



FINANCE COMMITTEE

Thursday 28 February 2019 at 10.30 a.m. in the Council Room,
South Wing G12, Gower Street, London, WC1E 6BT

MINUTES

PRESENT:

Mr Philip Sturrock (*Chair*)
Professor Michael Arthur (*President and Provost*)
Professor Lucie Clapp
Dr Andrew Gould
Dame DeAnne Julius
Ms Sarah Whitney

In attendance: Mr Phil Harding (Director of Finance and Business Affairs); Ms Anne Marie O'Mullane (Minutes); Mr Mahmud Rahman (Student Observer); Mr Matthew Swales (Director of Finance, Services and Reporting); Ms Francesca Fryer (Director of UCL Estates) for paper 4-4; Dr Celia Caulcott Vice-Provost (Enterprise & London) for paper 4-5; Professor Michael Hanna, Director, UCL Queen Square Institute of Neurology and Mr Michael Schuitevoerder, Programme Director for paper 4-6.

Apologies for absence were received from Professor Patrick Haggard.

Preliminary Formal Business

1a. Welcome and apologies

1a.1 The Chair welcomed members to the meeting. Apologies were reported as noted above.

1b. Declaration of interests

1b.1 There were no interests declared by members.

2. Minutes of the previous meeting held on 15 November 2019

2.1 **Approved:** The Committee approved the minutes of the last meeting of the Finance Committee held on 15 November 2018.

3. Matters Arising from the Minutes **FC 4-1 (18-19)**

- 3.1 **Received:** A report on matters arising from the minutes of the meeting of the Finance Committee held on the 15 November 2018.

Items for Discussion

4. UCL Financial Update **FC 4-2 (18-19)**

- 4.1 **Considered:** The Committee considered the Financial Update at [FC 4-2 \(18-19\)](#). The total forecast surplus for the 2018-19 financial year including TOPS was £69.6m against a budget of £71.5m, representing a shortfall of £1.9m. Before TOPS, the total surplus stood at £81.6m, which was a shortfall of £6.3m on the 2018-19 budget position. The shortfall had arisen as a result of limited progress against the £18m institutional improvement target. Of the £18m target, £5m had been funded through an additional capital grant receipt in relation to the PEARL project. Due to the low probability of recovery, there was an intention to declare £4m of the £18m as a shortfall and to incorporate it into the reduction in surplus position. There was a positive £1.6m academic faculty contribution largely driven by tuition fee growth. All four Schools were reporting ahead of target at this stage of the year. There was an adverse variance of £4.8m within PS/VP's from increased Estates and ISD costs. There was a £3.1m adverse variance within corporate costs. Forecasted direct research was ahead of budget at just under 2%, however, the forecast change in the mix of funders had caused a reduction of £2.1m in research overhead and a result increase in direct costs.
- 4.2 The Committee discussed the use of the capital grant receipt for Project PEARL against the £18m institutional improvement target, the spend rate on TOPs this year and the KPIs table contained in the paper. It was requested that four key KPIs should be pulled out and highlighted in future updates.

- 4.3 **Resolved:** The Committee noted the Financial Update.

5. UCL 2019-22 Planning Round and 10 Year Forecasts, incorporating the 2019-20 Budget **FC 4-3 (18-19)**

- 5.1 **Considered:** The Committee considered the UCL 2019-22 Planning Round and 10 Year Forecasts, incorporating the 2019-20 Budget at [FC 4-3 \(18-19\)](#).
- 5.2 **Resolved:** The Committee noted the process for the preparation of the financial projections for the three years 2019-20 to 2021-22 and the annual refresh of the UCL Financial Strategy which was due to be reported to Finance Committee on 27 June 2019.

6. Update on Tuition Fees for 2020-21 **FC 4-7 (18-19)**

- 6.1 **Considered:** The Committee considered the proposed approach to the setting of tuition fees across unregulated programmes for UK, EU and overseas students in the academic year 2020-21. Due to the unusually high uncertainty surrounding the proposal because of the external environment, a close watch would be kept and recommended revisions would be brought back to Finance Committee should that prove necessary. Faculties and departments would be strongly encouraged to consider increasing fees by more than 3.0% for programmes with strong, quality-driven demand and where an above-inflation increase was sustainable and would not have a detrimental impact on the diversity of a particular programme. It was confirmed that postgraduate research fees for UK and EU were aligned to indicative Research Council fee/studentship levels.

- 6.2 **Resolved:** The Committee agreed to approve the approach to setting tuition fee rates for unregulated programmes in 2020-21 for unregulated programmes in 2020-21, applying an inflationary increase of 3% unless exceptions were approved by SMT.

Other Business for Approval or Information

7. UCL SU Financial Statements for 2017-18 **FC 4-8 (18-19)**

- 7.1 **Received:** The Committee received the Annual audited Financial Statements of Students' Union UCL for the year ended 31 July 2018.

8. Banking Matters **FC 4-9 (18-19)**

- 8.1 **Approved:** The Committee approved the amendments to the Authorised Signatories List on the bank mandate (six additions and two removals).

9. Chair's Action **FC 4-11 (18-19)**

- 9.1 **Received:** The Committee received a report on actions taken by the Chair, on behalf of the Committee. The Chair approved the Transparent Approach to Costing (TRAC) for submission to the OfS by 31 January 2019 and the acquisition of the 4th floor at Shropshire House by way of agreement for lease.

10. Date of next meeting

- 10.1 The date of the next meeting was Thursday 27 June 2019 at 10.30 a.m.