

**CANTERBURY CHRIST CHURCH UNIVERSITY**  
**MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE**  
**HELD ON WEDNESDAY 1 JUNE 2022 AT 9.30AM IN THE**  
**FREDERIC MASON ROOM AT ST MARTIN'S PRIORY AND**  
**VIA MICROSOFT TEAMS**

**Present:** Sir I Johnston (Chair), Mr D Bichener, Mr S Brown (remotely), Ms J Harding, Revd R Stevenson and Professor R Thirunamachandran (Vice-Chancellor)

**In attendance:** Professor A Honour, Deputy Vice-Chancellor  
Ms J Armitt, Chair of the Governing Body  
Ms M Ayers, Director of Human Resources & Organisational Development  
Ms S Cockrill, Director of Digital Strategy and IT [Items 13 and 14]  
Mr D Leah, Director of Finance and Chief Financial Officer (CFO)  
Mr B MacPhee, Students' Union Chief Executive [Item 12]  
Mr S Gwynne, Director of Estates and Facilities  
Mr P Rands, Director of Sustainability [Item 11]  
Ms A Sear, University Solicitor and Clerk to the Governing Body  
Mr N Theisen, Governance and Legal Services Assistant

\*attended via Microsoft Teams

**185. Apologies for Absence [Item 1]**

There were no apologies.

**186. Declarations of Interest [Item 2]**

There were no declarations of interest.

**187. Chairs Communications [Item 3]**

The Chair said that this was the final Finance and Resource Committee meeting he would attend prior to retiring from the Board at the end of July.

**188. Minutes of the meeting held on 2 March 2022 and Action Log [Item 4]**

The minutes of the meeting on 2 March 2022 were approved and were signed as an accurate record of the meeting.

In relation to the Action Log the Chair stated that one action remained in progress. This was the presentation on the Staff Experience Survey outcome that was scheduled to be

provided to all Governors at the June meeting of the Governing Body. All other actions were complete.

**189. Matters Arising Not Appearing Elsewhere on the Agenda [Item 5]**

The Chair asked for an update relating to the collective pay negotiations and National Pay Awards.

The Director of Human Resources and Organisational Development (HR&OD) said the National Board continued to be in dispute with the University and College Union (UCU) in regard to the pay round for the current and three previous years. A final offer was made which was just over 3% with weighting at the bottom of the pay spine at 8-9%. The Union rejected the offer and the negotiations transitioned into the dispute resolution process.

There were no other Matters Arising.

**190. Report of the University's Financial Position 2021/22: Third Quarterly Review [Item 6]**

The CFO presented his report which showed an improvement in the budgeted position. The University's provision was now more heavily weighted towards Science, Technology, Engineering, Health and Medicine (STEHM) subjects which attracted greater OfS funding and other grant funding opportunities. The budget for the OfS income was reduced mid-year following confirmation with the OfS that the increased funding due for additional student numbers in STEHM subjects would be allocated in 2022/23 but not in 2021/22.

Tuition fees income continued to be above budget. This was particularly attributable to additional income through partnerships and this had presented challenges in managing the increased volume of students, along with the accuracy of data flows. These early teething issues would not have an impact on the ability to achieve target income in 2021/22 and 2022/23, nor the medium-term sustainability of partnerships.

The Student Governor asked whether income in relation to tuition fees could be split out to reflect the income from collaborative partnerships. The CFO confirmed that the 2022/23 financial reporting would provide visibility over partnerships' income and costs.

The Vice-Chancellor confirmed the close working relationships between the most senior executives at the University and those at key partners. Recent meetings had taken place with the Global Banking School as well as the London School of Commerce. Together with operational and strategy matters, these meetings focussed on the quality of education, student experience and student support. The results of those discussions were positive. These meetings were in addition to the regular operational and management meetings at the Dean and Head of School levels.

The Vice-Chancellor said the overall picture was positive and the benefits of partnerships outweighed the potential risks. There was potential room for growth in partnerships with the delivery of PhD and post-graduate research and the use of their international campuses.

The CFO presented the expenditure analysis which anticipates a total underspend for the year in excess of £2m.

Staff costs are forecast to have a favourable variance of £1m which includes an assumption that budget for severance costs would be required. There had been lower levels of redundancy. The forecast also reflects tight control over staffing costs and difficulties in filling a number of key vacancies.

The Vice-Chancellor advised that the lower amounts now required for redundancy was due to timing, specifically the discontinuation of the geography program in 2019 and the Teach First contract ending in June 2023. The variance also included an enhanced voluntary redundancy scheme which was largely unused due to the strong financial position and the difficulties faced in staff recruitment.

The CFO said the figures reflected the five-year forecast presented to the Governing Body when the University refinanced with the banks and included substantial cost saving initiatives as a requirement. The initiatives continued although were disrupted due to Covid.

The four strands of savings were:

- new academic workload planning;
- curriculum redesign work which was being taken forward by the Deputy Vice Chancellor;
- commercialisation of the estate which had been interrupted as a result of the pandemic;
- process improvements within academic administration enabled through the delivery of the MOSI programme, which had been affected by Covid and the delay in 'go live' of the SITS student record.

The CFO said that non-staff costs continued to be affected by the pandemic, particularly at the beginning of the year, which proved difficult to forecast. There had not been a 'normal' year since 2018/19. Inflation pressures were anticipated but within the provisions made.

*The Director of HR&OD left the meeting.*

The CFO highlighted the additional provision of £2.5 million within non-staff costs for the essential Health & Safety works at Petros Court. This brought the University's budgeted provision to £4.5 million.

The CFO advised Governors that the University would draw down on the RCF for the year end which would therefore report a cash position of circa £30million on balance sheet.

The Chair asked if the University was expected to outperform the forecasted budget.

The CFO confirmed that he expected to achieve a better than forecast operating surplus which would be well within the bank requirements and covenants.

The Chair asked whether the in-year student withdrawals were a one off or a trend.

The Deputy Vice-Chancellor confirmed the rate of withdrawal was consistent within the sector and the Senior Management Team regularly received updates on where the University was positioned, including visibility on partnerships. There were efforts to closely monitor student wellbeing, attendance and course engagement which facilitated early detection and enabled proactive intervention to re-engage students. There were efforts made to engage personal tutors with student support services in a hybrid approach to keep students on track with their studies.

A Governor asked whether there was a risk of loss of income around teacher training and its recent 'inadequate' rating from Ofsted and how the University would market its provision in the future.

The Vice-Chancellor said there was not a risk of loss of income due to the University's accreditation status. On 16 May 2022 the DfE had awarded accredited status to the University (one of only 37% of institutions to be accredited) which would not be affected by the Ofsted rating. The Ofsted report was likely caused by the Covid impact, specifically around trainee placement, tutoring, and the inconsistencies between the two. Corrective measures were already in place. There was hope for a return visit of Ofsted within 12 months to highlight course improvements.

*The Director of HR&OD returned to the meeting.*

The Vice-Chancellor said PGCE students were often older and there was a geographic factor in their decision on where to study. As the sole provider in the region, excluding Brighton and Greater London, the University was in a positive position to recruit to the PGCE. He acknowledged the University would be required to market itself differently until a better rating was achieved.

A Governor asked whether the deficiencies highlighted by Ofsted may provide the basis for additional grant funding through technology capital bidding.

The Vice-Chancellor confirmed funding was available to those universities which were successfully accredited, that was used to facilitate the accreditation process along with funding the action plan to remedy the findings of the Ofsted report.

The Chair asked whether there were trends in Ofsted reporting.

The Vice-Chancellor said that an additional three out of seven universities had been downgraded to 'requires improving'. Two universities had maintained their 'good' rating, and only one, Nottingham, had increased its rating to 'outstanding'. There could be a political aspect if central government agenda was to decrease teacher training within universities.

## NOTED

### 191. **Business Planning 2022/23 (update) Financial Strategy, Draft Budget 2022/23 and Financial Forecasts [Paper O117] [Item 7]**

The CFO said the budget position for 2022/23 presented as a transition year which covered the final five months of the strategic framework and the first seven months of what would be the new Vision 2030 – Strategic Plan 2023-30. A balance would be struck between essential budget expenditure whilst ensuring financial provision to support the new strategic plan ambitions. The budget also made provision for significant inflationary pressures which had resulted in a lower level of surplus than previous forecasts, despite income projections being £37 million higher than the 2021/22 budget.

Pay budget made allowance for a cost-of-living increase, on average, of 3.15% across pay scales. It also included provision for incentive payments such as market supplements to recruit staff, incentives to retain staff and increases to the USS pension scheme contributions.

Non-pay costs were impacted by inflationary increases in IT licences, materials and contractor labour costs within Estates and Facilities as well as further rises in interest rates. The budget anticipated the inflationary pressures but would be further reviewed in year.

There would be a need for further conversations with banks in the latter half of the year to determine the amount of the RCF to be drawn down into an amortising loan. The budget assumed as an interim position that the RCF would be fully drawn down. This will be further reviewed by the Finance and Resources Committee and the Governing Body during 2022/23.

A Governor asked whether it would be better to draw down before April 2023 as rates were rising.

The CFO said that the RCF termed out in April 2023 and the University would not be able to draw down prior to that date.

A Governor asked about the £500k provision in the budget and the expected accommodation occupancy rate in University accommodation for 2022/23.

The CFO and Director of Estates and Facilities confirmed the budgeted occupancy rate was 94%. The Director confirmed that students were returning to campus. The University had reduced its stock of housing from 1,500 to 1,200 units. The CFO advised there is a £500k provision in the budget for potential shortfalls in accommodation income for the year.

The budget sought to ensure investment was maintained across a range of ongoing institutional priorities. Additional priorities were expected to arise from the development of Vision 2030.

Governors asked whether a provision had been put in place for works on Verena Holmes, whether the balance of the RCF was set aside for the works and the reasoning behind such a significant cash holding.

The CFO confirmed the RCF was to fund the Estate Master Plan, including the acquisition of Meadow Road in Tunbridge Wells; the relocation of the students at Broadstairs to the Daphne Oram building; and the building of Verena Holmes. This was supplemented by funds received from property disposals and exiting long term leases, capital grants from SELEP, HEFCE, philanthropic giving and University cashflow.

The University had expended over £100 million on the Estate Master Plan of which 50% had been funded through cumulated reserves/generated through operational activities.

The timing of cash receipts throughout the year was affected by the partnership model. Historically University cashflow had three annual peaks in line with Student Loan Company disbursements. The increase of in-year recruitment from partner institutions had changed this pattern. This has enabled the University to draw down from the RCF and pay back into it as cashflow allowed. This has enabled the University to avoid paying higher interest rates instead of the lower non-utilisation fee. There was no specific need to draw down the RCF for remedial works at Verena Holmes which has an estimated cost of circa £250k, although this figure may rise.

The Chair asked if the risk strategy changed with volatility.

The CFO confirmed a need to update the University's risk appetite statement to underpin the new strategic framework. The financial strategy would be revised and submitted to the Committee for review in 2022/23.

The CFO said the University continued to have a 7-11% staff vacancy rate throughout the year. The budget included a provision for vacancies at 6%. This did though pose some challenge in institutional capacity given the high level of vacancies.

The University had also agreed a £150k uplift in grant allocation to the Students' Union in recognition of initiatives delivered in collaboration with the University to support and improve the student experience.

A Governor asked whether the budget could be revised if the strategic plan returned a drastically different vision for the following seven years.

The CFO said that at the end of the year the University would transition to four covenants measured annually by the banks. Other than obligations required to meet the four covenants, there were no particular constraints that would inhibit revision to the budget to meet new and emerging priorities.

A Governor asked what the hierarchy of priorities were which informed the budget for 2022/23.

The Vice-Chancellor stated there were four levels of priorities which could be loosely described as:

- Statutory requirements – considered to be paramount priorities and were largely around estates and facilities and in health & safety;
- Growth – in business income from partnerships, as well as investment in research and enterprise, partnership and an increase in undergraduate, postgraduate and international student numbers;
- Student experience – student support and experience were at the heart of the University and so the focus on health and wellbeing were vital;
- Efficiencies – finding areas where savings could be made, including investments that saved money.

The Deputy Vice-Chancellor stated that much of the focus of the University's strategic plan would be derived from evidence and data. There was growth in lower IMD Quintiles, growth in lower tariff applicants, growth in black, Asian and ethnic students but a 4% decrease in white applicants. The evidence gathered through data, horizon scanning and contributions from stakeholders across the staff and student community would inform how the University evolved and what it prioritised in Vision 2030.

**RESOLVED:**

That the Draft Budget 2022/23 and Financial Forecasts be approved.

**192. Financial Regulations Update and Accounting Policies [Paper O118] [Item 8]**

The CFO presented the report relating to the financial regulations update and accounting policies. The updated Financial Procedure for Anti-Money Laundering included the latest sector guidance, the revised definition of money laundering and the increased responsibilities of the Anti-Money Laundering Officer.

A Governor asked where monitoring and continuous review of the policy was tracked from a governance perspective.

The CFO stated it was tracked through training, induction packs and induction work within the finance team and the ability to initiate internal reviews. He confirmed there was not a 'tracked log' that could be presented to the Governing Body and he would consider a method that could be easily presented.

The Chair of the Governing Body stated that the University's auditors may provide assurances to the Governing Body that reviews were in place.

**RESOLVED:**

That the amended Financial Procedure for Anti-Money Laundering be approved.

**193. HR&OD Reports: [Item 9]**

**HR&OD: Gender & Ethnicity Pay Gap Report Development [Paper 119a]**

The Director of HR&OD presented the report as a statutory requirement of the Equality Act 2010. She said it was the third year the University had reported on the ethnicity pay gap although there was no Government requirement at the time.

The gender pay gap continued to show a narrowing between men and women with a mean pay gap of 4.64% against a national backdrop of 15%. In comparison with ten local universities, the University was the sole institution with a single digit pay gap. The Director of HR&OD caveated the positive figure and stated that over 60% of the workforce were women with a relatively low proportion of female professors. She said there had been an increase of women in Heads of School positions and attention was required to the gender breakdown at the next level down.

The ethnicity pay gap indicated individuals from the black, Asian and minority ethnicities earned more than ethnic whites by a small margin. The underlying explanation was likely due to the relatively small proportion of non-white ethnicities (15%). Despite the figures there was ongoing work to become an anti-racist university.

A Governor asked whether there was concern that Asian figures were lower than other ethnicities.

The Director confirmed that this was something to be looked at.

The Chair asked what the University did differently to other universities that had a positive result in gender pay gap.

The Director stated the predominantly female workforce as well as efforts to achieve Athena Swan status likely had a positive impact although there was still work to be done around promotions and mentoring.

The Deputy Vice-Chancellor stated many female candidates at recent promotion panels positively cited participation in leadership programs with focus on career progression. She stated there was potential to expand the experience of the programs through



replication of peer-to-peer support, action learning sets, as well as positive female role modeling and improved pathways to female professorship.

## **NOTED**

### **HR&OD Update and Annual Work Force Report [Paper 119b]**

The Director of HR&OD presented the report on the annual work force report and overview of key pieces of work led by the HR&OD team. A more in-depth analysis of the staff survey coordinated with HIVE was scheduled to be shared at the June meeting of the Governing Body. Recruitment and retention of staff were key challenges when viewed as a balance between the needs of the University and students and the experience and expectations of staff. The hybrid working pilot worked well for staff who exited Rochester House and further work was considered around work experience for other staff group whilst balancing the student 'on-campus' experience. The Director confirmed this was a balancing act experienced across all organisations and the University was not an outlier when compared with the sector.

The Director noted the recently run intensive training sessions for SMT and Senior Leadership Group colleagues with Professor Paul Miller to enable the University to become an anti-racist University. There was effort to create Inclusion Allies across all faculties to support and promote marginalised groups across the University.

The Director confirmed the University continued to lose staff in IT and professional services and had found ways to be innovative in its approach. The University ran a recruitment fair for current students to attract them into the organisation and building a pipeline into the University for its own talent pool. Market supplements, retention supplements and hybrid working plans were also incorporated into the workforce approach to recruit and retain staff.

The Director stated there had been little change in the equality data numbers and there continued to be work needed around those with protected characteristics.

The Chair asked whether the challenges faced by the University were localised or national and whether staff turnover was due to restructuring.

The Director noted the national challenges but said the University did have specific geographic challenges. Cost of living in the southeast was higher coupled with proximity to London with higher wages as well as increased opportunities to work from home. She also confirmed that there had been changes to employment portfolios which accounted for some of the staff turnover however she stated that staff turnover in 2022 was double staff turnover in 2021. There was work undertaken in 2022 to engage with staff and rebuild staff networks.

A Governor asked whether there was sufficient data analytics capacity within the University to present workforce monitoring data for the creation of a dashboard similar to PowerBI. He asked whether there was potential for an individual within the University with expertise in the social sciences to be engaged.

The Director said an individual had been recruited to undertake data analytics. Previously there had not been an individual of that capacity within the University. The Director agreed the internal resources could be utilised and would be considered.

## **NOTED**

### **194. Estate Development Update (including Estate Master Plan) [ Paper O120] [Item 10]**

The Director of Estates and Facilities (E&F) presented his report in three parts:

- Petros Court;
- Property disposal program; and
- Verena Holmes Building.

#### **Petros Court**

The Director of E&F said that a great deal of work had been completed in the short period of time since the visit by Kent Fire and Rescue Services (KFRS) in January. All smaller actions had been completed. Regular communication with KFRS had been maintained and had informed the way in which the University managed the site. The work requiring significant expenditure was ongoing.

Separate minutes have been taken regarding other matters included in the paper deemed to be kept confidential from the published unrestricted minutes.

#### **Disposals**

The Director said that since January the University had disposed of the Sidney Cooper Gallery lease, Rochester House and the Broadstairs Campus in accordance with the Estate Master Plan. The disposal of Hall Place, Harbledown was imminent. He expressed thanks for the tremendous efforts of Estates and Facilities colleagues and from those in Governance and Legal Services for facilitating the disposals. All Governors expressed gratitude to the Director as well as to the University Solicitor.

#### **Verena Holmes Building**

The Director mentioned the concerns raised about the appearance of the Verena Holmes rooftop plant and its impact on the world heritage site line from the local community and the Canterbury Society. The concerns had been the subject of many discussions between the University, Historic England and Canterbury City Council (CCC) planners. The focus was on how the University may address the concerns and reach a consensus as to next steps. Planners engaged by the University for a pre-application advice submission were the external planners, DHA, that had been enlisted by CCC prior to the original building works. DHA had substantial knowledge of the prior process and were therefore well placed to do this work. On reaching agreement with Historic England, there would be a need to engage wider stakeholders, such as Canterbury Society, to get them on board prior to seeking planning permission.

Separate minutes have been taken regarding other matters included in the paper deemed to be kept confidential from the published unrestricted minutes.

**NOTED**

**RESOLVED** that further discussion would take place between two Governors, the Vice-Chancellor and the Director of Estates and Facilities regarding the Verena Holmes rooftop plant.

**195. Academy for Sustainable Futures: Tenth Annual Sustainability Report 2020/21 [Paper O121] [Item 11]**

The Director of Sustainability presented his report and highlighted the Diamond Jubilee and the Launch of the Academy for Sustainable Futures for particular mention. There had been engagement with faculty and school directors of research to influence their research and advice portfolio plans. This represented the start of work to engage with faculties and schools. He also highlighted the climate research that had been funded and initiated in 2020/21. The Director said the capacity for curriculum change from the academic community had been limited over the previous two years largely due to Covid and short time working. Much of the focus had been on developing resources, such as Introduction to Sustainability videos, and introducing Carbon Literacy Training developed by Manchester Metropolitan University.

The Director said the climate carbon emissions report would be presented to the full Governing Body at the end of June. Significant inroads, in relation to scope 1 and scope 2 carbon emissions, had been made. There remained work to be done in relation to Verena Holmes. He stated that tendered returns of heat decarbonisation of North Holmes Road campus and plans were in place.

He acknowledged 10 years of the Student Green Office as a success story as well as work done in the civic community and collaboration to build the Canterbury Biodiversity Network. He said numerous city councilors were on the networks as well as the inclusion of 33 conservation groups.

The Chair of the Governing Body said the progress in sustainability research was really encouraging. The Chair thanked the Director of Sustainability for the report.

**NOTED**

**196. Modernising Our Student Information (MOSI) Update [Paper O123] [Item 13]**

The Director of Digital Strategy and Information Technology presented the MOSI update report. She said the University was in a positive position for the summer launch of the new student records system. She confirmed user acceptance testing (UAT) and end-to-end testing was nearing completion at the time of preparing the report with only minor corrections necessary for UAT. The initial course enrollment data migration had been successfully completed and was synched daily with the old student records system, QL, for 'Go Live'. Trainers had sent invitations to end users to participate in training sessions and were involved in the system roll out. There was close working with iZone, IT, Registry and Faculty Registrars to ensure a quick and efficient escalation should students or staff experience issues with the new student record system during the summer.

A Governor said they were impressed with the progress over the last 12 months.

**NOTED**

**197. IT Development Update [Paper O122] [Item 14]**

The Director of Digital Strategy and Information Technology presented the IT Development Update. She said that summer was typically a busy time on campus in preparing for students' return to campus as well as providing support to staff who were hybrid working. The University used a Microsoft license uplift to connect telephone to Microsoft Teams to facilitate inbound and outbound phone calls from any location. Old stock was due to be replaced; 400 new PCs installed on campus, mainly in Verena Holmes, to improve the student experience. The printer estate was also being reviewed to ensure it was fit for purpose; the University's intention was to minimise campus printing.

Recruitment into IT roles continued to be difficult. A recruitment agency had been engaged to help with recruitment and although the numbers recruited were low the calibre of new recruits was high. The IT department continued to work extremely hard to plug the gaps within the department. The Director said the shortages in the department meant longer wait times for staff. This was mitigated through assistance from Unitemps staff in bolstering the service desk to work through backlog of calls and assist in the distribution of staff equipment.

In response to a question about cyber security the Director confirmed that training was targeted to promote good sense. Care was needed to plan how the University would respond to a cyber-attack. Issues to be addressed included communication and lockdowns across the estates. There had been recent engagement with key members of departments across the University about how they would work together in a cyber-attack. The Deputy Vice-Chancellor said that she chaired a group to discuss and plan with a large stakeholder group how the University would respond to a significant cyber-attack scenario. A lively discussion to explore and rigorously test security planning had recently taken place.

A Governor said that it would be beneficial to have the dashboard returned to the report to identify how IT had progressed from a service perspective for students and for staff

The Vice-Chancellor confirmed the dashboard would be included in future reports.

The Chair thanked the Director of Digital Strategy and Information Technology for the reports.

**NOTED**

*Ms Judith Harding left the meeting.*

**198. Students' Union Termly Report and Proposed Budget 2022/23 [Paper O122] [Item 12]**

The Chief Executive Officer of the Students' Union presented the Termly Report and Proposed Budget for 2022/23. The Students' Union financial performance was ahead of

budget and due to deliver a modest profit as forecasted. The budget for 2022/23 was similar to the previous year with the exception of additional grant funding which covered inflation and three new staff positions in areas of shared priority between the Union and the University. The CEO expressed his, the Students' Union President and trustee's gratitude for the University's contributions to the Union's charitable contributions

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

**NOTED**

**199. Treasury Report – Investments and Loans [Paper O125] [Item 15]**

The CFO presented the paper as a stewardship report provided annually showing a summary of the University's loan arrangements with the banks.

**NOTED**

**200. Unitemps – Minutes (unapproved) of Medco (CCCU) Limited Board Meeting held on 2 March 2022 [Paper O126] [Item 16]**

The Governors noted and did not raise any questions on the minutes of the Unitemps Board Meeting held on 2 March 2022.

**NOTED**

**201. Any Other Business [Item 17]**

The Vice-Chancellor expressed gratitude to the Chair of the Finance and Resources Committee (who would retire from the Board on 31 July 2022) for his contributions and oversight throughout his tenure. The Vice-Chancellor reminded committee members there would be a dinner in thanks of the Committee Chair after the Governing Body Meeting on 28 June.

**200. Confidential Items [Item 18]**

Confidentially sensitive matters in minute 194 should be kept confidential and recorded separately in restricted form. There were no other matters to be kept confidential from published minutes once approved.

The meeting ended at 11:32am.