

**APPROVED Minutes**



**FINANCE COMMITTEE**

**25 September 2024**

**Present:** Mr David Buckley (Chair), Ms Lexie Baynes, and Professor Duncan Ivison.

**In attendance for all items:** Matt Atkin (Director of Planning), Patrick Hackett (Registrar, Secretary and Chief Operating Officer), Carol Prokopyszyn (Chief Financial Officer), George Whalley (Deputy CFO) and Kate Brown (Governance Manager) (minutes).

**Apologies:** Professor Luke Georghiou (Deputy President and Deputy Vice-Chancellor), Mr Guy Grainger, Dr Reinmar Hager, Ms Philippa Hird, and Steve Jordan (Interim Chief Property Officer)

**1 Welcome and Declarations of Interest**

**Noted:**

- As only one lay member was present, the meeting was inquorate. Therefore, ratification of the decisions will be requested via circulation following the meeting.  
*Secretary's note: confirmation was received from members following the meeting to allow items to go forward to the Board as appropriate.*
- No interests were declared in relation to the agenda.

**2 Committee Business:**

**2.1 Minutes of the previous meetings: 3 July 2024 & 19 July 2024**

**Received and Noted:** the minutes of the 3 July 2024 & 19 July 2024 meetings.

**Approved:** the minutes of the 3 July 2024 & 19 July 2024 meetings.

**2.2 Matters Arising**

**Received:** the Matters Arising/Action Log.

**Noted:** that the holding of listed shares in spin-out companies would be reviewed and a proposal brought to the Committee in due course (action 1).

**2.3 Chair's Action: North West E-Health**

**Received and Noted:** the Chair's approval of the request for power of attorney for North West E-Health.

**Agreed:** to endorse the Chair's approval of the Chair's approval of the request for power of attorney for North West E-Health.

### 3 Year End 2023-24 Management Accounts

**Received:** an overview of the July 2024 management accounts position.

**Noted:**



### 4 Endowment Budget for 2024-25


**Received and Noted:** details of the 2024/25 budgeted investment income and expenditure for all endowments with a capital value over £1m.

**Agreed:** to approve the endowment budget for 2024-25.

### 5 Update on the Adoption of Total Return for Endowments

**Received:** an update on the adoption of Total Return along with the resolution for the application of Total Return for each endowment.

**Noted:**

- a) The methodology for unlocking funds had been approved by the Board 
- b) There needed to be consideration of how these funds will be spent. A number of funds not released into merged endowments still had specific conditions that needed to be observed. It was suggested that Deans could be given a target to spend their endowment funds each year.
- c) The Finance team would be visiting each faculty to ensure that they were aware of the funds available from the endowments and how to access them.

**Agreed:** to recommend the resolution for approval by the Board.

### 6 Tax Strategy

**Received and Noted:** an updated tax strategy with minor changes for 2024 including the adoption of the wording “seek to comply with all relevant laws, ...etc”. This is consistent with other HEIs and further reflects that it is impossible for a global university such as Manchester to be fully compliant in all tax jurisdictions and to cover off all tax risks.

**Agreed:** to approve the updated Tax Strategy.

## **7 Treasury**

### **7.1 Treasury Annual Report**

**Received:** the annual report on the effectiveness of the Treasury Management Policy and a proposed change in term of the banking contract.

**Noted:**

- a) The report confirms that the University is in compliance with the Treasury Management Policy.
- b) The change to the banking contract would allow for the current seven year contract term to be extended by three years when appropriate.
- c) It was expected that the University may go out to tender for a new bank within the next two years. However, this would also depend on the timing of new finance systems. There would need to be consideration on whether the tender was just for transactional services or included strategic banking also.

**Agreed:** to approve the change in term of the banking contract.

### **7.2 Treasury Management Policy**

**Received:** an updated Treasury Management Policy.

**Noted:** A number of amendments were proposed related to:

- the incorporation of recommendations made by Uniac following their benchmarking against other HE treasury management policies

[REDACTED]

- changes to the bank mandate following staff movements
- the next bank contract tender

**Agreed:** to approve the updated Treasury Management Policy.

## **8 CFO Update**

### **8.1 Update on the Proposed Replacement Revolving Credit Facility and the Private Placement Financial Covenant Amendments**

**Received:** an update on the status of securing a replacement Revolving Credit Facility (RCF) and the proposed changes to the Private Placement covenants.

**Noted:**

- a) The University's current RCF of £150m expires in March 2026. The facility has never been utilised and is not planned to be utilised. [REDACTED]
- b) Negotiations with the Private Placement noteholders have been ongoing throughout late July 2024 and to date. [REDACTED]

## 9 Strategic Change Update

**Received:** a report outlining the current status and financial context of the strategic change portfolio.

**Noted:**

- a) [REDACTED]  
[REDACTED] There were 26 projects currently in the portfolio, three of which were within Finance Committee purview due to their scale.
- b) There will be broader discussions on strategic priorities in the coming year, as the University undertakes a comprehensive strategy consultation.
- c) There was discussion about how we could more clearly distinguish projects that are crucial to our strategy (and driving KPIs, benefits) from those that are enablers/ infrastructure upgrades (which generally speaking are more focused on cost/ risk avoidance) how this may be demonstrated within the reporting to enable Committee to focus on the strategic matters.
- d) There was discussion about being clearer on the benefit achieved by the projects. It was noted that some projects had clear tangible service benefits that can be tracked, whilst for others there was not yet the maturity in metrics available to allow tracking. In addition, much of the current portfolio was delivering cost/ risk avoidance rather than incremental plan benefit. It was noted that there were clear candidate areas in the pipeline for future projects that had greater benefit potential and this was of key interest to the Committee
- e) The level of change tolerance across the University also needed to be considered to ensure that it can be managed. This was an area that the Strategic Change team had started to review and this information was available at management committee level. There needed to be visibility on the issues raised by a high level of change and a conversation about whether to have a different approach or reschedule projects as appropriate.

**Action:** to discuss content of the report to the Committee going forward. **Chair/Director of Planning**

### 1 Review of the Policy for Responsible Investment

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**Received and Noted:** an updated Policy for Responsible Investment, including inclusion of a specific reference to Multi-Asset Credit in the decarbonization targets.

**Agreed:** to recommend the updated Policy for Responsible Investment for approval by the Board.

### 1 Investment Sub-Committee Report: 3 July 2024

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**Received and Noted:** the report on the 3 July 2024 meeting of Investment Sub-Committee including a presentation from Blackrock covering an overview of performance, ESG and outlook and the review of the Policy for Responsible Investment.

### 1 Committee Information:

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#### 12.1 Terms of Reference & Membership 2024-25

**Received:** the current terms of reference and membership of Finance Committee for 2024-25.

**Noted:** there is currently a vacancy for a lay member which will be considered once the recruitment process for new Board members has been completed.

## **12.2 Forward Agenda 2024-25**

**Received and Noted:** a paper outlining the expected items to be submitted to the Committee through the 2024-25 academic year.

### **1 Dates of Next Meetings**

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**Noted:** The dates of the next meetings are:

- Wednesday 6 November 2024 (followed by joint meeting with Audit & Risk Committee)
- Wednesday 5 February 2025
- Wednesday 30 April 2025
- Wednesday 2 July 2025