Minutes of the meeting held on Wednesday 4 June 2008.

Present: The Vice-Chancellor in the Chair, Professor Barker, Dr Clark, Ms Coutu, Mr Johnston, Ms Lowther, Professor Minson, Mr Pratt, Mr Reavley and Dr Reid, with the Registrary, the Director of Finance, the Academic Secretary and Mr Troupe.

Apologies were received from: Mr Summers and Dr Dissanaike (on leave from his University Office and as such dispensed by the Committee from attending during the period of his leave).

PART A: INTRODUCTORY

68. Procedure of the Committee – Declaration of Interest

Mr Reavley declared an interest as a Member of the ADC Theatre Management Committee and the Theatre Syndicate.

69. Minutes

The minutes of the meeting held on 7 May 2008 were approved subject to the following addition:


Action: Mr Troupe to web

70. Straightforward and reported business: agenda items starred as straightforward

A paper listing straightforward and reported business was received and is attached to the minutes. The Committee approved matters for decision contained in the confirmed list of straightforward or reported business, and received the other material.

71. Future business and work plan

An updated work plan for 2007-08 was received as Paper FC(08)88.

PART B: SUBSTANTIVE BUSINESS

72. Accounts

(a) Management Accounts 2007-08 (‘Little U’)

Management Accounts for the third quarter 2007-08 were received as Paper FC(08)87.
The Committee noted that:

(i) the year to date surplus of £9.2m on continuing operations was favourable to budget;
(ii) income had exceeded budget in all areas;
(iii) research income and College Fee Transfer payments showed a favourable variance;
(iv) recovery of research indirect costs was behind budget;
(v) staff costs were slightly above budget but in line with expectations;
(vi) other operating expenditure was above the expected level but was held down in real terms; and
(vii) due to economic conditions there had been a slight reduction in net assets and the value of the endowment fund.

(b) Research Grants and Contracts Income

The Pro-Vice-Chancellor (Research) attended for this item. A paper by the Director of Finance outlining the underlying growth in Research Grants and Contract activity in both nominal and real terms over the years 1997 to date was received as Paper FC(08)89.

The Committee recalled that it had asked for an analysis of Research Grants and Contracts at its meeting in November 2007, particularly as Oxford had increased its research income by 16% in 2006-07 compared to 3.7% for Cambridge.

The Committee noted that:

(i) over the last ten years there had been a steady increase in Cambridge’s research grants and contracts income and direct costs with an average growth in real terms of between 4-5% per annum. 2007-08 would show a significant increase in activity;
(ii) Cambridge was ranked number one in terms of Research Council funding, receiving 7 – 11% of the available money from every Research Council, after taking away the funding for their own institutes;
(iii) Oxford had acquired some research units which had increased volume, and in making comparisons it was important to use a longer time scale;
(iv) the medical charities were concentrating their funding in the big medical schools. Cambridge had not matched the recent increase in the research income of its UK competitors due to the relative size of the Medical School. Cambridge’s medical research income was well above its relative size, however as medical funding becomes a larger proportion of research funding, those universities with big medical schools would increase their income;
(v) Cambridge’s indirect costs of research were lower than its competitor universities. As fEC pricing phases in the revenue per unit of research activity would be less for Cambridge; and
(vi) rapidly increasing research activity may lead to an unsustainable base. Cambridge should emphasise increasing quality rather than quantity.
North West Cambridge

Minutes of the meeting of the NW Cambridge Strategy Committee held on 7 May 2008 were received as Paper FC(08)90.

The Committee noted that:

(i) a Project Director had now been appointed and would attend a Finance Committee in the Michaelmas term;
(ii) Cambridge City Council and South Cambridgeshire District Council had now submitted a joint draft Area Action Plan (AAP) for the public examination to start in November which, while marginally increasing the hectarage to be developed from the proposal in “Option E”, still provided a smaller development area than that required by the University. The Strategy Committee had recommended that the University object to the AAP. There was a clear timetable for objections and evidence to be submitted leading to the public examination before an inspector in late November 2008. The outcome, which would be binding, would not be known until mid-2009;
(iii) work was proceeding on compiling the University’s case and providing evidence to support its needs for housing, academic/research space and student accommodation at the levels indicated by its master plan; and
(iv) it would be important to consider the two sites at West Cambridge and North West Cambridge as an integrated development as the plans for both matured.

Finance Committee procedure

A paper prepared by the Director of Finance setting out a schedule of business to be dealt with by the Committee (for each of its proposed six meetings), the Business Sub-Committee and by circulation was received as Paper FC(08)91.

Subject to:

(i) resolving issues around the timing of the first and second consideration of the financial statements and budget;
(ii) balancing the amount of business between the January and March meetings;
(iii) the introduction of a strategic item for each of the six meetings; and
(iv) there being no quorum for the Business Committee;

it was agreed that the business of the Finance Committee be carried out in six meetings with effect from 2008-09 and a Business Committee be set up to deal with preparatory and routine business.

Action: Director of Finance, Administrative Secretary

University Companies

The Director of Finance reported on the progress of the subsidiary companies to carry out the activities of the Cambridge Programme for Industry in Australia and South Africa.
The Committee had previously identified a number of issues asked that the situation be regularised. The majority of issues had been resolved and a report would be brought to the Committee in due course.

Action: Director of Finance

Vice-Chancellor
9 July 2008
Finance Committee 4 June 2008: Straightforward and reported business submitted for decision or report

1. Committees and Annual Report

   Received and noted the Minutes from the following Committees:

   Buildings Committee – 2 May 2008
   Audit Committee – 15 May 2008
   Investment Board – 23 May 2008

   Annual Report of the University Theatre Syndicate 2006-07
   and of The Executive Committee for the Theatre for the year 2006-07.

   Received under Statutes and Ordinances page 140, Regulation 4(f), and noted.

2. Accounts

   Received and noted Paper on the implications of the new
   HE/FE SORP

3. Sealings

   Received and noted.

   Paper No.