

APPROVED

MINUTES OF THE MEETING OF THE FINANCE AND PROPERTY COMMITTEE HELD ON THURSDAY 20 SEPTEMBER 2018 IN ROOM RS109, UNIVERSITY OF WESTMINSTER, 309 REGENT STREET

PRESENT: Mr G Morley (Chair) Ms H Owen
Mr C Barnes Ms P Wales
Dr P Bonfield Ms N Zaremba (items 18.1 to 18.4.6)
Ms K McLeod

IN ATTENDANCE: Mr J Cappock Mrs E McMillan (Clerk)
Mr C Hinge Mr P Murphy
Professor A Hughes (item 18.2) Mr I Wilmot

APOLOGIES: The Venerable Canon D Stanton Mr J Wates

18.1 ANNOUNCEMENTS

18.1.1 Apologies were received as noted above.

18.1.2 Members authorised a conflict of loyalties declared by independent governor member Helen Owen and non-governor member Kate McLeod as they are family members.

18.1.3 The Chair confirmed that there were no requests to discuss starred items (refer to Minutes 18.4.11 and 18.9) or to raise matters under 'Any other business'.

18.2 FINANCIAL IMPACT OF INTERNATIONAL PARTNERSHIPS

18.2.1 Professor Alexandra Hughes, Deputy Vice-Chancellor (Global Engagement) met with the Committee to discuss their requirements for a future presentation on the financial impact of international partnerships. This follows from a request from the Committee for more information on this area of the University's financial model and a presentation on international partnerships from Professor Hughes to the Court of Governors in June 2018.

18.2.2 Professor Hughes outlined the different types of international partnerships and members asked that the future presentation provides an introductory overview of the financial model for partnerships but focuses largely on transnational education (TNE) partnerships.

18.2.2.1 **ACTION DVC (Global Engagement), Director of Finance and the Senior Academic Co-ordinator and Head of TNE** to produce a report for presentation to the Committee at a meeting later in the academic year.

18.3 UNIVERSITY FINANCIAL PERFORMANCE

Management accounts report

18.3.1 Members received and considered the management accounts report to July 2018 - Period 12 (Document FIN 180920A), which reports the first draft of the financial year 2017-18 results against the Quarter 3 forecast and budget and is subject to audit. Presented by the Director of Finance.

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- 18.3.2 The Director informed members that the draft results report a surplus of £7.8m before restructuring costs and other exceptional items. The Director highlighted areas that had performed better than budget, the strengthened balance sheet position, and noted that debtors have been fully provided for.
- 18.3.3 Members noted that the external audit visit commences on Monday 24 September 2018.
- 18.3.4 Members queried whether there has been sufficient investment in building work; the controls in place for expenditure on individual major projects; and a member challenged the need for a physical Student Hub.
- 18.3.5 Members discussed the role of the Estate Advisory Group (EAG). The University Secretary and Chief Operating Officer (USCOO), who Chairs the Group, confirmed that he considers the membership and reporting routes through to the University Executive Board (UEB), this Committee and the Court to be appropriate. Members noted that there is a separate group – the Information Management Group – that undertakes some of the same responsibilities as EAG for IT projects.
- 18.3.5.1 **ACTION USCOO** to confirm to members the meaning of the 'Proposed budget to IMG' column and its relationship to the 'Allocated 2017/18 Budget' column in the 'Performance major projects – Information Services' table.
- 18.3.5.2 **ACTION Clerk to the Court** to direct members to the relevant points in the Financial Regulations relating to budgetary control.
- 18.3.6 In response to a query from a member, the USCOO confirmed that the University currently does not have a target for the liquidity ratio; however, he considers it should be lower than the current ratio.
- 18.3.7 A member queried the commercial viability of the Regent Street Cinema and in response noted that a five year plan is in place.
- 18.3.8 A member noted that there is a single course that accounts for 75% of the debt due for less than 30 days and queried whether there is an issue with that course.
- 18.3.8.1 **ACTION Director of Finance** to investigate and respond to the Chair's query after the meeting.
- 18.3.9 A member queried how often the University held discussions with the banks regarding current and potential borrowing needs.
- Draft capital expenditure budget 2017-18**
- 18.3.10 Members received and considered the (Document FIN 180920B), which provides an allocation of the capital budget to individual estates and Information Services projects.
- 18.3.11 Members noted that in June 18 the Court approved a capital budget spend for the financial year 2018-19 (FY18-19) of £16.5m; that no major projects have been budgeted for in FY18-19, and that current planned activity is in respect of maintaining and enhancing the current infrastructure.
- 18.3.12 Members queried the role of the University Executive Board in considering the capital expenditure budget and the timing of work in the halls of residence.
- 18.3.13 The Vice-Chancellor noted that the Committee will have a key role in establishing how the University will fund and progress the major projects required to deliver the new Estates strategy.
- 18.3.14 **AGREED** Capital expenditure budget to be submitted to the Court for approval.

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18.4 ESTATE ACTIVITY UPDATE **Commercial in confidence**

18.4.1 Members received and considered a summary report of recent progress on key estates activities including estate management, capital projects and development of the new estate strategy (Document FIN 180920C). Presented by the Director of Estates Planning and Services.

[REDACTED]

18.4.2 [REDACTED]

18.4.3 [REDACTED]

18.4.4 [REDACTED]

18.4.5 [REDACTED]

18.4.6 [REDACTED]

18.4.7 The Director informed members that the EAG have held discussions regarding the residential strategy, including options for International House, and that UEB intend to progress the residential strategy at a faster pace than the rest of the Estates strategy.

18.4.7.1 **ACTION Chester Barnes** to discuss with the Director of Estates Planning and Services his recommendations on property advisers.

Estate strategy

18.4.8 Members noted the update on the development of the Estate strategy, in particular progress on the Project Gateway development work and space management.

18.4.9 Members supported the proposal that independent governors Philip Murphy and Phil Wales remain members of the EAG, as part of their role as link governors for Estates, and recommended to the USCOO/EAG Chair that Chester Barnes also joins the Group. Chester confirmed his willingness to join the Group if that would be beneficial.

18.4.9.1 **ACTION USCOO** to consider additional independent governor membership of EAG and discuss with Chester Barnes.

Disposal of a University property

18.4.10 The Director informed members that the University was due to complete on the sale of a University property the following week.

18.4.11 **RATIFIED** Members supported the decision, taken by Chair's action for reasons of expediency, to accept a reduced deposit for the sale.

18.5 TERMS OF REFERENCE AND MEMBERSHIP

18.5.1 Members received and reconfirmed the Committee's terms of reference and membership without amendment (Document FIN 180920D).

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18.6 DRAFT SCHEDULE OF BUSINESS 2018-19

18.6.1 Members agreed the schedule of business for the current academic year (Document FIN 180920E).

18.7 MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

18.7.1 **AGREED** The minutes of the Finance and Property Committee meeting held on 28 June 2018 (Document FIN 180920F) were agreed as an accurate record.

18.7.2 Members noted an update on completed actions from previous meetings (Document FIN 180920G).

18.7.2.1 **ACTION Director of Estates Planning and Services** to recirculate the updated schedule of properties.

18.7.3 **Student debt management policy (Action 17.58.11.1):** Members closed this action as it is not a priority topic for discussion amongst HEI leadership.

18.8 DATES OF FUTURE MEETINGS

Thursday 15 November 2018 at 4.30pm in Room RS109 (commences with joint meeting with Audit Committee)

Thursday 24 January 2019 at 4.00pm in Room RS109 (provisional)

Thursday 14 March 2019 at 4.00pm in Room RS109

Thursday 9 May 2019 at 4.00pm in Room RS109

Thursday 27 June 2019 at 4.00pm in Room RS109

18.9 ANY OTHER BUSINESS

18.9.1 Members did not raise any other matters for discussion.