University of Cambridge  
COUNCIL  
Finance Committee  

Minutes of the meeting held on Wednesday 7 May 2008.

Present: Professor Minson in the Chair, Professor Barker, Dr Clark, Ms Coutu, Mr Johnston, Mr Pratt, Mr Reavley, Dr Reid and Mr Summers, with the Administrative Secretary as Secretary, the Registrary, the Academic Secretary, the Director of Finance, the Director of Estate Management and Mr Troupe.

Apologies were received from: the Vice-Chancellor and Ms Lowther.

Dr Dissanaike was on leave.

PART A: INTRODUCTORY

57. Procedure of the Committee – Declaration of Interest

Dr Clark declared an interest with regard to Minute 63 as an inventor and consultant.

58. Minutes

The minutes of the meeting held on 16 April 2008 were approved.

      Action: Mr Troupe to web

59. 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.

One item was unstarrred:

1. Committees - Planning & Resources Committee – Minutes of meeting held on 23 April 2008 (Minute 1030).

   The Committee noted that in future it was proposed that, for the purpose of informing target admission figures, a total undergraduate population number would be agreed, of which the Home/EU proportion would be defined so as to ensure that the University remained at an appropriate point in the HEFCE contract range. The Home/EU number approximated to the number of publicly-funded students, but the payment of the College Fee would continue to relate to the true number.

60. Future business and work plan

An updated work plan for 2007-08 was received as Paper FC(08)76.
PART B: SUBSTANTIVE BUSINESS

61. Finance and Resources

University Budget 2008-09 (final)

A paper setting out the draft Budget report for 2008-09 was received (Paper FC(08)78).

The Committee noted that:

(i) preliminary figures had been received at the previous meeting held on 16 April 2008;
(ii) replacing funds for capital expenditure currently provided by the HEFCE Infrastructure Fund (CIF) had earlier been highlighted as a major issue beyond 2011, but since the last meeting the HEFCE had indicated that CIF funding would probably continue beyond 2011 but the scale of the funding was uncertain. That being the case the issue was not emphasized in the text of the report;
(iii) the modest predicted surpluses were an important financial cushion against uncertainties and the major requirement for additional funding in the future was identified as student support;
(iv) further detail on the assumptions underlying the future predictions was provided, however it was noted that the assumptions were made at the beginning of the academic year and would require review towards the end of the academic year to inform the next planning cycle;
(v) with regard to the text of the report it would be useful to note that the major impact of the 800th campaign would be in the medium to long term rather than in the time frame covered by the Report and to ensure that the comments on NW Cambridge were consistent with previous reports and documents;
(vi) the University had a complex range of income streams;
(vii) the Government and the HEFCE had indicated £500m worth of efficiency gains by 2012 across the sector. Cambridge being 5% of the sector would suggest £25m of efficiency savings here;
(viii) the Planning and Resources Committee should investigate the apparent mismatch between the commentary accompanying the budget, the rise in Chest allocations over recent years and those Schools where there appeared to be a funding gap; and
(ix) in future years it would be useful to receive a single page showing the latest Chest forecast accompanied by a list of the underlying assumptions in advance of the first draft of the budget.

The Committee agreed to commend the budget report for 2008-09 to the Council for signature.

Action: Professor Minson

62. Financial Strategy

A paper by the Registrary proposing a process for the development of a financial strategy for the University was received as Paper FC(08)79.
The Committee noted that:

(i) developing a financial strategy would identify important strategic questions relevant to the ongoing development of the University’s institutional strategy;
(ii) in order to develop a financial strategy a Forum would be established, led and facilitated by an external member of the Finance Committee;
(iii) it would be useful if the Forum prefaced its first meeting with a list of academic assumptions and strategic aims as context; and
(iv) Ms Coutu had agreed to Chair the Forum and would discuss further the structure of the Forum, its membership and potential contributors outside the meeting. A further paper with suggested membership and a statement of purpose would be prepared for the next meeting.

The Committee agreed to the establishment of the Forum and appointed Ms Coutu as Chair.

Action: Registrary

63. Cambridge Enterprise

(a) The Pro-Vice-Chancellor (Research) and Ms Teri Willey, Chief Executive of Cambridge Enterprise Ltd. attended for this item. The Cambridge Enterprise group three year Business Plan 2008-2011 was received as Paper FC(08)77.

The Committee noted that:

(i) Cambridge Enterprise had been successful since its creation in 2006. It had outperformed, with fewer resources, its competitors in the UK and Europe and was approaching the performance of US counterparts at Harvard and MIT;
(ii) in excess of 85% of income was distributed to staff and departments according to the Distribution Policy, as a result retained income was insufficient to cover operating costs regardless of performance or scale;
(iii) 90% of current licensing income was derived from licences or inventions disclosed before 2000;
(iv) Cambridge Enterprise provided a number of services to the University such as compliance, patents and IPR work which had costs attached. Additional support was required to run the activity at break-even. It was not yet clear where the funding would come from;
(v) in 2006 the expectation was that the activity would break even within 10 years;
(vi) in 2011 there would be review of Cambridge Enterprise;
(vii) the proposed creation of the Discovery Fund would be a move away from technology transfer to venture capital and should be considered by the Research Policy Committee; and
(viii) Cambridge Enterprise had proposed an amendment to its Memorandum of Understanding, requested additional support and asked that the costs incurred providing services to the University be reimbursed.

(b) The Committee for its part:

(i) congratulated Cambridge Enterprise on its performance;
(ii) agreed that the Business Plan and the scale of the proposed venture capital investment programme be referred to the Research Policy Committee;
(iii) agreed that the request for additional financial support be referred to the Planning and Resources Committee but recognised that some or all of the additional support could be deferred until 2009; and
(iv) recognised that Cambridge Enterprise would be reviewed in 2011 and that this would be an appropriate time to review the present Distribution Policy which was very generous to inventors and departments but provided very limited return to Cambridge Enterprise.

Action: Mr Troupe

64. Purchasing

An updated Purchasing Strategy and plan was received as Paper FC(08)80. It was noted that there were a number of synergies with the Colleges, however this was not recorded in the paper.

The Committee:

(i) approved the revised purchasing strategy;
(ii) agreed that the Purchasing Working Group should report to the Value for Money Committee in future, whilst noting it also communicated with the Bursars’ Committee; and
(iii) endorsed the approach as outlined in the paper.

Action: Mr Troupe

65. North West Cambridge

Minutes of the meeting of the NW Cambridge Strategy Committee held on 16 April 2008 were received as Paper FC(08)81.

The Committee noted that:

(i) the outgoing Chief Executive of Grosvenor (Mr Jeremy Newsum) had been invited to join the NW Cambridge Strategy Committee;
(ii) the University was in the final stages of negotiation with a candidate for Project Director; and
(iii) Cambridge City Council and South Cambridgeshire District Council had proposed changes to the Area Action Plan resulting in less green space and a significant reduction in academic and collegiate accommodation. The implications were being analysed and decision would need to be taken shortly on whether to accept the changes.

The Committee approved the appointment of Mr Newsum to the Strategy Committee.

66. Finance Committee Procedure

A paper by the Registrary was received as Paper FC(08)82.

The Committee agreed in principle that:
(i) the Finance Committee would meet twice per term (six times a year) allowing it to focus on more strategic issues;
(ii) a small Finance Committee Business Sub-committee would be established to deal with preparatory and routine business; and
(iii) Finance Committee circulars would be issued for straightforward business.

A schedule of business to be dealt with by the Finance Committee (for each of its six meetings), the Business Sub-Committee and by circulation would be prepared for the next meeting. The conduct of business through the Business Sub-Committee and circulars would be regulated by appropriate protocols.

**Action:** Registrary, Administrative Secretary

67. **Cambridge Assessment and Cambridge University Press**

The Registrary informed the Committee that Cambridge Assessment were currently re-tendering for the printing of examination papers. Cambridge University Press, through its subsidiary Cambridge Printing Services, currently undertook this printing but had not been included in the final phase of the process. The Chief Executives of both organisations and the Chairs of the relevant Syndicates were meeting to ensure an orderly transition to a new supplier.

**Action:** Registrary

Vice-Chancellor

4 June 2008
Finance Committee 7 May 2008: Straightforward and reported business submitted for decision or report

1. **Committees**
   Received and noted the Minutes from the following Committees:
   
   **Planning & Resources Committee – 23 April 2008**  83

2. **Pensions**
   (a) **CPS – Formation of a Trustee Company**  84
   Confirmed proposals for the new trustee company. Recommended to Council the University-appointed directors of the trustee company.
   
   (b) **Loan Fund I – 17 April 2008. Noted.**  85

3. **Sealings**  86
   Noted.