

FINANCE COMMITTEE

Minutes of the Meeting of the Finance Committee held on Thursday 21st
September 2017 at 15:00 in the Faculty Building Boardroom

- Present:** Mr Chris Williams (Interim Chair)
Mr John Cullen (JC)
Professor Alice Gast, President (AG)
Ms Annabel Rudebeck (AR)
Dr Mahnaz Safa (MS)
Mr Muir Sanderson, Chief Financial Officer (MuS)
- In Attendance:** Dr Tony Lawrence, Director of Financial Management (TL)
Mrs Louise Lindsay, Director of HR & Organisational Change (LL)
- Apologies:** Mr Chris Brinsmead (Chair)
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Actions

APOLOGIES

1. Apologies were received from Chris Brinsmead.

ITEM 1 – Minutes

2. The Minutes of the Finance Committee, held on Monday 26th June 2017, were taken as read, confirmed and signed.

ITEM 3 – New College operating model

3. The Director of HR and Organisational Change outlined the ongoing work on the new support services operating model, in response to the Committee's request from the previous meeting. The objectives of the work are to improve user experience and return time back to the academic mission [REDACTED].
4. Previous attempts to address rising supports costs via recruitment freezes and hiring management consultants have been unsuccessful. The aim this time is to involve the organisation in redesigning the support staff processes to ensure the change is sustainable longer term.
5. The current operating model is devolved, with headcount and functional activity split roughly 50/50 between the centre and the Faculties. The new

operating model will consolidate the transactional activities to gain scale benefits, group specialist support to reduce hand-offs whilst also maintaining strong local customer support. Implementation will start by implementing early opportunities for process and operating model change which can then be refined further through system and on-line enhancements.

6. The Transformation Investment Board (TIB) is responsible for overseeing the change. Members of TIB are the Director of HR and Organisational Change (Chair), Vice-Provost for Education, Vice-Provost for Research, Director of Library Services, the Assistant Provost (Space), Director of Operational Excellence, Director of Financial Management, Faculty Operating Officer for Engineering (leading the Shared Services workstream) and Chief Information Officer.
7. [REDACTED]
8. Another question related to whether the College had undergone any benchmarking exercise, noting the different levels of support staff ratios apparent across the faculties. It was felt it was difficult to compare against other sectors, although benchmarking across the sector would be considered once the new operating model had been implemented to validate if the program had been successful or if there is opportunity for further stretch.
9. The Committee asked whether there was a fixed timeline for the implementation and questioned if milestones would be celebrated. The Director of HR and Organisation Change responded that it would likely be a 5-year program, but took the Committee's point that milestone successes should be celebrated along the way.

ITEM 4 – Finances of the university

10. The presentation circulated on the finances of the university was taken as read. The discussion that followed covered the College's sustainability gap, debt covenants levels and where the Finance Committee can add most value in subsequent meetings.
11. With regard to the sustainability gap, the presentation had demonstrated the cross subsidies that were present between faculties and activities. It also recognised unconstrained growth is not the optimal strategy to maintain financial sustainability, with the desired future size and profile of the College being a key question to be answered. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED].

12. The President noted that a central part of Imperial's strategy was to encourage multidisciplinary research as only by bringing together expertise from different disciplines can we solve today's global challenges. The size of Faculty was therefore driven more by its ability to contribute to Imperial's mission rather than pure financial return. This didn't excuse Faculties from having to also stay focused on revenues and cost and the College still needs to be agile to take advantage of opportunities quicker than competitors.

13. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

14. The Committee asked that for a review at the next of meeting of the College's projected cashflows, capital expenditure and performances against debt covenants until 2025. This should be a range of scenarios of how the College proposed to finance its longer term plans and maintain financial sustainability. Reviewing the funding strategy alongside key balance sheet ratios and sensitivities of the financial risks posed would provide a useful narrative.

MuS

15. The next meeting is scheduled for 22nd February 2018 at 15:00.