

**GOLDSMITHS
University of London**

COUNCIL

**FINANCE AND RESOURCES COMMITTEE
21 February 2008**

Present: Mr Dick Melly (Acting Chair), Dr Philip Broadhead, Ms Hannah Bullivant, Professor Geoffrey Crossick, Mr Barry Douglas, Lord Harrowby (formerly Viscount Sandon), Mr Hugh Jones, Mrs Alyson McGarrigle, Professor Simon McVeigh, Professor Nirmala Rao.

In attendance: Head of Management Accounts, Head of Residences, Catering and Conference Services (Item 23), Head of Secretariat, Quality and Governance Administrator (Secretary).

Apologies: Mr Mark Baillache (Chair), Dr David Barrett.

OPEN BUSINESS

17 MINUTES

Resolved:

that the Minutes of the meeting held on 8 November 2007 be approved.

18 MATTERS ARISING

Noted:

re Minute 15, that the Whitehead Building project was less than a fortnight from completion, with no further over-spend.

19 TERMS OF REFERENCE
(Minute 6, 8 November 2007 refers)

Received:

a report from the Head of Secretariat (08-89).

Recommended:

that with effect from 1 September 2009, the Committee's terms of reference, and those of the Senior Management Team, be amended as set out in paper 08-89.

20 SUMMARY MANAGEMENT ACCOUNTS

Received:

the summary management accounts (08-90).

The Committee noted that the revised forecast deficit of £172k was £464k less than the initial forecast deficit of £636k. One contributory factor to this lowered forecast deficit was an assumed increase in research grant income based on the performance in the previous year and an analysis of current grants. Also noted in the management accounts was the under-spending to date on academic departments, largely brought about by budget spending at a lower rate than had been anticipated. The Committee heard that academic departments, unlike administrative departments, were able (and encouraged) to carry forward under-spends to build up reserves for departmental use in future years, with subsequent spending of these reserves closely monitored by the Finance Department.

Under-spending in the Estates Department was noted as a cause for concern, and was considered symptomatic of the department's current difficulties and reduced capacity to spend. However, the Committee noted that the College was currently seeking to fill a number of senior roles in Estates including that of Director, which would ensure that the investment in this area was effectively spent.

21 DEPARTMENTAL FINANCIAL ANALYSIS

Received:

the model on the basis of both the 2006-07 out-turn and the 2007-08 forecast (08-91).

The Committee noted that the Heads of Department had taken the Departmental Financial Analysis Model very seriously as a departmental planning tool, and that the significant surpluses demonstrated in the 2006-07 out-turn were a result of the benefit of the first year of higher tuition fees. With regard to particular departments, it was noted that there were risks in correcting past deficits by reducing resources too quickly. In other departments, it was noted that a reduction in surplus could be the result of positive decisions to increase staff numbers in departments where this was judged to be the right policy for current and future performance. It was also noted that the outcome of the Research Assessment Exercise was expected to improve upon the lower HEFCE funding in certain departments.

The Committee briefly discussed the Constance Howard Centre. It was noted that a plan for its future would need to be established, and also that in the future the College would have to examine closely the process of establishing new permanent ventures funded initially from short-term time-limited grants.

22 TUITION FEES FOR 2009-10

Received:

the arrangements for 2009-10 tuition fees, including new arrangements for the setting of all tuition fees and fee bands (08-92).

Noted:

that in the past, tuition fees had been set on an almost individual basis, but now the inclusion of fee bands had simplified the process and removed the need for detailed discussion by Finance and Resources Committee.

Recommended:

- (i) that the arrangements for 2009-10 tuition fees be approved;**
- (ii) that the terms of reference of the Senior Management Team be amended to include the setting of all tuition fees and fee bands.**

Resolved:

that agreed tuition fees be reported retrospectively to the Committee.

23 OUTTURN OF ACCOUNTS FOR 2006-07, THE RCCS BUDGET AND HALL FEES

Received:

the Outturn of Accounts for 2006-07 and the Residences, Catering and Conference Services (RCCS) Budget, including proposed hall fees for 2008-09 (08-93).

Noted:

- (i) that RCCS had achieved a good result with income that was within £10k of that predicted in the budget for the period;
- (ii) that the freeholds had been purchased for Chesterman House and Surrey House Annexe, which would result in a limited short-term financial benefit and larger ongoing financial benefits;
- (iii) that the proposed rise in hall fees (by 4.5%) had been benchmarked against other colleges;
- (iv) that the Students' Union was pleased that hall fees for Batavia Mews had been frozen to reflect the lower standard of facilities there, and also that the planned increase in hall fees was not greater than inflation;
- (v) that the major task of fitting all rooms with internet access was ongoing.

Recommended:

- (i) that the arrangements for 2009-10 hall fees be approved;
- (ii) that the terms of reference of the Senior Management Team be amended to include the setting of all hall fees.

Resolved:

that agreed hall fees would be reported retrospectively to the Committee.

24 ESTABLISHMENT OF NEW COLLEGE COMPANIES

Received:

a report from the Director of Finance (08-94) on the proposed establishment of two College Companies - *Mutators* and *PureGoldsmiths*.

The Committee noted in discussion that the establishment of *Mutators* carried a low risk for the College, being primarily a vehicle for the development of intellectual property. The activities carried out under *PureGoldsmiths* would of course be more variable in their scope and would require individual risk assessment.

Recommended:

- (i) that the establishment of a wholly-owned company to be known as *PureGoldsmiths*, and the composition of its Board, be approved;

- (ii) that the College's participation, with a 35% share, in the establishment of a company, provisionally known as *Mutators*, be approved.

25 HEFCE PROPOSALS FOR REVISIONS TO THE FINANCIAL MEMORANDUM AND AUDIT CODE OF PRACTICE

Received:

a report on HEFCE proposals (08-67R).

Noted:

- (i) that the current proposals represented a general improvement on the current position but would have no dramatic impact for the College;
- (ii) that the relaxation of the prohibition on cross-membership between Finance and Resources Committee and Audit Committee would allow for a more dynamic relationship between the two committees, but the potential nature of the relationship would have to be explored further.

Resolved:

that the Chairs of Finance and Resources Committee and Audit Committee would discuss the best way to proceed with a constructive relationship between the two committees.

[Secretary's Note: It was subsequently decided that the two Chairs should receive minutes and papers of both committees.]

26 SIGNATORIES FOR NATIONAL WESTMINSTER BANK: AUTHORISATION OF ELECTRONIC SERVICES REGISTRATION

Received:

a paper from the Director of Finance (08-148).

Resolved:

that Barry Douglas, Director of Finance, be authorised to sign the application for the provision of electronic services to the College.

27 NEXT MEETING

Noted:

that meetings for the remainder of 2007-08 and for 2008-09 would be held at 11am on the following dates:

Tuesday 22 April 2008
Tuesday 3 June 2008

Thursday 6 November 2008
Thursday 5 March 2009
Thursday 28 May 2009