

Finance Committee

DATE / TIME / VENUE	1030, Tuesday 13 November 2018, Room 0.32, St Andrew's Court
PRESENT	Mark Readman, Chair of Finance Committee Jenny Crighton, External Governor Jane Hoskins, External Governor Baldev Laly, External Governor Anne Lambert, External Governor Ingmar Rinck, External Governor
IN ATTENDANCE	Georgio Bendoni, Staff Representative Dr Liz Bartle, Deputy Director of Finance (Financial Systems) (Min 32 only) Professor Paul Hayes, Deputy Vice Chancellor (Min 33 only) Violet Karapaseva, President UPSU Dr Jenny Walden, Staff Governor Emma Woollard, Executive Director of Finance
SECRETARIAT	Adrian Parry, Executive Director of Corporate Governance Helen Malbon, Senior Governance Officer

28 Welcome, Apologies, Declaration of Interests and Quoracy

- 28.1 Apologies were received from External Governors: Bishop Christopher Foster and David Willan.
- 28.2 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.
- 28.3 The Executive Director of Corporate Governance confirmed that the Committee was quorate and could proceed to business.

29 Minutes of the Previous Meeting

The minutes of the meeting held on 3 October 2018 were confirmed and signed as an accurate record.

30 Matters Actioned and Matters Arising

- 30.1 Matters Actioned: Items noted in the report were noted without further comment.
- 30.2 Matters Arising: There were no matters arising.

31 University of Portsmouth Students' Union (UPSU) Financial Statements 2017/2018

Anna Clodfelter, UPSU Chief Executive, had sent her apologies for being able to attend for this item and so Violet Karapaseva, UPSU President, introduced the paper. Key points noted in discussion were:

- i. UPSU valued the ongoing support it received from the University through the block grant and support for pre-payment of pension deficit payments (which attracted a discount of 4%). Coupled with a strong year for trading and robust Best Value financial management within a year of staff restructure, UPSU had delivered a surplus of £114,505;
- ii. One highlight of the year included its shortlisting for an NUS award for excellence in representation for work to improve the diversification of candidates in elections;
- iii. The continuing decline in the uptake of the NUS Extra product card (renamed 'Totum') had been a challenge and it was likely that there would be further decline in the coming year (30-40% at the time of writing);
- iv. The card was available to staff and students and it entitled the holder to receive discounts at many retail outlets. One third of the purchase price of the card went direct to UPSU. Any governors wishing to obtain the card should contact the corporate governance team for details;
- v. The Union's accounts showed provision for future liabilities due to issues related to the National Union of Students' (NUS) Superannuation Scheme. UPSU, in common with other participating student unions, had to pay its share of the increased funding shortfall;
- vi. A separate reserve had been created in the accounts due to the long-term nature of the liability. It was agreed that the UPSU Chief Executive be asked for further information in relation to the liabilities that may accrue to UPSU and the University if the NUS went into liquidation.

Action: Anna Clodfelter
- vii. Clarification would be sought as to how many external trustees the Union had. The Trustee Report to end of July 2018 stated that as at February 2018 there was only one external trustee when three was the norm. It was noted that recruitment of an external trustee was ongoing via an external search company.

Action: Anna Clodfelter
- viii. UPSU had hoped to achieve an increase of at least 4% in the Union's 2018 National Student Survey (NSS) question 26 score (specifically about UPSU). This would have increased the score to 65%. However, it remained at 61% although the focus of the question had changed from last year and nationally UPSU's performance had improved slightly in the league table as other Unions had seen a decline in their NSS scores;
- ix. Committee asked that information be circulated after the meeting on how UPSU had compared to its main competitors in the response given to question 26:

Action: Anna Clodfelter
- x. It was confirmed that the UPSU audited Financial Statements had been approved by the UPSU Board of Trustees on 24th October 2018 and would be proposed for ratification at the Union Annual Members Meeting on 3rd December 2018;

- xi. It was noted that there could be confidence that UPSU complied with GDPR requirements. It had undertaken considerable work in this area and had worked closely with the University's Corporate Governance team to ensure compliance;
- xii. Committee asked that more information be provided on the situation regarding VAT recoverability;

Action: Anna Clodfelter

- xiii. Committee thanked and congratulated UPSU and noted the report.

32 Report and Financial Statements 2017/2018 – confidential minute

33 Student Recruitment 2018/2019 – confidential minute

34 Chair's Action Treasury Management Policy – confidential minute

35 Financial Results 2017/2018

Committee noted and discussed the Financial results information for 2017/2018. It agreed to recommend the report to the Board of Governors for approval and submission to the Office for Students, as part of the Annual Accountability return.

36 Director of Finance Report

Emma Woollard, Director of Finance, introduced her report on issues not covered elsewhere on the agenda. In discussion it was noted:

- i. Teacher's Pension Scheme (TPS): The Treasury had recently announced that the cost of this scheme was likely to rise by 7.2% from September 2019. The University was required under statute to offer the TPS to academic staff. The University had followed the advice of the University and Colleges Employers Association (UCEA) and allocated for a 2% increase in the budget. UCEA was lobbying government to take a phased approach to implementation or to provide extra funding as they had done for schools. Analysis of the TPS had been added to the work that external consultants were already undertaking for the University in reviewing the implications of changes to the Local Government Pension Scheme;
- ii. Making tax digital: This was a new government initiative which had the stated aim of reducing taxpayer information processing errors. The Finance Department were using PWC software to implement this from April 2019;
- iii. Committee noted the report.

37 University Management Accounts to 30 September 2018

Committee noted the Management Accounts for the University.

38 Subsidiary Companies Management Accounts to 30 September 2018

Committee noted the Management Accounts for the subsidiaries.

39 OFS Circulars

Committee noted that OfS publications and circulars could be found at:

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

40 Next Meeting

The next meeting would take place on Tuesday 29 January 2019 from 1000 to 1300.

41 Delegated Authority

Committee agreed to give the Chair delegated authority to take Chair's action before the next meeting.