

FINANCE COMMITTEE

26 November 2012

MINUTES

PRESENT:

Mr Simon Melliss (*Chair*)

Mr Ven Balakrishnan	Dr Bob Barber
Mr Mark Clarke	Ms Natasha Gorodnitski
Professor Malcolm Grant (<i>President and Provost</i>)	
Professor Sue Hamilton	Professor Alan Thompson
Dr Andrea Townsend-Nicholson	Sir Stephen Wall
Professor Jonathan Wolff	

In attendance: Ms Nicola Arnold (Director, Financial Control and Analysis); Mr Andrew Grainger (Director of UCL Estates); Mr Phil Harding (Director of Finance and Business Affairs); Miss Valerie Hogg (Director, Financial Planning and Strategy); Mr Rex Knight (Vice-Provost (Operations)); Mr Nick McGhee (Secretary to Finance Committee).

Additional attendees: Ms Sue Barratt (for Minute 18), Mr Jack Foster (for Minute 20),

Samuels.

Key to abbreviations used in these Minutes:

FC	Finance Committee
FRS	financial reporting standards
GAAP	Generally Accepted Accounting Practice
HE	Higher Education
HEFCE	Higher Education Funding Council for England
LBN	London Borough of Newham
MRC	Medical Research Council
OFR	Operating and Financial Review
REF	Research Excellence Framework
RIBA	Royal Institute of British Architects
UCLU	UCL (Students') Union
USS	Universities Superannuation Scheme

Reported

18.2 The only amendment in Annexe 4 that had arisen was the amendment to the 2012-13 budget to increase the amount of the grant for the purchase of a new car for the Finance Committee. The amount of the grant was increased from £1,000 to £1,500.

- 18.8 FC members made a number of suggestions on the Annual Report and Financial Statements including:
- that consideration be given to introducing greater clarity on the specific issue of the impact of the new HE funding regime;
 - that consideration be given to inclusion of a greater level of detail on financial risks;
 - a review of the content and format of the OFR;
 - a review of the bullet points on page 3 against the vision outlined in the mission statement.
- 18.9 It was noted that the share of income from joint ventures had been loss-making for each of the past five years. Business income and profits from UCLB were below the level some members expected.
- 18.10 FC requested a report to a future meeting on the balanced impact of increased tuition fees against cuts in public funding.

RECOMMENDED – to Council

- 18.11 **That the audited Financial Statements for 2011-12 be approved (subject to the amendments discussed).**

19 **FINANCIAL UPDATE**

Received

- 19.1 APPENDIX FC 2/17 (12-13) – the Financial Update 2012-13 (October 2012).

Reported

- 19.2 Income was broadly in balance with forecast. There was a significant variance in expenditure, particularly in support areas, which was considerably below budget. The reasons for this would be investigated further.

Discussion

- 20.4 A member of FC suggested that the plans for development at Stratford needed to be academic-led, and that when considering the draft Heads of Terms, it would be important to understand the financial viability of the activities anticipated to be undertaken.
- 20.5 Another member drew attention to the significant increase in the forecast Contribution Target by 2020-21, when UCL was anticipating commencing its presence on the Stratford site, and was concerned that the financial impact upon Schools, and consequently the current activities carried out in Bloomsbury, should be considered in detail before committing to the Stratford development.
- 20.6 It was noted that the cash flow forecast included in excess of £1,000 million capital expenditure, including £240 million against the Bloomsbury Masterplan, and there was a general comment that consideration might be given to postponing elements of the masterplan.

21 TRANSFER OF MRC UNITS

Received

- 21.1 APPENDIX FC 2/19 (12-13) – an update on the proposed transfer of three MRC units to UCL, with, at Annexe 1, the business and academic case, and

25 **CRUCIFORM STUDENT HUB AND LIBRARY**

Received

- 25.1 APPENDIX FC 2/23 (12-13) – a proposal to create a new Student Hub in the basement of the Cruciform Building.

RECOMMENDED – to Council

- 25.2 **That the reconfiguration and refurbishment of the Cruciform Basement as a Student Hub on a budget of £6,573,000 be approved.**

26 **69 WILSON STREET**

Received

- 26.1 APPENDIX FC 2/24 (12-13) – a proposal to enter into a lease for 69 Wilson Street.

Reported

- 26.2 The Chair reported that the total cost for the project was £3,736,408, as stated on page 3 of the paper, and not £3,385,023 as stated in the summary.

RESOLVED

- 26.3 **That Finance Committee approve the proposal to enter into a lease for 69 Wilson Street on the terms outlined in the paper, subject to completion of due diligence and signing of financial support agreements.**

27 **QUEEN SQUARE HOUSE**

Received

- 27.1 APPENDIX FC 2/25 (12-13) – a proposal to carry out infrastructure renewal works and surveys of Queen Square House up to a value of £7m.

RECOMMENDED – to Council

- 27.2 **That the proposed infrastructure renewal works and surveys of Queen Square House, as set out at APPENDIX FC 2/25 (12-13), to a value of up to £7m, be approved.**

28 **RISK MANAGEMENT UPDATE**

Received

28.1 APPENDIX FC 2/26 (12-13) – the risk management update, with

- Annexe 1 – the 2012-13 strategic risk register;
- Annexe 2 – risk analysis forms for risks rated ‘intolerable’ or ‘severe’;
- Annexe 3 – risk analysis forms for risks rated ‘manageable’.

Discussion

28.2 An FC member suggested that greater detail on financial risks could usefully be included in the document, specifically

30.3