

**FINANCE AND INVESTMENT COMMITTEE
15 June 2022**

DRAFT UNCONFIRMED MINUTES

Present:

Isabelle Jenkins (Chair)
Tim Harris
Adi Sawalha

Gil Baldwin
Maryanne Matthews

Anne Barnard
Ben O'Neill

In attendance:

Ian Chesham [Barclays] [m. 2021.035]

Karen Kröger

Dr Nadine Lewycky

Ian McManus

Jonathan Morgan

Tom Pollock-Montagu
[Cazenove] [m. 2021.035]

Adam Spring [Cazenove] [m. 2021.035]

Maya Tabaqchali [Barclays]
[m. 2021.035]

Apologies:

Professor Colin Bailey

Welcome and Apologies

2021.032 The Chair welcomed everyone to the meeting and noted the apologies.

Minutes of the meeting held on 10 March 2022 [FIC21/25]

2021.033 The Committee **confirmed** the minutes of the meeting held on 10 March 2022.

Matters arising [FIC21/26]

2021.034 The Committee **noted** the matters arising from the meeting held on 10 March 2022.

Presentations from Barclays and Cazenove [Presentation]

2021.035 *Minute 2021.035 is confidential.*

Current financial position and year end forecasts [FIC21/27]

2021.036 *Minute 2021.036 is confidential.*

Review of budget assumptions [FIC21/28]

2021.037 *Minute 2021.037 is confidential.*

Infrastructure approvals [FIC21/29]

2021.038 The Committee **considered** the update on infrastructure approvals. The following points were noted in the discussion:

- [a] The paper outlined three infrastructure projects that should have proceeded to the Committee for approval but had not done so. The projects had been through the Estates Strategy Board and work had commenced. The Committee would receive business cases on the projects and a review of the governance processes at the next meeting. The Committee noted that the costs for the refurbishment of Department W had been considered at a meeting in November 2019 (m. 2019.024).
- [b] The Committee asked about the risks associated with the projects that had already commenced. The risks with Phase 1 of the Queens' Building were minimal as it was operational. There had been a delay with some equipment in a new lab funded by the Office for Students due to an issue in the supply chain. The library extension was progressing to plan. £1.5m had been spent on the project to April, rising to £5m by September.
- [c] The Committee discussed the threshold for delegated authority and said that there may be other considerations in addition to overall cost, such as future liabilities. This would give the Committee oversight of projects that were strategically important and essential to delivering on the student experience, and it would give management greater authority to flex individual projects within the estates infrastructure programme to support the strategy.
- [d] The Committee asked for a project portfolio showing alignment to the strategy. A programme overview would give the Committee visibility in benefits delivery and forecasting through the capital programme so that the Committee would be comfortable to approve capital spend in the round rather than incrementally or retrospectively. Individual projects below the materiality threshold should demonstrate what value driver they would be hitting. Recruitment was underway in the Estates team to improve capacity and leadership on strategic project delivery.

Action: [a] Chief Financial Officer and Chief Governance Officer and University Secretary

Action: [d] Director of Estates, Facilities and Capital Development

Residential development proposal [FIC21/30]

2021.039 *Minute 2021.039 is confidential.*

Tuition fee regulations 2023–24 [FIC21/31]

2021.040 The Committee **considered** the tuition fee regulations for 2023–24 for recommendation to Council. The following points were noted in the discussion:

- [a] The wording would be updated to read that the fee rate increase for continuing students would be up to 3%.
- [b] The Committee asked how students from lower-income backgrounds were being supported with their tuition fees. Payment options were available and

individual agreements could be made on a needs basis. We offered bursary schemes and hardship funds and were proactive in identifying qualifying students.

- [c] Students were notified of their eligibility for bursaries at the point of offer. Information on the types of financial assistance was made available at Open Days but the amount would only be known when they became a student. The Committee said that providing the information earlier might encourage more applicants. There was scope to revisit the best time to highlight the support available to students.
- [d] We offered foundation year courses that were designed to prepare students for university in their academic discipline rather than support to transition to university. Transition work was available to all students when they received an offer. Our Access and Participation Plan which gave an overview of our support and activities would be circulated to the Committee for information.
- [e] The Committee asked how many students had withdrawn due for non-payment of fees. The Chief Financial Officer would confirm the figures.
- [f] The Committee asked if the size of bursaries had been reviewed in light of the increase in living costs. The bursary amounts were agreed with the Office for Students and the review timescales were determined nationally. The Chief Governance Officer would confirm the timing of the next scheduled review.

*Actions: [e] Chief Financial Officer
[d], [f] Chief Governance Officer*

Update on Life Sciences [FIC21/32]

2021.041 *Minute 2021.041 is confidential.*

Ethical investment policy [FIC21/33]

2021.042 The Committee **discussed** the updated ESG criteria definitions in Section 7 of the QMUL Investment Policy Statement. The following points were noted in the discussion:

- [a] The Committee asked how we would ensure that the companies we invested in met our sustainability criteria. Barclays and Cazenove had confirmed that their exclusions met our criteria and would report on this.
- [b] The Committee said that the second paragraph under criteria appeared contradictory about whether the university was committed to minimising investment in particular sectors. There was a tension between the ESG criteria of the policy and our requirements under charity law to ensure that we sought the best returns for the furtherance of our charitable objectives. The Charity Commission was in the process of updating the relevant regulation. The paragraph had been drafted in this way to allow for discussion when issues arose.

[c] Modern Slavery was addressed in a separate statement which was updated annually and published on our website. We would provide a link to the statement in the policy.

Capital expenditure policy [FIC21/34]

2021.043 The Committee **considered** the capital expenditure policy which had been reviewed in line with the triennial review cycle. The Committee **approved** the capital expenditure policy.

Consultation on the changes to the USS statement of investment principles [FIC21/35]

2021.044 The Committee **noted** the consultation on the changes to the USS statement of investment principles. The following points were noted in the discussion:

[a] The Committee asked whether there were concerns about the performance of the in-house investment managers used by USS. There was a performance review process but it was felt that this could be strengthened. A review of the scheme's governance was in progress and would provide an opportunity to discuss this point.

Annual schedule of business 2022–23 [FIC21/36]

2021.045 The Committee **noted** the indicative annual schedule of business for 2022–23.

***Draft agenda for the next meeting [FIC21/37]**

2021.046 The Committee **noted** the draft agenda for the next meeting on 20 September 2022.

Meetings in 2022–23

- Tuesday 20 September 2022 at 1530 hours, 2.16/2.17, Department W.
- Wednesday 02 November 2022 at 1530 hours, 2.16/2.17, Department W.
- Tuesday 07 March 2023 at 1530 hours, TBC.
- Wednesday 14 June 2023 at 1530 hours, TBC.