



CANTERBURY CHRIST CHURCH UNIVERSITY

UNRESTRICTED MINUTES OF THE MEETING OF THE FINANCE AND RESOURCES COMMITTEE HELD ON WEDNESDAY 2 MARCH 2022 AT 9.30AM IN THE FREDERIC MASON ROOM AT ST MARTIN'S PRIORY AND VIA MICROSOFT TEAMS TELECONFERENCE

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

In Attendance: Professor Alison Honour, Deputy Vice-Chancellor
Ms M Ayers, Director of HR&OD
Ms S Cockrill, Director of Digital Strategy and IT
Mr D Leah, Director of Finance and Chief Financial Officer (CFO)
Mr B MacPhee, Students' Union Chief Executive [item 10]
Mr S Gwynne, Director of Estates and Facilities
Ms J Armitt, Chair of the Governing Body
Ms A Sear, University Solicitor and Clerk to the Governing Body
Ms C Ford (minutes)

Apologies: None

133. Opening Prayer

Revd R Stevenson opened the meeting with prayers.

134. Apologies for Absence [Agenda: Item 1]

There were no apologies.

135. Declarations of Interest [Item 2]

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

136. Chair's Communications [Item 3]

The Chair welcomed everyone to the meeting and introduced Committee colleagues to Professor Alison Honour, the new Deputy Vice-Chancellor of the University.

137. Minutes of the meeting of the Finance and Resources Committee held on 3 November 2021 and Action Monitoring Log [Item 4]

The unrestricted and restricted minutes of the meeting of the Finance and Resources Committee held on 3 November 2021 were approved and signed by the Chair.

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

There were no matters arising. The action log was reviewed and it was confirmed that actions listed had been undertaken and/or were in hand.

139. Report on the University's Financial Position for the six-month period to 31 January 2022 and revised full year forecast [Paper O83] [Item 6]

The Finance and Resources Committee considered a Report on the University's Financial Position for the six-month period to 31 January 2022 and revised full year forecast (Paper O83).

The Director of Finance presented the Report.

The income and expenditure statement at Annex A to the Report showed the changes since the original budget approved by the Governing Body in June 2021. Some movements were material, and the overall picture was now very positive, after some difficult years. There was confidence in both the sources of income and the control of costs. There was a year-to-date surplus of £6,746k compared with the budgeted position of £3,593k. Year-to-date income was £83,103k compared with the budgeted position of £77,004k.

Income from new partnerships had made a significant difference. Arrangements for key new partnerships including those with the London School of Commerce and the Global Banking School were being finalised when the original budget had been drawn up. There had not been sufficient certainty about the forecast numbers at that point. The student numbers had now been finalised and partners had recruited above minimum expectations.

Additional grant income from OfS and UKRI had been incorporated within the revised budget. Income from international students showed a circa 20% increase in the budget expectation which represented a very positive performance and gave confidence in the University's ambition for growth included within the University's international strategy.

Year to date staff costs were below budget and the revised projections for current and future years reflect continued tight controls on staffing, including initial work on the implementation of strategic savings initiatives for curriculum redesign and new academic workload profiling. However, some staff savings were not planned or welcome. There was a significant recruitment challenge in some areas of the university, and work was underway to address this. There had been additional costs incurred on professional consultancy and agency fees to ameliorate some of these staffing issues.

Whilst the partnership model was lucrative and financially efficient, the University would continue to emphasise the need for the efficiency of its directly delivered provision and was not relying on partnerships to subsidise this activity.

The accounting treatment for budgeted capital expenditure had been revisited. Some IT and Estates projects had been reclassified as revenue rather than capital spend. The University was now budgeting for a capital investment of £10.2 million for the year; this was higher than the maximum level of £9m allowed within the funding agreement with the banks. The additional investment reflected the University's success in applying for capital grant funding. The banks understood the situation and would agree a process to formalise the changed position which will be confirmed following the inclusion of the third quarterly financial results. The two bank covenants were set out in the Report, and the projections showed significant headroom against the covenant expectations. Relationships with the banks were now significantly more positive.

The Director of Finance said that time should be set aside at the June meeting of the Committee to discuss the University's possible actions in April 2023 when its revolving credit facility came to an end, with the balance then converting into an amortising loan. The University would need to decide how much it wished to draw down to preserve for future investment and to support ambitions to be articulated within the 2023-30 strategic plan. This would be a significant decision and was further complicated by the current international situation and the knock-on effect on financial markets.

Several members of the Committee said they were very pleased with the current financial position and were reassured by the additional information on the partnership arrangements. The Vice-Chancellor said that the percentages of partnership income which the University retained and the percentages which it passed back to its partners were part of its commercially negotiated arrangements and commercially confidential. The arrangements were very positive for the University. He said that the University currently had two key significant partnerships, both for a five-year term. In terms of longer-term strategy, some of the University's key partners had no plans to obtain their own degree-awarding powers, but others did have such plans. The Vice-Chancellor said that a Strategic Board for Partnerships had been established, chaired by the Senior Pro-Vice Chancellor (Research, Enterprise and Business Development) to ensure that new partners were brought in as existing partnerships matured, but suggested that these were unlikely to be on the same scale.

A Governor asked about the nature and scope of provision for highways work in connection with one of the new buildings. The Director of Estates and Facilities said that appropriate provision had been made to cover the highways costs. The provision was being held pending ongoing work with planning colleagues.

A Governor asked whether the level of commission to agents for international students was normal in the sector and the Director of Finance confirmed that it was.

A Governor asked whether any allowance had been made for likely future rises in energy costs. The Director of Finance said that £2.5 million was being held in non-pay contingency and enabling costs. This would be ample to cover any issues, including utility cost rises, in the

short term. The Director of Estates and Facilities said that the University had contracts at very good rates for both electricity and gas until 2023.

A Governor asked whether there was any continued pressure for staff to claw back any more of the University's surplus funds, following the earlier one-off payment made to staff at the end of 2021. The Vice-Chancellor said that the Temporary Agreement with staff had been a one-year agreement directly arising from the Covid pandemic, and from the University's perspective had been concluded with the payment to staff at the end of 2021. There was currently a conversation about the right level of national pay award for university staff in 2022/23; this was likely to be higher than recent pay awards, in light of the current inflation picture. The Vice-Chancellor said that the University was not in the business of making profits, and now was the right time to invest in areas where it wanted to invest. This included the whole student experience (included but not limited to MOSI), learning and teaching, and the estate; the campus in between the two new buildings was now in need of attention.

The Chair thanked the Director of Finance for the Report. He said that the University was now enjoying some hard-earned success and was in a reasonable position on both the bank covenants and student income. The Chair asked to be kept updated on the position of the Unions and staff and on developments on the Estate.

NOTED

RESOLVED

That the proposed revised budget for the 2021/22 Academic Year be recommended for approval by the Governing Body.

140. HR&OD Development Update Report – Annual Review of People Strategy [Paper O84] [Item 7]

The Finance and Resources Committee considered an update report on the strategic priorities and activities of the Human Resources and Organisational Development Department (paper O84). The paper was presented by the Director of HR & OD.

The 3-Year People Strategy agreed in 2019 had had a number of successes, and a review of this was key to developing the next People Strategy, going forward to 2030. This new Strategy would be linked to the University's new Strategic Framework and would be more strategic. It would also reflect changes since the current People Strategy was developed, including Covid and the challenges in recruitment and retention that had arisen as a result. A staff survey would be conducted in April. The University had to show how it was investing in people, and a talent strategy would be crucially important. The current recruitment and retention challenges were not going away, and could not be solved by money alone; the University needed to create its own talent pipeline, using its staff, students and apprentices. Other areas continued to be important. Improvements have been made within the EDI team, including the development of a more coherent plan. Work continued on hybrid/smarter working, with a view to achieving a better staff experience that would in turn help with the recruitment and retention challenge. Work was also underway to improve Faculty administration arrangements, both to help the wider University and to give a better career structure for

administrative staff. There were recruitment challenges at both the lower and higher ends of the pay scale, and the University's current grading structure was not helpful. The University's geographical position in the South East magnified the issues.

Governors raised the following questions on the Report:

- what actions were being taken by other universities to address current recruitment and retention issues;
- how the University's situation on recruitment and retention compared with the situation of other universities;
- whether salary levels were an important factor;
- how the effectiveness of the People Strategy could be monitored;
- what constituted the biggest barriers to a successful People Strategy; and
- what the new People Strategy would look like, especially in terms of ambition and specific, stretching, measurable targets.

The Director of HR&OD said that Russell Group universities were responding by "throwing money" at the problem. She said there was an increased recognition of the importance and value of professional staff, and the current 15 year-old pay spine was not fit for purpose. The University's current recruitment and retention challenges varied across different areas of activity. There were particular challenges in IT and in certain areas of professional services staffing, both of which had a direct impact on student satisfaction. There was less of an issue generally with academic staff, though particular issues in Health could be addressed by having joint contracts with the NHS. These would anticipate people's desire to move between teaching and practice. Salary levels and cost of living issues were an important factor.

The Director of HR&OD said that formal staff surveys had previously been carried out every two years. The University now had new arrangements which provided for an annual staff survey but also for a number of smaller and targeted surveys during the year. The results of the April staff survey would be presented to the Governing Body in June and would feed into the new People Strategy. Metrics and measurements were key. In terms of barriers, the Director of HR&OD said that engagement was a problem, and more needed to be done by leaders and managers to use the tools and embed the good practices that had been developed by HR. She said that the new People Strategy would benefit from being developed at the same time as the new Strategic Framework; it could be ambitious and strategic, and embedded with other work and activity across the University.

The Chair thanked the Director of HR&OD for her report.

NOTED

RESOLVED

that a Staff Survey Report be presented to the Governing Body on 28 June 2022

141.Modernising Our Student Information (MOSI) Update [Paper O85] [Item 8]

The Finance and Resources Committee considered a Modernising Our Student Information (MOSI) Update Paper (Paper O85). The paper was presented by the Director of Digital Strategy and IT.

The University was continuing on its path to release as much functionality as possible. Curriculum Confirmation was released shortly before Christmas 2021. This had given the opportunity to ensure that data quality in the system was right for the next academic year. It would be relevant to timetabling and student registration and was a positive step forward. The module choice process in March 2022 would be undertaken via SITS for undergraduate Level 4 and 5 students. This would be the first time that existing students had used SITS. The programme was on track and had been tested; communications and training would be launched in the week commencing 7 March. Data migration now had a 90% success rate compared with 20% in mid-July 2021. The MOSI Oversight and Scrutiny Board, including one of the Committee members, the Vice-Chancellor and the Deputy Vice-Chancellor, would meet in the week commencing 7 March. An audit by the University's internal auditors, KPMG, had been scheduled for early April to review plans and give an extra level of confidence. The auditors understood the history of the project and would give a realistic assessment of the position. There continued to be staffing challenges and a number of staff had recently left; external staff had been brought in as required, as the need was immediate. The Director of Digital Strategy and IT said that the current MOSI leadership team was a strong one. A report on data migration was being prepared for the Oversight and Scrutiny Board. There was confidence that the project was on track and ready to go live in the summer. As much as possible would be tested between April and July.

The Governor member of the MOSI Board said that the MOSI programme was now in much better shape, and was finding effective solutions. The programme had learned from each launch and was on the right track. There would inevitably be difficulties along the way but things were generally going quite smoothly. She would continue to support the programme.

Governors raised the following questions on the report:

- whether the deadlines set out in the paper had been met so far;
- what were the key factors that had improved confidence levels;
- what would help improve progress; and
- whether accountability for the success of MOSI was clear to staff outside the MOSI team.

The Director of Digital Strategy and IT said that all the deadlines referred to in the report had been met to date. Progress was carefully reviewed at each Board meeting. She said that the programme had benefited from better plans, better co-ordination of plans, and better engagement with the project team, the Faculties, the Students' Union, and staff across the University. More time and more resources would be helpful, but the best testers were staff and students and their time was limited.

The Vice-Chancellor said that a new MOSI Oversight Board had been set up in September, which he chaired. He said that the success of the MOSI programme did not solely depend on the MOSI team; the Central Registry needed to be involved, along with Faculties and Schools.

Engagement on the business side had been lacking previously, but time and additional resources had now been allocated to ensuring that all relevant staff were able to play their part in delivery of the programme. The business side was now fully on board. The Senior Leadership Group would continue to be engaged in the project. The Vice-Chancellor said that the arrival of the new Director of Digital Strategy and IT had made a real difference, and she was now supported by a good team.

The Chair thanked the Director of Digital Strategy and IT along with her team and wished her the best of luck for the rest of the MOSI journey.

NOTED

142. IT Development Update [Paper O86] [Item 9]

The Finance and Resources Committee considered an IT Development Update paper (Paper O86). The paper was presented by the Director of Digital Strategy and IT.

There was a significant staffing challenge in IT. Investments of both time and money were being focussed on the student journey and the student experience. There was now the opportunity to take stock of areas where there had been compromise over the previous two years. Some previously out-sourced services, where the external provider had not provided value for money, had been brought back in-house and feedback to date had been positive. An investment of £400k had been agreed to replace old student PCs on campus. There was a continued focus on cyber-security, and a Cyber Response Board had been set up, chaired by the Deputy Vice-Chancellor. This was intended to consider the wider implications of a cyber-attack rather than the technical response, which was the responsibility of an existing Board. The IT sector was experiencing issues with recruitment and retention across the board; the University's IT department had been working closely with HR and other SMT colleagues to develop a multi-stranded strategy to retain existing staff, offer more incentives to recruit new staff, and develop a pipeline of junior staff to move up the ranks.

Governors raised the following questions on the report:

- what additional issues there were with provision for KMMS students going off-site;
- whether there was a cyber-training programme across the University;
- why the IT dashboard had not been included in the Report; and
- what the reference to the JISC regional connection meant.

The Director of Digital Strategy and IT said that IT access for KMMS students going off-site should be as smooth as possible, in line with students' expectations. Everything at KMMS was new, and there had not previously been Year 3 and Year 4 KMMS students on extended placements. The Vice-Chancellor said that KMMS students were students of both the University and the University of Kent. The aim was to create a single funnel for students so that they could access everything they needed from both universities with one login.

The Director of HR&OD said that there was mandatory training for staff on information security. Modular training on cyber-security was being rolled out, but there was not yet a

blanket all staff annual training requirement. The Director of Finance said that training on cyber-security was mandatory for his department. The Deputy Vice-Chancellor said that there was a clear movement in the higher education sector towards mandatory cyber-security training. A Governor said that cyber-training was also important for students and should be part of their induction programme. It would be helpful if the Students' Union could support this. The Deputy Vice-Chancellor said that international students needed to be included.

The Director of Digital Strategy and IT said that the University had invested heavily in cyber-security and had very good measures in place. It had also been part of wider university-sector discussions with the National Cyber Crime Unit. A Governor said that she would be happy to share the University's measures with her security contacts to see if there was anything else that they would suggest.

The Director of Digital Strategy and IT said that the staff member who had previously prepared the IT dashboard had now left the University. The dashboard would be available for the next meeting of the Committee.

The Vice-Chancellor said that that JISC was the organisation that looked after the national IT infrastructure for universities, working through regional networks. The location of the centre of the local network would not change despite the arrangements described in Paper 88 [Agenda Item 11].

The Vice-Chancellor said that the recently established Cyber Response Board was not chaired by the Director of Digital Strategy and IT, in line with recommended practice. It was chaired by the Deputy Vice-Chancellor and reported to the Senior Management Team.

The Chair noted the continuing focus on cyber-security for both staff and students.

NOTED

143.Students' Union Termly Report [Paper O87] [Item 10]

The Finance and Resources Committee considered the Students' Union Termly Report (Paper O87). The paper was presented by the Chief Executive of the Students' Union.

There was a year-to-date positive variance to budget of nearly £20k. The income to date was lower than had been expected, largely because of the timing of ticket sales for in-person events, but this was offset by a lower-than-expected expenditure on staff. There was a projected surplus of around £25k for the end of the year, but this might reduce as a result of targeted investments in some development areas. The SU President (Campaigns and Societies) would be leaving her role at the end of April and was currently working a few hours per week in order to utilise unused holiday and TOIL; the three remaining Sabbatical Officers were currently covering her representative work. The Students' Union leadership elections were scheduled to take place during the following week.

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

NOTED

144. Estate Development Update (including Estate Master Plan) [Paper O88] [Item 11]

The Finance and Resources Committee considered an Estate Development Update paper (Paper O88). The paper was presented by the Director of Estates and Facilities.

The Director of Estates and Facilities referred to the receipt of the informal opinion from Kent Fire and Rescue Services (KFRS) on fire safety at Petros Court. He said that under the Regulatory Reform Order 2005 he was personally responsible for fire safety at the University and he took this issue very seriously. He said the informal opinion had galvanised action. There was a detailed Action Plan in place detailing measures in place to address the issues raised. The opinion had covered both cladding and business as usual issues.

[Restricted]

The Chair said that KFRS had a new Building Fire Safety Inspector and it was important that the University kept detailed records of its meetings with KFRS. The Director of Estates and Facilities said that the University had a clear timeline showing all the contact between KFRS and the University.

The Director of Estates and Facilities said that a contract of sale had now been exchanged on Hall Place. Completion would not take place until June, but the deposit paid on exchange was non-returnable. The position at Broadstairs was very complex. Discussions were continuing between the University and the purchaser, and the Director of Estates and Facilities was hopeful that exchange could be achieved over the next couple of weeks, with completion shortly thereafter. On Rochester House, the University had negotiated a new position whereby it would surrender its existing lease and the new tenant would take a new lease; arrangements to put this into effect were now in train and it was hoped to complete the transactions by the end of March 2022.

The Verena Holmes Building was working well operationally, and the University had received positive feedback. There was an ongoing issue with the rooftop plant. The University had appointed a specialist planning consultant to help find a resolution, and discussions were continuing with the Canterbury City Council Planners and Historic England. The University intended to approach the City Council for pre-application advice and then submit a planning application in April.

The Governors asked the following questions in relation to the report:

- how long the remedial cladding works at Petros Court would take to complete;
- the status of an “informal opinion” from KFRS;
- whether the Sidney Cooper Gallery had now been handed over; and
- what plans were in place to improve the North Holmes Road campus facilities between the two new buildings.

The Director of Estates and Facilities said that it was difficult to estimate how long the works at Petros Court would take to complete, but he suggested that it would be in the region of 28-32 weeks. The appointed contractor would have to work through the logistics. He said that an informal opinion was the lowest of the four possible categories of action and advice available to the KFRS. It was possible for informal opinions to be given verbally. Governors noted that it was in fact helpful to have a written opinion, and emphasised that the University now needed to make progress with the work.

The Director of Estates and Facilities said that the keys of the Sidney Cooper Gallery would be handed over the following day. He said that some buildings on the North Holmes Road campus were looking tired, and there were plans to do a number of repairing and redecoration jobs over the summer. There was ongoing work on teaching spaces. The aim was to increase the sense of life on the campus, and to make a better student and staff experience.

The Chair thanked the Director of Estates and Facilities and said that Governors endorsed the importance of the work at Petros Court.

NOTED

145. TRAC: Review of TRAC 2021 [Paper O89] [Item 12]

The Finance and Resources Committee considered a paper on the review of TRAC 2021 (Paper O89). The paper was presented by the Director of Finance and CFO.

Pursuant to changes already implemented by the OfS, the Committee members agreed that the University's annual TRAC return would no longer need to be received and approved by a committee of the Governing Body. The Director of Finance and CFO said that the 2021 Return showed results that were generally consistent with previous years' returns. The TRAC return was not widely used internally, and its results tended to confirm what was already known rather than revealing anything new; there were other, better, methods of finding and analysing the data.

NOTED

146. OfS Approval of Financial Forecasts [Item 13]

The Director of Finance and CFO said that the University had submitted its financial forecasts to the OfS at the end of January. OfS had since raised some queries, in line with its standard practice, but there had not been any issues of substance. The forecasts had to be signed off with the OfS during March.

NOTED

147. Unitemps: Minutes of Board Meeting on 3 November 2021 [Paper O90] [Item 14]

The Governors did not raise any questions on the minutes of the Unitemps Board Meeting held on 3 November 2021.

NOTED

148. Any Other Business [Item 15]

Governors did not raise any other items of business.

149. Confidentiality [Item 16]

RESOLVED

Confidentially sensitive matters in minutes 139 and 142 should be kept confidential and recorded separately in restricted form. There were no other matters to be kept confidential from published minutes once approved.

150. Date of next meeting [Item 17]

The date of the next meeting was confirmed as 1 June 2022 at 9.30 am.