

GOLDSMITHS
University of London

COUNCIL

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting held on 4 November 2010

- Present:** Mr Mark Baillache (in the Chair), Dr Philip Broadhead, Mr Rupert Evenett, Mr Hugh Jones, Mr Patrick Loughrey, Mr Dick Melly, Ms Bindz Patel, Professor Jane Powell, Ms Mary Stacey, Ms Sally Townsend.
- In attendance:** Head of Management Accounts, Head of Procurement (for the business to which items 1-8 refer), Head of Corporate Governance and Information Management (Acting Secretary).
- Apologies:** Professor Simon McVeigh.

OPEN BUSINESS

1 MINUTES

Resolved:

that the Minutes of the meeting held on 24 June 2010 be approved.

2 MATTERS ARISING FROM THE MINUTES

(i) New Academic Building (Item 33)

The Committee noted that, despite the plan reported in Minute 33 to make a further report at the present meeting, in the light of the Internal Auditor's report on the management of the New Academic Building project, this had in the event not proved possible due to the large number of amendments to the report still under discussion by Audit Committee. Members of Finance and Resources Committee would now see the report first as members of Council, on the agenda for the Council meeting on 30 November 2010.

(ii) Hall Fees (Item 40)

The Committee supported the view of the Students' Union that increases in hall fees should be subject to consultation with the officers of the Union before any final decision was reached.

3 STANDING ORDERS

Noted:

the revised Standing Orders in force for all Goldsmiths Committees from 1 September 2010 (10-338).

4 CONFLICT OF INTERESTS POLICY

Noted:

the College's Conflict of Interests Policy, and its potential implications for the obligations of members of the Committee (10-339).

5 TERMS OF REFERENCE, COMPOSITION AND MEMBERSHIP OF THE COMMITTEE

Noted:

- (i) The terms of reference, composition and membership of the Committee for the academic year 2010-11 (10-421);
- (ii) a paper concerning the present roles of Finance and Resources Committee and Audit Committee, in the light of the view of Audit Committee that a review of the respective roles of the two committees would be beneficial, in particular (but not exclusively) in relation to the procedure for approval of the Financial Statements for publication and submission to HEFCE (10-422).

The Committee took the preliminary view that in general its role and that of Audit Committee were appropriately complementary, and more specifically that approval of the Financial Statements should remain the responsibility of Audit Committee and not Finance and Resources Committee. It was noted that there was no funding body requirement preventing Goldsmiths from continuing with the present procedure for approval of Financial Statements (which had operated unchanged since the establishment of Finance and Resources Committee in 2004), although other arrangements were more common elsewhere in the higher education sector.

Resolved:

that the Chair be invited to consult informally with the Chair of Audit Committee and bring further issues to the attention of the Committee as appropriate.

6 PROCUREMENT STRATEGY

Recommended:

that the draft Procurement Strategy (10-307) be approved, subject to minor amendment in the light of comments by the Committee.

7 FEES COLLECTION POLICY: PROGRESS REPORT

Noted:

a report for information on the review of Goldsmiths' current fee collection policy and procedures from the Director of Finance (10-423).

8 STUDENTS' UNION FINANCIAL STATEMENTS

Noted:

the draft financial statements for the Students' Union for 2009-10, together with a commentary from the Chief Executive (10-424).

9 SUMMARY MANAGEMENT ACCOUNTS AND OUT-TURN 2009-10

Received:

a paper from the Director of Finance (10-425).

The Committee noted that work continued on improvements in financial reporting, in particular to achieve improved predictions of the year-end position. A gradual cultural change was under way which involved moving away from over-cautious forecasting, which some members of the Committee felt might still be evident in the present forecasts for 2011-12. It was noted that in a period susceptible to sudden change it was particularly difficult to improve the accuracy of forecasting.

It was noted that whilst income from conferences was included under the Residences, Catering and Conferences budget head, it should not be set directly against the residences budget. This was based on the principle that any profits from conferences should be used to the benefit of overall College, rather than only those students who lived in residences (by effectively subsidising their rent).

10 BROWNE REVIEW

The Registrar and Secretary reported orally on the Browne Review, which advocated the most radical change in the funding and governance of the higher education sector for over a century, with the mechanism for funding shifting over a four-year period from direct central funding to funding *via* higher student fees. There would be increased uncertainty due to the difficulty of predicting the response of prospective students to the fee increase, and the possibility of specific funding problems in the transitional phase.

It was noted that BIS would announce the HEFCE grant level in December 2010. TDA grant would not be announced until January 2011. The College would not be permitted to confer with other universities on the future fees to be charged.

It was noted that one positive outcome of the Browne review was the expectation of a more equitable funding mechanism for part-time undergraduate students, who would now become eligible for loans. Shorter undergraduate courses might be a viable structural option in a narrow range of situations; however this had not generally been found a suitable model for eighteen-year-olds, and the management of such compressed degree programmes would also be challenging in terms of the maintenance of staff research productivity.

11 STUDENT RECORDS PROJECT

The Registrar and Secretary reported orally on recent developments regarding the introduction of a new student records system.

The report covered the issues relating to implementation of the new system; the project issues which had caused the College's Senior Management Team to pause the implementation; the subsequent discussions relating to this and the work done by the College to explore ways to realise the project's aims within budget and to an appropriate timescale.

12 DATES OF FUTURE MEETINGS

Noted:

that meetings for the rest of the academic year would be held as follows:

15 March 2011 at 2.30pm

2 June 2011 at 2.30pm

CONFIDENTIAL BUSINESS

(Exemptions 36 and 43 of the Freedom of Information Act expected to apply for period of one year)

13 FINANCIAL FORECASTS

Received:

- (i) Financial Forecast and narrative (10-446);
- (ii) Financial Commentary to be submitted to HEFCE (10-447).

It was felt that in general the commentary proposed for submission with the HEFCE Accountability return set the appropriate tone; however the Committee asked that before submission to Council for final approval more focus should be placed on actions to mitigate problems identified by this year's scenario planning. It was noted that the proposed initiatives still needed to be subjected to market testing - an activity which now needed to be approached in a more serious and consistent way than it had been by Goldsmiths in the past. It was important that new initiatives had a coherent relationship with the College's existing provision.

It was suggested that Goldsmiths International Programmes (an initiative already approved in principle last academic year) might be undermined if immigration controls were made more stringent so that students were prevented from entering the UK to study. Another uncertainty was the extent to which future higher student debt levels at the completion of undergraduate study would affect postgraduate recruitment.

Recommended:

- (i) that the Financial Commentary (10-446, together with sections 4 and 5 of 10-447) be approved for submission to HEFCE, subject to amendments in the light of discussion by the Committee;
- (ii) that the information contained in the Financial Forecast tables attached to paper 10-446 be approved for submission to HEFCE, subject to minor adjustments to be made by the Director of Finance prior to the next meeting of Council.