

FINANCE COMMITTEE

26 JANUARY 2012

Any member of the 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.

- MINUTES -

PRESENT:

Ms Anne Bulford (*Chair*)
Dr Bob Barber
Mr Mark Clarke
Professor Malcolm Grant
Ms Susannah Lloyd
Mr Tim Rees Jones
Sir Stephen Wall

Mr Ven Balakrishnan
Dr Ben Booth
Professor Dame Hazel Genn
Professor David Ingram
Mr Simon Melliss
Dr Gill Samuels
Professor Jonathan Wolff

IN ATTENDANCE:

Ms Nicola Arnold
Mr Andrew Grainger
Mr Rex Knight
Mrs Alison Woodhams

Professor Stephen Caddick
Miss Valerie Hogg
Mr Nick McGhee

Preliminary Formal Business

member of staff. The contingency for student waivers and drop-outs was also thought to be higher than would prove necessary. It was therefore thought likely that the March 2012 update would show a favourable variance.

- 28.3 The sharp increase in debt of 0-2 months was attributable to an ongoing dispute with the Royal Free NHS Trust. The matter was now partly resolved.

Discussion

- 28.4 Finance Committee discussed the appropriate accounting arrangements for the departmental reserves referred to on page 2 of the paper. The Director of Finance and Business Affairs confirmed that these comprised profits from departmental activity in such areas as CPD and consultancy. Such reserves were available for departmental use (subject to balances and checks on due process and cash flow), and as such were thought to constitute an important incentive for staff to engage in such activities.

- 28.5 Although core staff costs to date were below budget it was expected that the REF timetable would result in higher than usual recruitment levels later in the financial year.

- 28.6 In response to queries on the balance sheet the Director of Finance and Business Affairs agreed to circulate an updated version of the cash reconciliation discussed at the November meeting.

- 28.7 The issue of student over-payment of fees was discussed. Steps were being taken to reduce outstanding balances continuing but it was thought unrealistic that future instances of overpayment or early payment could be prevented altogether.

29 **TRANSPARENT APPROACH TO COSTING**

Received

- 29.1 APPENDIX FC 3/28 (11-12) – a commentary on the Transparency Review submission for 2010-11, with the unadjusted and adjusted returns at Annexes 1 and 2 respectively.

Reported

- 29.2 The infrastructure adjustment was calculated on the basis of insurance valuations and data drawn from the HESA Estate Management Statistics. In discussing possible practical applications of this data Finance Committee noted that, although it was difficult to justify its use as a basis for calculating a target figure for expenditure on the estate, it had in the past resulted in changes to the structure of grant awards to take account of capital expenditure, and was also useful in facilitating high-level comparisons across the sector.

Reported

- 31.2 In light of discussion of UCL's capital requirements at recent Finance Committee meetings the paper sought to outline in broad terms the composition of a long-term capital funding strategy for UCL. It was intended that a paper outlining potential sources of capital would be submitted to the Finance Committee meeting of 29 March 2012.

Discussion

- 31.3 Finance Committee welcomed the general approach outlined in the paper. In place of a "work in progress" discussion on potential funding sources proposed for the March meeting it was agreed that an additional meeting dedicated to this issue would be arranged to follow the meeting of 28 June 2012, at which the first three-year budgetary plans would be submitted. Finance Committee and Council would be invited to endorse in broad terms a strategy for borrowing at their meetings on 28 June and 4 July 2012 respectively.

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| Matters for approval or information |
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32 **FINANCIAL SOFTWARE UPGRADE**

Received

- 32.1 APPENDIX FC 3/35 (11-12) – a proposal to upgrade financial software to Oracle eBusiness suite version R12.

RESOLVED

- 32.2 **That the proposals outlined in the paper be approved.**

33 **US GAAP ACCOUNTS**

Received

- 33.1 APPENDIX FC 3/36 (11-12) – a note on the US GAAP Accounts 2010-11 with, at Annexe 1, the draft accounts.

Reported

- 33.2 The auditors had largely completed their work and the accounts, which comprised a restatement of the published results based on UK GAAP, were presented for approval. The cost of producing the revised accounts was estimated at approximately £180,000. It was expected that ongoing costs

37 INVESTMENTS COMMITTEE – MINUTES