

**GOLDSMITHS
University of London**

COUNCIL

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting held on 4 March 2010

- Present:** Mr Mark Baillache (in the Chair), Dr Philip Broadhead, Professor Geoffrey Crossick, Mr Rupert Evenett, Mr Jesse Fajemisin (for items 19 to 22), Mr Hugh Jones, Professor Simon McVeigh, Mr Dick Melly, Professor Jane Powell, Ms Sally Townsend.
- In attendance:** Head of Management Accounts, Quality and Governance Administrator (Secretary).
- Apologies:** Ms Mary Stacey.

OPEN BUSINESS

19 MINUTES

Resolved:

that the Minutes of the meeting held on 16 November 2009 be approved.

20 MATTERS ARISING FROM THE MINUTES

Re item 3 (St James's Church): a committee member asked for clarification as to whether the College had purchased the freehold or the leasehold on this property. It was confirmed that the building was offered for sale on a long lease.

21 BACKFIELD BUILDING

The Committee noted that (re item 3 of the minutes; Backfield Building) Internal Audit were in the process of investigating the issue, but no outcomes had been reached yet. The actual building progress was proceeding well; costs were being controlled and the building was set to open on schedule (handover to the College was set for 12 August 2010).

The Committee noted that Estates were discussing with departments the use of space that would be vacated by Media and Communications, some of which would make suitable studio space for Art and Design. It was hoped that said space could be vacated early to allow time for refurbishment. It was expected that this would be decided in the next month or so.

22 MANAGEMENT ACCOUNTS

Received:

the management accounts for the first five months of the financial year 2009-10 (10-83).

The Committee noted that the management accounts were broadly as estimated, and that the new process of monthly monitoring by SMT along with the Agresso upgrade would likely improve the

accuracy of management accounts in the future. It was noted that tuition fee income was recording very high, and that some large items in the general contingency budget might not be spent.

One problem noted in the management accounts was the apparent low research grant income presented. This was explained as an artefact of the way the accounts were prepared; that is, income is shown as expenditure on grants and this is a crude measure of research activity (the research budget for 2009-10 is in fact significantly higher than for 2008-09). It was hoped that in the future a more sophisticated measure, on the basis of contracted activity, would be used.

The Committee discussed the following specific issues:

- (i) the importance of the College's student records system project, which would enable internal processes (particularly those that involve interface between Agresso and student records) to be carried out more quickly and accurately;
- (ii) staff costs, which were currently less than budget, which was considered to be a result both of inadequate profiling and the College's vacancy savings policy;
- (iii) concern over the large overspend in the Department of Computing, which was the result of the Mutators project unfortunately not being successful. This project had been a great opportunity for the College, and had been sponsored and monitored by SMT.

The Committee noted that these management accounts had been described as representing a positive start to a demanding year, but asked whether the College was in a position to accurately monitor its financial status in this unpredictable economic climate. It was noted that the College had a reasonably precise view of tuition fee income, staff costs, and was getting better at consistently monitoring spending in academic and support departments. However, it was realised that improvements were being made, in both the ability to drill down and to take a big-picture, future-focussed view. It was suggested that the College could benefit from setting non-financial key performance indicators which would help it monitor its goals.

23 ACADEMIC DEPARTMENTAL FINANCIAL ANALYSIS MODEL (DFAM)

Received:

a summary of each academic department's financial outturn for the financial year 2008-09 with comparison to the outturn for 2007-08 (10-84).

Noted:

- (i) that overall this was a good out-turn with a number of success stories;
- (ii) that in many cases departments that did not perform as well (in terms of producing a surplus and contributing to College overheads) were vital components of the College brand and reputation, and as such should be encouraged and supported;
- (iii) that the information provided in the DFAM was very useful but historic, and it would be preferable if it were more forward-looking.

24 BUDGET PROCESS 2010-11

Received:

a paper on the proposed approach for development of the College's budget from the Director of Finance (10-85).

The Committee noted that the budget process was underway, and that two of the major aims of the process were to increase transparency in budgets and to explore the feasibility of giving greater control of pay budgets to Department Heads. It was recognised that in the current economic climate it would be vital to not only make efficiency savings in expenditure, but also to invest in growth, and the budget process would provide an efficient baseline from which to achieve this.

The Committee discussed the importance of taking a long-term view of College finances, particularly given the range of uncertainties and challenges in the future (eg the economic climate, a change of Warden, reductions in the HEFCE grant, general election). The College had some time to invest in growth strategies, but Department Heads were aware that the current requested efficiency savings were only the first step in what needed to be a culture change in the College.

The Committee noted that it was vital that the College monitored its growth strategy very closely; the College was in a favourable position because it had the capacity to grow, and upcoming challenges could be viewed as opportunities for the College to identify what its future should be.

The Committee noted that a paper on the College's Estates Master Plan (including details of the maintenance backlog) would be presented to an upcoming Council meeting. It was vital that Council took ownership of the Master Plan, as it was a major component in addressing the College's future.

25 TRANSPARENT APPROACH TO COSTING (TRAC)

Received:

a report on the 2008-09 submission (10-86).

Noted:

- (i) that the TRAC return was submitted by the deadline and that its figures were broadly comparable to 2007-08;
- (ii) that the usefulness of the TRAC process within Goldsmiths was dependent on the robustness of its methodology, the accurate interpretation of its findings at an institutional level, and the level of ownership of the outcomes by Department Heads;
- (iii) that it was difficult to use the results of the TRAC process within departments currently because the results were based on the information from the time allocation survey process, which did not at present have a level of detail sufficient to provide a useful decision-making tool for departments;
- (iv) that the College had made surpluses in all areas where it controlled the pricing; these areas were where the College was focusing its growth strategies (i.e. postgraduate provision, overseas students, etc);
- (v) that differences between TRAC and the management accounts were a result of adjustments made to represent Full Economic Costing, and the need for TRAC to establish the long-term sustainability of finances;
- (vi) that the return included consultancy, and that this presented a small but growing percentage of the College's income.

26 TUITION FEES

Received:

the detailed tuition fee schedule for 2011-12 from the Director of Finance (10-87).

27 STUDENT NUMBERS

Received:

a report from the Director of Quality, Planning and Academic Governance (10-13).

28 IT STRATEGY IMPLEMENTATION

Received:

a report from the Director of IT Services on the implementation of the IT Strategy (10-88).

29 INFORMATION MANAGEMENT AND SYSTEMS COMMITTEE

Received:

a report from the Secretary of Information Management and Systems Committee (10-89).

30 ANY OTHER BUSINESS

It was noted that this would be Professor Geoffrey Crossick's final meeting as Warden. Professor Crossick was thanked for his work with the College and the Committee, and he said he was pleased with the way that Finance and Resources Committee had evolved in the last few years.

The Committee also thanked Jessica Pavlos, who was moving to a different post within the College, for her support as Secretary.

31 DATES OF FUTURE MEETINGS

Noted:

(i) that the final meeting for 2009-10 would be held on the following date at 11am:

Tuesday 8 June 2010

(ii) that meetings for 2010-11 were currently scheduled for the following dates:

Thursday 4 November 2010, 3.30pm

Tuesday 15 March, 2011, 2.30pm

Thursday 2 June 2011, 2.30pm

Jessica Pavlos
Quality and Governance Administrator
March 2010