

SCHOOL OF ORIENTAL AND AFRICAN STUDIES

Resources & Planning Committee

AGENDA

Tuesday 10 June 2014 at 2.30 pm

in Room 116

- I Minutes**
To approve: the minutes of the meeting held on Tuesday [Attached]
March 2014
- II Action Taken**
To receive: updates on action taken
- III Matters Arising / for Report**
- IV Director's Report**
To receive: a report from the Director [Appendix A]
- V Finance**
To approve for recommendation to Governing Body: [Appendix B]
the draft revenue & capital budgets for 2014/15
To approve for recommendation to Governing Body: [Appendix C]
the revised financial forecasts to 2015/16
- VI Planning**
To approve for recommendation to Governing Body: Appendix D]
the Professional Services Plan for 2014/15
- VII Accelerated Investment Fund Portfolio Board**
To receive: a report from the Acting Secretary regarding the [Appendix E]
resource requirements of the current portfolio of
programmes
- VIII Investment Advisory Panel**
To receive: the minutes of the meeting of Investment Advisory [Appendix F]
Panel held on 15 March 2013
- IX Cash Position**
To receive: reports on:
(i) Cash flow [Appendix G (i & ii)]
(ii) Capital and Debt Statement [Appendix H]
(iii) Short Term Deposits [Appendix I (i & ii)]

X Dates of Meetings in Next Session

The Resources & Planning Committee meetings in the next session are scheduled for:

Monday 20 October 2014

Tuesday 11 November 2014

Tuesday 10 March 2015

Tuesday 9 June 2015

all at 2.30 p.m. in room 116

These minutes are for information only. Any corrections to the minutes will be recorded in the minutes of the subsequent meeting of the committee.

SCHOOL OF ORIENTAL AND AFRICAN STUDIES

RESOURCES AND PLANNING COMMITTEE

DRAFT MINUTES OF MEETING

Tuesday 10 June 2014 at 2:30 pm
in Room 116, College Buildings

Mr G Dalal, Chair (Hon.Treasurer)
Mr G Appleby (Acting Registrar)
Professor Richard Black (Pro-Director, Research & Enterprise)
Dr C Ince (Acting Secretary)
Dr T Miller (Chair of Governing Body)
Professor N Rao (Pro-Director, Learning & Teaching)
Professor P Webley (Director)
Ms E Wright (Vice-Chair of Governing Body)
Ms S Alier (Chair, Estates & Infrastructure Committee)*
Sir Graham Fry
Professor A Gerstle*
Mr J Heskett
Mr David East
Professor Christine Oughton
Mr D Skinner*
Mr Nizam Uddin

In attendance: Mr B Douglas (Acting Director of Finance and Planning)
Professor M Craven (Dean of Faculty of Law & Social Sciences)
Professor G Singh (Dean of Faculty of Arts & Humanities)
Professor A Pauwels (Dean of Faculty of Languages and Cultures)
Ms A Hartrey (secretary)
Mr A Warburton (minute secretary)

* Those persons marked with an asterisk were unable to be present.

34. Minutes

The minutes of Resources & Planning Committee meeting held on Tuesday 18 March 2014 were accepted as a true record.

35. Action Taken

It was noted that all papers required to be presented to Governing Body had gone forward as appropriate and that the update on the Accelerated Investment Fund/Portfolio Board was included on the agenda.

(i) Budget validation 2013-14 – analysis of marketing expenditure (Min 9)

It was reported that the Acting Registrar and the Director of External Relations & Development had made a presentation to Governing Body in January 2014.

(ii) Arts & Humanities – periodic review of Study of Religions (Min 10)

It was noted that the periodic review of the Department of the Study of Religions had only just been approved by the Learning & Teaching Quality Committee at its meeting on 4 June; therefore, this item would be carried forward to the November meeting of Resources & Planning Committee.

(iii) Fractional Staff (Min 19)

This item was included on the reserved agenda.

36. Matters arising/for report

The Chair noted that this was the last meeting for several members of the Committee and thanked Ms Elizabeth Wright, Professor Andrew Gerstle and Mr David East for their participation on the Committee. Thanks were also extended to SOAS officers who would no longer be attending Resources & Planning Committee – Mr Barry Douglas and Mr Andrew Warburton.

37. Director's Report

A report was **received** from the Director [Appendix A]. The following sections were highlighted to the Committee:

(i) Pay and industrial action

It was reported a full and final settlement drawn up after the UCEA/trade unions meeting on 20 May had now been agreed by all trade unions. It was also noted that the UCU membership passed a vote of censure on the UCU executive at the recent congress making it likely that future actions (2015/16) would be more aggressive. It was also reported that the senior management were concerned that the financial position of the School was not being communicated effectively since SAOS is one of the Universities least able to fund increases to the staffing budget.

The Director also reported that discussions regarding the USS pension scheme were also taking place, with a consultation having just been initiated by the UUK.

(ii) Dispute over the terms and conditions of fractional teaching staff

It was noted that negotiations on the UCU's claim for improved conditions for fractional teaching staff for 2014/15 would commence on 13 June 2014.

(iii) North Block

The Director provided an update on the North Block project and it was noted that the draft Section 106 agreement had been drawn up and that negotiations with the contractors were nearing completion with the expectation that the contractors would be on site within the next two weeks.

(iv) League tables

It was noted that the School had dropped two places to 24th in the Guardian University Guide 2015, despite having improved in all the NSS metrics. Some individual departments had performed particularly well, especially Law which had moved up ten places to 10th largely as a result of taking student satisfaction very seriously.

(v) Update from London Higher event

The Director reported that at the London Higher Plenary Meeting on 4 June, the Rt Hon Liam Byrne MP (Shadow Minister for Universities, Science & Skills) had reported that higher education would be an election issue and that the labour party would be taking a position before the election. Particular emphasis would be put on apprenticeship routes to higher education and there would be a commitment to take overseas students out of the immigration figures.

38. Revenue & Capital Budgets for 2014/15

The Acting Director of Finance & Planning introduced the Revenue & Capital budgets for 2014/15 at Appendix B.

It was reported that although the December 2013 plans had predicted a £135k surplus, the revenue budget for 2014/15 showed a deficit of £0.4m partly due to slower than anticipated expenditure against the Accelerated Investment budget, deferring such expenditure into 2014/15.

The budget was based on the HEFCE grant announcement made in March 2014 and it was noted that the successful bid made by the SOAS China Institute had resulted in an allocation of £488k which would be spent in 2014/15. In addition, on-campus tuition fees predictions had been adjusted to take account of those PGT courses considered unlikely to run, reducing recruitment targets by 67 ftes. A contingency of £1.15m had been set aside to mitigate the effect of failing to recruit to target. In response to concern raised about increased targets in IFCELS it was noted that considerable efforts were being made to achieve these targets through improved marketing and active recruitment in China.

Changes to expenditure included the inclusion of an allowance of £65k to compensate for the withdrawal of the HEFCE Access to Learning Fund as well as increases to the budget for student bursaries (£311k) and the grant made to the Students Union (£44k).

The Revenue budget for 2014/15 was **recommended** for approval by Governing Body

Action: Forward recommendation to Governing Body

The Committee considered the long term maintenance budget contained within the Capital budget and noted that the School had largely caught up with the backlog of works and that the majority of the estate was now in buildings condition A and B. It was also noted that the provision of funds for Bloomsbury Heat and Power was subject to the finalisation of details being overseen by Executive Board.

The proposed capital budgets for long term maintenance, building projects and equipment for 2014/15, together with the 2014/15 equipment provision to improve the School's Active Directory and Server and telephone system were **recommended** for approval by Governing Body.

Action: Forward recommendation to Governing Body

39. Revised Financial Forecasts 2012/13 to 2016/17

The Acting Director of Finance & Planning presented a report at Appendix C

It was noted that the forecasts were based on the assumptions:

- that the Vernon Square building would be sold for £15m;
- that a 3% contingency be included to off-set any over-optimism regarding the targets for student recruitment as outlined in the Faculty Plans;
- that an additional 2% on pay costs be included from 2015/16 to allow for changes in the USS pension scheme.

It was reported that there would be an increase in Academic Services spend due to the planned cuts in government spending on disability allowances for students. The School was assuming that there would be an additional spend of £200k pa from 2015/16 onwards, although further analysis would be required to ensure that this planned provision was sufficient going forward.

The depreciation applied to the Senate House North Block building had also been reviewed with a reduced estimate of the average life of the project now assumed. This has resulted in a revised estimated depreciation charge of £1.4m per annum.

It was also noted that the financial forecasts assume that the loan finance related to the Senate House North Block project would be repaid in the short-term and that there would be minimal long term finance of £5m going forward.

The Committee discussed the level of surplus as a percentage of income which was required for the future sustainability of the School and to ensure that SOAS was enabled to retain the flexibility to respond to market events. It was considered that a figure of 5%-7% would be required; however, the current forecasts only indicated a figure of 3.7% being generated in 2016/17. It was noted that this level of surplus could only be

generated if the School controlled its cost base, because of the constraint imposed by the freezing of home and EU undergraduate tuition fees at £9K over the forecast period. The Committee also noted that in the current Faculty Planning an increased contribution had been built in to the model which would move the School forwards in terms of surplus generated; this change was not included in the Financial Forecasts since these had to be submitted to HEFCE in July before the Faculty planning process was completed. The Committee also discussed the need for further increases in student numbers, although it was recognised that this would have to be tempered against the requirement to maintain the academic quality of the new cohorts. The role of distance learning in increasing the student body was particularly considered and it was noted that the development of distance learning programmes in new subject areas would be key. The Committee **requested** that the Financial Forecasts be adjusted to include savings in order to reflect the targets included in the current faculty planning round. This would be an initial step towards improving the School's financial performance.

Subject to a savings adjustment of £500k in 2015/16 the Financial Forecasts 2012/13 to 2016/17 were **recommended** for approval by Governing Body.

Action: Forward recommendation to Governing Body

40. Professional Services Plan

The Acting Registrar presented the Professional Services Plan 2014/15-2016/17 at Appendix D. The key priorities in the plan were noted, viz:

- Enhancing student services delivery
- Enhancing staff services delivery
- Increasing student recruitment and marketing activity

The Plan included the commitment of resource to new posts particularly in the area of Student Recruitment and Marketing. The Committee **agreed** that the resource should be adjusted to reflect the recent downward adjustment in the 2014/15 target student recruitment and that the final resultant re-prioritisation of enhancements should rest with Executive Board.

The Committee also **requested** that targeted measures be developed against objectives in future plans.

Subject to a resource adjustment to reflect the recent adjustment to the 2014/15 target student recruitment, the Committee **approved** the Professional Services Plan 2014/15-2016/17.

41. Accelerated Investment Fund

A report from the Portfolio Board on its overall work and the status of expenditure against the Accelerated Investment Fund [Appendix E] was presented by the Acting Secretary. This paper provided details of the work around the four key programmes of activity along with current and forecast expenditure.

The Committee noted that many of the programmes have taken a long time to come to fruition, but that this was due to issues of capacity within the School, both in terms of resources and the ability to cope with high levels of change. The Committee advised that should resource constraints arise, those projects which focussed on student experience or had a direct influence on brand, should be prioritised.

It was reported that the recent success in HEFCE funding awarded to the SOAS Institutes demonstrated the benefits of this accelerated funding in academic areas.

42. Investment Advisory Panel

i. Minutes

The minutes from the Investment Advisory Panel meeting of 18 March 2014 [Appendix F] were noted.

ii. IAP Meeting of 10 June 2014

The Chair reported that at its meeting of 10 June 2014 the Panel had received information on what the outcome would have been had the School followed the Fossil Free investment policy in the past. The Panel were seeking additional detail on what filters could be applied going forward and had requested that the School's investment in this sector not be increased whilst this information was being compiled.

It was also noted that the last element of the Alphawood donation had been received and the funds transmitted to Newtons for investment.

43. Cash Position

i. Cash flow [Appendix G (i & ii)]

The summary of cash flow projections to July 2015 was **noted**.

ii. Capital and Debt Statement [Appendix H]

The Capital and Debt Statement as at 31 January 2014 was **noted**.

iii. Short Term Deposits [Appendix I (i & ii)]

The summary of short-term deposits as at 31 January 2014 was **noted**.

44. Date of next meeting

The next meetings of the Resources & Planning Committee are scheduled for:

Monday 20 October 2014
Tuesday 11 November 2014
Tuesday 10 March 2015
Tuesday 9 June 2015

All meetings are scheduled for 2.30 p.m. and will be held in room 116 in the College Buildings, Russell Square.

Action Points
Resources and Planning Committee
 2.30pm Tuesday 10 June 2014

Minute	Item	Action	Deadline	By
Min 35 (ii) (C/F Min 10 (i))	Faculty Plans – Arts & Humanities	Report summary from periodic review for Study of Religions	24 Oct 2014	Dean Faculty Arts & Humanities
Min 38	Revenue and Capital Budgets for 2014/15	Forward recommendation to Governing Body	12 Jun 2014	Acting Director of Finance & Planning
Min 39	Financial Forecasts 2012/13 to 2016/17	Adjust for savings Forward recommendation to Governing Body	12 Jun 2014	Acting Director of Finance & Planning
Min 40	Professional Services Plan 2014/15	Adjust for savings Forward recommendation to Governing Body	12 Jun 2014	Acting Registrar