UNIVERSITY OF CAMBRIDGE
RESOURCE MANAGEMENT COMMITTEE

Note of the meeting held on Wednesday, 16 June 2021 via MS Teams

Present: Professor Cardwell (Chairman), Professor Young, Professor Harper, Professor Peake, Professor Penty, Professor Dennis, Professor Philpott, Professor Leslie, Professor Virgo, Mr Syson and Professor Bullmore.

Attending: Academic Secretary, Registrar, Mr Odgers, Mr Evans, Dr Coupe, Dr Tamkin, Ms Walmsley, Dr Friel, Dr Glover, Ms Dahal, Mr Long with Dr Moolla and Ms Tucker (Secretary).

Professor Wood and Mr Moon were present for minute 21.31.

Mr Field and Ms Pollintine were present for minutes 21.31 and 21.33.

Apologies: Professor Maxwell (Professor Bullmore deputising), Mr Moss and Mr Hughes (first hour).

Declarations of interest:
Professor Cardwell and Professor Young declared an interest for minute 21.28.
Professor Penty declared an interest for minute 21.30.

A. Minutes

21.23 The minutes of the meeting on 26 April 2021 were approved.

B. STRAIGHTFORWARD AND REPORTED BUSINESS

20.24 The Committee noted the Reported Business Paper, RMC B.361

C. BUILDINGS, ACCOMMODATION AND CAPITAL EXPENDITURE

20.25 The Committee noted the Space Management and Minor Works sub-committee minutes (RMC C.495) from the meetings held on 27 January 2021, 17 March 2021 and 12 May 2021.

E. OPERATIONAL INCOME AND EXPENDITURE

21.26 Budgetary parameters for 2022/23

Dr Coupe gave a verbal update on the development of budgetary parameters for the 2022/23 planning round.

1. Dr Coupe noted that feedback on the 2021/22 planning round indicated that institutions were keen to have upfront parameters to plan and, ideally, clarity upfront about the likely level of Chest Income to be distributed to institutions in 2022/23 in the form of Chest Allocations. This would enable an institution to derive value through the planning process.
by producing a realistic plan that would be deliverable rather than brought into question late on in the planning process.

2. Dr Coupe noted that if assumptions about distributions of Chest Income were provided up-front and in advance of certainty on the level of Chest Income available in 2022/23, then this would require the University to carry a given level of risk. It would also require accompanying parameters to manage growth in expenditure.

3. The aim was to prepare a proposal for Finance Committee to consider when it meets on 14 July. In the meantime, the RMC had an opportunity now to offer any further suggestions to help AFPA as it develops guidance and parameters for 2022/23 planning and budgeting round.

4. Dr Coupe also noted that AFPA’s top priority was progressing the Enhanced Financial Transparency (EFT) project. The outcome of phase 1 would provide a view of income and expenditure by institution for 2019/20. While only one year of data, this might nonetheless provide useful early insights to inform the development of planning over the next 2 years including any potential parameters that might need to be introduced as part of future years’ planning and budgeting.

5. Pending the outputs of the different phases of EFT, the Ten Year Model would provide a reference point to inform the setting of budgetary parameters.

Ms Walmsley expanded on suggestions for parameters linked to the Ten Year Model. Short term budgetary parameters could include:

- Income control: Modelling the main sources of Chest Income such as funding body grants and tuition fees (ensuring there is no double counting of SIF) may give a starting point in the level of Chest Income that may be available.

- Expenditure control: Review the pay assumptions in the Ten Year Model and use projected growth rates to inform the Chest based pay budget limitations. This would also include assumptions for pay rises and USS increases. Non pay growth in the Chest may be limited to inflation only.

Controls on these could be:

- What Chest Income can be distributed and how much flexibility there may be to improve performance.

- What Chest Expenditure constraints can be identified.

There is also a need to agree how other sources of income could contribute, along with Chest Income, to meeting forecast Chest Expenditure.

There was a strong consensus amongst the members that upfront parameters and knowing Chest Allocations as early as possible is valuable. Details on how it will be determined were requested by the committee.

The committee agreed that parameters would be based on the Ten Year Model for the short term as the priority is to deliver the Enhanced Financial Transparency project. An update proposing parameters will be shared with Finance Committee on the 14 July 2021.

21.27 RMC E.452 RMC Performance Monitoring and Reporting Project

The committee was briefed by Dr Friel on paper RMC E.452, a project plan outlining the details of the performance monitoring project over the next 12 months.

Dr Friel explained that the paper was an update from the introduction received at the 27 January 2021 meeting and highlighted three core thematic areas on which to develop
The Committee discussed how it would be useful to benchmark departments, how to ensure the data is as comprehensive as possible e.g. including part-time students and how including physical capacity would make the data even more useful.

*The Committee agreed the timetable, themes and data sets and requested that Space data from Estate Management to be incorporated if possible.*

**21.28 RMC E.453 Fitzwilliam Transformation Plans**

Mr Syson briefed the Committee on the Fitzwilliam Museum’s Transformation plans as detailed in paper RMC E.453.

The Committee was informed that the transformation project has been considered by the Syndicate with their support for the use of reserves in contribution to the initial costs. The Director noted the scope to increase philanthropic funding and increase research activity which were anticipated to contribute significantly to the long-term funding of the transformation.

*The Committee endorsed the proposals as detailed in the Fitzwilliam Museum’s Transformational Change Programme.*

**21.29 RMC E.454 Procurement Strategy Group (PSG)**

Item withdrawn. The minutes of the previous meetings since the 27 January RMC and an update on the Strategic Purchasing and Procurement Project were not received.

**21.30 RMC E.455 Dealing with Shortfalls in PG Student Recruitment**

Dr Glover briefed the Committee on a short discussion paper setting out an outline proposal from the Chair of the Bursars’ Committee to mitigate the risk of under recruitment of PG students in less wealthy Colleges (paper RMC E.455).

Dr Glover explained that should the University fail to recruit then there would be compensation to those Colleges who lack resources. The Committee welcomed sharing the risk between the University and Colleges, as Colleges are responding to University initiatives to increase numbers.

The Committee observed that meeting student number plans was the main goal but the proposed scheme was a good safety net to support those specific Colleges that make investments in anticipation of extra students and associated income.

An update on the proposed scheme will be provided to the Committee with further details including agreed minimum numbers and the links to the outcome of size and shape work.

*The Committee approved in principle the proposed scheme as an insurance policy for the Colleges in the small likelihood PG admissions targets are not met and, also agreed that a more*
detailed proposal be developed between Finance Division and the Bursars’ Committee for approval at a future RMC.

21.31 **RMC E.456 Cambridge University Clinical Veterinary Services**

Dr Glover briefed the Committee on paper RMC E.456 with additional input from Professor Wood and Mr Moon. The paper set out a strategic plan for the Cambridge University Clinical Veterinary Services (CUCVS) to increase the volume of clinical activity to provide a more stable and resilient financial base for the Veterinary Hospital. Dr Glover highlighted key difficulties for CUCVS:

- Due to the small scale of operations, staff retention is essential. The current size is not sustainable, as it does not deliver the clinical care work that CUCVS needs to offer students. The growth needed will make CUCVS more competitive in the economic market, provide a high quality 24/7 service and use the material from treating animals to teach the students. The launch of academic teaching scholarship programme and progression opportunities provided to Academic-Related staff will help improve staff retention but there will always be higher staff turnover than other departments due to the lower age profile of staff.

- The department have been trying to address staff costs growing ahead of revenue but were hit by the Covid pandemic at the worst time, as they were forced to shut when they had expanded with an increased HR cost but unable to bring in revenue.

- The business plan shows annual deficits between the years 2019 and 2023 with a maximum deficit reserve balance of just under £6m in 2023. In 2024, it shows a return to surplus, substantial growth in income due to more clinicians, higher level of service and greater efficiency. This needs to happen otherwise a higher continuing subsidy would be required from the Chest.

- The Committee were informed of Bristol University’s Model as an example of what might work for the University of Cambridge. Langford Veterinary School operates commercially at arm’s length from Bristol University but still provides teaching under a contract with the University. They have a commercially sustainable hospital and still provide teaching. The fact that they are at arm’s length means that it is likely to help them achieve recruitment and retention, so a similar model may be appropriate for the University of Cambridge in the future. Although successful at Bristol, the model of having a separate company is not widely used.

- The Chair expressed the Committee’s gratitude for the work undertaken in the strategic plan, which shows CUCVS can become profitable. The sub-group will change the level of scrutiny and there is now a 12 month period to demonstrate the business case can be delivered. The trading account cannot operate in deficit and must become sustainable. The Committee may have to be prepared to take difficult decisions when the position is reassessed in 12 months’ time.

The Committee agreed that the case for the expenditure of £28,000 from the CUCVS trading account to evaluate the options of purchasing an MRI scanner would be reassessed by the sub-group and would be conditional on making good progress on the business plan.

The Committee approved strategic plan for CUCVS and the membership and terms of reference of a sub-group to monitor and report on the implementation of the strategic plan.
F. NON-RECURRENT EXPENDITURE

21.32 RMC F.143 Support for Year Abroad Students in 2021-22

The Committee was briefed by Professor Virgo on paper RMC F.143, a request from the International Students Office for a non-recurrent grant of up to £150,000 from the Priorities Fund.

The Committee was informed the request is for a contingency fund to substitute discontinued Erasmus funding whilst the University waits for an announcement from the Turing Scheme for ‘Year Abroad’ students in 2021-22. The results of the bid made to the Turing Scheme will not be known until July and many of these students will start to travel to their respective placements from July. If the bid is declined or part awarded there is concern the remaining Erasmus funding will not be enough to support the students who have committed to going abroad, some of whom will need hardship support.

_The Committee approved the non-recurrent grant of up to £150,000 as set out in paper RMC F.143 to be met from the PRC Priorities Fund._

21.33 RMC F.144 Casual Workforce Project

Mr Field and Ms Pollintine briefed the Committee on paper RMC F.144, a revised proposal on the Casual Workforce Project, following the Committee’s decision at the 27 January 2021 meeting. The £77,610 non-recurrent grant request from the Priorities Fund is to cover the cost to extend a Grade 8 HR Adviser role to support the development and implementation of the project.

The Committee was updated on the comprehensive review of casual contracts. The Human Resource Committee have requested details of the financial implications to move casual contract onto permanent contracts. The next steps would include working with departments who have the most casual employees to gather data and extrapolate up to get a view of how much it would cost for the whole University.

The Committee noted that the project needed to be mindful of the resource required by the departments and recognised that there would be a larger burden in the long term if this project did not go ahead. All casual staff who are engaged in teaching on a regular ongoing basis will be included. The Committee noted that HR are communicating with Colleges consistently as they share parallel challenges.

_The Committee approved the non-recurrent grant of £77,610 as set out in paper RMC F.144 to be met from the PRC Priorities Fund._
21.34 RMC F.145 Agile/Hybrid Working Patterns

The Committee was briefed by Dr Glover on paper RMC F.145, a request for a non-recurrent grant of up to £400,000 from the 2020-21 Priorities budget to support a transition to Agile Working and hybrid work patterns for all University staff.

The Committee was informed that, in the near future, colleagues will move into a more hybrid working model and that working in two different locations may require two different sets of equipment. The fund is intended to support institutions where there are no available funds for equipment needed. The initial request is time sensitive as there is a long lead time on equipment (for example it will take three months to receive laptops). These funds will be overseen by the Agile Working Steering Group.

The Committee observed that the mid-range figure of £8.1m for additional equipment to establish hybrid working across the University was too high. Clarity was also requested by the Committee regarding equipment costs being absorbed into budgets where possible and sought guidelines. It was noted that costs could be offset by better use of space. It was also noted that equality should be considered between those individuals who have personally funded basic home-working equipment where University funding sources were limited, compared to those who have had equipment funded by their institutions where funding sources were more readily available in wealthier departments.

*The Committee requested to receive a comprehensive business case with detail on how the grant will be distributed.*

*The Committee approved the non-recurrent grant of £400,000 as set out in paper RMC F.145 to be met from the PRC Priorities Fund.*

21.35 RMC F.146 Moodle Cloud Provision for Student Online Assessment 2021/22

Professor Leslie briefed the Committee on paper RMC F.146, a request for a non-recurrent grant for £398,656 from the Priorities Fund as a contribution towards the contracting costs for maintenance of the University Moodle (VLE), a cloud service employed for the provision of student assessment from July 2021 to July 2022.

The Committee was informed that the service for assessments will be in place by the end of July 2021 and that UIS had interest from departments who want to be fully online for the period. The proposal is for a one-off bid, due to the level of uncertainty for next year’s approach. Current work on a long-term Moodle investment is expected to result in a lower overall cost. The Committee noted the likely reputational damage of not maintaining the service for the period.

*The Committee approved the non-recurrent grant of £398,656 as set out in paper RMC F.141 to be met from the PRC Priorities Fund.*

21.36 RMC F.147 Non-recurrent grant expenditure 2020/21

The Committee noted paper RMC F.147, a summary report of expenditure from the Non-Recurrent Grant Fund from 1 August 2020 to 30 April 2021.
J. PROCEDURE OF THE COMMITTEE

21.38 RMC meeting dates 2021/22
The Committee agreed a reduction in the number of meeting to one a term on a trial basis as follows:
24 November 2021
23 March 2022
15 June 2022

The next meeting of the Committee would be held at 1400 on 24 November 2021.

K. ANY OTHER BUSINESS

None.