

APPROVED

MINUTES OF THE MEETING OF THE FINANCE AND PROPERTY COMMITTEE HELD ON THURSDAY 15 NOVEMBER 2018 IN ROOM CH1.14 CAVENDISH HOUSE, UNIVERSITY OF WESTMINSTER, 101 NEW CAVENDISH STREET

PRESENT:	Mr G Morley (Chair) Ms K McLeod Mr P Murphy Ms H Owen	The Venerable Canon D Stanton Ms P Wales Mr J Wates
IN ATTENDANCE:	Mr J Cappock Mrs E McMillan (Clerk)	Mr I Wilmot
APOLOGIES:	Mr C Barnes Dr P Bonfield	Mr C Hinge (attendee)

18.10 ANNOUNCEMENTS

- 18.10.1 Apologies were received as noted above.
- 18.10.2 There were no new declarations of interest.
- 18.10.3 The Chair confirmed that at the relevant point in the meeting he has a minor comment to make on the Financial regulations, which are on the agenda as a starred item.
- 18.10.4 The Chair confirmed that there were no requests to raise matters other than those on the agenda.

18.11 ESTATE STRATEGY 2018-23 – INTERIM REPORT

- 18.11.1 The University Secretary and Chief Operating Officer (USCOO) presented a report from the Director of Estates Planning and Services (EPS) on progress in development of the new Estate strategy (Document FIN 181115A).
- 18.11.2 The USCOO acknowledged that the timeline for submission of the strategy to the Committee has not been met; however, noted that significant activity has been completed and explained that the production of the strategy needs to align to the refreshed University strategy and the University's integrated planning cycle. Members accepted these reasons for the delay.
- 18.11.3 The USCOO reported that the Estate Advisory Group (EAG) has discussed the detailed consultancy work, which will culminate in a workshop event in January 2019 for University Executive Board (UEB) members and the governor members of EAG on the University's future size and shape. This will allow the Director of EPS to submit the completed strategy to UEB, this Committee and the Court of Governors in February and March 2019.
- 18.11.4 In response to a member's query regarding student consultation, the USCOO explained that the University has discussed with the Students' Union (SU) their requirements for SU accommodation on University sites, and confirmed that students will be part of wider stakeholder discussions as the strategy develops.

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- 18.11.5 In response to a query from a new member of the Committee, the USCOO confirmed that the Director of EPS is the custodian of all University property and that no University space should be viewed as belonging to any one college or department. The USCOO acknowledged that this will require a culture change to be embraced fully by all staff.
- 18.11.6 A member queried whether there is a timeline of key decisions.
- 18.11.6.1 **ACTION Director of EPS** to add the timeline to the update report prior to submission to the Court.
- 18.11.7 A member queried whether there is a specified expenditure limit for delivery of the strategy. The USCOO explained that the five year financial projections are in place; however, the University will need to align the income generated to delivery of the University's priority objectives.
- 18.11.8 A member suggested that there might be efficiencies and savings for students created by a more static student body with greater staff movement during the day. The USCOO expressed an aspiration for greater student mobility between the West End sites. Members noted that a static student body is unlikely to work due to the flexibility of a modular programme.
- 18.11.9 A member queried whether the intention is not to hold any investment properties. The USCOO commented that the University's planning is predicated on consistency in the operating landscape; however, should there be a fundamental change in funding for Higher Education – for example, a significant bias towards STEM subjects – this could impact on the University's revenue and alternative income streams may then become a higher priority. A member encouraged UEB to consider a set of 'if-then' scenarios.
- 18.11.10 A member made a hypothetical proposal for a radically different approach, suggesting that the University should consider it even if only to rule it out. The USCOO considered that the University should not rule out such an approach.
- 18.12 UNIVERSITY FINANCIAL PERFORMANCE**
- Management accounts report**
- 18.12.1 The Director of Finance presented the management accounts report to September 2018 - Period 2 (Document FIN 181115B).
- 18.12.2 The Director reported that student tuition fees are not invoiced until Period 3, therefore the information is largely a report on the first two months of expenditure, which is broadly in line with budget.
- 18.12.3 The Director provided reassurance to members in response to questions about references in the report to under-recruitment in two of the three colleges; a misalignment of the profiling of grant income; and the debtor position.
- 18.12.4 Members discussed action in relation to student retention and the USCOO reported that academic staff usage of the Qlikview dashboard tools is inconsistent and needs to be a priority for academic line managers. A member highlighted that behavioural change is a three step process – awareness and understanding; motivation; and change.
- 18.12.5 The Director reported on cash in bank and highlighted that repayment of the funds drawn from the revolving credit facility has resulted in savings in interest payments.
- 18.12.6 In response to a member's query, the USCOO confirmed that there does not appear to be a direct correlation between performance at A level and student withdrawals.
- 18.13 TREASURY MANAGEMENT – REPORT, STRATEGY AND POLICY REVIEW**
- 18.13.1 The Director of Finance presented the annual report on treasury and investment management matters (Document FIN 181115C).

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- 18.13.2 The Chair informed new members of the Committee of the independent analysis of treasury matters commissioned by the Committee in 2017.
- 18.13.3 In response to a query from a member, the Director of Finance confirmed the University's ethical investment policy.
- 18.13.4 The Chair proposed a review of the minimum, operational cash balances, which are equivalent to at least one month's operating and payroll costs and currently set at £20 million. Members noted that the University drew down funds from the revolving credit facility to achieve this level of cash during the period, and that this incurred interest payments.
- 18.13.4.1 **ACTION Director of Finance** to review the minimum cash balance as expressed in the Treasury management policy and present a report to the Committee that considers different options and makes a recommendation for any variance to the minimum balance. The options analysis should take into account the risks and benefits of any proposed change.
- 18.13.5 **AGREED** Members recommend the 2018-19 strategy and the Treasury management policy to the Court.
- 18.14 FINANCIAL REGULATIONS**
- 18.14.1 Members received the revised financial regulations and a schedule of changes (Document FIN 181115D).
- 18.14.2 The Chair identified an error in the cover sheet, which incorrectly refers to a version of the Financial regulations with track changes.
- 18.14.2.1 **ACTION Director of Finance** to correct the cover sheet prior to submission to the Court.
- 18.14.3 Members discussed the Major projects approval limits specified in Paragraph 4.2(ii) of the Regulations. Members noted that, although there is no upper limit stated for the authority of Finance and Property Committee to approve major projects and the requirement is for the decision to be reported to the Court, in practice the Committee makes a recommendation to the Court and the Court considers whether or not to approve.
- 18.14.4 **AGREED** Members recommend that where the total value of project or series of linked projects (not approved in the annual budget process) is greater than £8 million then the Court is the approving body.
- 18.14.4.1 **ACTION Director of Finance** to amend the table in Paragraph 4.2(ii) accordingly prior to submission to the Court.
- 18.14.5 **AGREED** Members recommend the revised financial regulations to the Court.
- 18.15 MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING**
- 18.15.1 **AGREED** The minutes of the Finance and Property Committee meeting held on 20 September 2018 (Document FIN 181115E) were agreed as an accurate record.
- 18.15.2 Members noted an update on completed actions from previous meetings (Document FIN 181115F).
- 18.15.3 **Management accounts report (Action 18.3.5.2):** Members noted that budgetary control is covered in Section 3.2 of the financial regulations.
- 18.15.4 **Management accounts report (Action 18.3.8.1):** Members noted confirmation from the Director of Finance that there are no concerns in respect of outstanding receipts with the course that accounts for 75% of the debt due for less than 30 days; this is the result of an invoicing error.

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18.15.5 **Estate activity update (Actions 18.4.7.1 and 18.4.9.1):** Members noted that the Director of ESP has discussed consultants with independent governor Chester Barnes, who has engaged with the work of the EAG and will attend the December meeting.

18.15.6 **Schedule of properties (Action 18.7.2.1):** The Clerk appended the schedule to the summary of actions and matters arising (Document FIN 181115F Appendix).

18.16 DATES OF FUTURE MEETINGS

18.16.1 The Chair confirmed that the January meeting will go ahead.

18.16.2 Thursday 24 January 2019 at 4.00pm in Room RS109 (VC's boardroom), 309 Regent Street
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

18.17 ANY OTHER BUSINESS

[REDACTED] **Commercial in confidence**

18.17.1 [REDACTED]

18.17.2 [REDACTED]

18.17.3 **Committee member retirement**

The Chair noted that this is James Wates' final Committee meeting as he retires from the Court shortly. The Chair thanked James on behalf of the Committee for his significant contribution to the work of the Committee during his tenure.