

<p style="text-align: center;">Preliminary Formal Business</p>

61 DECLARATION OF INTERESTS

Discussion

- 61.1 Any member of Finance Committee who had (or who knew of a family member who had) a material, personal, financial or other beneficial interest in any item on the Agenda was requested to declare that interest at the beginning of the meeting in order that such declaration could be recorded in these Minutes. No such interests were declared.

62 MINUTES

Approved

- 62.1 The Minutes of the meeting held on 11 March 2014 [*FC Minutes 46-60, 2013-14*] were confirmed by the Committee and signed by the Chair.

63 MATTERS ARISING FROM THE MINUTES

Received

- 63.1 APPENDIX FC 5/54 (13-14) – a note of matters arising from the last meeting.

<p style="text-align: center;">Matters for discussion</p>
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64 ESTATES AND FUNDING STRATEGY: REVIEW OF FUNDING OPTIONS

Received

- 64.1 APPENDIX FC 5/56 (13-14) – a review of the funding options available to support UCL's Estates and Funding Strategy.
- 64.2 An oral report from Mr Jack Foster (Director, Special Projects), with Mr Marc Finer and Mr Tim Metzgen, KPMG.

financial model with a particular focus on challenging the key assumptions. It was KPMG's view that the key challenge was not UCL's ability to raise debt, but the task of identifying the optimal funding solution. A base case and alternative models had been produced to support the evaluation process.

- 64.4 KPMG's recommended model was for a mixture of bank and bond borrowing. Due consideration had been given to the comparative attractions of early entry into the bond market in pursuit of historically low rates, notwithstanding the cost of carry, against those of bank borrowing with a significantly lower commitment fee. In making the proposals KPMG were also mindful of the context of the need to maintain the necessary operational flexibility, and the difficulty of providing a high level of detail on the proposed projects.

Discussion

- 64.5 FC discussed the upper limit of borrowing affordable by UCL, noting that the traditional methods on which such estimates were made (*ie* on the basis of the debt:turnover ratio, or double the interest cover) gave very different results. It was noted in the latter case that the sector was under-leveraged, although this situation was likely to change.
- 64.6 There was an element of public disclosure around bond arrangements, and while this was unlikely to increase significantly the level of disclosure already made as a result of HEFCE regulation, UCL should nevertheless note that it would result in a public review that would be out of the hands of the institution. It could be expected that any covenants arising out of bond borrowing would be light, possibly extending no further than was already required by the regulatory environment.
- 64.7 UCL did not have a treasury management policy that

Discussion

- 71.2 It was noted that the two projects at Minutes 71 and 72 would, if approved, make a significant contribution to mitigating the risk of 'failure to manage construction activities leading to uncontrolled hazards and significant physical risk' [see APPENDIX FC 5/74 (13-

75 **CHARLES BELL HOUSE / MAPLE STREET**

Received

- 75.1 APPENDIX FC 5/67 (13-14) – a request for Finance Committee approval of increased expenditure on the Charles Bell House refurbishment costs, and for approval to enter into a lease for 4-8 Maple Street, with fit out costs.

Discussion

- 75.2 FC discussed the investment in light of its substantially negative NPV. Charles Bell House was an important research facility that was in particularly poor condition. An alternative opportunity was nevertheless being evaluated. It was noted that it may prove necessary to seek approval by Chair's action before the next meeting of Finance Committee.

RECOMMENDED – to Council

- 75.3 **That the proposals at APPENDIX FC 5/67 (13-14) be approved.**

76 **INSTITUTE OF OPHTHALMOLOGY AND MOORFIELDS**

Received

- 76.1 APPENDIX FC 5/69 (13-14) – a proposal to move to the next stage of the project to relocate the Institute of Ophthalmology, with its key partner Moorfields Eye Hospital, from the existing site at Bath Street / City Road, with associated professional fees of £10m.

- 76.2 FC urged that an estimate of the professional fees to be incurred in 2014-15 be included in the budget.

RECOMMENDED – to Council

- 76.3 **That the proposal to move towards the next stage of planning for the relocation of the Institute of Ophthalmology be approved.**

77 **GAS AND ELECTRICITY PROCUREMENT**

Received

- 77.1 APPENDIX FC 5/68 (13-14) – proposals to extend the existing energy purchasing arrangements for a further two years.

RECOMMENDED – to Council

77.2 **That the proposed extension of the current energy purchasing arrangements as at APPENDIX FC 5/68 (13-14) be approved.**

78 DEBT WRITE-OFF

Received

78.1 APPENDIX FC 5/70 (13-14) – proposals to write-off debt of £216,691 due from Arius 3D.

RESOLVED

78.2 **That the proposals for debt write-off at APPENDIX FC 5/70 (13-14) be approved.**

79 SENATE HOUSE LIBRARY

Received

79.1 APPENDIX FC 5/71 (13-14) – proposals to enter into an agreement with the University of London for use of space at the Senate House Library.

RESOLVED – on the recommendation of the Estates Management Committee

79.2 **That the proposals at APPENDIX FC 5/71 (13-14) be approved.**

80 OFFSITE DATA CENTRE

Received

80.1 APPENDIX FC 5/78 (13-14) – proposals to establish a new offsite data centre for UCL.

RESOLVED

80.2 **That the proposals to establish an offsite data centre at APPENDIX FC 5/78 (13-14) be approved.**

81 CAPITAL PROJECTS DASHBOARD

Received

81.1 APPENDIX FC 5/72 (13-14) – the UCL Estates Capital Projects Dashboard, 28 April 2014.

82 **HEFCE GRANT ANNOUNCEMENT**

Received

- 82.1 APPENDIX FC 5/73 (13-14) – a note on the HEFCE grant announcement of March 2014.

83 **RISK MANAGEMENT UPDATE**

Received

- 83.1 APPENDIX FC 5/74 (13-14) – an update on UCL’s Strategic Risk Register

88

D4B

Noted

86.2 Meetings were scheduled as follows (10:30am in each case):

- 23 September 2014
- 20 November 2014
- 27 January 2015
- 26 March 2015
- 2 July 2015