

FINANCE AND INVESTMENT COMMITTEE
18 March 2021

CONFIRMED MINUTES

Present:

Luke Savage (Chair)
Isabelle Jenkins

Shamima Akter
Ben O'Neill

Professor Colin Bailey
David Russell

In attendance:

Dr Sharon Ellis [minute
2020.032-033]

Nick Davie [minute 2020.034]

Karen Kroger

Professor David Lee [minute
2020.034]

Dr Nadine Lewycky

Dr Philippa Lloyd [minute
2020.034]

Ian McManus

Jonathan Morgan

Paula Sanderson

Mike Wojcik [minute
2020.035]

Apologies:

Ade Adefulu

Welcome and Apologies

2020.026 The Chair welcomed everyone to the meeting via video conference and noted the apologies.

Minutes of the meetings held on 02 November 2020 and 10 February 2021 [FIC20/22]

2020.027 The Committee **confirmed** the minutes of the meetings held on 02 November 2020 and 10 February 2021.

Matters arising [FIC20/23]

2020.028 *Minute 2020.028 is confidential.*

Current financial position [FIC20/24]

2020.029 *Minute 2020.029 is confidential.*

Budget 2021–22 and five year forecasts [FIC20/25]

2020.030 *Minute 2020.030 is confidential.*

Update on investment strategy [FIC20/26]

2020.031 The Committee **considered** the update on the investment strategy. The following points were noted in the discussion:

[a] In response to a request from Council, a review of the ethical investment policy would be undertaken in collaboration with the Students' Union. The revised policy would be brought back to the Committee in June with the tender completed by September.

[b] The Committee said that the current investment managers, Ruffer, had been asked to remove investments in fossil fuels and arms, so the change in policy currently proposed by the Students' Union with regard to this would not drastically impact the management of the funds. Stanhope should be consulted to gain an understanding of the possible impacts of introducing constraints on achieving the target of CPI +4% for returns. The Committee suggested that the phrasing around disinvestments was too broad and should be tightened, as it could put us in a position where our investment opportunities were limited to low return funds. The Committee said that a phased approach with the intention to move towards full disinvestment within five years' time, when better information on sustainable investments would become available, might be a manageable approach.

Actions: [b] Chief Financial Officer

Update on research grants and contracts [FIC20/27]

2020.032 The Committee **noted** the update on research grants and contracts for the first half of 2020/21. The following points were noted in the discussion:

[a] The number and value of grants recorded in 2020/21 to date was below this time last year, but might recovered with a strong performance in the second half of the year. We were working to diversify our income streams to reduce reliance on charity funding which would decrease as a result of the pandemic. Work was underway with Faculties to pivot towards stable funding streams, such as the Wellcome Trust and the National Institute for Health Research.

[b] The government's cut to the Overseas Development Assistance fund would have an impact on research and innovation funding in this area. It was not yet known what the full impact would be but UK Research and Innovation was expected to provide some clarity shortly. Grants already awarded may be re-profiled.

[c] The Committee asked whether the base costs could be flexed in response to a decrease in research funding. A sensitivity analysis would be prepared for the Committee.

Action: [c] Chief Financial Officer

QMI annual report [FIC20/28]

2020.033 The Committee **noted** the QMI annual report. The following points were noted in the discussion:

[a] The benchmarks for the Knowledge Exchange Framework (KEF) showed that we were in the top 20% of Russell Group universities for IP and

commercialisation. We also placed in the top 10% for community engagement.

- [b] The Committee asked what lessons could be learnt from institutions that outperformed us. We were considering revising our current strategy around incubators and exploring how to better link tenants, incubators and academics.

Update on the Institute of Technology [FIC20/29]

2020.034 The Committee **noted** the update on the Institute of Technology (IoT). The following points were noted in the discussion:

- [a] Co-opted member Ben O'Neill declared an interest as an employee for the Greater London Authority (GLA) group. He was not involved in any aspects of the project.
- [b] The Committee said that the Office for Students (OfS) had previously raised concerns about the quality of teaching at Newham College, our partner institution. The OfS had determined that the progression rates from year 1 to 2 for their level 6 provision had not been sufficient for registration as a Higher Education provider. This issue was being redressed, but there was not enough of a data trend to show that it had been resolved. As part of the IoT, Newham College would largely be providing level 4 and 5 provision under the FE regulatory framework, and would not need HE registration until 2024–25 or beyond. By that time, they would have had the opportunity to reapply for registration. The Department for Education had confirmed that this would not prevent us from entering the IoT agreement with them. Newham College was rated good by OFSTED and was considered to be one of the high performing colleges in London.
- [c] The Committee asked if employer demand for the apprenticeships remained robust. The programme had broadened into the digital infrastructure where there was considerable demand from employers.
- [d] The Committee asked if there were any concerns that could undermine the viability of the project. The location of the building was more attractive than previously, but planning permission was still required for change of use. Both institutions would face financial pressures in the post-Covid world and scenario-planning was underway to identify mitigations.
- [e] Political change presented a risk but both major political parties had committed their support to apprenticeships. Businesses had paid the apprenticeship levy and were keen to use it. There was the opportunity to develop richer relationships with some of our partners beyond apprenticeships.
- [f] The business case would highlight the risks and demonstrate that they had been considered at the appropriate levels. It was the responsibility of Audit and Risk Committee to monitor the risks which would be reflected in the Strategic Risk Register. The minimum requirements for the funder would be clearly articulated in the business case.

[g] An extraordinary meeting of the Committee would be convened to consider the business case.

Actions: [g] Committee Secretary

QMSU Financial statements 2019–20 and mid–year accounts [FIC20/30]

2020.035 The Committee **noted** the QMSU financial statements and mid–year accounts. The following points were noted in the discussion:

[a] The university had provided financial support to the Students' Union during the year to cover the costs of permanent and student staff whose jobs had been affected by the pandemic. The operating deficit for the year was -£54,000 and the reserve position had worsened by -£52,920. Although the financial position of the Union remained fragile, the January management accounts showed that the cost saving measures were effective. Income generation had been badly affected by the pandemic, but with support from the university, the Union was currently projected to finish the year near a break-even position.

[b] The Committee asked whether the proposed restructure would have an impact on the student experience. The Union was working at capacity but the reductions were needed as part of the short- and medium-term response to the pandemic. A number of posts had been frozen and would be re-visited in August when the financial position was clearer.

Draft agenda for the next meeting [FIC20/31]

2020.036 The Committee **noted** the draft agenda for the next Committee meeting on 21 June 2021.

Meetings in 2020–21

➤ Monday 21 June 2021 at 1530 hours via Zoom.