

**SOAS, University of London**

**Resources and Planning Committee**

**Tuesday 14<sup>th</sup> November 2017 at 2.30pm**

**MINUTES**

Members: Mr G Dalal (Chair)  
Ms Marie Staunton  
Sir Martin Harris  
Mr Steve Tinton  
Baroness Valerie Amos  
Professor Richard Black  
Professor Deborah Johnston  
Professor Stephen Hopgood  
Ms Paula Sanderson  
Mr Nizam Uddin  
Mr David Skinner  
Professor Michael Charney  
Professor Carol Tan  
Mr Dimitri Cautain

Apologies: Mr John Feeney  
Mr Chris Bramall  
Dr Chris Ince

In attendance: Ms Susan Clucas  
Mr Graeme Appleby  
  
Professor Lutz Marten  
Ms Aveline Perez De Vera  
Miss Sally Priddle (Minutes)

**Membership and Terms of Reference**

**RPC 17/18 1 I**

Dimitri Cautain was welcomed to the Committee.

It was confirmed that John Feeney will be leaving the committee. His successor- Katie Blacklock- has been appointed and will join the March Committee.

The Committee **noted** the Terms of Reference.

**Minutes**

**RPC 17/18 1 II**

The Committee **approved** the minutes of the meeting held on 13<sup>th</sup> June 2017.

The Committee **approved** the minutes of the extraordinary meeting held on 10<sup>th</sup> October 2017.

#### **Action Points**

**RPC 17/18 1 III**

The committee considered the delay in identifying an appropriate and affordable business intelligence tool. It was **agreed** that the discussion would be taken out of the Committee and a paper returned at the next meeting.

#### **Matters Arising / for Report**

**RPC 17/18 1 IV**

No matters were reported.

#### **Director's Report**

**RPC 17/18 1 V**

The Committee **noted** the report.

The Committee praised the spotlight pieces within the report.

#### **Financial Reporting 2016/17**

**RPC 17/18 1 VI**

It was reported that the adjusted financial outturn for 2016-17 of £2.3m was below our forecast deficit of £0.9m an adverse variance of £1.4m.

This variance was attributed to four main factors: lower than anticipated fee income (-£0.8m), higher surplus from research contracts (+£0.3m), higher non pay costs (+£1.0m) and higher restructuring costs (+£0.3m)

The reasons for decrease in income were considered including the point of the year the predictions were made, higher than expected withdrawal and deferral rates and higher number of discounts given than predicted. The higher than anticipated spend on non-pay was largely due to a number of one-off costs that were not anticipated.

While above forecast expenditure on restructuring costs was within the budget set.

It was noted that in preceding years it was usual for the actual result to be better than that forecast largely as a consequence of forecasting that expenditure budgets would be fully utilised when in fact there turned out be budget underspends at year end.

It was noted that a comparison between the set budget and end of year position would be a helpful indicator to include in future reports.

The Committee discussed the current catering subsidy. It was noted that it was not appropriate or sustainable. An update on the current catering review was provided. It was **agreed** that the School needed to establish a high quality product that provided the School community what it needed and wanted.

It was **agreed** an update would be provided to the Resource and Planning Committee in March.

The Committee **approved** the report for recommendation to Trustees.

## **Budget Validation and Forecasts 2017/18 – 2021/22**

**RPC 17/18 1 VII**

The previous budget indicates that the 17/18 deficit would be £1.7million. It is proposed that this is revised to a deficit of £6million. The key contributing factors are changes in projected fees as a consequence of UG recruitment decisions (-£1.4m), a reduction in projected distance learning income within CeFims (-£0.4m), the inclusion of staffing costs omitted from the budget (+£0.4m), provision of additional resources for teaching and learning support (£+0.35m) and provision for the transition costs of self-delivering FM services (+£0.8m). The Committee questioned why there appeared to be a decrease in the fee income projections for growth areas- including CISD and distance learning. It was explained that it was not a reduction in income but a reduction in income growth to reflect a more conservative growth rate.

It was **agreed** that a sensitivity table would be included with the budget when it is presented to the Board of Trustees.

Looking ahead it was noted that the main changes in the forecasts were a result of reduced UG fee income as a consequence of the on-going strategy to maintain tariff levels and the freezing of regulated fees together with a £3m annual saving in staff costs.

The potential growth areas have been conservatively estimated. It was **agreed** that a paper would be presented to outline the potential cost risks and opportunities at the March Committee to outline the forecast sensitivities which are subject to change. This report should also include the scale of investment required in the School, including costs and timeframes

Capital expenditure plans were discussed. It was agreed that it would be useful to have a complete picture of capital expenditure including IT.

The changes in capital fund were discussed, including the investment in the School of Languages.

## **Financial Statements 2017**

**RPC 17/18 1 VIII**

The financial statements were **considered** alongside feedback from the Audit Committee.

The Committee noted that the Chair's redrafted report would give attention to the financial challenges the school is facing

Chair of Audit Committee shared that auditors had praised the methodology and controls in place. The Audit Committee Annual Report was tabled, and outcomes of the Audit Committee provided. The Committee discussed the need to consistently communicate the operating deficit figure.

It was **agreed** that in future the Audit Committee should provide a written report on their considerations of the financial statements for RPC.

It was **agreed** that the overview needed to focus on the underlying School's financial position best reflected by the deficit on unrestricted activity (i.e. excluding endowments) . This figure would need to be clearly reconciled to the overall surplus of £2.9m reported

within the Statement of Comprehensive Income & Expenditure. It was suggested that a table may help communicate this.

The Committee **approved** the recommendation of the statements for presentation to Board of Trustees, subject to revisions in the content of the Chair's statement and Future Outlook.

## **RPC Sub-Committee Reports**

**RPC 17/18 1 IX**

### **Student Experience Capital Projects**

It was **agreed** that additional work and consultation was required before this item could be tabled. The paper would return to the meeting following appropriate consultation.

It was **agreed** that including a consultation section on the cover sheet would be beneficial.

### **Student Information Systems**

The remit and functions of the IT system was considered. It was noted that the School required a highly tested and affordable system that could be extended or personalised, if required, in the future. It is unlikely that the system would be implemented in less than 2 years.

It was **agreed** that the lack of an adequate system is the biggest issues in work on TEF and retention and an improved data system will enhance student outcomes.

The Committee **approved** the paper.

### **Interest Rates Swap**

**RPC 17/18 1 X**

The Committee **requested** further investigation by the investment advisory panel and subsequently their specialist recommendation. The Committee will be updated with the advisory panel's recommendation prior to the March meeting.

### **Minutes of the SOAS Investment Advisory Panel\***

**RPC 17/18 1 XI**

The Committee **noted** the minutes.

### **Cash Position\***

**RPC 17/18 1 XII**

The Committee **noted** the report.

### **IFCELS Review Action Plan\***

**RPC 17/18 1 XIII**

It was **agreed** that it would be beneficial to read the action plan alongside the outcomes report in the future.

The action plan aims to re-shape programmes to increase the transfer of students to full degrees. It was **agreed** that a report would be presented at the March meeting outlining the new mission, key objectives and progress against them.

## Action Points

### Resources and Planning Committee

2.30pm Tuesday 14 November 2017

<b>Minute</b>	<b>Item</b>	<b>Action</b>	<b>Deadline</b>	<b>By</b>
<b>III</b>	Action Points	BI Tools to be further investigated and revisited	March RPC	PS
<b>VI</b>	Financial Reporting 2016/17	Review order of committees to ensure alignment and allow Audit Committee to give a full report on the financial statements to RPC	March	CI/SP
<b>VI</b>	Financial Reporting 2016/17	Provide update on catering review project	March RPC	PS
<b>VII</b>	Budget Validation and Forecasts 2017/18 – 2021/22	Provide risk and opportunities analysis of set budget	March RPC	GA
<b>VII</b>	Budget Validation and Forecasts 2017/18 – 2021/22	Include sensitivity table on finances presented to Trustees	Nov BoT meeting	GA
<b>IX</b>	RPC Sub-Committee Reports: Student Experience Capital Projects	Review and revise Student Experience capital paper	March RPC	PS
<b>X</b>	Interest Rates Swap	IAP to review options further and write to Committee	End Dec	GA
<b>XIII</b>	IFCELS Review Action Plan*	Provide update on IFCELS action plan	March RPC	DJ

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**MINUTES- Reserved Agenda**

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Miss Sally Priddle (Minutes)

**Salary Cost Savings**

**RPC 17/18 R.I**

Short term financial recovery plan options have been considered by Executive Board, including the implementation of a Voluntary Scheme.

It was **agreed** that the scheme was not successful last academic year, however colleagues have reflected on this to ensure a revised approach this academic year. The provision will be the same as last academic year however it will be more effectively targeted and there will be a more structured management of the scheme.

The plan will be implemented following approval at Executive Board on Monday 20<sup>th</sup> November.

The Committee **noted** the report.

