

**GOLDSMITHS
University of London**

COUNCIL

**FINANCE AND RESOURCES COMMITTEE
22 April 2008**

- Present:** Mr Mark Baillache (in the Chair), Dr Philip Broadhead, Ms Hannah Bullivant, Professor Geoffrey Crossick, Mr Barry Douglas, Lord Harrowby, Mr Hugh Jones, Mrs Alyson McGarrigle, Mr Dick Melly, Professor Nirmala Rao.
- Apologies:** Dr David Barrett, Professor Simon McVeigh.
- In attendance:** Academic Registrar, Head of Management Accounts, Head of Secretariat (Acting Secretary).
- Observer:** Professor Peter Hodson (QAA Auditor).

OPEN BUSINESS

28 MINUTES

Resolved:

that the Minutes of the meeting held on 21 February 2008 be approved.

29 HERA PROJECT

The Registrar and Secretary reported that agreement had been reached with the College Trades Unions on the new Pay Framework, and that balloting of Union members was in progress. The cost of the agreement would involve a 4.5 percent increase in the overall salary bill which – although more than originally planned by the College – compared well with the rest of the sector.

30 BUDGET PROPOSAL 2008-09

Received:

a paper from the Director of Finance, containing the Senior Management Team's recommendations for the 2008-09 Budget (08-163).

The Committee noted that the development of the Departmental Financial Analysis Model had assisted academic departments in preparing their plans, which was reflected in the quality of submissions. Funding for new posts in academic departments had been concentrated in those departments which performed well in the analysis. The Registrar and Secretary had provided an overview of the proposals from administrative departments for the Senior Management Team.

The Committee noted that the Budget as presented involved projected deficits for 2008-09 and the following years, due to additional expenditure on the specific new initiatives listed in section 3 of paper 08-163. The Senior Management Team was exploring possible ways of counterbalancing the deficit, and the outcome of their discussions would in due course be incorporated into a revised version of the Financial Strategy.

It was reported that the College's share of HEFCE capital grant recently allocated had been somewhat more favourable than expected, and that improving research income generation also had a positive effect on the overall position. On the other hand, the College faced financial threats in the medium term

arising from the revaluation of the Universities Superannuation Scheme (USS), from the new rules on funding for Equivalent and Lower Level Qualifications (ELQ) and from the limited opportunities likely to be available for an institution of Goldsmiths' type to benefit from Government initiatives for growth in student numbers, and thereby to build financial surpluses. Major internally-generated academic developments beyond those arising from this year's planning round, such as a new academic department, would therefore be necessary in order to achieve the target surplus of 4 percent in the Financial Strategy. It was expected that the proposed new investment in the establishment of a Marketing Department would improve international student recruitment across a number of countries, despite increasing global competition.

The Committee was of the view that in presenting this Budget to Council it would be necessary to make a clearer link between the new investment proposed and anticipated future financial performance, and to outline more explicitly the proposed means of offsetting the deficits which would be generated by this investment. The commentary should also emphasise the possible implications of USS revaluation.

Recommended:

that the proposed Budget for 2008-09 be approved by Council.

31 HEFCE GRANT ALLOCATION FOR 2008-09

Received:

a report from the Head of Management Accounts (08-164).

The Committee noted the increase of 3.5 percent in HEFCE grant, and of 4.4 percent in Training and Development Agency (TDA) grant, and that these increases had (apart from TDA Additional Student Numbers) been incorporated into the forecasts in the draft Budget considered as paper 08-163.

32 MANAGEMENT ACCOUNTS

Received:

a report from the Head of Management Accounts (08-165).

The Committee noted in particular the continuing underspend in the Estates Department, which had been highlighted at the previous meeting. Plans to recruit to the Headship of Estates and Facilities were now under way.

The Management Accounts showed an overall positive picture, and the Committee noted that the contrast with the unfavourable position set out in the forecasts was to a large extent a reflection of the prudent methodology adopted, which tended to generate pessimistic forecasts. It was noted that the Director of Finance justified this methodology on the basis of a need for caution in a small institution with few reserves.

33 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 3 June 2008

Thursday 6 November 2008

Thursday 5 March 2009

Thursday 28 May 2009

Rosemary Harrison
May 2008