

SCHOOL OF ORIENTAL AND AFRICAN STUDIES

RESOURCES AND PLANNING COMMITTEE

DRAFT MINUTES OF MEETING

Tuesday 7 June 2016 at 2:30 pm
in Room 116, College Buildings

Mr G Dalal, Chair (Hon.Treasurer)
Baroness Valerie Amos (Director)
Professor R Black (Pro-Director, Research & Enterprise)
Ms L Gibbs (Registrar)
Sir Martin Harris (Acting Chair, Board of Trustees)
Dr D Johnston (Interim Pro-Director, Learning & Teaching)
Mr S Tinton (Acting Vice-Chair, Board of Trustees)
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 C Bramall (Dean of Faculty of Law & Social Sciences)*
Professor L Marten (Dean of Faculty of Languages & Cultures)*
Mr R Nuthall (for Professor Marten)
Professor G Singh (Dean of Faculty of Arts & Humanities)
Dr C Ince (Head of Secretariat)
Ms S Clucas (secretary)
Ms A Perez de Vera (minute secretary)

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

26. Minutes

The minutes of Resources & Planning Committee meeting held on Tuesday 8 March 2016 were approved.

27. Action Taken

There were no action items.

28. Matters arising/for report

The Chair thanked the members who were departing from the committee, Professor Hammond and Ms Gibbs, for their contributions.

The committee was asked to note at Appendix A, the breakdown of additional costs on the chosen tender by Boygues for the Facilities Management Contract which was signed by the Chair on authority of the committee as approved at the March meeting. The additional costs resulted from an increase in the size of the estate and in the quality and flexibility of the services.

29. Director's Report

A report was received from the Director at Appendix B.

The Director invited the Pro-Director (Learning and Teaching) to comment on the financial implications of the Government white paper for a Teaching Excellence Framework (TEF). The Committee noted the proposed undergraduate fee setting

scheme will be phased in over four years: the first three operating at institution-level, and subject to a pilot study in the third year, the fourth year of fee setting may occur at the subject level. All institutes have the possibility of introducing a 2.8% increase in home UG fees in the first year. For SOAS this would increase income by £610k, of which about 30% would be allocated to Widening Participation requirements, resulting in a net increase of around £440k per annum. Further increases in fees in the second and subsequent years would depend on specifically named TEF measures, such as Student Satisfaction returns in NSS, and HESA verified retention rates. The committee noted that SOAS has already initiated interventions to improve the return rates in both areas.

A further report on the impact of UCU industrial action on exam results was received. The committee noted that action would be taken to minimise the disruption, although the loss of external examiners did tend to cluster more in some Departments/Faculties than others. Priority will be given to ensure graduating students and Language Year Abroad students receive finalised grades first.

30. Student Admissions

A report was received from the Head of Planning at Appendix C with an update on student enrolment numbers for the current session (2016/17).

The Committee noted that while the number of applications, offers, and acceptances are all higher than at the same time last year, the proportion of acceptances to offers/applications is lower than in previous years. It is difficult to judge whether planned interventions by admissions and recruitment have accelerated the conversion rates or whether the impact of events from last year's protests, changes in the league tables, or more competitive HEI tariffs were likely to have contributed to the anticipated change. More accurate figures will be available at the student decision point at the end of June.

The committee considered the trade-off between maintaining quality within programmes with the need to maintain solvency. It was noted that a school-wide drop in the tariff by 1-2 points would still not meet the currently anticipated shortfall to target. As the performances differ at the subject level, where some departments look to meet target and others not, the School would be pursuing a differential tariff strategy for clearing. This would be more useful for high-demand areas such as Law and Politics, and would reflect work being done at the subject/department level for the curriculum stream of the SOAS sustainability program. The Committee noted that History and Economics were being piloted in the review, and that further discussion about clearing strategies were planned for the next Board of Trustees meeting.

31. Budget

A report was received from the Director of Finance and Planning at Appendix D outlining the Revenue Budgets for 2016/7. A budgeted rise in income (2.9%) has largely been offset with increases in operating expenditure (1.6%) and the increase in depreciation charge. The budgeted deficit (before restructuring costs) remained in line with 2015-16 at £1.57m.

Items of note in the budget include a loss of HEFCE teaching grant specialist funding, with the only specialist funding to remain now being that for the library. There was also a loss of two Postgraduate support schemes, largely funding scholarships and bursaries, which have now been replaced by a loan scheme for master's students. There is a projected increase in academic fees, in line with projected UG growth and the conservative targets set for PGT students, although the latter is notoriously difficult to predict. Consequently, a contingency of £850k (1.5%) of target fee income has been allocated to offset any shortfall in income resulting from a failure to meet recruitment targets. This will be released after enrolment if there is a shortfall. The main increase in

operating expenses stems from an increase in space (including maintaining Vernon Square) and an increase in conditions for facilities management.

The Committee noted that the current draft budget does not include the adjustments arising from the implementation of the new Financial Reporting Standard (FRS) 102, which will provide some volatility to the reported surplus/deficit that will require a re-evaluation of how financial targets are expressed. Exclusion at this stage allows for consideration of the budgeted financial position on an understood historically consistent basis.

The Committee **approved** the budget for recommendation to Board of Trustees.

32. Financial Forecasts 2015/16-2018/19

A report was received from the Director of Finance and Planning at Appendix E outlining the revised financial forecasts, following updates to the budget, recent staff cost forecasts, and assumptions in the financial sustainability plans.

The Committee noted that on the basis of these assumptions, the School will continue in deficit of £2.2m (£1.6m excluding severance costs) in 2016/17, before recovering surpluses of £1.4m and £1.6m in 2017/18 and 2018/19 respectively. However, there are still currently undefined savings within the sustainability plans which encompass a shortfall of £2.7m (Faculties) and £3.2m in total. Work is continuing, particularly within L&C and A&H to identify further savings and income generating opportunities to address this.

It was noted that this position was largely attributable to the accumulated costs of expenses on staff against flat-lining recruitment numbers and loss of quality students to competitors within a changing market. However, the Committee **agreed** that the forecast should remain cautious and not presume any increase in home fees resulting from the outcome of the TEF white paper. Instead, this has been included as a sensitivity analysis within the paper.

The committee also considered additional external impacts on the forecast, such as the outcome of the EU Referendum and what options EU students might consider in continuing to study at SOAS.

It was noted that staff savings still required £4.36m to meet target, with savings to date mostly being through early staff departures as well as through voluntary severance. The committee noted that there were still some more voluntary severance cases to review which should bring the amount saved close to the target, but that the current Financial Sustainability Plan would only deliver partial savings for the targets set, and that more was needed to reach the School's goals. Consequently, a 6th strand had been added to the Sustainability Plan to review Academic Department structures, with several options being considered and a decision expected by the end of the calendar year to be implemented by the start of the 17/18 Academic year.

The Committee noted that the forecast was consistent with past levels of maintaining infrastructure and included aspirational spending plans for capital projects (£75m) which rely on investment and endowment support for financing. It was noted, however, that net liquidity would drop below 30 days (for 2017-18 and 2018-19), and particularly in some of the sensitivity analyses, it would be necessary to take further action, such as delaying less important capital projects and/or achieving further staff costs and operating cost efficiencies to address this.

The Committee considered that there were four key factors impacting the success of SOAS' financial sustainability: clarity/quality of offerings through the curriculum review,

improved patterns in student recruitment and satisfaction, workforce realignment through options to restructure, and overall management of cost base. These were considered the vital triggers for managing the school's revenue and costs over the next two years.

The Committee **approved** the forecast, including the proposed capital projects (excluding ICT) for recommendation to Board of Trustees.

33. Professional Services Plan

A report was received from the Registrar at Appendix F. The plan continues the path already identified in the Financial Sustainability Plan in delivering a £300,000 contribution in savings in addition to the £500,000 in savings taken this financial year. This maintains the approach of only funding investments once savings have been identified, with these mostly anticipated in LIS. The Committee noted that in delivering savings there were also opportunities to liaise further with the Student Union on improving the student experience.

The Committee **approved** the plan for recommendation to Board of Trustees.

34. Co-President, Student Union

The Committee received a report from the student representative at Appendix G expanding on earlier papers from the Students' Union on funding a fourth Sabbatical Officer (Equality and Liberation).

The Committee noted that given the impending introduction of the Teaching Excellence Framework (TEF) and its greater stress on Equality & Diversity, Inclusion, and Access, it was considered timely to re-submit the proposal. The paper outlined the value of the added position in maintaining standards that SOAS' students expected with current student-staff ratios, and its ability to deliver a quality of service that could contribute to better retention and league table performance. The position was funded for this year by the Student Union, but School funding was being sought to continue the role. The question was raised of whether the role demanded duties for which the incumbent was not specifically trained, and whether continued funding by the school could be better spent on professional welfare support to meet this need.

The Committee agreed that the amount being requested (£30,000) be ring-fenced for forthcoming years, and following an evaluation of the current position at year's ended, it would be at the Registrar's discretion to determine which option would best be served moving forward within the larger sustainability context.

35. Estates Capital Projects

A report was received specifying the Estates Capital Projects at Appendix H. The Committee noted that the amounts listed are aspirational targets and that the capital budget was outlined in Section 5, and incorporated in Annex A of the Budget at item 31.

The Committee **approved** the Estates Capital Projects for recommendation to Board of Trustees.

36. Student Accommodation Strategy

A report was received outlining the Student Accommodation Strategy at Appendix I. The paper summarised the initial steps for the School to meet its desired goal of providing accommodation to all first year and international students (around 3000 beds). The strategy is pitched at a horizon of 2020, with an anticipated review prior to this date.

The Committee noted the importance of providing a good student experience through improved relationships with existing providers and landlords as well as establishing new

relationships in order to lift the current number of beds (currently under 1000) to around 1500 initially. Although there is a higher risk in using external providers, an evaluation of this strategy was planned prior to continuing and exploring all possible options, including those for Vernon Square.

The Committee **approved** the strategy for recommendation to Board of Trustees.

37. Accelerated Investment Fund

The Committee noted the current portfolio of programmes in the Accelerated Investment Fund at Appendix J. The paper summarised projects within each programme area of Student, Staff, and IT and included a summary of approved funding and expenditure to date.

38. Investment Advisory Panel

The Committee noted the minutes of the meeting of the Investment Advisory Panel held on 8 March 2016 at Appendix H.

The Chair provided a brief update of the current status and readiness of the School for anticipated currency fluctuations resulting from the EU Referendum and US Presidential elections. The Committee noted that the IAP would add an additional meeting in October, aligning with RPC's four meetings, in order to provide feedback to RPC on any outcomes from these events.

39. Cash Position

The Committee noted the reports on Capital, Debt, and Cash Flow at Appendices L and M.

40. Dates of Meetings in Next Session

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

Tuesday 18 October, 2016
Tuesday 15 November, 2016
Tuesday 14 March, 2017
Tuesday 13 June, 2017

All meetings are scheduled for 2.30 p.m. and will be held 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 March 2015

Minute	Item	Action	Deadline	By

There were no action points raised in this meeting.