

**GOLDSMITHS
University of London**

COUNCIL

**FINANCE AND RESOURCES COMMITTEE
3 June 2008**

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

In attendance: Academic Registrar, Head of Management Accounts, Head of Secretariat, Head of the Department of Media and Communications (for Item 41), Quality and Governance Administrator (Secretary).

Apologies: Dr David Barrett, Mr Mark Baillache.

OPEN BUSINESS

34 MINUTES

Noted:

re Minute 32, that the interviews for the role of Director of Estates were to take place in early June.

Resolved:

that the Minutes of the meeting held on 22 April 2008 be approved.

35 AGREED TUITION FEES FOR 2009-10

Received:

the detailed tuition fee schedule for 2009-10 (08-266).

36 STUDENTS' UNION BUDGET

Received:

the draft Students' Union Budget for 2008-09 (08-267).

The Committee noted that the Students' Union draft budget detailed a forecast surplus of 5% of income to return to reserves and fund strategic investments (*8 November 2007, Minute 9 refers*). It was noted that the assumption of a 4% increase in SU Shop sales might be considered a risk, but this risk could be minimised with capable management of the SU and careful monitoring of Shop sales.

37 NURSERY FEES

Received:

the arrangements for Nursery Fees for 2008-09 (08-268).

Recommended:

that the arrangements for Nursery Fees for 2008-09 be approved as set out in paper 08-268.

38 FINANCIAL REGULATIONS

Received:

a paper detailing changes to Financial Regulations for 2008-09 (08-269).

Recommended:

that the Financial Regulations be amended, with effect from 1 August 2008, as set out in Appendix B of paper 08-269.

Noted:

that the introduction of a Costing and Pricing Policy was unnecessary, given that the College operated within the framework set by HEFCE rules on costing, and priced according to market conditions.

39 HIGHER EDUCATION CARBON MANAGEMENT PROGRAMME – STRATEGY AND IMPLEMENTATION PLAN

Received:

a paper from the Acting Head of Estates and Facilities, along with the executive summary of the Carbon Management Strategy and Implementation Plan, as delivered to the Carbon Trust on 29 February 2008 (08-270).

Noted:

- (i) that the College (and in particular, the Students' Union) had long been committed to managing its carbon emissions, and that its involvement in the Higher Education Carbon Management Programme would provide a formal framework within which to achieve a reduction in its own consumption, thus contributing to government targets and minimising overall energy costs;
- (ii) that the College would aim to reduce carbon emissions by 15% over the next three years, which would underpin financial savings accumulating to approximately £239K per annum over that period;
- (iii) that engagement with a carbon management policy would not require an increase in expenditure on staff, and in fact the best way for the programme to succeed in its aims was to gain the commitment of all current staff members.

Resolved:

that the estimated capital expenditure of £289,350 (with an estimated payback period of 1.2 years) be approved.

40 TRAC RETURN

Received:

a report from the Head of Management Accounts on the TRAC process and Goldsmiths' return (08-271).

The Committee noted that it appeared that the College's academic staff were as a whole spending more time on research than was covered by research income. This was problematic, because it was not feasible to suggest that the College could (or should) somehow limit staff members' time spent on research and yet it was important to ensure that time spent on research was not at the expense of teaching and other commitments. However, the Committee noted that the TRAC return may have data limitations caused by misunderstandings about the criteria to be applied in reporting the allocation of staff time, possibly leading institutions (including Goldsmiths) to overestimate the time spent on research and underestimate the time spent on teaching.

The Committee noted that the College's only surplus in teaching provision was that which was non-publicly funded (i.e. overseas students). The College's deficits in publicly-funded regulated provision were to be expected, particularly given that its discipline mix did not tend to attract a high level of funding from HEFCE. However, deficits in publicly funded non-regulated provision were more unusual and a matter that needed to be taken into account in the setting of fees.

The Committee noted that TRAC had delivered real benefits to the sector but the usefulness of the process was dependent on the robustness of its methodology and the accurate interpretation of its findings at an institutional level.

41 DEVELOPMENT OF THE BACKFIELD SITE

Received:

a report from the Director of Finance and the Registrar and Secretary (08-272).

The Committee heard from the Head of the Department of Media and Communications about the benefits that would result from development of the backfield site, including not only major new dedicated space for the Department's activities but also a large lecture theatre, dedicated server room and café space, and scope to use the building for a range of activities (not limited to Media and Communications). It was noted that the Department of Media and Communications was a substantial asset to the College, both in terms of research standing and financial contribution, and a world-class space for the Department was long overdue.

In discussion, Finance and Resources Committee highlighted the importance of the issues of sustainability, and of maintaining a satisfactory experience for students and staff during the building period, and noted also that the Senior Management Team had put in place measures to avoid the project management problems associated with the Ben Pimlott and Whitehead buildings; the need for strict management control to ensure that the project remained within the proposed budget was emphasised, noting the relatively small contingency funding. The Committee expressed some concern over the time scale for the development, particularly as planning approval had yet to be obtained.

Recommended:

- (i) that the Senior Management Team's preferred option to construct a four-storey building (approximately 5,950 m²) on the Backfield (and to refurbish the space vacated by Media and Communications department), at a estimated project cost of £18.5m be approved;**
- (ii) that the additional borrowing of £6m to contribute to the cost of the project be approved.**

42 MANAGEMENT ACCOUNTS

Received:

a report from the Head of Management Accounts (08-273).

Noted:

that a revised forecast surplus of £1,121k had been identified (this was £1,757k better than the initial forecast deficit of £636k).

43 BUDGET/FORECAST UPDATE

Received:

a report from the Director of Finance (08-274).

Noted:

- (i) that Section 7 of the budget - *Next Steps* - delivered a challenge in the form of a number of measures, the delivery of which would yield high returns over the short- to medium-term, thus allowing the College to generate target surpluses of around 4%;
- (ii) that the surpluses previously envisaged in later years had reduced due to the likely increase in pay costs and the need for a contingency of around £600k, as well as the additional expenditure outlined in Section 3 of the budget paper;
- (iii) that the Development Office had not delivered a significant income so far, but that the College was looking to set up new projects and an annual fund to bring in regular income; in addition, the government's Matched Funding Scheme would give £1 for every £2 of philanthropic income raised by the Development and Alumni Office.

Recommended:

that the proposed 2008-09 budget be approved.

44 ANY OTHER BUSINESS

Resolved:

to thank Professor Nirmala Rao and Ms Hannah Bullivant for their contributions to the committee, as this would be their final meeting of Finance and Resources Committee.

45 NEXT MEETING

Noted:

that meetings for 2008-09 would be held at 11am on the following dates:

Thursday 6 November 2008

Thursday 5 March 2009

Thursday 28 May 2009

Jessica Pavlos
Quality and Governance Administrator
June 2008