

University Of York

Finance Committee

Matters for note by the University Council at its meeting on 15 May 2024 arising from the meeting of the Finance Committee held on 13 March 2024

1. University Finances and Plans

- a. The Committee noted the update on University Finances and Plans as discussed at the February 2024 meeting of Council, and considered a paper on planning for financial sustainability, setting out a framework and next steps [REDACTED]
- b. The Committee observed:
 - Regarding communication around cost savings, there was a need for as much clarity as possible regarding the challenges ahead. However, it was also important not to lose sight of and to fund the University's ambitions and strategic goals in order to foster a community with shared purpose.
 - [REDACTED]
 - The University would need to review its plans once the expedited review of the graduate route by the Home Office Migration Advisory Committee had concluded in May: further steps might be needed to achieve the required levels of financial improvement.
- c. The Committee further noted:
 - Mothballing/demolition of buildings and student withdrawal rates (based on the previous year) has been factored into the University's plans. With regard to the latter, Strategic Planning had been commissioned to analyse withdrawal data so that risk amongst current students could be identified early and action taken. [REDACTED]
 - The University's lenders had sight of the 2022/23 accounts, and covenant compliance information had been submitted in January. Further information regarding the University's current and future position would be made available to the lenders should the need arise. The Committee acknowledged the potential impact of failure elsewhere in the sector, and noted the importance of keeping a watching brief on the covenant margin.

2. Q2 reports

- a. The Committee approved the Q2 financial forecast 2023/4, noting that [REDACTED] the University had greater clarity around its financial position.
- b. The Committee noted an update from the Budget Monitoring Group [REDACTED]. The Committee noted that the Group would continue to monitor and manage risks, and was reassured that the level of risk was well understood.

3. Annual Summary of Treasury and Investment

The Committee noted the Treasury and Investment performance over the past year, and approved proposed changes to [REDACTED] usage and Counterparty limits contained within the Treasury Management Policy, subject to assurances [REDACTED]

Secretary's note: following the meeting, the Chairs of Finance Committee and ARC reviewed assurances prepared by the Treasury Manager in relation to the above, and confirmed approval of the changes to the Treasury Management Policy.

4. Pensions

- a. The Committee considered a report on the UoY Pension Fund (UoYPF) triennial valuation results, and a de-risking investment strategy proposal from the Trustees which was currently out for consultation. The Committee:
 - observed that the University would not be in a position to respond meaningfully to the proposal until the outcomes of the forthcoming consultation with members were known.
 - [REDACTED]
 - noted that it would be prudent to respond to rather than anticipate the forthcoming Code of Practice on scheme funding from The Pension Regulator, [REDACTED]

The Committee resolved to defer the University's response to the investment strategy proposal consultation until the outcomes of the members survey were known. Further discussion thereafter would be undertaken by an advisory group convened by the Vice-Chancellor.

Secretary's note: in line with the University's Scheme of Delegated Approvals, the Chair and the Vice-Chancellor have agreed that the University's finalised response will be signed off by the Chairs of UEB and Council.

- b. The Committee further agreed a maximum upper threshold [REDACTED] for employer contributions to the UoYPF.
- c. The Interim Finance Director provided an update on the USS, noting the changes that would come into effect from 1 April 2024, and that staff had been encouraged to rejoin the Scheme via email and the Staff Digest. The Committee requested that an update be sought from USS on progress regarding the proposed governance review, and plans to reduce volatility.

5. Statement on Responsible Investment

The Committee recommended a revised and strengthened University Statement on Responsible Investment to Council for approval via written resolution, further resolving that the Statement should be reviewed annually in the first instance, reverting to triennial review if only limited changes were necessary.

6. Integrated Infrastructure Board (IIB)

- a. The Committee recommended changes to the Financial Regulations to Council for approval via written resolution, which reflected:
 - the name change to the CESIS Board - now the IIB
 - new terms of reference for the IIB which included oversight of both capital and revenue costs, rather than just the former.
 - b. The Committee further noted:
 - A scheme of delegation to organise the schemes of work under the IIP had been prepared.
 - [REDACTED] DTEF was producing a 'lessons learned' paper for the IIB towards tightening up project governance, and this would be brought to Finance Committee thereafter.
 - A formal gateway process to track projects from their commencement, with scheduled windows for assessment, would be taken to the next meeting of the IIB for approval, and thereafter to Finance Committee and Council.
7. The Committee received the 2022/23 YUSU Annual Accounts & GSA Financial Statements for information.