



Matters arising

Outcome requested:	Finance and Investment Committee is asked to note the matters arising from the minutes of the meeting held on 19 September 2023. Appended to the matters arising is a slippage report on the infrastructure programme at the Committee's request.
Executive Summary:	N/A
QMUL Strategy:	Effective governance supports the achievement of all strategic aims.
Internal/External reference points:	N/A
Strategic Risks:	N/A
Equality Impact Assessment:	N/A
Subject to prior and onward consideration by:	By Committee only.
Confidential paper under FOIA/DPA:	No
Timing:	N/A
Author:	Nadine Lewycky, Head of Secretariat
Date:	08 November 2023
Senior Management/External Sponsor:	Isabelle Jenkins, Chair of Finance and Investment Committee

Finance and Investment Committee is asked to **note** the following matters arising from the meeting held on 19 September 2023.

Actions from the meeting held on 19 September 2023			
Minute no.	Action	Person responsible	Progress
2023.002[c]	<p>Management accounts, including first draft outturn and annual summary of bad debt write-off [FIC23/01]</p> <p>We were working with the faculties and professional services on options to manage the shortfall. Vacancy savings, re-allocation of space on the estate, and re-shaping the University to reflect the external market were some of the mitigating actions being considered. The Committee asked how it could support the Executive in taking action. The Executive said that encouragement from Council to consider the shape of the University in a changing external context would help to maximise engagement from internal stakeholders. The Executive would come back to the Committee in November with details on actions.</p>	Chief Financial Officer	A number of mitigations have been identified to manage the income shortfall vs budget in the 2023/24 year, which have been factored into the P2 forecast. Faculties and Professional Services have all been given targets for the savings to be found, and all areas have submitted details of their plans to the Chief Financial Officer. In addition, central budgets have been reviewed and planned savings have been identified here as well. There are a number of actions identified which include: savings against staff recruitment through removal of some planned posts and slower recruitment for others; review of non-pay budgets and reducing/ delaying planned spend, particularly in areas of under recruitment; use of contingency. The budget assumptions paper details the approach being taken for longer terms planning and actions.
2023.002[i]	<p>Management accounts, including first draft outturn and annual summary of bad debt write-off [FIC23/01]</p> <p>The Committee asked about the financial stability of Tower Hamlets given the financial pressures at other local councils. We were monitoring the risk which could have an impact on planning applications. Engagement with the local council would be added to the risk register.</p>	Chief Operations Officer	The infrastructure risk register was updated to reflect the engagement point specifically. This was signed off at Audit and Risk Committee in September.
2023.008[b]	<p>Draft agenda for the next meeting [FIC23/07]</p> <p>The business case on the ITL building would be added to the agenda. The report on Transnational Education (TNE) would be moved to March as a deep dive.</p>	Committee Secretary	The agenda and March draft agenda have been updated.

Capital Projects variance to budget – Period 13 – July 2023

Details of the variance on projects where there is significant are as follows:

Estates Projects £20.4m

1) Fogg Building Legacy Works £4.9m Underspend

Significant spend is unable to commence until receipt of planning consent, the determination of which has been outstanding since March 2023. A series of meetings has been held to agree the scale, mass and height of the HVAC plant screening to the rooftop (the contentious issue) which is now nearing conclusion. However this will impact on the technical HVAC and Architectural design and will increase project costs. All physical work associated with the project has been suspended to avoid any abortive costs until planning is concluded.

Given the ongoing delays with respect to planning, the forecast has been further updated in light of this delay, with total slippage of £5.0m having been reflected in the updated forecast prior to the end of the 2022/23 financial year. An updated Business Case is to be submitted based on revised costs, anticipated during the course of October 2023.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None	Minimal. Research will continue in the existing facility, but new research initiatives may be hampered until works are complete.	None	Urgent H&S works have already been completed. The extract systems and discharge remain compliant but will be significantly improved by the works.

2) Mile End Infrastructure Upgrades £3m Underspend

The original budget upload reflected a strategy to co-ordinate this work with the new School of Business & Management (SBM) to provide a new electrical supply for the SBM project and avoid repeat excavations along Westfield Way. Our engineers have now identified an alternative supply strategy whereby the SBM building can be fed from the existing campus infrastructure. A revised incoming sub-station location is now proposed that does not physically impact on any other live capital building project so significantly reduces risks due to potential delays from the statutory utility providers that could impact on the SBM project. The avoidance of the new supply for the SBM Building and its associated sub-station has had the largest impact on the slippage – in essence this is a cost saving, not slippage.

Being separated from the SBM Building project, the infrastructure project can now be completed to a revised and more flexible programme that carries far less risk. Due to this strategic change there has been a slight delay to the design programme which has led to a reduction in spend against budget. The forecast was updated previously to reflect this.

Notwithstanding this, significant spend was incurred towards the end of the 2022/23 financial year, due to payments made to UK Power Networks to secure the 20MVA electricity supply required to serve the Mile End campus to address the fact that the campus is nearing the limit of its existing electrical supply.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None, existing facilities not currently affected.*	None, existing facilities not currently affected*	None, existing facilities not currently affected*	None, existing facilities not currently affected*

*(*the existing electrical supply can meet the current requirements of the campus but will require upgrading to meet the 2030 expansion after completion of the SBM and ITL Building projects).*

3) Whitechapel Plot C £2.5m Underspend

The RIBA Stage 2 programme was delayed by one month to allow the team to assess the impact of the reduced mass scheme (following LBTH planning officer feedback and reduction in height and massing across the masterplan instructed by the NHS PS team). The planning submission prepared by the NHSPS team was delayed by a number of months, with the addendum submission submitted on 28 September 2023, necessitating a revised forecast to be produced. This is subject to review as the addendum progresses through the planning process. This delay has however enabled us to undertake a thorough procurement exercise to onboard and brief the Design Team for RIBA Stage 3 including a design validation exercise which has resulted in the team identifying some cost / quality / time benefits for the overall project currently under consideration by the Life Science Building Project Steering Group.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None currently	Planning delay resulting in overall delay to related QM Strategy 2030 research ambitions.	None currently	None currently

4) Retained Estate Realignment Programme £1.8m Underspend

Whilst a number of projects have been completed under this heading, delays have been suffered on projects where "New Ways of Working" initiatives have been undertaken on academic staff offices, where stakeholder acceptance has taken longer than anticipated which has impacted on some projects from commencing in May/June 2023 (2022/23 financial year) to September/October 2023 (2023/24 financial year).

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None, NWOW initiatives have only affected staff offices	None, NWOW initiatives have only affected staff offices	None, NWOW initiatives have only affected staff offices	None, NWOW initiatives do not affect compliance.

5) Queens Building Refurb £1.6m Underspend

The 2022/23 budget was set against a strategy to commence the main enabling works in spring 2023, however this was not possible due to the disturbance this would cause to business as usual activities. This work was subsequently reprogrammed to commence in June but the discovery of additional asbestos containing materials and building services buried within the existing structure has caused delays to the demolition of the basement floor slab and forming the large openings within the ground floor courtyard slab. All of these issues have been resolved over the summer and the work is now progressing well. The enabling works will still be complete before the procurement of the main works so there is not an overall delay to the project programme.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None Completion of overall project not affected	None	None	NA

6) Ilford Medical School £1.5m Underspend

The 12th Floor of Lynton House, Ilford was successfully handed over in Jan 2023 at an outturn cost of c.£950,000, thus leaving c.£1,500,000 of unallocated funds remaining in the project budget. There has been no further call on this budget to expand facilities in Ilford to date.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None 12 th floor has met needs of original business case	NA	None 12 th floor has met needs of original business case	NA

7) Blizzard Mews £1.3m Underspend

The 2022/23 budget for the Blizzard Mews was set with a view to undertaking the works over the late spring and summer of 2023, Whilst a Planning Application was submitted in May 2022 this was not determined by LBTH until June 2023. The approval carries a condition to submit a construction method statement to address potential noise disturbance to local residents. Since approval of the application our contractor has successfully completed repairs to the pavement glazing and rooflights to rectify water ingress and carried out various tests to identify a construction solution that will not disturb local residents through noise or the Blizzard lab users through noise and vibration. The delayed Planning Approval is the reason for the delay in spend. The testing to identify the best construction solution continues.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None - teaching not affected by the work	None – current research is not impacted	Moderate – the Mews remains as it was since 2005.	NA

8) 11-13 Charterhouse Square £1.3m Underspend

Stakeholder consultation regarding space planning and the incorporation of a number of design changes resulted in a longer than planned timeframe for agreeing the design of the facility. Value engineering was required to align with the available budget. This consultation and design amendment has caused the fit out of the space to slip from summer 2023 to Autumn / Winter 2023.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None – teaching not affected by this project that just affects research staff.	Moderate - Existing research space is not affected by this project – research staff remain within CHSQ, but expansion space will come on line later than originally planned	None – Students not affected by this project that just affects research staff.	NA

9) New Student Residences £1.1m Underspend

This workstream did not commence in the 2022/23 financial year due to wider strategic residential development opportunities being assessed. The forecast has therefore been deferred to the 2023/24 financial year.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None – teaching not affected by this project	None – research not affected by this project	Moderate – whilst no new rooms have been constructed, agreements have been secured outside QMUL for additional rooms. QMUL	NA

		has sufficient rooms for current student numbers. Some rooms need investment though and plans will be signed off at the Residential Strategy board in Q1 2024.	
--	--	--	--

10) SBM & New Teaching Block £1m Underspend

Delays to the receipt of planning permission due to S106 obligations that had to be concluded before LBTH would issue the approval notice and the associated approval of the pre-commencement conditions has resulted in the Enabling Works start on site date being later than originally planned. There has been a knock on impact of the delays to project 2 (that have resulted in a cost saving) but the required works are now clear and work will commence imminently.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
Low/ Moderate Facility will be delivered later (c. 6 months) than originally envisaged so use of existing teaching space will need to continue.	None There is no specialist research space / labs within the facility and existing facilities will remain.	Moderate Facility will be delivered later (c. 6 months) than originally envisaged so existing student space will be squeezed.	NA

RCIF Funded Projects

11) SBCS Greenhouses £2.3m Underspend

Planning Permission for the new greenhouses was submitted in September 2022 but not approved until April 2023, the detailed design of the facility by the greenhouse supplier could therefore not progress until approval was given. The design is now complete and negotiations on the contract sum nearing completion.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
None	Medium - existing research has temporary facilities that were provided but new and expanded research opportunities will be impacted until the facility is ready.	None	Existing dilapidated glasshouses have already been removed from rooftop as part of the enabling works.

12) Mile End BSU £1.6m Overspend

Significant remedial works to existing mechanical and electrical infrastructure serving the facility had to be carried out in order to complete the works and properly commission the systems to meet HomeOffice requirements. There remain issues with the new and upgraded "plant" that are understood and being worked through. The staff and animal facilities have been significantly upgraded and will provide high quality facilities once fully commissioned.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance

N/A	Medium - the impact on some researchers has been high, though the value of the research involved is low. Some research has been accommodated in our other BSU facilities. Some has had to be paused and will resume once the facility reopens.	N/A	Need to assure on Home Office compliance before the building can reopen
-----	--	-----	---

13) ITS Projects £5.9m Underspend

The largest underspends are on Joseph Priestley Machine Room Refurbishment (£1.1m) which has been on hold to ensure joined up planning between estates and IT engineering teams; Learning Management System (£0.4m) due to negotiations in agreeing the contract; Digital First Enquiry Management (£0.4m), HPC Service Upgrade (£0.4m), Data Centre Refresh (£0.3m) which is on hold, One Web Phase 4 (£0.3m), and Device Refresh (£0.3m). Other project experienced minor underspends in relation to forecast.

Impact of variance on			
Teaching	Research	Student Experience	H&S/Compliance
In response to feedback from teaching room and AV service tickets, ITS has set up an AV taskforce to lead in the simplification, standardisation and useability of AV. This is feeding into the ongoing AV refresh project. AV Service tickets are tracked per teaching room allowing for trend analysis and proactive support and maintenance.	Minimal; There has been a slippage with the JP Machine Room Refresh which had an extended scope agreed at the end of the year to include heat recovery system installation. The delayed replacement of the racks in the room has not impacted on research. The HPC Service Upgrade was delayed due to equipment lead times but did not affect research.	There have been some delays in the Enquiry Management project which was on a very ambitious timeframe to deliver. It is still believed that this will be caught up so this should not impact the end goal of having a single route of access and self-service targets for all student enquiries.	The Managed Service Rollout has continued to experience some delays that have been discussed at the Audit and Risk Committee. This means that we are not fully mitigating risks around Information Security of people using unmanaged devices as quickly as we had hoped. Work is ongoing to work with schools and institutes in order to expedite the roll out.