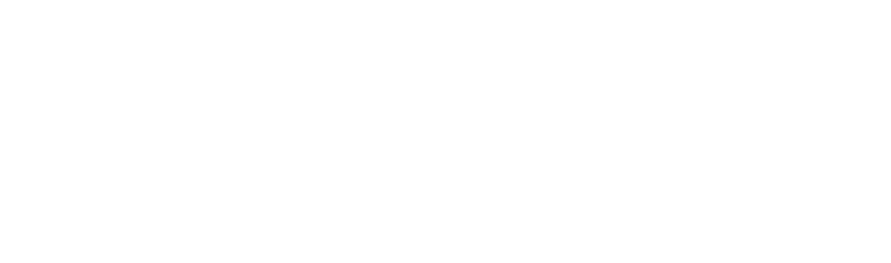
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| Cardiff Metropolitan University |
| Resources Committee Annual Report |
| Academic Year 2022/2023 |

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| Approved by: Warrender, David  November 2023 |





Resources Committee   
Annual Report

# About the Committee

The Resources Committee (the **Committee**) is a delegated body of the Board of Governors (the **Board**) at Cardiff Metropolitan University (the **University**).

The Committee provides advice to the Board on all matters related to the University’s resources; this includes financial, human, digital, and other resources. The Committee also advises on the University’s finances, procurement, staff, health and wellbeing, and estates.

In 2022/2023, the Committee was supported by Greg Lane (Head of Governance and Deputy Clerk to the Board of Governors) and Emily Samphier (Governance Officer).

Remit

The Committee is responsible for the oversight of the University’s resources. It’s Terms of Reference can be found at [Appendix 1](#_Appendix_1). In summary, its work includes:

* Endorsement of the University’s budget for each financial year;
* Approval of the Students’ Union’s budget for each financial year;
* Oversight of the use of human, financial, and digital resources;
* Reviewing Outturns to assess the ongoing financial position of the University; and
* Oversight of work on the University’s Estate.

Membership

Membership of the Committee for the Academic Year 2022/23 was as follows:

* David Warrender (Chair and Independent Governor)
* Professor Cara Aitchison (President & Vice-Chancellor)
* Venky Gonavaram (Student Governor)
* Sheila Hendrickson-Brown (Independent Governor) (until April 2023)
* Malcolm James (Academic Staff Governor)
* Professor Kelechi Nnoaham (Independent Governor) (until April 2023)
* Kirsty Palmer (Academic Board Representative Governor)
* John Taylor (Chair of the Board and Independent Governor)

Meetings

Three Meetings were held during the 2022/2023 Academic Year:

* 23 November 2022
* 22 March 2023 (inquorate)
* 21 June 2023

The Committee provided a summary report to the Board following each meeting.

NB: A meeting on 25 January 2023 had also been scheduled, but this was changed to an all-Governor development session on the ‘Diversity of Income & Safeguarding Cardiff Met’s Future’.

# The Committee’s Work During 2022-23

Due to the sustained effectiveness of online meetings, it was decided that the work of the Board’s Committees would continue to be carried out virtually, whilst meetings of the full Board took place in-person.

# Finance

Outturn Reports

The Committee received regular updates on the University’s financial performance through Outturns. Outturn reports provide information on how much money the University has spent, compared to the budget. This information is vital to the University’s Resources Committee as they can review and enquire where there have been under- or over-spends, identify any trends, and make informed decisions about the University’s future budget.

During 2022/2023 the University was in a positive financial position. However, financial performance was impacted by inflation, withdrawal of international students, and an unbudgeted cost-of-living payment to all staff in December 2022. There was also an increase to staff salaries following the national pay negotiations.

Budget Proposals for 2023/2024

The Committee has responsibility for endorsing the University’s budget prior to final approval by the Board of Governors. As the Committee has responsibility for providing strategic advice on the University’s finances, it has a deeper understanding of the University’s financial needs, and potential risks and opportunities. The Committee’s endorsement is therefore framed with more concise thought to the financial position.

The proposed budget for 2023/2024 was framed with reference to high inflation, and it was expected that 2023/2024 would become more challenging. It was emphasised that additional cash generation was vital with the University being unable to increase the price of its main source of income, FTUG tuition fees.

Annual Review of the University’s Financial Regulations

Each year, the University conducts a review of its Financial Regulations to ensure they remain up to date. These Regulations form an integral part of the framework established for financial accountability and control within the University. This framework encompasses the Financial Management Code, a document delineating the terms and conditions governing funding received from HEFCW; oversight by both the Board and this Committee to ensure compliance; and adherence to HEFCW's Audit Code of Practice, which mandates the establishment of robust financial and management control systems within the University.

In 2022/2023 the main change proposed to the Financial Regulations, was for the University’s financial limits to be altered to reflect the impact of inflationary increases. The limits were raised for low level tenders, as well as the authorisation limit for signing income contracts, and the upper limits for approving expenditure.

Annual Review of the Financial Management Code

HEFCW requires the University to maintain compliance with the Financial Management Code (**the Code**), which arose out of the Higher Education (Wales) Act 2015. The Code pertains to the structuring and administration of financial matters within regulated educational institutions. Oversight of compliance to the Code falls under the purview of the Committee, where each part of the Code undergoes scrutiny.

In 2022/2023 the Committee was satisfied that the University fulfilled the requirements of the Financial Management Code.

Annual Report on Staff Pensions

The University offers pensions to its staff through three schemes: (1) the Local Government Pension Scheme; (2) Teachers’ Pension Scheme; and (3) Universities Superannuation Scheme. Annually, the Committee is advised on the cost of these schemes, and any risks associated with them. Like with the preceding academic year, the Committee was advised that the pension deficit provision pertaining to the Cardiff & Vale of Glamorgan Pension Fund continued to influence the financial statements.

HEFCW Financial Forecasts

Annually, the Committee reviews and approves the financial forecasts that are required to be submitted to HEFCW. The forecasts include the projected outturn for the present academic year, the budget for the following academic year, and forecasts for the subsequent three years. It was emphasised that the University was expecting to maintain a strong operational outlook, with increased turnover and improved staff KPI.

Annual Transparent Approach to Costing (TRAC) Return

The Committee considered the yearly TRAC Return submitted by HE institutions engaged in substantial externally funded research. This report aims to verify that research funds are utilised according to their intended purpose. The Committee was satisfied that all required arrangements were in place.

Student Recruitment Finance Update

The Committee considered the financial impact of student recruitment, a significant part of the University’s income stream. The number of students enrolled at the University has a direct impact on the University’s ability to meet its financial goals, and therefore the Committee must have oversight of this. The Committee received regular reports on how the number of undergraduate, postgraduate, home, and international students was impacting the University’s finances. In 2022/2023 the University’s student numbers continued to grow. However, it became clear during the year that there was challenge in the recruitment of international students due to changes being made to student visas by the UK Government.

# Cardiff Metropolitan Students’ Union

Under the University’s financial regulations, the Committee had oversight of three matters that relate to the financial resources of the Students’ Union (**SU**): the Annual Audited Accounts; Outturn; and the Provisional Budget for the following academic year. This is important to ensure that the SU is financially sustainable, being responsible for providing a range of services to the University’s students. Additionally, as the University provides financial support to the SU through the annual block grant funding, the Committee’s oversight ensures there is consideration as to whether the SU is spending their money wisely, and in the interests of its stakeholders.

The Chief Executive of the Students’ Union attended the Committee twice during the academic year to present both the annual audited accounts, and the budget. This enabled the Committee to ask questions and ensure detailed scrutiny and transparency.

Annual Audited Accounts 2021/2022

The Committee reviewed the Students’ Union’s Annual Audited Accounts, which showed a net surplus for the year of £9,431, a significant reduction to the previous year, which saw a surplus of circa. £150k due to the impact of the pandemic. The easing of pandemic-related restrictions in 2021/2022 saw an improvement in the income of the SU from social and commercial activities, but not to pre-pandemic levels.

Outturn 2022/2023 & Provisional Budget 2023/2024

The Committee’s oversight of the SU’s finances helps to ensure that the SU is managing its budget responsibility, and it is aligned with the University’s priorities. The SU’s Outturn demonstrated that further activity had been carried out to raise the profile of the SU and create more meaningful engagement. Resources would continue to be used to this end in 2023/2024 as the SU builds on member engagement.

# Environment and Estates

Throughout the year, the Committee received updates on the work being caried out to improve and redevelop the University’s Estate, including the developments taking place towards the Estates Masterplan. Whilst the Committee is not responsible directly for oversight of Campus 2030, as a significant use of the University’s resources, being provided with updates relating to this is vital to ensuring the Committee has a complete understanding of the University’s resources. During 2022/2023, developments included:

* Refurbishment of specific university residences
* Improvements to teaching & classroom space aligned with the Estates Masterplan
* Planning, modelling, stakeholder engagement, surveys, & other activities, to progress the Estates Masterplan

# People Services

At each meeting, the Committee was presented with a report from the Director of People Services. The report summarises the University’s key people data in the form of a dashboard, this included statistics on:

* Salary costs
* Headcount
* Sickness absence
* Representation (gender, ethnicity, age)

By understanding the University’s demographic, the Committee can more accurately make decisions regarding allocation of resources and identify and address any disparities. Overall, this helps towards ensuring the University is a fair and equitable workplace for all staff members.

Specific to this academic year, the Committee was provided with a briefing on the UCU Industrial Action related to the collective pay bargaining, and the implications of this. It is important that the Committee is kept informed on strike action, so that it can ensure that the University has adequate resources to deal with its impact.

# Other

Equality & Diversity

Under the Equality Act 2010, the University has a specific duty to produce a Strategic Equality Plan which outlines equality objectives. Annually, a monitoring report is published which sets out progress against these objectives, as well as other relevant information. Having oversight of Equality & Diversity is an important part of the Committee’s responsibilities, as a diverse student body and staff ensures a more inclusive and equitable university. The annual monitoring report helps to keep stakeholders informed of the University’s ‘long-term commitment to champion equality of opportunity and promote effective and inclusive practice in Higher Education’. It was noted that the University was broadly in-line with the HE sector, and that the report could be improved with the addition of narrative and commentary on next steps.

Procurement

Oversight of the University’s procurement is a vital part of the Committee’s role, as it can scrutinise proposals to ensure they are not only financially sound, but also to review whether the procurement has been carried out in a fair manner and that it aligns with the University’s strategic priorities.

The Committee receives at each meeting, a ‘High Value Procurement Pipeline Update and Decisions Taken Under Chair’s Actions’ report. This document details the decisions made by the Committee Chair through Chair’s Action, as well as providing an overview of ongoing or upcoming procurement projects that might require approval from either the Committee or its Chair, due to the contract value.

The Committee also reviewed the Procurement Annual Report. This report highlighted that in 2021/22, 40 tenders were delivered. These related to a wide variety of areas, such as software, waste, and marketing. Additionally, it was emphasised that the regulations governing procurement were going through reform and this would likely impact procurements taking place in 2024. This could lead to more work and training in new software.

# Policy Approvals

In 2022/2023 the Committee approved the following revised and updated policies:

1. Ethical Investment & Banking Policy

This was the triennial review of the policy which introduced minor changes to bring the policy in line with procurement requirements.

Following their approval, the policies were placed on the Policy Hub, available on the University’s website.

Approved by David Warrender  
Chair of Resources Committee

November 2023

# Appendix 1

Resources Committee Terms of Reference 2022-2023

Reports to: the Board of Governors

Occurrence: 4 meetings a year, with additional meetings scheduled as required

*Terms of reference last revised: 24 May 2022; and next due for review: November 2022*

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| Members:  David Warrender (Independent Governor/Chair)  Kelechi Nnoaham (Independent Governor)  Sheila Hendrickson-Brown (Independent Governor)  Vacancy (Independent Governor)  Vacancy (Independent Governor)  Vacancy from 1 December 2021 (John Taylor, Chair of the Board, to attend as necessary)  Professor Cara Aitchison (President and Vice-Chancellor)  Kirsty Palmer (Academic Board Staff Representative)  Quorum: 4 members, at least 3 of which must be Independent or Co-opted Governors  \*While the Articles of Government are being updated, 1 student governor and 1 staff governor are invited to observe the Committee | In attendance:  University Secretary and Clerk to the Board of Governors  Head of Governance  Chief Officer (Resources)  Deputy Directors of Finance  At the discretion of the Chair other University officers, as may be appropriate, shall be invited to attend meetings, including the Director of People Services, Director of Communications, Marketing and Student Recruitment, Director of Library and Information Services, and Director of Environment and Estates. |

Remit:

The Resources Committee advises the Board on matters relating to institutional financial, physical, human and digital resources, including institutional financial management, income generation and sustainability; People Services, including health and safety and wellbeing; estates and the environment; and any other of the University’s resources. The Committee also has a role in ensuring value for money in procurement and in non-executive oversight and monitoring of the strategic management of the University’s resources to support its strategic priorities. In relation to capital projects, the Committee will consider the capital plans as the University implements them in line with the agreed strategy.[[1]](#footnote-2)

The Committee has delegated authority from the Board in relation to financial matters as set out in the financial regulations and in the Scheme of Delegation. The Board cannot delegate the approval of the Annual Budget or its principal responsibility for the solvency of the University.

Terms of reference:

1. To consider and have authority to approve on behalf of Board:
   1. Financial Regulations, and policies/strategies relating to matters within the Committee’s purview, which require approval at a governance level for legal or regulatory reasons, unless covered elsewhere in these terms of reference or forming part of the Articles of Government; also any other matters vested in the Committee under the Financial Regulations and Scheme of Delegation.
   2. Financial arrangements including short term funding arrangements/procedures, long term investment policies, applications for borrowing consent from all sources, and relevant policies and strategies in relation to fees and charges payable to the University.
   3. The implementation of strategic objectives relating to People Services and employment policy.
   4. The University’s annual report on Health and Safety activities within the institution, which will be presented to Board for information.
   5. Regular reports on People Services and on Estates and the Environment.
   6. The University’s annual report on Procurement.
   7. The purchase of capital goods and services in accordance with the provisions of the financial regulations.
   8. "Risk" arrangements for insurance purposes
   9. Periodic reviews of the Institution’s compliance with the various mandatory requirements of the Financial Memorandum
2. To consider and recommend for Board approval:
   1. Revisions to ceilings on financial authority, to be reviewed on an annual basis.
   2. Any expenditure which requires full Board authority.
   3. Policies/strategies which require approval at Board level for legal or regulatory reasons, and which relate to matters within the Committee’s purview.
   4. Any other matters as set out in the Financial Regulations or the Financial Procedures, or the Scheme of Delegation.
3. To receive reports for information and advise Board and/or the Vice-Chancellor as appropriate on:
   1. Strategic risks and opportunities facing the University in matters of financial, physical, human and digital resources, and other income generation opportunities.
   2. The establishment, development and monitoring of the Estates Strategy including the acquisition and disposal of land and buildings and the effective and efficient use of resources related to this. This is separate from the Masterplanning work for the University estate which is considered by the Strategic Planning and Performance Committee.
   3. Medium term and longer term financial planning and income generation (including working capital and capital commitments, and other physical assets as well as intellectual property), and annual and longer-term estimates of income and expenditure.
   4. Periodic statements of income and expenditure in relation to the University's activities including all subsidiaries.
   5. The establishment, development and approval of institutional partnerships with external bodies.
   6. The performance of and risks arising from staff pension schemes.
   7. National and local agreements as they relate to the various staff groups within the University.
   8. Changes in legislation and good practice relating to areas of the University’s operation within the purview of the Committee.

The Committee may establish time-limited Task & Finish Groups to undertake any of the above responsibilities on its behalf. The membership and reporting arrangements of such Task & Finish Groups shall be agreed by the Chair of Board, the Committee Chair, or the Vice-Chancellor, according to business demands.

Operation

The Committee shall agree and present to the Board an annual report outlining the key business undertaken by the Committee during the previous academic year, with a particular focus on the decisions taken by the Committee on behalf of the governing body in accordance with the delegated authorities provided in these terms of reference.

The Committee shall provide a summary report to Board following each meeting, setting out what decisions have been taken via delegated authority, in particular any procurement or contractual related decisions approved by Chair outside of meetings. The Chair will provide an oral update to Board as necessary highlighting any issues that they need to bring to the attention of the Board.

The Committee may consider matters referred to it by Board, the Management Board (via the Vice-Chancellor – in academic year 2020/21 this is through the Combined Academic Board), or the University Vice-Chancellor’s Executive Group.

# Appendix 2

Attendance at Meetings

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name | Date** | 23-Nov-22 | 22-Mar-23 | 21-Jun-23 |  |
| Professor Aitchison, Cara (Vice-Chancellor) | Yes | Yes | No |  |
| Roisin Connolly (Independent Governor) | n/a | n/a | Yes |  |
| Gonavaram, Venky (Student Governor) | Yes | Yes | No |  |
| Hendrickson-Brown, Sheila (Independent Governor) | No | No | n/a |  |
| James, Malcolm (Academic Staff Governor) | Yes | No | Yes |  |
| Nnoaham, Kelechi (Independent Governor) | Yes | No | N/A |  |
| Palmer, Kirsty (Academic Board Representative Governor) | Yes | No | No |  |
| Turner, Chris (Vice-Chair of the Board and Independent Governor) | Yes | n/a | Yes |  |
| Taylor, John (Chair of the Board and Independent Governor) | No | Yes | Yes |  |
| Warrender, David (Chair and Independent Governor) | Yes | Yes | Yes |  |

1. The Strategic Planning and Performance Committee will consider Estates Masterplanning from a strategic perspective and make recommendations to the Board of Governors on the overall plan; the Resources Committee will consider the establishment, development and monitoring of the Estates Strategy including the acquisition and disposal of land and buildings and the effective and efficient use of resources related to this as well as the purchase of capital goods and services in accordance with the provisions of the financial regulations.  [↑](#footnote-ref-2)