



FINANCE COMMITTEE

Thursday 27 September 2018 at 10.30 a.m. in the Council Room,
G12, South Wing, Gower Street, London, WC1E 6BT

MINUTES

PRESENT:

Mr Philip Sturrock (

Welcome and apologies

The Chair welcomed members to the meeting. He gave a special welcome to Ms Francesca Fryer and Mr Mahmud Rahman as this was the first meeting of the Finance Committee that they were attending.

- 1a.2 Apologies were reported as noted above.
- 1b. Declaration of interests
 - 1b.1 There were no interests declared by members.

2. Finance Committee Terms of Reference, Constitution and Membership for 2018- 19 FC 1-1 (18-19)

2.1 Received: The Committee received and noted the Terms of Reference, Constitution and Membership of the Finance Committee for 2018-19.

2.2 It was agreed to amend paragraph 11 of the Terms of Reference as follows (change highlighted in yellow):

Consider **and, if thought appropriate, approve** the financial implications of capital projects, relating to expenditure exceeding £10 million including the detailed evaluation of business cases, on the advice of the Estates Management Committee, and proposals exceeding £5m for acquisition or disposal of freehold or leasehold sites or buildings, and make recommendations to Council for expenditure on capital projects exceeding £25m.

3. Matters arising from the Minutes FC 1-2 (18-19)

3.1 Received: The Committee received and noted the report on Matters Arising since the last meeting at FC 1-2 18-19.

Items for Discussion

4. Financial Update: Draft year -end results for 2017- 18 FC 1-3 (18-19)

4.1 Considered: The Committee considered the Financial Update: Draft year-end results for 2017-18 at FC 1-3 (18-19). This paper set out the draft unaudited results for the financial year to 31 July 2018. The statutory audit process was due to run until 14.6.2018.

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- 4.5 Resolved: The Committee noted the Financial Update at FC 1-3 (18-19) and the feedback received from members as outlined above.
5. UCL Financial Strategy 2018 FC 1-4 (18-19)
- 5.1 Considered: The Committee considered the Financial Strategy 2018 - September 2018 update at FC 1-4 (18-19). This had been revised to take account of the feedback from the Finance Committee on the Financial Strategy at its last meeting on 26 June 2018. The Director of Finance and Business Affairs gave feedback on the updates that had been made to the strategy relating to the surplus target and maximum borrowing key performance indicators. Further work had also been undertaken on the sensitivities in order to assess whether the strategy would be sufficiently resilient in an adverse set of circumstances.
- 5.2 The Committee supported the updated strategy, subject to a number of minor amendments. It was proposed that the terminology in the document should be checked before it was submitted to the Council to ensure that it was consistent, in particular relating to borrowing and liquidity. The Chair of Council would provide further feedback on this if required.
- 5.3 The Committee discussed external borrowing and the average spend on capital projects over the next ten years as set out in the strategy. The Committee also discussed the decision making process for the prioritisation and approval of capital projects and the committees that were involved in this process, centrally and at school level. With regard to the chart on assumed growth in staff numbers, full-time equivalent (FTE), clarification was sought as to whether there would be a reduction in non-academic staff in faculties. It was noted that the faculty staff numbers in the chart included faculty support staff pre. Transforming Our Professional Services (TOPS) impact. The Committee also reviewed the percentage increases of PGT students included in the strategy and it was suggested that some sensitivity analysis could be completed on these figures.
- 5.4 It was noted that following Council's approval of the Financial Strategy, a further paper would be submitted to the Finance Committee to address aspects associated with the implementation of the strategy.
- 5.5 Resolved: The following was agreed:
- a) That the Financial Strategy be updated to take account of the minor amendments agreed by the Finance Committee as noted above.
 - b) That, following these revisions, the Financial Strategy be recommended to Council for approval at its next meeting on 10 October 2018.
6. USS FC 1-5 (18-19)
- 6.1 Considered: The Committee considered the USS paper at FC 1-5 (18-19). This provided an update on the latest position with respect to the unfinished 2017 valuation of the Universities Superannuation Scheme (USS). It also invited comments on a Universities UK employer consultation. Finance Committee was being asked to note this update and to comment on potential responses to the employer consultation, prior to its consideration by the Council.
- 6.2 The Director of Finance and Business Affairs gave feedback on the Joint Expert Panel (JEP) report and on the process and timescale for the employer consultation, which would close on 30 October 2018 at 12.00 noon. A meeting of Academic Board had been arranged to discuss the Universities UK consultation on the Joint Expert Panel's recommendations and to provide comment in advance of Council's consideration of the matter on 10 October 2018.
- 6.3 It was noted that the Joint Expert Panel (JEP) report identified opportunities to modify certain

of the valuation assumptions, which involve

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10. Banking Matters FC 1-13 (18-19)
- 10.1 Received : The Committee received the Banking Matters report at FC 1-13 (18-19). This paper requested approval for three changes to the Main Authorised Signatories List on the Bank Mandate, one addition and two removals, and advised the Committee of a new bank account, opened under the delegated authority of Finance Director.
- 10.2 Resolved: The Committee approved the Banking Matters report at FC 1-13 (18-19).
11. Insurance Renewal FC 1-14 (18-19)
- 11.1 Received: The Committee received and noted the Insurance Renewal report at FC 1-14 (18-19).
12. Date of next meeting of the Finance Committee
- 12.1 Noted: That the next meeting of the Finance Committee would be held on Monday 5 November 2018 from 12.00 noon to 1.00 p.m.
- 12.2 This additional meeting had been arranged for the Committee to consider the Financial Statements for 2017-18.
13. Any other business
- 13.1 There was no other business discussed.