the 2021/22 data returns. Step changes in training, business readiness and stakeholder engagement had taken place. In terms of the capital budget,

discussions had been initiated with Finance to consider the impact of the recent shift from STW for the MOSI programme staff including contractors. Sustainability was also being considered in terms of the structures, skills and capacities required to maintain and develop SITS. Complete benefits realisation would be pushed back until later in 2021/22. Key project risks were being actively monitored. Key risks presented to the last MOSI Programme Board focused upon subject matter expertise and specialist resources, 'Business as Usual', and Covid-19 planning. The cessation of STW would mitigate some key risks.

Governors raised the following questions and points:

- Had existing student records been transferred to SITS? If not, why should the Committee be confident that there would not be a repeat of last year's backwards migration and consequent impact on the student experience?
- What was meant by support/input required on the RAG report? Was additional support needed?
- What was being done to secure maximum potential from the project upon its completion?
- Upon project completion, would the data audit risk be entirely resolved?
- It would be helpful to understand how the project risks ranked in order of significance.
- From a student experience perspective, there did not seem to have been much student consultation or consideration regarding MOSI delivery and there was not sufficient confidence that previous registration problems would not be repeated this time.

The Director of Planning and Academic Administration said that the current student record system, QL, held the entire student record and administration. New and continuing students had been registered on QL in 2020/21. From 2021/22, SITS would be used to register and maintain the student record system. Presently, only the admissions record was held in SITS.

This year, for new students, the registration process should be more seamless, as both the admissions and student records would be held in SITS. However, this September, it had to be ensured that continuing students (whose records were currently in QL), were re-registered successfully in SITS. In terms of mitigation, the forward migration plan had been derived from institutional learning regarding the previous position in that the impact of data flows on other processes (student access to timetables and VLE, and their access to computer accounts linked to a new identity access management system) had been underestimated. Those processes were being closely scrutinised, with plans exposed to a much wider range of institutional stakeholders than had occurred with the backward migration of data that had taken place last year.

The Director of Planning and Academic Administration said that the amber RAG rating had been determined before STW had ceased. The resourcing risk had been mitigated as a consequence. Specialist resource had been secured by key appointments. A new technical lead had a very strong testing background and testing resource generally had been strengthened, thereby mitigating that risk.

The Director of Planning and Academic Administration said that at the last meeting of the MOSI Programme Board, the benefits realised by admissions had been considered. All the benefits of MOSI would not be delivered by October 2022 because the University would be continuing to learn from the implementation of SITS. Some elements had been removed from scope; stakeholders would expect these to be delivered once SITS had gone completely live. That would be the subject of further activity within the business. Value would continue to be delivered beyond the closure of the MOSI project in 2022.

The Deputy Vice-Chancellor said that, as Chair of the MOSI Programme Board, a transformation had been noted in ways of working across the University in relation to this project, particularly in the last eight months. MOSI was now being prioritised in a way that had not formerly been the position. Leadership capacity continued to be an issue; however, a recent appointment (Deputy Academic Registrar) had been crucial, together with other key appointments. Those senior roles were responding to the identified resource risks. A lot more joined up work had been taking place, and in terms of student experience, that work was not being done in silos. A new internal appointment (Deputy Director of IT) with particular end-user expertise was having a beneficial impact. In terms of benefit realisation upon project closure, the University had significant expectations regarding delivery post closedown of the project. As such, certain elements would not be delivered as part of this first implementation.

In response to the query about risks, the Director of Planning and Academic Administration said that the highest priority project risks were presented monthly to the MOSI Programme Board in a slightly different way. There were four key risks, which could be lifted from that Report for the purposes of future updates to the Finance and Resources Committee.

The Student Governor said that the University should directly engage with the Students' Union regarding MOSI implementation. The Director of Planning and Academic Administration said that stakeholder engagement, including with the Students' Union, had increased recently and that detailed discussions had taken place with the Students' Union accordingly. The composition of both the Programme Board and the Programme Delivery Group had been considered with gaps identified in terms of the Students' Union and Learning, Teaching and Enhancement. Recent discussions had also taken place with the Student Governor regarding student engagement. The importance of user experience had been stressed at Programme Board meetings and students would be consulted as key users to secure feedback. The Director of Planning and Academic Administration proposed to meet directly with the Student Governor to allay any concerns.

The Chair indicated that that further discussions between the University and the Students' Union should take place accordingly.

The Chair thanked the Director of Planning and Academic Administration for the report and emphasised the importance of a successful registration of students in September 2021.

#### **NOTED**

#### **125. Students' Union Termly Report [Paper N78] [Item 8]**

The Finance and Resources Committee considered the Students' Union Termly Report (Paper N78).

The Chief Executive of the Students' Union presented the Report.

There was a positive variance to budget of £67,000 in respect of the Students' Union year-to-date financial performance, mostly due to pay savings (£28,000) and underlying revenue expenditure (£32,000) when stripping out the impact of non-materialisation of budgeted income from student awards. A year-end surplus had now been projected, in contrast to an originally budgeted year-end deficit of £33,000. Pay savings had been achieved as a result of reduced LGPS contributions and unused holiday pay accrual from 2019-20. Significant savings had also arisen due to reduced central costs. However, many of the Students' Union's charitable objectives, for instance, in-person events and on campus engagement, had been

unable to be met due to Covid-19. Notwithstanding, additional expenditure had been incurred to support students in other ways, including by way of digital engagement.

Budget planning had commenced for 2021/22.

A Governor asked about the how the Students' Union's plans for 2021/22 were starting to emerge.

The Chief Executive of the Students' Union said in response that, in terms of planning assumptions, financial discussions had commenced with the University. Despite the Government's roadmap, a cautious approach was being taken in respect of the proposed easing of lockdown restrictions. Nonetheless, it had been intended to plan on the basis of various scenarios, including near normal activity, but with adjustments. From Spring 2022, significant in person events were to be envisaged.

The Chief Executive of the Students' Union paid credit to its sabbatical officers, who had worked responsively in the difficult circumstances presented by the Covid-19 pandemic. They were a credit to both the Students' Union and the University.

The Chair congratulated the Students' Union for maintaining operations during the Covid-19 pandemic.

The Chair thanked the Chief Executive of the Students' Union for the Report.

#### **NOTED**

#### **126. IT Development Update [Paper N79] [Item 9]**

The Finance and Resources Committee considered an IT Development Update Report (Paper N79).

The Director of IT presented the Report.

New services had continued to be developed for students and staff. A Student App Store and Virtual Campus PC services had been introduced to support off-campus learning.

Building 2 IT Services had also gone live as scheduled.

There were no significant financial variances or risks regarding capital investment in IT Security and Policy Group governed projects.

No capital projects had been delivered since the date of the last update report.

Over 600 laptops and docking stations had been deployed to staff.

237 laptops had been delivered to disadvantaged students as part of a long-term loan process. With recent OfS changes in hardship funding, it was planned for most of these laptops to now be gifted to students, thereby allowing funds to be used to invest in other student services.

In terms of future planning, the supply of student computers had been de-prioritised for the last two years. 20% of student computers were now more than seven years old. Options included radical reshaping or resource allocation to enable the supply of student computers to be maintained at an acceptable quality level.

There had been two major service delivery incidents since the date of the last update report. A member of staff had added an unapproved item of equipment to the network that had disabled it for over four hours until the device had been identified and quarantined. Internet access via web proxies failed for over two hours in the other major incident.

Customer Service Excellence (CSE) accreditation had been achieved.

There had been no external data breaches.

The Report also highlighted a number of Cyber security initiatives that had been undertaken.

An internal audit of cyber security had started in February 2021, focussing on the University's Covid-19 response as well as IT's delivery against recommendations from an internal audit from 2020.

The Chair congratulated the Director of IT for achieving CSE accreditation. The Chair asked how the addition of an unapproved item to the network might be prevented from happening again. In response, the Director of IT said that open engagement would be used to ensure the use of correct procedures, supported by enforcement by virtue of the University's staff code of conduct.

A Governor asked whether the experience of the Covid-19 pandemic had impacted strategic thinking in respect of IT.

The Director of IT said in response that lessons learned would be considered in respect of digital transformation, considering, also, opportunities for new ways of curriculum delivery, and reduced delivery costs. SMT and advisory groups were considering the issues accordingly, with a view to accelerating further the transformation currently underway, taking into account staff resource pressures, including those in relation to MOSI project delivery.

The Vice-Chancellor thanked the Director of IT for his contribution to the University following his recent notice of resignation. He confirmed that Ms J Harding had kindly agreed to be on the selection panel for his successor.

The Chair thanked the Director of IT for the Report and wished him well in his new position.

## **NOTED**

### **127. Estate Development Update (including Estate Master Plan) [Paper N80] [Item 10]**

The Finance and Resources Committee considered an Estate Development Update Report (Paper N80).

The Director of Estates and Facilities presented the Report.

The final account with the construction contractor in respect of Building 2 had been successfully concluded in excellent time. The project had been delivered to budget and had been under the actual contract value. Teaching in Building 2 had successfully commenced. Feedback had been excellent; staff and students were clearly impressed with it. Ambassadors had been appointed to assist navigation around the building. Covid-19 risk mitigation measures had been implemented. No Covid-19 cases had been traced back to the campus. The main remaining issue with Building 2 concerned the roof top plant. Work had been undertaken with the Chief Planner and the University had actively engaged with the Canterbury Society. The Society had been under the incorrect impression that permitted height levels had been exceeded. Evidence had been provided to demonstrate that

development had been consistent with existing permitted height levels. However, a planning application had been submitted regarding screening of the plant, which would restrict risk. A budget for that work, (£250,000), had been incorporated within the overall allocated project budget. Three large pieces of air handling plant needed to be moved back slightly out of eye-line, which would make a significant difference. With the addition of screening, the emphasis would be taken away from the plant.

Parts of this item have been minuted in Restricted Items (Part 2) of these minutes.

The Chair congratulated the Director of Estates and Facilities for ensuring the completion of Building 2 within time and within budget.

## **NOTED**

### **128. HR&OD Development Update Report [Paper N81] [Item 11]**

The Finance and Resources Committee considered an HR&OD development Update Report (Paper N81).

The Director of HR&OD presented the update report.

Staff had continued to be supported regarding the impact of Covid-19. The University was particularly aware of the effects on staff of the third national lockdown, including staff having to home school and STW. The University had tried to provide responsive support, especially with remote line management of staff. Staff development had been greater than had been before the initial lockdown, which had been a positive. A further Pulse survey had been undertaken. It had been primarily about the responses of staff regarding to returning to work on campus and available support. 467 staff had participated in the survey, which had indicated a mixed picture with staff returning to campus feeling more negative, whilst staff continuing to work from home feeling more positive. A 'Daily Wellbeing Pause' encouraged staff to take a small break from work to come together to participate in activities provided by colleagues. Positive communications activity had continued to be rolled out. The sessions had been very well received with good engagement. Agreement had also been reached to recommence work on a review of academic workload planning principles and initial thought had also been given to updating the University's approach to its reward strategy.

In response to a question from a Governor regarding the Pulse survey results, the Director of HR&OD said that staff would be supported on their return to campus by way of a flexible approach, enabling a return to campus from September 2021, as required and subject to government guidance.

The Vice-Chancellor said that it was hoped that staff would be able to return to campus without any problems given that there had been a previous return to campus in September 2020. The site was secure, and any initial anxiety should be abated. It was also to be noted that local infection rates were some of the lowest in the country. Room occupancy levels were also being re-assessed and everything was being done to support a safe return to campus.

The Director of Finance said that a recent internal audit in respect of resilience and remote working had provided encouraging feedback. The internal auditor had identified four areas of good practice, including staff and student engagement and communication, Pulse surveys and SMT messaging on staff wellbeing and Project 21 guidance.

The Chair thanked the Director of HR&OD for the Report.

**NOTED**

**129. TRAC: Confirmation of submission of OfS Annual Returns 2019/20 [Oral Report] [Item 12]**

The Committee noted that the University's TRAC returns would be submitted at the same time as submission to the OfS of the University annual returns for 2019/20.

**130. OfS Approval of Financial Forecasts [Oral Report] [Item 13]**

The Committee noted that the OfS had approved an extension (until the end of March 2021) for the University to submit its financial forecasts.

**131. Unitemps - Minutes (unapproved) of Medco (CCCU) Limited Board meeting held on 5 November 2020 [Paper N82] [Item 14]**

The Committee noted the (unapproved) Minutes of Medco (CCCU) Limited Board meeting held on 5 November 2020.

**NOTED**

**132. Any Other Business [Item 15]**

There was no any other business.

**133. Confidentiality [Item 16]**

**RESOLVED**

That commercially sensitive matters in minutes 120 and 127 should be kept confidential and recorded separately in restricted form. There were no other matters to be kept confidential from published minutes once approved.

**134. Date of next meeting [Item 17]**

The date of the next meeting was confirmed as 3 June 2021 at 9.30am.

SIGNATURE .....

DATE .....