

**GOLDSMITHS  
University of London**

**COUNCIL**

**FINANCE AND RESOURCES COMMITTEE  
6 November 2008**

- Present:** Mr Mark Baillache (in the Chair), Dr David Barrett, Dr Philip Broadhead, Professor Geoffrey Crossick, Mr Barry Douglas, Lord Harrowby, Mr Hugh Jones, Professor Simon McVeigh, Mrs Alyson McGarrigle, Mr Dick Melly, Professor Jane Powell, Ms Jess Tratt.
- In attendance:** Academic Registrar, Head of Management Accounts, Head of Secretariat, Director of Estates and Facilities, Quality and Governance Administrator (Secretary).
- Observer:** Chair of Human Resources Committee.
- Apologies:** None.

**1 NEW MEMBERS**

The Committee welcomed the 2008-09 Students' Union representative, Ms Jess Tratt, and the new Pro-Warden (Research and Enterprise), Professor Jane Powell.

The Committee also welcomed the Chair of Human Resources Committee, Mr Kenneth May, noting that this academic year the Chairs of the committees reporting to Finance and Resources Committee had been invited to meetings as observers.

**2 MINUTES**

**Resolved:**

that the Minutes of the meeting held on 3 June 2008 be approved.

**3 CONFLICTS OF INTEREST POLICY**

Received:

the College's Conflicts of Interest Policy (08-303).

**4 STANDING ORDERS**

Received:

the standing orders for all College committees approved by Council with effect from 1 September 2007 (08-304).

## **5 TERMS OF REFERENCE, COMPOSITION AND MEMBERSHIP**

Received:

a statement of the terms of reference, composition and membership of the Committee for 2008-09 (08-380).

## **6 TREASURY MANAGEMENT POLICY**

Received:

an updated list of counterparties from the Director of Finance (08-381).

It was noted that the proposals would change the current policy of investing with banks rated AA- and better (previously A-). The Committee was pleased to see that the College was reviewing its Treasury Management Policy at this time of high risk in the market, and noted that the College received a great deal of advice and an independent risk assessment. However, some members suggested that the College should review the costs of moving to an even higher level of security for investments. It was agreed that the Director of Finance would examine the benefits of a taking a higher degree of caution with regard to investments and report back to the Committee at the next meeting.

**Recommended:**

**that the revision of Appendix III of the Treasury Management Policy attached to paper 08-381 be approved, with an amendment to reflect an investment and deposit limit of £15 million (rather than £10 million) for Royal London Cash Management, while retaining a limit of £3 million per counterparty.**

## **7 BUDGET ANNOUNCEMENT 2008-09**

Received:

a statement of the budgets issued for the financial year 2008-09, together with a statement of budget allocations to departments (08-382).

## **8 STUDENTS' UNION FINANCIAL STATEMENTS**

Received:

the draft Financial Statements for the Students' Union for 2007-08, together with a commentary by the Chief Executive (08-383).

The Committee congratulated the Students' Union on their excellent financial performance, with the achievement of a near-record surplus of £55,242.

## **9 RESEARCH AND KNOWLEDGE TRANSFER COMMITTEE ANNUAL REPORT**

Received:

a report on the Committee's activities in 2007-08 (08-384).

Noted:

- (i) that the release of the Research Assessment Exercise results on 18 December 2008 would potentially have a major impact on the College;
- (ii) that the new research centres and units were expected to be self-sustaining, after a small amount of start-up funding; it was expected that they would attract research grants and postgraduate students to the discipline(s) involved.

## **10 HUMAN RESOURCES COMMITTEE REPORT**

Received:

a report on the business of the Autumn term meeting of HR Committee (08-385).

The Committee noted that the Human Resources Department had undergone sweeping changes recently as a result of the implementation of the HR Review, in particular with the introduction of a new business partner approach. The set of changes were expected to allow the Department to take a more proactive approach to managing HR issues.

The Committee noted the importance of the College's positive engagement with the new Single Equality Scheme (to be implemented 2010-11). The Committee discussed that not only the statistics relating to equality and diversity but also the perception of a more diverse staff and student population made the College appealing to prospective students. In addition, current students tended to value the College's diversity highly.

## **11 ESTATES COMMITTEE ANNUAL REPORT**

Received:

a report on the Committee's activities in 2007-08 (08-386).

The Committee noted that one of the greatest problems facing the College's Estate was space utilisation, as evidenced by audits of the College's space management conducted by HEFCE's Space Management Group and the College's internal auditors. The Estates Committee supported the implementation of the recommendations from the audits, and in particular the recommendation that space must be managed institutionally. The Estates Master Plan would address this issue as a matter of urgency.

The Committee voiced its concern (in legal and reputational terms) over the Estate's lack of compliance with several health and safety issues (as well as those relating to environmental and disability access issues), and heard that the need to comply with relevant legislation had to be handled in such a way as to take account of the need to spend money wisely and to consider the long-term usage plan for College buildings. It was noted that, for this reason, some high-cost solutions to compliance issues would in practice be met by demolition of unsuitable buildings.

It was recognised that the effects of the College's history of short-term decision-making in relation to its Estate was being rectified with a timetable of improvements, which included a condition survey, the above-mentioned Master Plan (expected to be in place in four to five months) and finally an Estates Strategy.

The Committee raised concerns over the maintenance backlog, and questioned whether it was reasonable to embark on large-scale capital projects (such as the new Backfield Building) at a

time when there were still problems to do with maintenance and compliance issues. It was explained that new capital projects such as the Backfield Building were vital to the College's strategies for growth and sustainability.

**Resolved:**

that the Committee would receive a report on any non-compliance with legislation, and of relevant long-term priorities, in the near future.

**12 MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31 JULY 2008**

Received:

a paper from the Director of Finance (08-387).

Noted:

- (i) the out-turn of a £3,557k surplus, achieved largely through VAT recoveries £101k higher than foreseen and interest received £247k higher than forecast;
- (ii) that the majority of "savings" made by the College were in fact underspends, for instance in HERA, pension provision and severance allocation;
- (iii) that the extent of the surplus had not been predicted in March, largely because the budgets were highly conservative and it would have been extremely difficult to accurately predict the costs of the HERA process;
- (iv) that the Committee would, in future, appreciate a year-by-year process of measuring forecast against out-turns to examine trends.

**13 FINANCIAL STRATEGY**

Received:

a revision of the institutional Financial Strategy (08-388).

The Committee discussed the College's draft Financial Strategy, which outlined the steps required to meet the College's aim of securing an annual surplus of 3% in the medium-term rising to 5% in the long-term. These steps included increasing the proportion of international students from 13.9% (2007-08) to 20% over the next five years and 25% thereafter, and increasing the College's FTEs by 2% per annum.

The Committee discussed in detail the issue of the top-heavy approach to resource allocation at Goldsmiths (typical of many HEIs), noting that while Heads of Departments were involved in resource allocation through the annual planning process, it was important for budget-holders to be motivated to meet the challenges set by the Financial Strategy in a creative and forward-thinking manner. The Committee agreed that some kind of devolution of the budget process would ensure departments were fully engaged and accountable, but also recognised that the current approach was more suitable for a small institution and allowed the departments to receive more central support. As such, the College's savings would be delivered through strong central direction, nonetheless with as much local initiative as possible.

**Recommended:**

**that the revised Financial Strategy be approved.**

**14 FINANCIAL FORECAST**

Received:

a paper from the Director of Finance (08-389).

Noted:

- (i) that this forecast brought forward the positive out-turns from 2007-08, and as such was perhaps more bold than previous forecasts;
- (ii) that income was forecast to rise by more than anticipated last year, in particular as a result of success in attracting research funding;
- (iii) that an important function of the forecast was to make it clear to HEFCE that the College was planning effectively;
- (iv) that the forecasts might require revision in the light of government funding announcements in the Spring of 2009.

**Recommended:**

**that the Forecast and Commentary be submitted in December 2008 to HEFCE.**

**15 ANY OTHER BUSINESS**

The Committee thanked Mr Bob Westaway for his service to the Committee and the College. This would be his last meeting as he was leaving to take up the post of Academic Registrar at Imperial College.

**16 NEXT MEETING**

Noted:

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

Thursday 5 March 2009

Thursday 28 May 2009

Jessica Pavlos  
Quality and Governance Administrator  
November 2008