

**FINANCE AND INVESTMENT COMMITTEE
27 March 2019**

DRAFT UNCONFIRMED MINUTES

Present:

Luke Savage (Chair)
Isabelle Jenkins

Professor Colin Bailey
Ben O'Neill

Dr Véronique Bouchet
David Russell

In attendance:

Dr Graeme Brown [for minute
2018.045 only]
Joanne Jones

Monica Chadha

Jamie Hilder [for minute
2018.042 only]

Dr Nadine Lewycky

Ian McManus
Anne Parry [for minute
2018.036 only]

Professor David Lee [for
minute 2018.042 only]

Dr Darryn Mitussis
Professor Wen Wang [for
minute 2018.036 only]

Jonathan Morgan
Mike Wojcik [for minute
2018.044 only]

Apologies:

None

Part 1: Preliminary Items

Minutes and confidential minutes of the meeting on 13 November 2018 [FIC18/26]

2018.032 The Committee **confirmed** the non-confidential and confidential minutes of the meeting held on 13 November 2018 subject to the clarification of minute 2018.023[f] to state that the Committee had approved the release of funds and **agreed** to make a recommendation to Council to approve the business case and project budget.

Matters arising [FIC18/27]

2018.033 The committee **noted** the matters arising.

Part 2: Financial Performance

Current financial position [FIC18/28]

2018.034 *Minute 2018.034 is confidential.*

TRAC return results 2017–18 [FIC18/29]

2018.035 *Minute 2018.035 is confidential.*

Review of S&E Faculty position [FIC18/30]

2018.036 The Committee **received** a presentation on the position of the Science and Engineering Faculty. The Vice-Principal (Science and Engineering) said that:

[a] *Minute 2018.036[a] is confidential.*

[b] *Minute 2018.036[b] is confidential.*

[c] Research capacity was being developed through the recruitment of senior academics with experience in securing external funding who could mentor younger colleagues. The faculty had also launched a talent scheme to appoint researchers with fellowships of £1 million or more. Researchers were identified for their fit with the faculty's strategic and teaching needs, and were expected to be able to bring existing grant funding. Thus far, 43 fellows had been appointed. The fellows were meeting as a group and were working to target major research initiatives. They would move into lectureships at the end of their fellowship funding.

[d] *Minute 2018.036[d] is confidential.*

Part 3: Financial Policy and Strategy

2019–20 Budget; Current five year forecasts [FIC18/31]

2018.037 *Minute 2018.037 is confidential.*

Financial sustainability criteria [FIC18/32]

2018.038 *Minute 2018.038 is confidential.*

Financial implications of proposed university strategy [FIC18/33]

2018.039 *Minute 2018.039 is confidential.*

Part 4: Strategic Investment

Borrowing update [Oral report]

2018.040 The Committee **noted** the oral report on borrowing from the Finance Director.

Residences update [FIC18/34]

2018.041 The Committee **received** an update on the university's residences. The following points were noted:

[a] The plan remained to guarantee safe and affordable accommodation on campus for all first year undergraduates. To ensure that the guarantee could be met, the university was seeking to secure additional rooms from a private provider, but it was proving difficult to secure accommodation below commercial rates. The current on-campus accommodation met the target for affordability but was not of sufficient quality. The university would look into the feasibility of an off balance sheet residential transaction to deliver 1000 additional beds with a private provider.

- [b] The earlier presentation on the financial implications of the university strategy did not take into account the need for increased residential space. This would form part of the Estates enabling plan which would be presented to the Committee in September. The plans would highlight the current accommodation, what the future needs were expected to be, and how this gap would be addressed.

Action: [b] Director of Estates, Facilities and Capital Development

Albert Island business case [FIC18/35]

2018.042 The Committee **considered** the business case for an Institute of Technology at Albert Island. The following points were noted:

- [a] The Committee noted the conflict of interest declared by the Finance Director who was an acquaintance of the developer. The Committee noted the conflict of interest declared by Ben O'Neill who was an employee of Greater London Authority but was not involved in the grants process. The Chair deemed that it was not necessary to excuse them from the discussion.
- [b] Queen Mary and Newham College had bid for £28 million from the Department for Education (DFE) and the Greater London Authority (GLA) for capital investment in the building at Albert Island. This would be used to set up an Institute of Technology (IoT) offering T-levels and degree apprenticeships in transport technology, part of the government's flagship programme to tackle the skills shortage in the transport sector. The two funding announcements were expected by mid-April. The university would not proceed if there was any financial risk in respect of the build or fit out. The project was being put forward to Council for approval now, as this was a condition of receipt of grant.
- [c] Heads of terms had been signed but were not legally binding. Legal and financial due diligence would be completed by September and assumptions about the costs of the build and revenue activity would be fully tested.
- [d] There was an annual shortfall of c.5000 in the number of transport engineers needed in London, which gave an indication of the size of the potential market. Companies involved in the initiative included London Regional Partners as the main development partner, the Port of London Authority, TfL, NetworkRail, GoAhead Group, Serco and London City Airport.
- [e] The Committee **agreed to recommend approval** to Council subject to the conditions set out in the proposal.

Part 5: Treasury Management and Investment

Investment managers sub-group report and tender mandate and process [FIC18/36]

2018.043 *Minute 2018.043 is confidential.*

Part 6: Matters for Report

QMSU financial statements 2017–18 and mid-year accounts [FIC18/37]

2018.044 The Committee **noted** the QMSU financial statements for 2017–18 and mid-year accounts. It was noted that:

[a] The Board of Trustees had agreed last year to improve the reserve position by a minimum of £50K, but this had not been achieved in 2017–18 due to intermittent Estates disruptions to services. Mitigating actions had been put in place to develop business at other sites and some charitable activities had been reduced. The five year plan would be reviewed and discussed with the Finance Director at a meeting in April.

QMI Annual Report [FIC18/38]

2018.045 *Minute 2018.045 is confidential.*

*Draft agenda for next meeting [FIC18/39]

2018.046 The Committee **received** the draft agenda for the next meeting on 20 June 2019. An item on the investment mandate would be added.

Action: Council Secretariat

Meeting effectiveness

2018.047 The Chair invited the Committee to reflect on the effectiveness of the meeting. The Committee agreed that the meeting had run smoothly and that the information provided in the papers had been clear.

Meetings in 2018–19

- Thursday 20 June 2019, 1530 hours, Colette Bowe Room.