|  |
| --- |
| Cardiff Metropolitan University |
| Resources Committee Annual Report |
| Academic Year 2023-2024 |

|  |
| --- |
| Approved by: Warrender, DavidNovember 2024 |





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. It’s Terms of Reference can be found at [Appendix 1](#_Appendix_1).

In 2023-2024, the Committee was supported by Greg Lane (Head of Governance and Clerk to the Board of Governors) and Emily Samphier (Senior Governance Officer).

Membership

Membership of the Committee for the Academic Year 2023-24 was as follows:

* David Warrender (Chair and Independent Governor)
* Professor Cara Aitchison (President & Vice-Chancellor) (until January 2024)
* Kevin Coutinho (Independent Governor)
* Dr Clare Glennan (Academic Staff Governor)
* Peter Kennedy (Independent Governor)
* Professor Rachael Langford (President & Vice-Chancellor) (from February 2024)
* Kirsty Palmer (Academic Board Representative Governor)
* Natalia-Mia Roach (Student Governor)
* John Taylor (Chair of the Board and Independent Governor)

Meetings

Three meetings were held during the 2023-2024 Academic Year:

* 15 November 2023
* 13 March 2024
* 19 June 2024

Meetings were held remotely via MS Teams. The Committee provided a summary report to the Board following each meeting.

# The Committee’s Work During 2023-24

The work of the Committee during 2023-24 focused on the following key areas:

* Providing scrutiny on the University’s in-year financial performance, and endorsing the budget for 2024-25 (section 3);
* Consideration and endorsement of the Tuition Fee increase (section 4); and
* Oversight of the Students’ Union’s finances (section 5).

# Finance

Outturn Reports

The Committee received regular updates on the University’s financial performance through Outturn reports, which provide information on spending compared to the budget. This data is crucial for the Committee to review and enquire about under- or over-spends, identify trends, and inform future budget decisions.

The 2023-2024 academic year presented significant financial challenges to the University due to a substantial drop in student recruitment of circa. 1,200 students against budget expectation, leading to a significant drop in tuition fee income. The Committee played a key role in analysing the University’s financial performance throughout the year and providing appropriate scrutiny. In response to the challenges, the University initiated a financial recovery plan which involves a phased approach to achieve budget savings over a sustained period.

Budget Proposals for 2024-25

The Committee has responsibility for endorsing the University’s budget prior to final approval by the Board of Governors. Following the challenging financial environment of 2023-2024, as outlined in the Outturn reports, the Committee endorsed the University’s 2024-2025 budget prior to its final approval by the Board of Governors with significant scrutiny. Given the Committee’s strategic oversight of the University’s finances, its endorsement is based on a deeper understanding of the financial needs, risks, and opportunities faced by the institution.

The proposed budget for 2024-2025 was framed with reference to the ongoing challenges faced by the University. It emphasised that the main focus of the budget was financial recovery, with a targeted cash surplus of circa. £5m. It was expected that liquidity would further dilute throughout the year whilst corrective measures were put in place. The budget also included a number of HEFCW scenarios and mitigations relating to staff pay, which the Committee challenged and explored with the Executive.

Annual Review of the University’s Financial Regulations

The University annually reviews its Financial Regulations to maintain their relevance. These Regulations form part of the University’s financial accountability framework, which includes the Financial Management Code (governing HEFCW funding), Board and Committee oversight, and adherence to HEFCW’s Audit Code of Practice. This comprehensive framework ensures robust financial and management control systems.

In 2023-24, only minor changes had been made to the Regulations following consultation with respective University departments.

Separately, the Committee considered and approved the reduction of authorisation limits of individual budget holders at different level across the University as part of a cost management exercise.

Annual Review of the Financial Management Code

HEFCW requires that the University adheres to the Financial Management Code (the **Code**), established by the Higher Education (Wales) Act 2015. The Code outlines financial management practices for regulated educational institutions. The Committee oversees compliance with the Code, ensuring all aspects are adhered to.

In 2023-2024, the Committee confirmed the University’s compliance with 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. In 2024, the Committee was advised that:

1. The University’s contribution to the LGPS had not changed.
2. There had been a positive change to the USS, in which the deficit had become a surplus and the University’s contribution rate had decreased.
3. The University’s contribution to the TPS had increased significantly, and it was anticipated that this could cost £1.7-2m next year.

HEFCW Financial Forecasts

The Committee annually reviews and approves financial forecasts submitted to HEFCW. These forecasts include the current year’s projected outturn, the upcoming year’s budget, and three-year projections. This year, the significant financial challenges were emphasised. It was expected that the University would achieve modest student income growth, however, cost-base adjustments would be necessary to achieve a sustainable surplus of 4-5%, a significant decrease from previous years’ 10%+ surpluses.

Annual Transparent Approach to Costing (TRAC) Return

The Committee reviewed the TRAC Return in the spring and summer. The return is submitted by HE institutions conducting externally funded research and ensures that research funds are used as intended. The Committee confirmed that all necessary arrangements were in place.

# Tuition Fee Increase

In 2024, the Welsh Government increased the maximum full-time undergraduate tuition fee to £9,250, a rise of £250 from the existing fee. The Committee carefully considered the potential options for implementing this increase, acknowledging the increased financial burden it could place on many students.

Ultimately, the Committee expressed support for the increase to £9,250 to be applied for all continuing students from 2024-25. While recognising the challenges associated with the fee increase, it helped to address the reduction in value of the tuition fee which had been introduced over a decade ago.

# Cardiff Metropolitan Students’ Union

Under the University’s financial regulations, the Committee oversaw three aspects of the Students’ Union’s (**SU**) finances: Annual Audited Accounts, Outturn, and the Provisional Budget. This oversight is crucial to ensure the SU’s financial sustainability and effective service delivery to students. As the University provides a block grant, the Committee ensures the SU utilises funds wisely and in the best interests of its stakeholders.

Annual Audited Accounts 2022-2023

The Committee reviewed the SU’s Annual Audited Accounts, which set out the consolidated outturn for the SU and Futura Marketing and Promotions LTD, the trading subsidiary of the SU. The accounts showed a net surplus for the year of £4,899 before movement on the defined benefit pension scheme provision. The Audit Findings Report found no areas of significant risk. The Committee was reassured that there would be better scrutiny by the Board of Trustees in the future, with constitutional changes proposed to increase the number of external trustees (which are now in place).

Outturn 2023-2024 & Provisional Budget 2024-2025

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. Following a difficult financial year due to inflationary pressures, and the expectation of a deficit, the SU was pleased to report a positive outturn with a small surplus of £4,480.

Moving into 2024-25, the main change regarding the provisional budget was the transfer of the Cardiff Met Football Club from the Students’ Union to the University. A separate company had been set up to meet the regulatory requirements of the Welsh FA, this transfer will enhance the professionalisation of the semi-pro team, improving resourcing and governance.

# Environment and Estates

The Committee received regular updates throughout the year from Environment and Estates on work to upgrade and redevelop the University’s Estate, ensuring the Committee has a complete understanding of the University’s resources. During 2023-2024, developments included:

* Works to improve the sporting facilities, such as pitch and turf replacement and repairs to the outdoor running track.
* Residential Fire Risk Assessment actions such as fire alarm panel replacements.
* Other work such as asbestos removal, boiler replacements, and air conditioning works.

# People Services

The Committee received regular reports that summarised key people data in a dashboard format. This included statistics on salary costs, headcount, sickness absence, and representation (gender, ethnicity, & age). By understanding the University’s demographics, the Committee could make informed decisions about resource allocation and identify and address disparities, promoting a fair and equitable workplace for all staff.

# Other

Equality & Diversity and the Strategic Equality Plan

Under the Equality Act 2010, the University has a specific duty to produce a Strategic Equality Plan which outlines equality objectives. In 2023-24, the Committee continued its oversight of the University’s Equality, Diversity, and Inclusion (**EDI**) initiatives by reviewing and approving the Strategic Equality Plan 2024-2028. In line with regulatory requirements and the University’s strategic priorities, the Committee emphasised the importance of integrating EDI principles into all aspects of the institution. The Committee supported the implementation of a comprehensive monitoring and reporting system to track progress towards the Plan’s objectives, ensuring transparency and accountability. By fostering a more inclusive and equitable environment, the University aimed to create a vibrant and supportive community for all its members.

Procurement

The Committee played a pivotal role in overseeing the University's procurement processes, ensuring that contracts are awarded in a fair, transparent, and cost-effective manner. Through regular review of the procurement pipeline and the annual report, the Committee scrutinises high-value procurements to ensure they align with the University's strategic priorities and contribute to overall value for money.

With the upcoming implementation of the Procurement Act 2023, the Committee recognised the importance of adapting to new legislative requirements. The Committee was committed to supporting the procurement team in navigating these changes and ensuring that the University remains compliant.

# Policy Approvals

In 2023-2024 the Committee approved the following revised and updated policies:

1. Equality, Diversity, & Inclusion Policy

This was the triennial review of the policy. It was updated to provide greater clarity regarding the University’s responsibilities as a HE institution.

1. Treasury Management Policy

This was the triennial review of the policy which introduced minor changes for crypto currency 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**

**13 November 2024**

# Appendix 1

Resources Committee Terms of Reference 2023-24

# Key Information

## Reports to: The Board of Governors

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

# Membership, Quorum, & Attendees

## Quorum: 4 members, at least 3 of which must be Independent or Co-opted Governors

## Members & Attendees

|  |  |
| --- | --- |
| MembersDavid Warrender (Independent Governor/Chair)Professor Cara Aitchison (President and Vice-Chancellor)Kirsty Palmer (Academic Board Staff Representative)John Taylor (Chair of the Board)*[three Independent Governor vacancies]**\*While the Articles of Government are being updated, 1 student governor and 1 staff governor are invited to observe the Committee* | AttendeesUniversity Secretary Head of Governance and Clerk to the Board of Governors Chief Officer (Resources)Deputy Directors of Finance x2*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

## To consider and have authority to approve on behalf of Board:

## 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.

## 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.

## The implementation of strategic objectives relating to People Services and employment policy.

## The University’s annual report on Health and Safety activities within the institution, which will be presented to Board for information.

## Regular reports on People Services and on Estates and the Environment.

## The University’s annual report on Procurement.

## The purchase of capital goods and services in accordance with the provisions of the financial regulations.

## "Risk" arrangements for insurance purposes

## Periodic reviews of the Institution’s compliance with the various mandatory requirements of the Financial Memorandum

## To consider and recommend for Board approval:

## Revisions to ceilings on financial authority, to be reviewed on an annual basis.

## Any expenditure which requires full Board authority.

## Policies/strategies which require approval at Board level for legal or regulatory reasons, and which relate to matters within the Committee’s purview.

## Any other matters as set out in the Financial Regulations or the Financial Procedures, or the Scheme of Delegation.

## To receive reports for information and advise the Board and/or the Vice-Chancellor as appropriate on:

## Strategic risks and opportunities facing the University in matters of financial, physical, human and digital resources, and other income generation opportunities.

## 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.

## 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.

## Periodic statements of income and expenditure in relation to the University's activities including all subsidiaries.

## The establishment, development and approval of institutional partnerships with external bodies.

## The performance of and risks arising from staff pension schemes.

## National and local agreements as they relate to the various staff groups within the University.

## 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 - this is through the Combined Academic Board), or the University Vice-Chancellor’s Executive Group.

# Appendix 2

Attendance at Meetings

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name | Date** | 15-Nov-23 | 13-Mar-24 | 19-Jun-24 |  |
| Professor Aitchison, Cara (Vice-Chancellor) | Yes | n/a | n/a |  |
| Coutinho, Kevin (Independent Governor) | n/a | Yes | Yes |  |
| Glennan, Clare (Academic Staff Governor) | Yes | No | No |  |
| Kennedy, Peter (Independent Governor) | No | Yes | Yes |  |
| Professor Langford, Rachael (Vice-Chancellor) | n/a | Yes | Yes |  |
| Palmer, Kirsty (Academic Board Representative Governor) | Yes | Yes | Yes |  |
| Roach, Natalia-Mia (Student Governor) | Yes | Yes | Yes |  |
| Taylor, John (Chair of the Board and Independent Governor) | Yes | 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)