

FINANCE AND INVESTMENT COMMITTEE
26 September 2018

DRAFT UNCONFIRMED MINUTES

Present:

Luke Savage (Chair) Professor Colin Bailey Isabelle Jenkins

In attendance:

Joanne Jones Dr Nadine Lewycky Ian McManus
Jonathan Morgan

Apologies:

Dr Véronique Bouchet David Russell

Part 1: Preliminary Items

Minutes and confidential minutes of the meeting on 19 June 2018 [FIC18/01]

2018.001 The Committee **confirmed** the non-confidential minutes and confidential minutes of the meeting held on 19 June 2018.

Matters arising [FIC18/02]

2018.002 The Committee **received** the matters arising from the minutes of the previous meeting. The following matters were noted in discussion:

TRAC-T benchmarking data

[a] The target was considered to be challenging, but the Committee was reassured that it was achievable. The Committee would receive updates on progress going forward.

Changes to loan agreement

[b] The banks had confirmed that the repayment of the revolving credit facilities would not cause Queen Mary to breach its covenants. The documents were being reviewed by the university's lawyers.

Overseas operations and partnerships

[c] Future reports on overseas partnerships would include joint programmes in China, Malta and the University of London in Paris (ULIP), and would report on performance more generally. A standard template had been developed so that reporting would be consistent across the partnerships.

Update on Committee membership

[d] The Chair had met with a potential co-opted member with experience in the property market. The Academic Registrar and Council Secretary would be

meeting with the candidate shortly and it was hoped that the appointment would be confirmed in the next few weeks.

Capital projects reporting

- [e] A standard template for business cases had been developed. There was concern that process for capital approvals could be circumvented by projects being broken down into smaller parts valued at less than the £1m threshold for approval. A review of the scheme of delegation would take this into consideration. The amount of spend on capital projects going through the approvals process would provide another control.

Capital projects slippage [FIC18/03]

2018.003 The Committee **received** an update on Estates and IT capital budgets. The following points were noted in discussion:

- [a] New project monitoring reports had been developed that would provide greater transparency on progress. The reports would provide confidence to the Committee that the underlying processes were in place to keep the work on track and enable more effective challenge to Estates and IT on project delivery.
- [b] The likelihood that the majority of Estates projects would be achieved this year was high because they were sufficiently mature. The implementation of the IT programme was more uncertain and had been given a reduced budget allocation of £2m. It was expected that most of the projects would have confirmed dates by the next meeting.

Part 2: Financial Performance

Management accounts, including first draft outturn 2017–18 [FIC18/04]

2018.004 *Minute 2018.004 is confidential*

Research grants and contracts annual report [FIC18/05]

2018.005 The Committee **received** the annual report on research grants and contracts. The following points were noted in discussion:

- [a] More government funding for research was being funnelled through the Global Challenges Research Fund and the Industrial Strategy. The university would attempt to position itself to influence the direction of travel and to have research networks in place to respond quickly to funding calls.
- [b] It was expected that the UK government would underwrite current EU grants following Brexit.
- [c] Culture change was required in the university to encourage more external funding applications. Queen Mary should be aiming to reduce the loss on research to 20%.

[d] Queen Mary had a high success rate in industrial funding, as the medical school had secured funding from some large companies. There were opportunities to improve performance with industrial funding in some Science and Engineering subjects.

[e] The recent appointments to the roles of Director of Research Strategy and Vice-Principal (Policy and Strategic Partnerships) would help to drive forward work in these areas.

Part 3: Strategic Investment

Borrowing update [FIC18/06]

2018.006 *Minute 2018.006 is confidential.*

Residences update [FIC18/07]

2018.007 *Minute 2018.007 is confidential.*

Part 4: Financial Policy and Strategy

Tuition fee regulations 2019–20 [FIC18/08]

2018.008 The Committee **considered** and **agreed to recommend for approval** to Council for the University Fee Regulations 2019–20.

Part 5: Treasury Management & Investment

Investment managers sub-group report [Oral report]

2018.009 The Committee **received** an oral report from the Finance Director on the work of the Investment Managers sub-group. The following points were noted in discussion:

[a] *Minute 2018.009[a] is confidential.*

[b] A review of the mandate would be conducted to ensure that it did not put unnecessary constraints on performance, including reassessing what level of risk the university was prepared to accept regarding the protection of principal. The reformed mandate would be used for a tendering exercise in March 2019.

Part 6: Matters for Report

QMUL pensions liabilities report [FIC18/09]

2018.010 *Minute 2018.010 is confidential.*

Annual summary of bad debt write-offs 2017–18 [FIC18/10]

2018.011 The Committee **received** the annual summary of bad debts written off in 2017/18.

Carbon management plan: annual report [FIC18/11]

2017.012 The Committee **received** the annual report on the carbon management plan. It was noted that work in this area had focused on reducing a growing energy bill and routine maintenance and upkeep. Improvements to energy performance would be made where buildings were being updated. Work was needed to improve behaviours around how buildings were being used, which would result in improved energy performance.

***Draft agenda for next meeting [FIC18/12]**

2018.013 The Committee **received** the draft agenda for the next meeting on 13 November 2018.

Other business

2018.014 The Finance Director reported that the five-year Financial and Student Number Forecasts which were approved by Council in July had been subject to minor amendments before their submission to the Office for Students. The final versions be circulated to the Committee and made available to Council in the additional reading.

Meetings in 2018–18

- Tuesday 13 November 2018, 1530 hours, Robert Tong Room.
- Wednesday 27 March 2019, 1530 hours, Robert Tong Room.
- Thursday 20 June 2019, 1530 hours, Colette Bowe Room.