



Minutes of the Finance Committee Meeting of 4 December 2014

PRESENT: Provost (in the Chair), Bursar, Interim Chief Operating Officer, Registrar, Professor Peter Coxon, President of the Students Union (attended for minute FN/14-15/45 onwards), Dean of Arts, Humanities & Social Sciences Mr. J. Gorringer (by teleconference), Ms. C. Curtis (by teleconference), Chief Financial Officer (CFO) – Secretary of the Committee.

IN

ATTENDANCE: Deputy Chief Financial Officer

APOLOGIES Vice-Provost/Chief Academic Officer (VP/CAO)

The Committee noted and approved the minutes of the Finance Committee meeting of 20 November 2014, noting the name change from “International Office” to “Global Relations Office” for Minute FN/14 - 15/33.

Matters arising are minuted separately below (minute FN/14-15/44 refers).

Section A

No items

Section B

FN/14 - 15/44 **Consolidated Accounts**
(Minute FN/14 - 15/35 of 20.11.2014 refers)

The Committee noted the status of the C&AG audit issues in relation to the Consolidated Financial Statements and were advised that if the outstanding issues can be resolved, it is anticipated that the Consolidated Financial Statements will be considered by Audit Committee on 11 December 2014 and Board on 17 December 2014.

FN/14 - 15/45 **Online Education Strategy II**
(Minute FN/14 - 15/32 of 20.11.2014 refers)

The Associate Dean for Online Education and the Secretary of the College attended for this item.

The Committee noted the revised proposal as circulated outlining the two options to facilitate the development of Online Education by way of:

- a) an internal unit within the College
- b) a new subsidiary company of the College

A summary of the financial models associated with each of the two options was tabled at the meeting and the Committee noted that the overall financial return to the College was less than in the previous submission due to the inclusion of marketing costs. Also noted were the additional costs involved in operating a subsidiary company.

Following a lengthy discussion, the Committee agreed to recommend the establishment of a new subsidiary company to facilitate certain expenditure associated with the delivery of Online Education by the College. The Committee also recommended the financial scenario, whereby 25% of the fee income would return to Schools with other key costs met by the subsidiary entity. It was requested that a final Business Case be prepared for Board to include timelines on the risk register and references to other peer universities that utilise a subsidiary entity structure to support online education.

It was also agreed that a review of the Online Strategy should take place every 6 months to assess student numbers and ensure that courses are being delivered as planned.

Subject to the above, the Committee recommended that the finalised Business Case be forwarded to Board for approval.

Action

- 45.1** Associate Dean for Online Education and College Secretary to finalise a Business Case for the Online Strategy, including timelines on the risk register and references to other peer universities that utilise a subsidiary entity to support online education, for onward submission to Board.
- 45.2** Online Strategy to be reviewed by the Committee every 6 months to assess student numbers and ensure courses are delivered.

FN/14 - 15/46

Global Relations Strategy II

(Minute FN/14 - 15/33 of 20.11.2014 refers)

The Vice President for Global Relations and the Financial Planning Manager attended for this item.

The Committee, having been circulated with an update to the paper circulated at the previous meeting, considered and approved the recommendations from the ABC workshop held on 20 November 2014 as follows:

- The allocation of GRS resources to be 70% (previously 40%) of the additional Non-EU GRS fees being allocated directly to Schools based on their percentage share of total overall Non-EU students. This will take effect from 2015/16 onwards with the additional GRS budget allocation to Schools resulting in a reduction of resources available for allocation under the ABC process.
- Income allocated under GRS will be based on additional Non-EU fee income in excess of the 2011/12 Non-EU fee income.
- No change to the administrative and support Non-EU GRS budget allocation proposal in GRS II.

The Committee noted that the impact of the differential in the Non-EU course fees charged across courses would be reviewed at a future Planning Group meeting.

The Committee recommended that the revised GRS II Strategy, (to include a full marketing plan and an outline of Global Officer roles) be forwarded to Board for approval.

Action

- 46.1** VPGR to bring a revised Global Relations Strategy II paper to Board for approval.
- 46.2** Impact of the differential in the Non-EU course fees charged across courses to be reviewed at a future Planning Group meeting.

Section C

FN/14 - 15/47

Minutes of Sub Committees

The Committee noted the draft minutes of the Investment Committee meeting of 11.11.2014 as circulated.

FN/14 - 15/48 Minutes of the Audit Committee

The Committee noted the draft minutes of the Audit Committee meeting of 13.11.2014 as circulated.

FN/14 - 15/49 Minutes of the Commercial Revenue Unit Board

The Committee noted the draft minutes of the Commercial Revenue Unit Board, dated 10.11.2014 as circulated.

**FN/14 - 15/50
XX Related Entity Financial Reporting**

The Committee noted the Director's Report and audited Financial Statements for the National Digital Research Centre Limited (NDRC) for the year ended 31 December 2013 and recommended them for onward submission to Board.

Action

50.1 The Director's Report and audited Financial Statements for the National Digital Research Centre Limited (NDRC) for the year ended 31 December 2013 were recommended for onward submission to Board.

The Committee noted that the next Finance Committee meeting is scheduled for Friday, 19 December 2014 at 2.30p.m. in the Provost's Library.

PROVOST.....

DATE.....