

University of York Finance Committee

Matters for note by Council at its meeting on 24 July 2024 arising from the meeting of Finance Committee held on 25 June 2024

1. The meeting was attended by the incoming Chief Finance & Operating Officer, as part of his onboarding programme; and by Owen Trotter, Council member, given his contribution to the monthly financial Scoping Meetings between the Chair, the DVC and the Finance Director.
2. The Committee approved the Quarter 3 financial forecast for 2023/24 and noted an update on covenant compliance based on the latter. The Chair of the Audit and Risk Committee further reported that the interim audit due in a fortnight would give a preliminary insight into any auditor concerns. The Committee observed it was important to contextualise any positive impact of uplift relating to the USS.
3. The Committee considered the following reports:
 - a. Planning for financial sustainability. The Deputy Vice-Chancellor further reported that:
 - The University's focus was on its academic and financial future, aiming to mobilise rather than demoralise [REDACTED] via positive initiatives such as energy efficiency and an improved Access and Participation Plan.
 - The Russell Group average for proportion of academic staff (48%) could be achieved in the longer term via changes to the PSS model, [REDACTED]
 - The CapEx budget had been refocused on addressing areas of greatest need, [REDACTED]
[REDACTED]
[REDACTED] The Committee noted the importance of clear communication to staff regarding the need to find an alternative future for King's Manor, given the expense involved in its maintenance.
 - [REDACTED]
[REDACTED]
 - b. An update on the Changing the Work programme. The Committee observed that it was reassured by the detailed analysis and planning, and noted further assurances as follows:
 - A report would be provided to Council in due course on benefit realisation.
 - Arrangements for ensuring continuity into the next semester [REDACTED]
[REDACTED]
 - Enabling of flexible movement across roles within the same grade;
 - A managed transition, with potential for phasing in of changes where required.
 - c. Workforce planning in relation to HR considerations. The Committee observed:
 - [REDACTED]
[REDACTED]
[REDACTED] There was also a need to emphasise the message from the VC's departmental visits that higher education institutions could not expect increased funding as a result of a change of government: any providers at risk of closure were more likely to be supported via restructuring, and measures such as indexing fees to inflation would not achieve all the benefits required, or address deficiencies in previous years.
 - [REDACTED]
[REDACTED]
[REDACTED]
 - d. Actions being taken to maximise the taught international intake for 2024/25 and beyond. The Director of External Relations and the Director of Strategic Planning & Performance further reported:
 - York was part of a leadership group seeking to build a robust evidence base towards reframing relations between HE and the new government across a range of dimensions including the categorisation of international students as long term economic migrants, long term funding stability and evolving sector business models.
 - Post 2030, there was a need for global and national demographic trends of future students to be factored in to the University's consideration of the changing nature of education provision. External Relations was working intensively with the PVC Global Strategy and PVC TLS to develop a range of new strategic business models.

- Work was under way to embed systematic, impartial and regular forecasting and ensure co-ordination between the relevant PS teams.
- [REDACTED]

4. The Committee noted the FYF covenant position and the associated risk and scenario table, and endorsed the approach to lender engagement.
5. The Committee considered the Five Year Financial Plan for 2024/25 to 2028/29, noting assumptions and risks, and resolved to recommend it to Council for approval.
6. The Committee considered the 2023/24 Annual Accounts Plan, noting that going concern was an appropriate basis to prepare the annual accounts, based on the information currently available. It resolved to approve a change to the Policy on provision for doubtful debts, [REDACTED] and on this basis noted that the accounting policies were appropriate for the annual accounts. The Committee further noted the proposal to move the joint FC/ARC and Council meetings to sign off the University's annual accounts to December 2024, in order to ensure the necessary agreements with the lenders were in place. This timeline would still allow the University to meet the OfS deadline.
7. The Committee considered a paper on the Technology Projects lessons learnt review, which had been commissioned by the Integrated Infrastructure Board (IIB) [REDACTED]

The Committee noted:

- a. Over the past year, accessibility considerations had been foregrounded in supplier contracts; and work was underway with existing suppliers to ensure systems were compliant with the University's information security standards.
 - b. Business continuity plans were in place in the event of third party failure [REDACTED]
 - c. The central team worked closely with colleagues with in-house expertise (e.g. the Computer Science department) and was keen to engage with recent graduates e.g. in relation to AI. The University was regularly in contact with other HEIs regarding their experiences of particular systems and the lessons they had learnt with system implementations, e.g. Edinburgh and Nottingham in relation to HR systems.
 - d. There was a need to consider process change and standardisation as a counter-balance to system change. The Committee agreed that it should continue to receive reports in relation to lessons learned arising from the IIP, for assurance purposes, and noted that a parallel paper in relation to Estates projects was under preparation.
8. The Committee endorsed the business case scope and approval route and timetable for an IT procurement proposal [REDACTED], noting that extraordinary meetings of Finance Committee and Council/UDG in August/September were proposed. In the context of the lessons learnt review, the Committee noted:
 - a. In terms of time pressure, the Interim Assistant Director of IT: Digital Services provided assurances that the University had partnered via competitive tender [REDACTED], who brought experience of working with other HEIs. Staff resource had been allocated to the project, mitigating the risks involved with rapid decision-making.
 - b. [REDACTED]
 - c. Regarding the multiple systems within the [REDACTED] system architecture, implementation would be phased as far as possible in order to reduce risk.
 - d. The cost estimate template included provision [REDACTED] to roll out and operate the new system.
 9. The Committee resolved to approve a new Policy on Insider Dealing subject to:
 - a. Consideration of FCA recommended practice regarding information designation and approved circulation lists.
 - b. Clarification of whether the Policy also applied to independent members of Council.
 10. The Finance Director reported on an update recently received from UUK in relation to the three USS workstreams. The Committee noted the importance of monitoring progress in relation to the governance review, which to date had been slow. Further updates were expected from UUK later in the summer.