

MEETING OF THE COUNCIL

MINUTES (UNRESERVED)

2.00pm on Monday, 18 November 2019

Latimer Room, Clare College

Present (Reserved): Anthony, Lord Grabiner QC (Chair); Dr Jason Carroll; Dr Tim Chesters; Professor Jonathan Goodman; Dr Sian Lazar; Dr Fred Parker; Dr Oliver Shorttle; Dr Jacqueline Tasioulas (Senior Tutor); and Mr Paul Warren.

Present (Unreserved): Mr Jonty Townson (MCR President); and Mr Dan Wright (UCS President).

In Attendance: Miss Emma Easterbrook (Secretary); Dr Hubertus Jahn (between Item 4(vii) and 4(viii); for Item 4(viii)); Dr Heike Laman (Graduate Admissions Tutor) (up to and including Item 3(iii), for Item 3(iii)); and Mr Bill O'Hearn (Development Director) (between Item 3(vi) and 4(iv); and between Item 4(vii) and 4(viii); for Items 4(iii), 4(iv), and 4(viii)).

1. Apologies

Dr Maciej Dunajski; Professor John Gibson; and the Rev'd Dr Mark Smith.

2. Declarations of Interest

None.

3. UNRESERVED

(i) Minutes of 14 October 2019

Approved.

(ii) Matters Arising

None.

(iii) Graduate Admissions

The Graduate Admissions Tutor circulated a paper on Graduate Admissions statistics to the Council. She noted that in terms of gender, the final numbers were as balanced as last

year. The majority of applicants had put the College as their first choice. It was also noted that discussions in the Collegiate University continued about the number of PhD students versus Masters students, and also between the colleges on the number of PhD students accepted. The number of Masters students had reduced slightly from the previous academic year from 48% to 46%. The Council commended the Graduate Admissions Tutor for her excellent work. The Graduate Admissions Tutor formally thanked the Graduate Administrator, Mrs Jenny Colling, for her work.

(iv) **Financial Statements for the year ended 30 June 2019**

The Bursar circulated the Financial Statements for the year ended 30 June 2019. The Audit Committee carried out its review on 4 October 2019 and made a number of helpful suggestions to the text of the Financial Review which have been incorporated into the attached Financial Statements. The Financial Statements include an Operating and Financial Review (pp 6-9), the Independent Auditors' Report to the Trustees of the College (pp 14-15), and the Primary Statements in the Accounts (pp 20-23). The College adopted a new form of accounts in 2016 as a result of the introduction of Financial Reporting Standard (FRS)102. The new RCCA structure requires capital donations, as well as gains and losses from the revaluation of operational assets or changes in the market value of investments, to be shown in a new Statement of Comprehensive Income (SOCIE).

The Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus for the year of £5,828,000 compared to a surplus of £15,090,000 in 2018. Adjusting for the gains and losses on fixed assets and investments that were historically reported in the STRGL, the highlighted 'unrestricted' box on this page shows that the College reported a net deficit for the year of £824,000, compared to a deficit of £918,000 in 2018. On this 'operating before other gains and losses' basis, total unrestricted income increased by 7.8% to £13.8 million whereas total expenditure increased by 6.6% to £14.6 million. The increase in unrestricted expenditure was distorted by a £610,000 increase in unrestricted other expenditure.

In contrast, at the SOCIE level, total income decreased by 6.8% to £20.2 million, total expenditure increased by 7.7% to £17.3 million and gains on the disposal of fixed assets

and investments amounted to £5.9 million (down from £9.5 million). The decline in the total SOCIE surplus was partly due to the establishment of a £3.0 million provision for potential losses associated with the mark-to-market valuation of the 2048 inflation SWAP agreement.

The 7.8% increase in unrestricted income was largely attributable to a 41% increase in endowment return transferred to the unrestricted I&E account. The increase in unrestricted drawdown was partly due to a change in the methodology for calculating the restricted endowment drawdown to make it consistent with that used for the total drawdown. In prior years the drawdown for restricted funds had been overly generous as it had been calculated as 3% of the start of the financial year fund valuation, rather than 3% of the 3 year average value of the fund, the calculation used for the total endowment. Other factors that contributed to the increase in total unrestricted income included a £188,000 increase in conference catering income, a £119,000 increase in unrestricted donation income and £206,000 in other income.

The 6.6% increase in unrestricted expenditure was largely attributable to an increase in other expenditure. This 75% increase in other expenditure was the result of two extraordinary factors, a £439,000 increase in USS provisions and the inclusion of £123,000 of insurance premium expenditure, incurred in 2016-17 but not recorded until this year. If these extraordinary factors are excluded, the underlying increase in unrestricted expenditure was only 3.3%. Total staff costs increased by 10.6% to £7.2 million (due to the increase in USS provisions), education expenditure increased by 2.9% to £5.4 million, and expenditure from restricted funds by 8.6% to £1.4 million.

The Finance Committee had formally approved the Financial Statements and agreed that they should be ‘signed off’ by the Master. The Finance Committee also noted the Auditors’ draft Letter of Representations and agreed that it should be ‘signed off’ by the Auditors. Council concurred with the Finance Committee’s approvals.

- a. *Annual Report from the Auditor:* Council noted the annual report from PEM to the Audit Committee including the draft Letter of Representations.

The Bursar presented the up-dated Risk Register 2019-20. The Audit Committee had approved it subject to a number of recommendations. As a result of these recommendations the Bursar had incorporated a system which included a raw impact rating, a raw probability rating, and raw risk score together with a mitigated impact rating, mitigated probability rating, and mitigated risk score. The Audit Committee also recommended creating a list of the most serious risks, which will include asbestos and the financial risks associated with the Old Court project. The Finance Committee had formally approved the Risk Register 2019-20. Council concurred with the Finance Committee's approval.

(vi) **Smoking Policy**

The Dean of Students had circulated an up-dated Smoking Policy to Council. Council formally approved the Smoking Policy.

(vii) **Minutes of College Committees**

- a. Computer Committee: 14 October 2019: for note only.
- b. Environment Committee: 9 May 2019: It was noted that there had been positive feedback from the auditor during Green Impact, and that the College was considered a leading college, and was being used as an example.

(viii) **Any Other Business**

None.

4. **RESERVED**

5. **Date of Next Meeting:**

2.00pm on Monday, 20 January 2020

Latimer Room

Distribution (Reserved): Anthony, Lord Grabiner QC (Chair); Dr Jason Carroll; Dr Tim Chesters; Dr Maciej Dunajski; Professor John Gibson; Professor Jonathan Goodman; Dr Sian Lazar; Dr Fred Parker; Dr Oliver Shorttle; The Rev'd Dr Mark Smith; Dr Jacqueline Tasioulas (Senior Tutor); Mr Paul Warren; and the Governing Body.

Distribution (Unreserved): Mr Jonty Townson (MCR President); and Mr Dan Wright (UCS President).

In Attendance: Miss Emma Easterbrook (Secretary); Dr Tamara Follini (Dean of Students); Dr Hubertus Jahn; Dr Heike Laman (Graduate Admissions Tutor); Mr Bill O'Hearn (Development Director).

Emma Easterbrook
19 November 2019