

Minutes of a Meeting of the Policy and Resources Committee
held at 4pm on Tuesday, 4th March 2014
in 1B27, Technopark, London Road, SE1

Present

Sarah Mullally	Chair
David Longbottom	Chairman of the Board
Prof David Phoenix	Vice Chancellor
Barbara Ahland	
Diana Parker	
Prof Jon Warwick	

In attendance

Prof Phil Cardew	Pro Vice Chancellor (Academic)
Richard Flatman	Chief Financial Officer
Beverley Jullien	Pro Vice Chancellor (External)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer
Tosin Oseni	Governance Intern

Welcome and Apologies

1. Apologies had been received from Ken Dytor, Hilary McCallion and Anne Montgomery.
2. Professor David Phoenix was welcomed to his first meeting of the committee. The committee welcomed Tosin Oseni, LSBU Post Graduate student and intern with the governance team.

Declarations of Interest

3. No member declared an interest on any item on the agenda.

Minutes of the previous meeting

4. The minutes of the previous meeting were approved as a correct record. The minutes were approved for publication subject to the proposed redactions (paper **PR.01(14)**).

Matters Arising

5. There were no matters arising which had not been previously covered. It was noted that the IBM contract had been legally completed and that an update would be provided to the board meeting of 20th March 2014.

Student Recruitment

6. The committee noted a summary on recruitment for 2013/14 (paper **PR.02 (14)**). The committee noted that UCAS applications were tracking ahead of the national trend. Conversion of applicants to acceptance was a key area of focus. Although early on in the cycle part-time undergraduate and postgraduate were tracking ahead of last year.

Management accounts to 31st January 2014

7. The committee discussed the management accounts for the full year (paper **PR.03(14)**). A forecast surplus of £1.8m was reported against budget target of £2.5m.
8. The key reasons for the decline in profitability are lower than expected post graduate and overseas income within the faculty of business, a reduction in health contract income within the faculty of Health and Social Care and the inclusion of approximately £1.2m of unbudgeted revenue expenditure largely in relation to the IBM project. The committee noted the NHS was seeking to lower the benchmark price.

Key Performance Indicators

9. The committee noted the key performance indicators (paper **PR.04(14)**). Only the financial indicators were available at this stage in the year. The committee requested the development of “in-year” indicators to allow performance to be monitored more effectively.

OFFA Agreement

10. The committee noted a summary of the principles supporting the 2014/15 OFFA agreement which would broadly follow the 2013/14 agreement (paper **PR.05(14)**). It was noted the Students' Union had been consulted and were supportive of the terms. The agreement would focus on incentivising clean progression. The committee recommended the principles to the board.

Governance Effectiveness Review Plan

11. The committee recommended the governance effectiveness review plan to the board for approval. The review will cover the board, its committee, the executive, academic board and would be benchmarked externally against best practise. (paper **PR.06(14)**).

London Pension Fund Authority 2013 Fund Valuation

12. The committee discussed an update on the London Pension Fund Authority (LPFA) 2013 fund valuation (paper **PR.07(14)**). The LPFA pension scheme is offered to support staff and has 555 LSBU active members. It was noted that the issue of pension scheme deficit is a key item on the risk register due to its impact on future financial sustainability.
13. It was reported that following the fund valuation for 2013 the University's annual cash contribution could potentially rise from £3.8m to £6m, affecting the University's cash flows and impacting investment plans. The increase in cash contribution is due to a reduction in the deficit recovery period and the downgrading of all universities to category C1 from category A which has resulted in a lower discount rate and hence higher value liabilities.
14. The executive are in negotiations with the LPFA over the valuation and further updates will be provided to the Board of Governors.

Annual Report on Fundraising

15. The committee noted the annual report for fundraising for 2012/13. The university was in the top 10% of post 1992 universities for fundraising and the programme for 2013/14 was developing strongly (paper **PR.08(14)**).

Annual Report on Charitable funds

16. The committee noted the annual report on of charitable funds for 2012/13. (paper **PR.09(14)**). The committee approved the standing order on the distribution of income.
17. The committee noted the performance of Sarasin and requested the executive continue to meet the annually to review their performance. LSBU investment mandate to Sarasin was noted.

Treasury Management

18. The committee noted the treasury management report (paper **PR.10(14)**). Cash balances were reducing year on year due to investment levels. Returns were down due to continuing low interest rates.

Any other business

Department for Business, Innovation and Skills funding letter, 2014-15.

19. The committee discussed the funding letter drafted for 2014 from the Department for Business, Innovation and Skills to HEFCE. The university expected to receive its funding letter from HEFCE towards the end of March 2014, which would be reported to the board.

Date of next meeting

20. The next meeting of the committee will be 4pm on Tuesday 6th May 2014

The Chair closed the meeting.

Approved as a true record:

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Chair