

GOLDSMITHS
University of London

COUNCIL

FINANCE AND RESOURCES COMMITTEE
16 November 2009

Present: Mr Mark Baillache (in the Chair), Dr Philip Broadhead, Mr Rupert Evenett, Mr Jesse Fajemisin, Mr Hugh Jones, Professor Simon McVeigh, Mr Dick Melly, Professor Jane Powell, Ms Mary Stacey, Ms Sally Townsend.

In attendance: Director of IT Services (for Item 8), Head of Corporate Governance and Information Management, Quality and Governance Administrator (Secretary).

Observers: Visiting Researcher.

Apologies: Professor Geoffrey Crossick.

OPEN BUSINESS

1 ANNOUNCEMENTS

The Committee welcomed Ms Mary Stacey, Mr Rupert Evenett, and Mr Jesse Fajemisin to their first meeting.

2 MINUTES

Resolved:

that the Minutes of the meeting held on 28 May 2009 be approved.

3 MATTERS ARISING FROM THE MINUTES

Re min 36: that the internal auditors' priorities had been amended so that they could review the processes related to the Backfield Building project. The Committee stressed that it was vital that the auditors had the appropriate skillset to investigate this issue.

Re min 37: that a purchase price of £675k + VAT had been agreed for St James' Church, and that Council's agreement to the purchase would be sought in its upcoming meeting. The Committee noted that with relatively little work the building could provide studio space for the Department of Art, which would enable growth in international student numbers and provide immediate financial support for the purchase.

Re min 38 (iv): that SU input would be sought on the Residences Strategy at the appropriate time, and that it was expected that the Strategy would be completed in this academic session.

4 CONFLICTS OF INTEREST POLICY

Received:

the Conflicts of Interest Policy (09-319).

5 STANDING ORDERS

Received:

the revised standing orders for all College committees approved by Council with effect from 1 September 2009, together with an explanatory note from the Secretariat on the changes made (09-320).

6 TERMS OF REFERENCE, COMPOSITION AND MEMBERSHIP

Received:

a statement of the terms of reference, composition and membership of the Committee for 2009-10 (09-437).

7 FINANCIAL FORECAST 2009

Recommended:

that the financial forecast be approved (09-438).

It was noted that the financial forecast and commentary were to be submitted to HEFCE as part of the Annual Accountability return by 1 December. The forecast took into account only the funding cuts that the College was already aware of (for instance, relating to removal of funding for equivalent or lower qualifications and ringfencing of funding for STEM subjects); while the scenario planning included in the commentary looked at varying levels of cuts in both teaching grant funding and QR grant funding. The Committee noted that the forecast was somewhat optimistic but not unrealistic, and that Goldsmiths was facing a 4% funding cut (the sector average was 2.8%).

The Committee discussed risks in the forecast, including the reliance on meeting targets and milestones in overseas student numbers. It was noted that the College was taking steps to achieve these goals, for instance with work on developing and expanding its English language provision for overseas students.

It was also noted that Goldsmiths was capable of strong growth in its research income and that inability to achieve this growth had risks that were both financial and reputational; however research growth did not necessarily follow an easily predictable pattern and was dependent on good performance in an externally competitive environment.

The Committee noted that the Finance Department had implemented a more rigorous monitoring process, including submitting management accounts to the Senior Management Team on a monthly basis. It was expected that this would improve the accuracy of financial forecasting.

The Committee discussed the proposal to charge Bench and Materials fees. It was noted that the College was currently investigating this practice in the sector and that the proposal would not be approved without a communication and consultation process involving students.

8 INFORMATION MANAGEMENT AND SYSTEMS COMMITTEE ANNUAL REPORT

Received:

a report from the Information Management and Systems Committee (09-364).

The Committee noted that the Information Management and Systems Committee had considered strategic developments including a preliminary Records Management Strategy and a revision of the IT Strategy. The Committee had also received reports on developments in IT infrastructure, including the student records system, e-recruitment system, and the web-based payments system.

The Committee felt that it would be useful to receive budgetary information relating to IT developments in future annual reports, although it was understood that oversight of the risks of relating to IT projects was the remit of Audit Committee.

9 IT STRATEGY IMPLEMENTATION

Received:

a report from the Director of IT Services (09-354).

10 SUMMARY MANAGEMENT ACCOUNTS AND OUT-TURN 2008-09

Received:

a paper from the Director of Finance (09-439).

The Committee noted that the actual outturn for the year ended 31 July 2009 was £2.7m, which was broadly in line with the forecast outturn of £3m. The variance was due to the proposal made by Goldsmiths' external auditors that the College should increase its bad debt provision by £308k.

The Committee noted that the majority of underpends in academic departments were against pay costs, and that the budgeting process at Goldsmiths assumed that there would be underpends in this area due to vacancies savings. It was noted that vacancies savings were a result of normal transaction times in filling posts rather than a particular strategy to save costs by keeping posts vacant.

The President of the Students' Union requested clarification on the variance in tuition fee income (£0.77m less than forecast), and it was explained that this was a result of a delay in the administrative process involved in issuing refunds and would be addressed through the new student records system.

11 COLLEGE DEBT

Received:

- (i) an analysis of the College's > 1 year debt (09-440);
- (ii) an extract from the external audit report on student debt (09-474).

Noted:

- (i) that progress (albeit slow) was being made on the College's debt profile;
- (ii) that more effective coordination was needed between Finance and Student Services;

- (iii) that the College had carried out a process review of student debt collection, which highlighted the need to coordinate the work of administrative departments and make contact with student debtors earlier;
- (iv) that there were measures to restrict student debtors' access to the library, but unfortunately due to the nature of the campus there was little else that could be restricted;
- (v) that there were problems due to the difficulty of differentiating between different College debts, for instance, tuition, library, and halls debts;
- (vi) that it was important to recognise the value of flexibility when dealing with student debtors, and to encourage early communication on the matter.

12 STUDENTS' UNION FINANCIAL STATEMENTS

Received:

the draft financial statements for the Students' Union for 2008-09, together with a commentary from the Chief Executive (M; 09-443).

The Committee noted that the statement suggesting that the Students' Union had "prevent[ed] the possibility of the campus nursery closing or a College collaboration with INTO (campaigning in partnership with campus unions UNISON and UCU)" was inaccurate, and that in fact the campus nursery had not closed because the College had been unable to procure a satisfactory tender, and the suggested partnership with INTO had broken down because the discussions between the College and INTO had demonstrated that there was no viable business plan.

The Committee noted that there had been problems with the governance of the Students' Union, with the Trustee Board having had four vacant external places in 2008-09 and two vacant external places in 2009-10. The SU was currently conducting a skills-based recruitment for new external Trustees.

The Committee noted that despite a good financial performance over the last couple of years, the SU recognised that conditions for their commercial services would remain very challenging and that the Union would need to continue to build its reserves to levels capable of dealing with an unexpected problem or downturns in trading turnover.

13 APPROVAL OF ARRANGEMENTS FOR THE HOLDING OF DATA BY OTHER ORGANISATIONS ON BEHALF OF THE COLLEGE

Recommended:

that the arrangements for the holding of data by other organisations on behalf of the College, as set out in the paper 09-350R, be approved.

14 RECORDS MANAGEMENT POLICY

Recommended:

that the draft Records Management Policy, as set out in paper 09-441, be approved.

15 EXPENSES POLICIES

Recommended:

that the revised College expenses policies, as set out in paper 09-442, be approved.

16 ANY OTHER BUSINESS

17 DATES OF MEETINGS FOR NEXT YEAR

To note that future meetings for 2009-10 would be held on the following dates at 11am:

Thursday 4 March

Tuesday 8 June

CONFIDENTIAL BUSINESS

*Exemption under Section 43 (Commercial Interests) of the
Freedom of Information Act*

18 COMMENTARY ON FINANCIAL FORECAST

Received:

a commentary on the financial forecast (09-448).

[Secretary's note: discussion on this item was taken with that of Item 7]

Jessica Pavlos
Quality and Governance Administrator
December 2009