

## Finance Committee

DATE / TIME / VENUE	1030, Tuesday 18 September 2018, Room 0.32, St Andrew's Court
PRESENT	Mark Readman, Chair of Finance Committee Jenny Crighton, External Governor Bishop Christopher Foster, External Governor Anne Lambert, External Governor Professor Graham Galbraith, Vice-Chancellor Baldev Laly, External Governor Jane Hoskins, External Governor Ingmar Rinck, External Governor David Willan, External Governor
IN ATTENDANCE	Fiona Bell, Director of Estates and Campus Services (Minute 6 to 7.1) Georgio Bondoni, Staff Representative Mark Carter, Deputy Director of Finance (Management and Information) Anna Clodfelter, Chief Executive of UPSU (Minute 10) Fiona Loughran, Director of Planning (Minute 9) Anita Randell, Insurance Office, (Minute 8iii to 8ix) Violet Karapaseva, President UPSU Bernie Topham, Chief Operating Officer (Minute 6vii to 7.1) Dr Jenny Walden, Staff Governor (Minute 6 onwards) Emma Woollard, Director of Finance
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance Helen Malbon, Senior Governance Officer

### 1 Welcome, Apologies, Declaration of Interests and Quoracy

- i) The Chair welcomed new Staff Representative Georgio Bondoni;
- ii) Declarations of interest: Baldev Laly had previously recorded that he was involved in a property development business in Portsmouth and that he owned a Pharmacy business that had formal links with the University's School of Pharmacy.
- iii) The Director of Corporate Governance confirmed that the Committee was quorate and could proceed to business.

### 2 Minutes

The minutes of the meeting held on 27 June 2018 were confirmed and signed as a correct record.

### **3 Matters Actioned Since the Last Meeting or Under Continuing Consideration**

Nine items were noted without further comment.

### **4 Matters Arising**

There were no matters arising.

### **5 Terms of Reference, Membership and Committee Business**

The Director of Corporate Governance noted that each Board committee was required to review its constitution annually. This was to satisfy itself that it had discharged its terms of reference over the past year and that its terms of reference remained relevant to its work in the future. The Chair noted that the forthcoming review of Committee structures may require a change to the terms of reference later in the year. In discussion Committee:

- i) Noted the assessment for the year 2017/2018 and was assured that it had discharged its terms of reference where appropriate;
- ii) Agreed the terms of reference as presented were appropriate for 2018/2019 with two amendments:
  - a) Item five should refer to the Estates Strategy *and masterplan*;
  - b) An annex should be added which listed the items delegated to Finance Committee from the Board and within the financial regulations;
  - c) The amended terms of reference would be recommended to the Board on 10 October 2018:

**Action: Director of Corporate Governance**

- iii) Agreed the indicative work programme for 2018/2019 with the addition of an item to the 29 January 2019 meeting on the potential impact of Brexit.

**Action: Director of Finance**

### **6 Refurbishment Programme – confidential item**

### **7 Chair's Action Since Last Meeting – confidential item**

### **8 Report From Director Of Finance – confidential item**

### **9 Student Recruitment 2017/2018 – confidential item**

## 10 University of Portsmouth Students Union (UPSU) Budget 2018/2019

Anna Clodfelter, the Chief Executive of UPSU presented the UPSU budget for 2018/2019 which had been approved by the UPSU Finance and Risk Committee and adopted by its Board of Trustees and Board of Directors. Key points noted in discussions were:

- i) The proposed 2018/2019 budget was a breakeven core budget and included an assignment of £10K from reserves for student group development;
- ii) It was noted that the £87k pension loan repayment would be accounted for in the statutory accounts through the balance sheet. Committee noted that the requirement to make this payment resulted from errors in the administration of the NUS pension scheme at a national level;
- iii) Committee were informed that the University's Sport and Recreation Department would take over the running of those sports clubs that represented the University at a national level from September 2019;
- iv) Clubs and societies applied to a central fund based on their need. The former system of providing fixed amounts to each club had been replaced because some clubs did not spend their allocation year on year;
- v) In response to a question, Committee noted that UPSU did issue guidelines to clubs about what constituted a suitable sponsorship deal for such items as sports kit. It was hoped that the input of the Sport and Recreation Department from September 2019 would reduce the number of inappropriate sponsorship deals;
- vi) Committee noted the budget and thanked Anna Clodfelter for attending.

## 11 Risk Register Extract

Adrian Parry, Director of Corporate Governance, introduced a paper on the items within the Corporate Risk Register that were overtly financial in focus. Key points noted were:

- i) The corporate risk register was formally considered by the Audit and Quality Committee on a quarterly basis and by the Board of Governors on a six monthly basis. Other committees of the Board of Governors reviewed the relevant extract at the beginning of each academic year;
- ii) Committee noted the two items identified in the extract of the Corporate Risk Register contained within the report and agreed they were representative and relevant to the University's risk profile;
- iii) Committee asked that a risk be added to the register regarding the potential impact of Brexit on the University.

**Action: Director of Corporate Governance**

## 12 Key Financial Indicators

Emma Woollard, Director of Finance, introduced the report which provided information on how the University compared with the sector on a number of significant financial benchmarks during 2016/2017. Key points noted were:

- i) The report was originally produced in June 2018 and contained the most recently published information available to the sector at this time. Information on the 2017/2018 year would not be published before Spring 2019;
- ii) The main impact on the University cash balances, in terms of using the borrowing to build the buildings, will be from 2020;
- iii) Committee noted and welcomed the report. In January 2019, updated information for the University would be produced once the impact of the government fees review and actual University income was known.

### **13 Provisional Year End University Management Accounts 2017/2018**

Mark Carter, Deputy Director of Finance (Management and Information), introduced the provisional University Management Accounts for 2017/2018. Key points noted in discussion were:

- i) The draft surplus for the year was £7.8m, £1.6m more than the June 2018 forecast;
- ii) This surplus figure was pending the external audit which would include discussion of the treatment of various issues, including the LGPS pension adjustment;
- iii) Committee noted that the figure of £3.8 million in the table in section 3.1 of the report should be in square brackets representing a payment rather than income;
- iv) It was noted that the impact of the recent Voluntary Severance Scheme (VSS) would be seen in 2017/2018 and 2018/2019. The majority of the contracts were signed in 2017/2018 but some payments/savings would be manifest in 2018/2019 onwards;
- v) Committee noted the provisional accounts and thanked the Finance Team for the clear presentation of the figures. The Financial Statements would be presented to the October 2018 Committee meeting.

### **14 Provisional Year End Subsidiaries Management Accounts 2017/2018 – confidential item**

### **15 Memorandum of Assurance and Accountability**

Committee noted that in March 2018 the Office for Students had published the 'Terms and conditions of funding for higher education institutions for period to 31 July 2019'. This supersedes the 'Memorandum of assurance and accountability between HEFCE and institutions' (HEFCE 2017/08).

### **16 OFS Circulars**

Committee noted that publications and circulars could be found at:

<https://www.officeforstudents.org.uk/publications/>

## **17 Next Meeting**

The next meeting would take place on Wednesday 3 October 2018 from 1030 to 1230.

## **18 Delegation of Authority to Chair**

Committee agreed to give the Chair delegated authority to take Chair's action over the summer to approve any necessary items.