



FINANCE COMMITTEE

29 MARCH 2012

Any member of the Finance Committee who had (or who knew of a family member who had) a material, personal, financial or other beneficial interest in any item on the Agenda was requested to declare that interest at the beginning of the meeting

Preliminary Formal Business

43 **MINUTES**

Approved

- 43.1 The Minutes of the meeting held on 26 January 2012 [*FC Minutes 26-42, 2011-12*] were confirmed by the Committee and signed by the Chair.

44 **MATTERS ARISING FROM THE MINUTES**

[*See minutes 51-52 below*]

Matters for discussion

45 **FINANCIAL UPDATE 2011-12**

Received

- 45.1 APPENDIX FC 4/41 (11-12) – the financial update 2011-12 (March 2012).

Reported

- 45.2 The overall forecast showed an overachievement against budget of £1.4m, with some further improvement expected by the end of the year. This was regarded as a particularly strong result in light of unexpected cost increases over the past 12 months.
- 45.3 Academic areas had improved against budget; research income overheads were predicted to increase by £1.7m, and tuition fee income was forecast to be £23.7m higher than in 2010-11. The inclusion of the School of Pharmacy in the accounts since January 2012 had resulted in an increase in revenue of approximately £12m. It would be necessary to absorb a £2m clawback from RCUK following the Wakeham review; for accounting purposes this was shown in the update as a cost.
- 45.5 An adverse variance was currently forecast in respect of Corporate Support Services, principally due to unbudgeted costs relating to the Stratford development, an agreed overspend on the Smart IT project, and a scaling down of the forecast of release of deferred capital grants following a review of the fixed asset register.
- 45.6 Capital expenditure was currently below budget as several Bloomsbury Masterplan projects were behind schedule.

- 45.7 There had been an improvement in the debtors' position, with total net debt down £16m over the last year. A substantial payment of NHS debt was expected in the coming days.

Discussion

- 45.8 FC members suggested that the chart of .s10.98 1 sugghesugTae18s(t)5(o009 Tc

lack of historical precedent for universities going bankrupt, and the ongoing process of change in the USS, were also noted.

- 46.6 It was clear that UCL's OFFA targets remained challenging. UCL had experienced a greater than average decline in applications from those groups to which it was committed to seek an increase in intake over the period 2012-2017. Conversion rates remained uncertain. The inevitable increase in competition for applicants from these groups with grades AAB+ was noted.
- 46.7 The Senior Management Team had reaffirmed its commitment to 4 year PhDsgrades