

**GOLDSMITHS
University of London**

COUNCIL

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting held on 5 November 2012

Present: Mr Philip Wright (in the Chair), Mr Patrick Loughrey (for items 1 -12), Ms Mary Stacey, Mr Dan Lambeth, Mr David Richards, Mr Samsun Osun

In attendance: Mrs Liz Bromley, Mr Andrew Lantry, Professor Simon McVeigh (for items 1 -12), Professor Jane Powell, Ms Sally Townsend, Dr Michael Young, Mr Chris Lloyd (Secretary).

OPEN BUSINESS

1 MINUTES

Resolved:

that the Minutes of the meeting held on 31 May 2012 be approved.

2 MATTERS ARISING

(i) Students' Union Budget

Noted:

a paper from the Chief Executive of the Students' Union, including an overview of the final budget of the Students' Union (a draft of which was received at the Committee's Summer term meeting), and a summary of the principal changes (12-427)

(ii) Sale of peripheral properties

The Committee were informed that the sale of 38 St Donatt's Road had been completed with the £435k received recycled into the Estates Capital Expenditure Budget. The sale of the second property on St Donatt's Road was still in progress with the income intended for use on the IT infrastructure.

3 CHAIR'S ACTION

Noted:

that, by Chair's Action, the Chair had approved the lease of Room 181A in the Richard Hoggart Building to Santander PLC to provide an on campus banking service.

4 MEMBERSHIP OF THE COMMITTEE

Noted:

- (i) that Dr Rupert Evenett had resigned from Finance and Resources Committee with effect from 1 October 2012, on being appointed by the Chair of Council as Chair of Audit Committee;
- (ii) that the Chair of Council had appointed Mr Philip Wright to the Chair of Finance and Resources Committee from 1 October 2012;
- (iii) that the following other members were joining the Committee in the current term:

Mr Samson Osun (President of the Students' Union);
Mr David Richards (independent member of Council).

5 STANDING ORDERS

Noted:

the revised Standing Orders in force for all Goldsmiths Committees from 1 September 2012 (12-299).

6 CONFLICT OF INTERESTS POLICY

Noted:

the College's Conflict of Interests Policy, and its potential implications for the obligations of members of the Committee (12-300).

7 TERMS OF REFERENCE, COMPOSITION AND MEMBERSHIP OF THE COMMITTEE

Noted:

the terms of reference, composition and membership of the Committee for the academic year 2012-13 (12-428).

8 FINANCIAL STATEMENTS

Received:

the draft Financial Statements (Accounts section) for 2011-12 (12-378).

Noted:

that the Financial Statements were formally approved by the Audit Committee but that the Audit Committee requested that the Finance and Resources Committee consider

the financial outturn and draw any matters of concern to their attention.

Resolved:

that the Committee had no matters of concern to draw to the attention of the Audit Committee regarding the Financial Statements.

9 Management Accounts

Received:

the Management Accounts of 31 July 2012 (12-429).

Noted:

- (i) that the adjustment to pensions under Financial Reporting Standard 17 had been higher than anticipated, as had the adjustment to cover the Visiting Tutor HERA project, which would affect the outturn compared to the forecast included in the management accounts presented to the Finance and Resources Committee meeting on 31 May 2012 but within tolerance;
- (ii) that formal negotiations with the Unions regarding Visiting Tutor HERA Project would commence within the month with a view to reaching an agreement during the financial year;
- (iii) that there were some concerns that the LPFA and USS Pension Schemes were in deficit but that both schemes were looking to put recovery plans in place;
- (iv) that the HR Committee would be considering whether an employer default retirement age should be introduced once the new Director of Human Resources was in post, which might affect the College's pensions position;
- (v) that additional work had been undertaken at the year end, to "clean up" the debtors ledger; this work would be continuing in the 2012-13 financial year.

Resolved:

that the Director of Finance would provide a paper on the College's pensions position at the spring meeting.

10 FINANCIAL STRATEGY

Received:

the draft Financial Strategy for Goldsmiths (12-430),

Noted:

- (i) that the tables were presented under confidential business (12-433);
- (ii) that the paper was an update to the paper (12-239) received at the meeting on 31 May 2012;
- (iii) that the paper detailed an investment strategy which looked to embed an investment culture whilst supporting the College's Strategic Plan;
- (iv) that the targets for the staff cost to income ratio had been linked to the financial forecast to ensure that the targets were reasonable and achievable, they were however not benchmarked against similar competitor institutions as this data had not yet been provided by HEFCE;
- (v) that as the Development Office was still relatively new targets had not been set in the Strategy but that this would be considered and reviewed as part of the annual progress reports;
- (vi) that the Strategy would be reviewed on an annual basis with a progress report submitted to the Committee.

Resolved:

- (i) that the Strategic Plan would be attached as an appendix when the Financial Strategy was submitted to Council;
[Secretary's note: In the event the arrangement of the Council agenda meant that the Strategic Plan was presented as a separate paper]
- (ii) that, as meetings were taking place regarding strategic partnerships, the financial partnerships section of the Financial Strategy would be expanded to include more detail, based on these meetings and the experience of such partnerships within senior management;
- (iii) that the information on the pension schemes would also be expanded in the Strategy;
- (iii) that the College would ask HEFCE to provide data on staff cost ratios for an identified list of competitor institutions to permit benchmarking.

Recommended:

that Council approve the Financial Strategy as set out in paper 12-430, subject to the additions listed above and minor amendments agreed by the Chair.

11 CAPITAL PROGRAMME

Received:

proposals on variations in the capital programme for the current financial year (12-363R).

Noted:

- (i) that a reprioritisation had taken place in 2011-12, due to factors such as changes in departmental student numbers, and so a contingency had been included in the budget to allow for this in the current academic year should it be necessary;
- (ii) that it was difficult to forecast precisely the cost of certain projects as the scale of the necessary repairs would not be known until work had commenced;
- (ii) that an options appraisal was underway on the shops on New Cross Road which would need to be completed before a business case was developed;
- (iii) that a project to develop the St James' Church was under consideration but was currently not included in the budget;
- (iv) that the increased investment in the estate had been achieved through an improved financial strategy but also reprioritisation of investments into the estate.

Resolved:

- (i) that the Committee approve the proposal on variations to the capital programme;
- (ii) that while the structure of the paper was appropriate for this meeting, in future papers would have more written commentary and less information in detailed numerical tables.

12 REPORT ON TUITION FEES AGREED

Resolved:

that as no paper had been received by the Committee, the Secretary and Director of Finance would ensure that information on tuition fees was circulated.

13 HEFCE COMMUNICATIONS

Received:

a copy of HEFCE's Assurance Statement on the 2011-12 Accountability return, confirming the College's status as "not at higher risk" (12-431);

Noted:

- (i) that the College had received the following communications from HEFCE

Financial Memorandum Part II for 2012-13 (containing details of grant)
Accounts Direction
Accountability return circular

- (ii) that in previous years HEFCE's Assurance Statement for Goldsmiths had had a caveat regarding the size of the staff cost to income ratio but this caveat was not applied for 2011-12.

Resolved:

that for future HEFCE communications a summary would be provided to the Committee.

14 DATES OF FUTURE MEETINGS

Noted:

that meetings would be held on the following dates:

4 March 2013 at 4.00pm
10 June 2013 at 4.00pm

CONFIDENTIAL BUSINESS

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

15 FINANCIAL FORECAST FOR SUBMISSION TO HEFCE

Received:

the draft submission relating to actual 2010-11 and 2011-12 expenditure, and forecast expenditure for 2012-13 (12-432)

Noted:

- (i) that HEFCE would require a longer-term financial forecast later in the academic year;
- (ii) that from these financial forecasts there is a need to ensure that student recruitment was robust, which would be addressed through detailed planning meetings and through the restructure; the student number targets in the forecast were realistic and expected to be achievable.

Recommended:

that Council approve the financial forecasts as set out in paper 12-432 for submission to HEFCE.

16 ANNEXES TO THE FINANCIAL STRATEGY

Received:

the annexes to the Financial Strategy, discussed under the main Financial Strategy item above (12- 433).

17 TUITION FEE SETTING PROCESS

Received:

a report from the Director of Finance on fees setting work undertaken by the Senior Management Team in August 2012 (112-434).

Resolved:

- (i) that as the Students' Union were increasingly asked to justify the level of student fees they would be consulted as part of the fee setting process for 2014-15;
- (ii) that the College and Students' Union would also work to ensure that the message of where fee income was being invested, such as in the College estate, was being communicated to students.

18 SECURITY CONTRACT

Received:

a proposal for the letting of the new security contract (12-435)

Noted:

that a detailed analysis of the services on offer had been carried out for each bid with the final choice based on this analysis rather than simply on cost;

Resolved:

- (i) that the Committee approve the letting of the new security contract from December 2012 to CIS and delegate authority to sign the final contract to the Registrar and Secretary.
- (ii) that at the next meeting the Committee would receive a schedule of when contracts that it would be asked to approve would come up for renewal to inform the planning of committee business.