



Finance Committee

**Held on Monday 30 September 2019 at 10.30 a.m. in the Council Room,
G12, South Wing, Gower Street, London, WC1E 6BT**

Minutes

Present Members:

Ms Sarah Whitney (Ch12-B 584m)

Part 1: Preliminary 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. Finance Committee Terms of Reference, Constitution and Membership for 2019-20 (Paper FC 1-1, 2019-20)

- 2.1 **Considered:** The Committee considered the Terms of Reference, Constitution and Membership of the Finance Committee for 2019-20 as set out in Paper FC 1-1, 2019-20.

- 2.2 **Resolved:** The Committee approved the following changes:

a) It was recommended to Council for approval that from 2019-20 onwards paragraph 21 of the Finance Committee Terms of Reference be amended as set out below to comply with the condition of registration with the Office for Students (changes are highlighted in grey):

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business, and monitor adherence to ai2 y24(b)11(u)11(s)5(i)7(n)11(e)6(s)10(s)10(,)8()8(a)6(n)

That Mr Victor Chu, Chair of Council, be removed from the membership of the Finance Committee but the Committee would welcome his attendance at future meetings when possible.

That Baroness Jo Valentine, Vice-Chair of Council, be appointed as an Ex Officio member of the Finance Committee in place of the Chair of Council.

That Mr Minto Bhandari be appointed as an external member of the Finance Committee appointed by Council in place of Baroness Jo Valentine.

3. Minutes of the previous meeting

Exempt from publication

4. Matters arising from the Minutes

- 4.1 The Committee received an oral update on progress of the Transforming Our Professional Services (TOPS) programme from the Chief Operating Officer and the Director of Finance and Business Affairs.

Items for Discussion

5. Financial Update - draft year-end results for 2018-19 (Paper FC 1-2, 2019-20)

- 5.1 **Considered:** The Committee considered the Financial Update - draft year-end results for 2018-19. The draft unconsolidated operating surplus for the 2018-19 financial year stood at £91.4m (or 6.1% of KPI adjusted total income). This was an increase of £17m against the 2018-19 Forecast 2 (F2) position.
- 5.2 The Director of Finance and Business Affairs gave feedback to the Committee on the exceptional items in the report which included USS and TOPS. It was noted that the USS pension provision was repor

completion of the 2018 valuation and that, as a result, the 2019-20 financial statements would include a substantial credit. Transforming Our Professional Services (TOPS) programme expenditure, at £5.3m, represented a £1.2m underspend against F2, reflecting a more gradual rate of build within the programme than assumed in the forecast.

- 5.3 The Committee congratulated the School of Life and Medical Sciences (SLMS) for its improved financial performance in 2018-19. The Chair would send a note to the Vice

which covered risks and opportunities. The Committee noted the key risks which included future level of the full-time home undergraduate fee, the impact of Brexit, and increased pension costs. The Committee also discussed risk mitigation in relation to these risks. It was proposed and agreed to invite the Chair of the Audit Committee to give a session on the Risk Register to the Finance Committee this academic year with a focus on risk mitigation. The Director of Finance and Business Affairs and the Committee Secretary would arrange this session.

- 7.3 **Resolved:** The Committee noted the Financial Strategy Annual Refresh (Paper FC 1-4, 2019-20).
8. **Financial Strategy Funding Options Analysis update** (Paper FC 1-5, 2019-20)
Exempt from publication
9. **Draft Finance Committee Business Plan for 2019-20** (Paper FC 1-6, 2019-20)
- 9.1 **Considered:** The Committee considered the draft Finance Committee Business Plan for 2019-20. Members found it useful to have an overview of the items that the Committee would be considering during this academic year. It was reported that further estates items would be added to the plan following approval of the Estates Strategy.
- 9.2 In the discussion of the draft business plan, it was agreed to separate the strategic and one-off items into different categories. It was agreed to add an item on investment appraisals to the meeting on 31 January 2020. It was also agreed to add a critical path to the business plan to provide a contextual overview of the strategic items considered by the Finance Committee. The Committee Secretary would take this forward in consultation with the Chair and the Director of Finance and Business Affairs.
- 9.3 The Committee discussed the potential for driving up future surpluses from UCLB. It was noted that an Annual Review of Financial Plans and Performance of UCLB had been included for the meeting on 31 January 2020. It was proposed and agreed to invite UCLB to give a session to the Finance Committee in a separate slot. It was also agreed that consideration be given to commissioning an external appraisal of

10.5 **Resolved:** The following was agreed:

a) The Committee approved the Finance Committee Self-review Paper FC 1-7 (19-20).

b) The recommendation from the Finance Committee that the Statutes should be reviewed to enable members to be counted as present at meetings if they were to dial in would be taken forward as part of the next UCL Council Effectiveness Review which was due to commence in 2020.

11. **Investments Committee Annual Report for 2018-19** (Paper FC 1-8, 2019-20)
Exempt from publication

12. **Minutes of the Investments Committee held on 27 June 2019** (Paper FC 1-9, 2019-20)
Exempt from publication

13. **Debt Write Off** (Paper FC 1-10, 2019-20)

13.1 **Received:** The Committee received the Debt Write Off paper. In line with section 9.5 of the Financial Regulations, this paper set out all proposed debt write-offs in excess of £10,000 for consideration and approval by the Finance Committee.

13.2 **Resolved:** The Committee approved the Debt Write Off as set out in Paper FC 1-0, 2019-20.

14. **Banking Matters** (Paper FC 1-11, 2019-20)

14.1 **Received:** The Committee received the Banking Matters paper. This requested approval

15. Date of next meeting of the Finance Committee

15.1 **Noted:** That the next meeting of the Finance Committee would be held on Wednesday 6 November 2019 from 2.00 p.m. to 4.30 p.m.

16. Any other business

16.1 Apologies were received from Professor Patrick Haggard for the next meeting of the Finance Committee on 6 November 2019 as he would be working abroad. The Committee Secretary agreed to liaise with Professor Haggard concerning the possibility of him joining the meeting on 6 November by Skype, depending on how it fitted with his work timetable.