

**GOLDSMITHS
University of London**

COUNCIL

FINANCE AND RESOURCES COMMITTEE

11 November 2013

Present: Dr Rupert Evenett (in the Chair), Mr Patrick Loughrey, Mr David Richards, Ms Vanessa Sharp, Mr Conrad Grant

In attendance: Mrs Liz Bromley, Mr Andrew Lantry, Professor Jane Powell, Ms Sally Townsend, Miss Rachel Soper, Mr Martin Hadland (for Item 13), Ms Melanie Rimmer (for Item 12 & 13), Mr Chris Lloyd (Secretary).

Apologies: Ms Mary Stacey,

OPEN BUSINESS

1 MEMBERSHIP OF THE COMMITTEE

Noted:

- (i) that Mr Philip Wright had resigned from Finance and Resources Committee with effect from 1 September 2013, on being appointed by the Chair of Council as Chair of Audit Committee;
- (ii) that the Chair of Council had appointed Dr Rupert Evenett to the Chair of Finance and Resources Committee from 1 September 2013;
- (iii) that the following other members had joined the Committee in the current term:

Mr Conrad Grant (President of the Students' Union);
Ms Vanessa Sharp (Independent member of Council).

2 MINUTES

Resolved:

that the Minutes of the meeting held on 17 June 2013 be approved.

3 STANDING ORDERS

Noted:

the Standing Orders in force for all Goldsmiths Committees for the current year (13-300).

4 CONFLICT OF INTERESTS POLICY

Noted:

the College's Conflict of Interests Policy (13-301).

5 TERMS OF REFERENCE, COMPOSITION AND MEMBERSHIP OF THE COMMITTEE

Noted:

the terms of reference, composition and membership of the Committee for the current academic year (13-403).

6 FINANCIAL STATEMENTS

Received:

- (i) the draft Financial Statements (Accounts section) for 2012-13 (13-404)
- (ii) an adjusted cash flow statement (13-397)

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.

7 ASSUR

Received:

a paper from the Director of Finance (13-405)

Noted:

- (i) that the report was a new reporting requirement which while not mandatory was strongly encouraged;
- (ii) that the report drew on the College's existing key performance indicators, which had been previously considered by Council, together with measures required by HEFCE;
- (iii) that all the measures in the report were on track but that it was still early in their implementation;
- (iv) that the College was performing well in the cash measures as highlighted in the

report;

- (v) that following submission to the Research Excellence Framework the College might wish to consider adding a key performance indicator related to the social impact of its research;

Recommended:

that Council approve the Annual Sustainability Report, as laid out in paper 13-405, for submission to HEFCE.

8 MANAGEMENT ACCOUNTS

Received:

To consider the Management Accounts of 31 July 2013 (13-406).

Noted:

- (i) that the 2012-13 outturn listed in the paper had subsequently been revised based on updates to the financial statements;
- (ii) that while brand building and marketing was acknowledged as a key function within the College, the full year budget was currently not listed as a line in the management accounts;
- (iii) that while isolating the specific marketing spend would be difficult given that the nature of marketing activity in the College was staff intensive – for example school visits by both professional service staff and academics, open days - an analysis of costed activity could be shared with the committee given sufficient time to prepare
- (iv) that consideration of past year marketing expenditure and potentially of a marketing budget would allow consideration of whether investment in marketing for the sustainability and flourishing of Goldsmiths was at the right level, what returns (financial or non-financial) were expected and obtained from it, and generally how to assess the impact of investment in this critical area;

Resolved:

that a paper on marketing spend would be considered at the committee's summer meeting once the new department of Students, Alumni and Library Services had been fully established.

9 TUITION FEE SETTING PROCESS

Noted:

that tuition fees for 2014-15, except those for Home/EU undergraduates which were set nationally, would be set in consultation with the relevant academic departments, although this approach may be adapted in future years to fit with the new academic school structure.

10 DATES OF FUTURE MEETINGS

Noted:

that meetings would be held on the following dates:

Tuesday 18th March at 4pm

Tuesday 3rd June at 4pm

CONFIDENTIAL BUSINESS

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

11 FINANCIAL FORECAST FOR SUBMISSION TO HEFCE

Received:

the draft submission relating to actual 2011-12 and 2012-13 expenditure, and forecast expenditure for 2013-14 (13-407)

Noted:

- (i) that HEFCE would require a longer-term financial forecast in July 2014;
- (ii) that the paper reflects the College's broad position but there would be a need for minor amendments, following updates to the financial statements and in line with information recently submitted as part of the HESA Student Return, before submission to HEFCE;
- (iii) that the paper noted the reconciliation of the 2012-13 Financial Statements with the previous forecast, highlighting a number of reconciling items but also the structural and systemic improvements put in place to avoid these in future years;
- (iv) that the adjustment made to provisions was particularly notable in the reconciliation and that this had resulted from discussions with the External Auditors, as had an adjustment to the bad debt methodology;
- (v) that it was felt that improvements to reporting brought about by the upgrade of the Agresso finance system would lead to better in year knowledge of accruals and reduce the need for large scale adjustments in future reconciliations;
- (vi) that while students number had remained strong through the period of change in student funding there was no room for complacency and so the College would be undertaking continual review of its academic offer and the ways in which this offer is marketed to potential students;
- (vii) that the forecast for staff spend as a proportion of income for 2013-14 was bigger than the actual proportion for 2012-13 as staff investments had been made for 2013-14, such as the investment in economics staff, which had not taken significant effect in 2012-13;
- (viii) that in 2012-13 the College has been awarded approximately three times as many research grants as it had been historically awarded, which would have a positive

impact reputationally and potentially in QR funding, whilst maintaining steady student numbers and improving student satisfaction, which the Committee noted as a notable success and cause for congratulations.

Resolved:

that the College as a whole, and particularly its academic and professional services staff and also Goldsmiths' leadership team, should be commended for the change in culture achieved as a necessary part of the way they have responded to recent changes, supporting the continuing sustainability and flourishing of Goldsmiths, and the strong student recruitment results achieved.

Recommended:

that Council approve the financial forecasts as set out in paper 13-407 for submission to HEFCE subject to the amendments noted above.

12 PROPOSAL FOR AN ART GALLERY

Received:

a proposal for a Goldsmiths Art Gallery (J; 13-409)

Noted:

- (i) that the proposal was led by the Art Department, to help drive its academic vision, and the Director of Development and Alumni as a means to engaging alumni in a prototypical Goldsmiths endeavour;
- (ii) that the Committee unanimously wanted to support on the right terms this worthwhile and exciting project which would contribute meaningfully to Goldsmiths' brand and profile as well as being a valuable cultural initiative in its own right;
- (ii) that the proposal had previously been to SMT and Estates Committee and received broad approval subject to FRC scrutiny;
- (iii) that it was proposed that the governance of the project would be overseen by the Strategic Projects Office, with the Head of Strategic Projects as project manager, while the Deputy Warden would act as Chair of the Project Board and, as an SMT project, the Warden would ultimately be accountable; clarity on management accountability was therefore quite different from the NAB project of several years ago;
- (iv) that it was intended that the Gallery would quickly establish its own governance structures including a shadow board, consisting of members of the internal and external art communities and members of College senior management, as soon as it was clear that fundraising had been successful;
- (v) that both the capital risk (exposure of Goldsmiths' own finances) and revenue risk (the risk of the ongoing costs and/or ongoing purpose of the asset once constructed not being covered or clear enough) were being and needed to be addressed;

- (vi) that capital risk would be addressed by it being explicit that this project needed to be wholly funded by a well-executed fundraising campaign calling upon the strength of Goldsmiths' brand and alumni relations (which would also address the reputational risk of going ahead with an auction on alumni paintings and then having to return the money if the fundraising as a whole was not successful).
- (vii) that the revenue risk or "white elephant" risk would be addressed by clarifying plans for the gallery going forward and what success would look like;
- (viii) that this would be a great opportunity for the fundraising team, working with the Art department to demonstrate the strengths of Goldsmiths fundraising now and to demonstrate the strategic benefits of a major project fundraising capacity.

Resolved:

that prior to submission to Council it would be made clearer within the paper that the success of the gallery would be monitored by the governing body that was to be established and the basis on which this would be done.

Recommended:

that Council approve the proposal for this worthwhile and exciting project subject to the amendments listed above and on the condition that the project is fully funded in cash raised from external fundraising before cost commitments are entered into.

13 STRATEGIC PARTNERSHIPS

Received:

- (i) a paper on strategic partnerships from the Registrar and Secretary (13-408)
- (ii) a presentation from the Registrar and Secretary

Noted:

- (i) that consideration of a strategic partnership had been carried out by a working group consisting of the Chairs of Audit Committee, Finance and Resources Committee and Estates Committee as well as the Registrar and Secretary, Director of Finance and student representation;
- (ii) that the working group was proposing a two phased approach with the lease or sale of Raymont Hall, a Halls of Residence on the periphery of campus, as an initial stage while further exploration of a possible strategic partnership as phase 2 is carried out;
- (iii) that this proposal is looking to inject cash into the existing Estates Masterplan to bring this plan online sooner, when it was most commercially advantageous, particularly when there was an expectation that HEFCE would tighten student number controls further in the next year or two;
- (iv) that consideration would need to be given when assessing the options for sale or lease of Raymont Hall of how this will appear on the balance sheet and the liabilities

associated with this;

- (v) that it might be beneficial to agree a transitional arrangement when leasing or selling the property for it to continue as a halls of residence for an interim period of a year or two while the College put other student accommodation options in place;
- (vi) that the Hall's location in Brockley was considered a good location for residential development and might therefore attract significant interest from housing developers;

Resolved:

that the Committee authorise/approve management to take forward a continued review of the options for a strategic partnership and as appropriate to bring a specific proposal to Council

Recommended:

that Council approve the disposal of Raymont Halls with a view to maximising the income generated, should that be through lease or sale of the property;

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November 2013