



FINANCE COMMITTEE

Tuesday 29 September 2015

MINUTES

PRESENT:

Mr Simon Melliss (*Chair*)

Professor Michael Arthur
(*President and Provost*)
Dr Stephanie Bird
Dr Ben Booth
Professor Sue Hamilton

Dr Gill Samuels
Professor Alan Smith
Mr Richard Smothers
Ms Sarah Whitney

In attendance: Mr Andrew Grainger (Director of UCL Estates); Mr Phil Harding (Director of Finance and Business Affairs); Ms Valerie Hogg (Director, Financial Planning and Strategy); Mr Rex Knight (Vice-Provost (Operations)); Mr Mohammad Ali Mumtaz (Student Observer); and Dr Marguerite Nolan (Secretary to Finance Committee).

Apologies for absence were received from Dame DeAnne Julius.

Key to abbreviations used in these Minutes:

FC	Finance Committee
HEFCE	Higher Education Funding Council for England
HESES	Higher Education Students Early Statistics Survey
I&E	Income and Expenditure
IoE	Institute of Education
QR	Quality Related Research Funding
TRAC	Transparent Approach to Costing
UCLU	University College London Union

Preliminary Formal Business

1. DECLARATION OF INTERESTS

- 1.1 Dr Ben Booth advised that his daughter had enrolled to study for a degree in Philosophy at UCL starting in the 2015-16 academic year.

1.2 Ms Sarah Whitney advised that one of her children had applied to study at UCL.

2. FINANCE COMMITTEE TERMS OF REFERENCE, CONSTITUTION AND MEMBERSHIP FOR 2015-16 **FC 1-1 (15-16)**

2.1 **Received:** The Committee received and noted the Terms of Reference, Constitution and Membership of the Finance Committee for 2015-16 at FC 1-1 (15-16).

2.2 **Resolved:** That paragraph 16 of the Finance Committee Terms of Reference be updated to state that the Finance Committee recommends the UCLU Budget to Council for approval.

3. MINUTES OF THE PREVIOUS MEETING

3.1 **Approved:** The Minutes of the previous meeting of the Finance Committee held on 2 July 2015 were approved and signed by the Chair.

4. MATTERS ARISING FROM THE MINUTES **FC 1-2 (15-16)**

4.1 **Received:** The Committee received and noted the report on Matters Arising from the last meeting at FC 1-2 (15-16).

4.2 Minute 5.2 - An Implementation Team was now in place to take forward the propositions to improve the UCL operating surplus for 2017-18. A progress update would be provided to the Finance Committee at its meeting on 1 March 2016.

4.3 Minute 13.4b - The Director of Finance and Business Affairs had followed up the request for £160k in additional funding with the General Manager of University College London Union (UCLU). UCLU were reconsidering the proposal and would come back to the Director of Finance and Business Affairs with a suggestion.

Matters for discussion

5. FINANCIAL UPDATE – DRAFT YEAR-END RESULTS FOR 2014-15 **FC 1-3 (15-16)**

5.1 **Considered:** The Committee considered the Financial Update at FC 1-3 (15-16), which was based on the provisional full year financial position as at 31 July 2015, subject to audit.

5.2 The Committee noted the financial result for 2014-15, which included:

- a surplus of £29.4 million, which is in line with the budget and ahead of the previous forecast;
- £1.2 billion income, which is up on the budget;
- an increase in research income, which is up on the budget;
- a surplus of 2.4% of income, which is on target.

5.3 Feedback was sought concerning the reasons behind the negative variances compared to the budget for the School of Life and Medical Sciences (SLMS) and the Institute of Education (IoE) and the action being taken to address these variances. It was noted that although it had not met its target, SLMS had achieved a higher level of contribution in 2014-15 than in the previous financial year, with an increased target, and its financial performance was being monitored closely. The IoE's negative variance was partly due to the merger and partly due

to performance. The IoE's financial position was also being monitored closely and the IoE's budget for 2015-16 would be reviewed to ensure that it was reasonable.

5.4 The Committee discussed UCL's current spending review and feedback was sought on the staff student ratio. It was noted that UCL has the best academic to student ratio in the sector in the UK.

5.5 The Committee discussed the longer-term 2017-18 target to achieve a surplus of 5.5% of income and whether this was realistic. It was noted that UCL was very focused on achieving this target and that this would be necessary to fund the capital investment programme. It was acknowledged however that this target would be very challenging and could be affected by possible future changes to HEFCE funding. It was noted that the financial position of UK Higher Education Institutions would also be affected by future Government policy concerning undergraduate tuition fees.

5.6 **Resolved:** That the Financial Update at FC 1-3 (15-16) be noted.

6. STUDENT ADMISSIONS UPDATE FC 1-4 (15-16)

6.1 **Considered:** The Committee considered the Student Admissions Update at FC 1-4 (15-16).

6.2 The Committee discussed the student admissions numbers and the balance between UK/EU and overseas students. It was noted that for the September 2015 entry, UCL had an intake target of 5312 undergraduate degree students. This comprised of a target of 3846 in the UK/EU category and 1466 in the overseas category. Latest figures indicated that UCL currently had 5475 new students who were holding confirmed places with us (i.e. committed to attending UCL through the UCAS system), representing 3750 UK/EU and 1725 overseas students. There had been an increase in acceptances of overseas students on postgraduate taught programmes and graduate research.

6.3 The Committee discussed UCL's disappointing performance in the National Student Survey 2015, which had been published recently. It was noted that student experience was a high priority area for action this academic year and that UCL was currently taking action to address the areas of weakness that had been identified in the report. This matter would be included in a report from the Vice-Provost (Education and Student Affairs), which would be considered by the Council at its next meeting on 15 October 2015.

6.4 **Resolved:** That the Student Admissions update at FC 1-4 (15-16) be noted.

Other business for approval or information

7. REPORT OUTLINING THE FIXED AND NON-FIXED INCOME AND COSTS FOR THE LAST FIVE YEARS FC 1-5 (15-16)

7.1 **Received:** The Committee received the report outlining the Fixed and Non Fixed Income and Costs for the last five years at FC 1-5 (15-16).

7.2 **Resolved:** That an updated report be provided to the Finance Committee with a summary of the key points for its meeting on 1 March 2016.

- 8. UPDATE ON THE ALAN TURING INSTITUTE FC 1-6 (15-16)**
- 8.1 **Received:** The Committee received and noted the update on the Alan Turing Institute at FC 1-6 (15-16).
- 9. INSURANCE UPDATE FC 1-7 (15-16)**
- 9.1 **Received:** The Committee received and noted the Insurance Update at FC 1-7 (15-16).
- 10. INVESTMENTS COMMITTEE ANNUAL REPORT FOR 2014-15 FC 1-8 (15-16)**
- 10.1 **Received:** The Committee received the Investments Committee Annual Report for 2014-15 at FC 1-8 (15-16). Feedback was provided by the Chair of the Investments Committee.
- 10.2 **Resolved:** That the Investments Committee Annual Report for 2014-15 at FC 1-8 (15-16) be approved.
- 11. MINUTES OF THE INVESTMENTS COMMITTEE MEETINGS HELD ON 2 JULY 2015 AND 11 AUGUST 2015 FC 1-9 (15-16)**
- 11.1 **Received:** The Committee received and noted the Minutes of the Investments Committee meetings held on 2 July 2015 and 11 August 2015 at FC 1-9a&b (15-16).
- 12. UCL FINANCING STRATEGY UPDATE FC 1-10 (15-16)**
- 12.1 **Received:** The Committee received and noted the UCL Financing Strategy Update at FC 1-10 (15-16). This report included a cash flow projection from 2015-16 to 2025-26 showing borrowing and servicing costs at Annex 2, which had been requested by the Finance Committee at its meeting on 2 July 2015.
- 13. ACTION TAKEN BY THE CHAIR OF THE FINANCE COMMITTEE FC 1-11 (15-16)**
- 13.1 **Received:** The Committee received and noted the report on action taken by the Chair of the Finance Committee since the last meeting at FC 1-11 (15-16).
- 14. DATE OF THE NEXT MEETING OF THE FINANCE COMMITTEE**
- 14.1 **Noted:** That the next meeting of the Finance Committee was scheduled to be held on 12 November 2015 at 10.30 a.m.
- 15. ANY OTHER BUSINESS**
- 15.1 There was no other business discussed.

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