

SCHOOL OF ORIENTAL AND AFRICAN STUDIES

RESOURCES AND PLANNING COMMITTEE

DRAFT MINUTES OF MEETING

Tuesday 10 November 2015 at 2:30 pm
in Room 116, College Buildings

Mr G Dalal, Chair (Hon.Treasurer)
Ms S Alier (Chair, Estates & Infrastructure Committee)*
Baroness V Amos (Director)
Professor R Black (Pro-Director, Research & Enterprise)
Ms L Gibbs (Registrar)
Sir M Harris (Vice-Chair of Governing Body)
Dr T Miller (Chair of Governing Body)
Professor N Rao (Pro-Director, Learning & Teaching)
Mr J Feeney
Dr L Hammond
Mr T King
Professor C Oughton
Mr D Skinner*
Mr N Uddin*

In attendance: Mr G Appleby (Director of Finance and Planning)
Professor M Craven (Dean of Faculty of Law & Social Sciences)
Professor L Marten (Dean of Faculty of Languages and Cultures)
Professor G Singh (Dean of Faculty of Arts & Humanities)
Dr C Ince (Head of Secretariat)
Ms A Perez de Vera (Secretary)

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

1. Membership and Terms of Reference

The Chair welcomed new members. The committee noted the terms of reference and procedures for conduct of meetings.

2. Minutes

The minutes of Resources & Planning Committee meeting held on Tuesday 9 June 2015 were approved.

3. Action Taken

It was noted that as a new Director of Marketing had just been appointed, minuted item 42 from last year's session would be carried through to the March RPC meeting.

4. Matters arising/for report

There were no matters arising.

5. Director's Report

The Committee received the Director's Report at Appendix B.

6. Financial Reporting 2014/15

The Committee was asked to note that following a meeting with the auditors in the previous week an amount of revenue from 2013/14 which had been assigned to 2014/15 had since been adjusted to the correct earlier year. This has resulted in adjusted figures in the reports at Appendix C(i), Appendix C(ii), and Appendix (D). It was suggested that future year's statements include a brief Audit Committee endorsement as well.

The committee discussed the aspects of the School's finances which achieved a lower than expected revenue, particularly around enterprise activities, including catering. There was further discussion on the non-staff areas of savings in the expenditure outturn against budget. The committee questioned whether these underspends were an indication of places for cost savings going forward, and the risks associated with avoiding spending to promote growth.

The issue of investment in Distance Learning was considered, and the committee noted that the Dean of Law and Social Sciences is chairing a Distance Learning Managing Board to review the three models currently being used in search of a common architecture with flexibility that will suit all offerings. A strategy and action plan should be forthcoming by January.

The committee recommended the Draft Financial Statements for year ending 31 July 2015 for approval by the Board of Trustees, subject to minor editorial changes around the section "Future Outlook".

7. Budget Validation 2015/16

A report was received from the Director of Finance and Planning at Appendix D.

The Committee discussed at length the areas of under recruitment and its impact on School revenue. It noted that the shortfall was most apparent in respect of PGT recruitment, which makes up £2.7m of the £3.3m shortfall in on campus degree fees. Total fee shortfall after the release of provision for under-recruitment is £2.3m. The Committee discussed the role of sector changes on lower enrolments, noting in particular that the decliner survey indicated that financial reasons were the most frequently given for PGT students not taking up offers.

It was noted there was some scope to capitalise on one-off vacancy savings (£200k) and to release a part of the contingency funding (£0.5m) to improve the bottom line also. Furthermore, those areas which had underspent on their 2014/15 non pay budgets would be scrutinised further in an effort to identify recurrent savings. However, it was agreed that under spending on a budgeted amount was not desirable, particularly where this had occurred in Distance Learning. Further discussions would ensue with Departments to enable better control of budgets by budget holders.

The committee recommended the 2015/16 adjusted budget for approval by the Board of Trustees.

8. Financial Forecasts 2015/16-2018/19

A report was received from the Director of Finance and Planning at Appendix E.

The committee noted that the previous financial forecasts considered by the Committee in June had achieved target surplus of 5% of income by 2017/18. This was largely achieved through assumed 16% growth in student numbers and staff cost savings of £3m over the next three years. However trend analysis incorporating September 2015 recruitment results shows that while UG recruitment is on an upward trajectory, PGT numbers have remained consistently below target and relatively flat over the last 5 years. Thus for purposes of financial forecasting, PGT numbers have been realigned to zero growth for at least the forthcoming planning horizon.

While still aiming for an overall 5% surplus by 2017/18, the annual shortfall as a result of amended student number projections is £3.5m. This taken together with the £3m staff cost savings previously sought suggests actions are needed to address a £6.5m annual shortfall.

The committee discussed the need to both recruit more students on existing courses as well as better recruitment on new courses. The Committee also considered options for improving the capacity of staff in teaching and promoting enterprise activities in exploring alternate revenue options. The committee noted that SOAS currently spends 63.1% of its expenditure on staffing costs against a sector mean of 52.6%. A reduction to even 57%

would result in savings of between £4-4.5 m.

It was noted that the School has established a financial sustainability work stream, under the Sustainable SOAS Programme Board. This work stream is tasked with the development and implementation of faculty and professional services plans to address the £6.5m shortfall. These plans are to be developed by April 2016 for implementation over 2016/17 and 2017/18.

9. Facilities Management

The Registrar provided a verbal report outlining the need to re-negotiate the procurement process and short-list companies around the supply of Senate House North Block. Given the tight deadlines, it was anticipated that signoff would fall between RPC meetings, requiring out-of-session approval for larger purchases.

The Committee approved the Chair's action to sign off on Facilities Management procurement should it arise between RPC meeting dates.

10. Accelerated Investment Fund

The Secretary spoke to the report at Appendix F, noting that there was a need to "accelerate" the remaining projects, as the fund had been going for over 3 years now, while originally being envisaged as 18 month one-off investments.

The Committee discussed the role of the SOAS website now that SID and MySOAS had been launched for students and staff respectively. It was acknowledged that there are complex choices underpinning the issues of the website, but that its value as a marketing tool for new students made it a priority to improve.

11. Sub Committee Reports

The committee noted the Estates and Infrastructure and Human Resources summary reports at Appendices G and H.

The Committee also received a verbal report from the Chair on the Investments Advisory Panel's long-term and near-term performance.

12. Cash Position

The Committee received the reports on Cash flow, the Capital and Debt Statement, and Short Term Deposits.

13. Date of meetings in Next Session

The Resources & Planning Committee meetings are scheduled for:

Tuesday 8 March 2016

Tuesday 7 June 2016

All at 2.30 p.m. in room 116 in the College Buildings, Russell Square.

RESERVED ITEMS

There was no reserved business conducted at this meeting.

Action Points
Resources and Planning Committee
2.30pm Tuesday 10 November 2015

Minute	Item	Action	Deadline	By
42 (2014/15)	RPC Sub-Committees	Sub-Committee Plan to be presented to RPC to note	March 8 RPC Meeting	ERC Chair
7	Marketing	Report on 2015/16 recruitment, including analysis of conversion strategy impact.	March 8 RPC meeting (possibly to BoT in Feb)	Registrar

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