

Council

Minutes

22 November 2011

Present: Ms J Evans (Chair)
Mr A Bicknell
Mr M Draper
Professor P Hughes
Dr A Kent
Mr K Lewis
Mr C North
Professor R Smith
Mr M Stevens
Ms C Swarbrick
Mr G Turner
Mr L Turner
Professor J Weinberg
Ms C Wilson
Professor Sir Nicholas Wright
Nana Adu

In attendance: Mr M Bery, Director of Finance and Resources
Mrs S Bowen, Secretary and Academic Registrar
Ms S Trubshaw, Clerk to Council and Head of Secretariat

Apologies for absence were received from: Professor Alan Johnstone, Mr Christopher Smallwood and Mrs Susan Thomas.

30. Remarks from the Chair

There were no remarks from the Chair.

31. Minutes

Received and approved: Minutes of the Meeting held on 25 October 2011.

Paper Council/2/A

32. Matters arising from the Minutes

Reported:

(i) Minute 9 (ii): Finance Report and Bank Loan Authorisation

That the Bank Loan Agreement had been signed, and the exchange would be executed shortly.

(ii) Minute 14 Joint SGUL Council/Kingston University Meeting

That the tenders for the adult nursing and physiotherapy contracts had been submitted. This had been a challenging process within short deadlines, and the Faculty of Health and Social Care Sciences (FHSCS) had produced a good business case with substantial evidence to support the quality of the proposed provision. The outcome was not yet known.

33. Report from the Principal

Received:

A report from the Principal.

Reported:

- (i) That interviews for the Dean of Research had been held on 21 November 2011. An offer had been made to one of the applicants and had been accepted in principle.
- (ii) That an appointment had been made to the post of Joint Director of Human Resources at St George's, University of London and St George's Healthcare NHS Trust (SGHT). Ms Wendy Gay was currently Director of Workforce and Education at Lewisham Healthcare NHS Trust. It was expected that Ms Gay would take up her appointment in February 2012.
- (iii) That at a recent meeting of the St George's Joint Strategy and Operations Group it had been proposed that there should be a joint Space Strategy Committee and a joint Environmental Committee.
- (iv) That the St George's Simulation Centre would be opening on 15 December 2011. Invitations would be sent to Council members.
- (v) That Professor Peter Kopelman, Principal had chaired a Steering Group on behalf of HEFCE which had considered the funding for highest cost clinical subjects following the introduction of the new scheme for tuition fees and student loans. The recommendations from the Steering Group would inform HEFCE's funding plans from 2013-2014. Ultimately the decisions on funding would be driven by the amount of funding available from the Department for Business, Innovation and Skills.
- (vi) That the Epsom and St Helier University Hospitals NHS Trust would be demerged and bids had been invited for partners for Epsom, and for St Helier and Sutton hospitals. SGHT had submitted a bid for St Helier and Sutton Hospitals, with the caveat that financially the tender was unviable without reconfiguration. The Foundation Trust application was on hold until the outcome of the bid was known.

Paper Council/2/B

Annual Accountability Return

34. Audit Committee Report

Received:

A report from the Chair of the Audit Committee of the meeting held on 8 November 2011.

Considered and approved:

The recommendation from the Audit Committee that the following contracts be awarded from 1 August 2012 for three years.

Internal Audit	Deloittes
External Audit	KPMG

Paper Council/2/C

35. Finance Committee Report

Received:

A report from the Chair of the Finance Committee of the meeting held on 10 November 2011.

Reported:

- (i) That the proposal to merge the Finance and Estates Committees should be kept under review.
- (ii) That it was suggested the Halls of Residence would be more profitable if there was a single point of management. Currently Estates were responsible for the soft maintenance and upkeep, and Registry undertook the allocation of rooms and pastoral care. It was suggested that the Commercial Manager might take responsibility for lettings. Consideration had been given to rent charges and these had been raised in the current year. Consideration was also being given to lettings during the holiday periods.
- (iii) That there was still a great deal of uncertainty around future funding, which made forecasting beyond 2011-2012 difficult. The funding letter for 2012-2013 was expected in March 2012. For future years a number of assumptions would need to be made.
- (iv) That it was noted that the total debt owed to SGUL was £8.3 million, and excluding current debt was £4.8 million. 55% of the debt owed to SGUL (£2.6 million) was more than 120 days old. Of this £979,000 is owed by the NHS. Action was being taken to secure repayment of the debt. It was noted that the 'knock for knock' arrangements (common between hospitals and medical schools throughout the UK) had been scrutinised and there was now greater transparency regarding salary recharges and space charges.
- (v) That the total anticipated Research income for 2011-2012 was forecast at c.£15 million. It was noted that most research funds were 'money in, money out' and that it was overhead recovery that contributed to revenue. This was likely to be maintained at c£1.3 million in 2011-2012.
- (vi) That the Finance Committee had recommended that the Students' Union repay the interest free loan of £210,000 that was outstanding at 31 July 2011. It was noted that there was an agreed repayment plan in place.

Agreed:

That the five year forecasts would be discussed further at the meeting of Council to be held on 13 December 2011.

Paper Council/2/D

36. Annual Accountability Return

Received:

The Annual Accountability Return timetable.

Paper Council/2/E

Finance

(i) Annual Financial Statements (Annual Accountability Return)

Reported:

The Chair thanked everyone for their contributions. A further version of the Operating and Finance Review had been circulated. It was noted that as stated in the SORP, the key audience for the Financial Statements were 'Funders and Financial Supporters'.

It was suggested that as students moved to paying greater fees that the Financial Statements might take on greater significance particularly for parents, and that there would be a need to consider the document as part of the communications strategy, to ensure that key messages were being carried consistently across the communications portfolio.

Approved for submission to HEFCE:

The Financial Statements for the year ended 31 July 2011.

Paper Council/2/F

(ii) Financial Forecast for 2011-2012 (Annual Accountability Return)

Reported:

- (a) That HEFCE only required forecasts for the current financial year at this juncture, due to the current uncertainty surrounding HEFCE's own annual settlement with BIS and outcomes of the teaching funding consultation which had yet to be concluded.
- (b) That the numbers had been scrutinised by Finance Committee on 10 November 2011. Currently it was expected that SGUL would record a deficit in 2011-2012. This had originally been forecast at £975,000, but was now forecast at £1,586,000. INTO costs and costs of the salary savings programme had contributed to the increase in the forecast deficit. It was assumed that the associated savings for the latter would start to be realised for the last four months of the year.
- (c) That the decrease in research income was noted. A Dean of Research would be appointed shortly as noted in Minute 33 (i). The recent departure of Professor Robin Shattock and his team to Imperial College had contributed to the decrease in research funding. It was also noted that the quality of research grants was important, together with the payment of overheads. Grants from charities did not include overheads, and this was provided via QR funding from HEFCE. However, not all charity funding was eligible for QR.
- (d) That it was suggested in the light of the uncertainties surrounding future funding that a more prudent approach should be taken with regard to the assumptions. It was proposed that the provisions made for Richmond Pharmacology and Research Grants should be increased by £200,000 and £50,000 respectively. Additionally it was suggested that the narrative provided with the forecast should articulate the costs that had been included in the forecast, and indicate clearly that current investment would improve future forecasts.

Approved for submission to HEFCE

The Financial Forecast for 2011-2012, subject to the amendments set out in (d) above.

Paper Council/2/G

Audit

(iii) External Auditors' Report (Annual Accountability Return)

Reported:

That the Audit Committee had considered the External Auditor's report in detail. Only three recommendations had been raised in the Management Letter, covering unallocated cash, research project administration and NHS accruals. It was noted that there were some outstanding recommendations from previous years, and some recommendations that were for monitoring purposes. The unadjusted audit differences had been considered. These fell within the level of materiality set by the External Auditors.

Approved for submission to HEFCE:

The Audit Highlights Memorandum and the Management Letter issued by the External Auditors in respect of the Financial Statements for 2010-11.

Paper Council/2/H

(iv) Internal Auditors' Annual Report (Annual Accountability Return)

Approved for submission to HEFCE

The Internal Auditors' Annual Report for 2010-11.

Paper Council/2/I

(v) Annual Report from the Audit Committee (Annual Accountability Return)

Approved for submission to HEFCE

The Annual Report of the Audit Committee for 2010-11.

Paper Council/2/J

Corporate Planning

(vi) Annual Monitoring Statement (Annual Accountability Return)

Approved for submission to HEFCE

The Annual Monitoring Statement, subject to the amendment of the numbering on page 3.

Paper Council/2/K

37. Letter of Representation

Reported:

That the Letter of Representation included a new section on the Charities Act 2006. There were two linked charities, the Eleanor Peel Chair of Geriatric Medicine Fund and the Students' Union, both were regulated by the Charities Commission, and had been disclosed as 'linked charities'. There had been no cases of fraud or suspicion of fraud.

Approved:

The Letter of Representation to be sent to the External Auditors on behalf of Council.

Paper Council/2/L

38. Any Other Business

Enterprise Activity

Reported:

That support from Council members in the dissemination of enterprise and commercial activity in SW London would be welcome. This included ideas, and more importantly contacts and possible links with local business and other enterprises.

39. Dates of Meetings

All meetings commence at 5.00 pm, in Boardrooms 1 & 2

13 December 2011

Possible Extraordinary meeting – February 2012 (TBC)

13 March 2012

Away Day – May/June 2012 (TBC)

3 July 2012

23 October 2012

20 November 2012

11 December 2012

12 March 2013

9 July 2013

SJT/29 November 2011