

SEN09D023

Title: Suspension of Planning & Resources Committee Meetings and Establishment of a Finance Group
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Issue

The reduced size of Council makes detailed consideration of financial and other issues feasible in that forum, and the Council Effectiveness Committee is recommending that for a trial period we suspend meetings of Planning and Resources Committee (PRC) and take most business directly to Council. PRC is a joint committee of Council and Senate.

Recommendation

The Committee is recommending to Council *inter alia* that for a trial period (up to December 2011, with a review in the Autumn of 2011):

1. PRC meetings are suspended;
2. the current responsibilities of PRC are reallocated as set out in Table 1;
3. a small committee "the Finance Group" (the Treasurer, one other independent member, Vice-Chancellor, Registrar & Secretary, Director of Finance) is established to undertake a number of primarily finance related responsibilities as set out below;
4. The terms of reference of the Finance Group (primarily financial) will be to:
 - a) consider the budget for the coming financial year prior to its submission to Council for approval
 - b) monitor the estimated outturn for the year (revenue, capital and cash) periodically (probably at four times in the year);
 - c) be informed of and discuss any issues which arise which will be material to the University's finances;
 - d) approve acquisition or disposal of property at values of less than £500,000;
 - e) approve tuition, residence and nursery fees;
 - f) approve borrowing of less than £500,000;
 - g) advise the Chair of Council, should the Chair be asked to act on material issues (particularly those with financial impact) on behalf of Council;
 - h) monitor the University's cash position and compliance with banking covenants.

Senate is invited to comment to Council on the proposal.

Further Information

Further information is available from the Registrar and Secretary, Mr Brian Summers, tel. 01603 592208, email b.summers@uea.ac.uk.

Timing

The recommendation will be considered by Council at its meeting on 28 June.

Background

PRC is a joint committee of Senate and Council. It performs the functions of a traditional “finance and general purposes” committee i.e. a smaller and more nimble group which can take a detailed review of important strategies and investment issues, more effectively undertake periodic financial monitoring and take some of the routine financial decisions, particularly where students (who are not members of the committee) might be conflicted.

The terms of reference for PRC are set out in the attached Table 1, together with proposals as to how these will be reallocated during the trial.

PRC membership comprises the Vice-Chancellor (Chair), Chair of Council, Treasurer, two other external Council members, two Pro-Vice-Chancellors, four Deans of Faculty, the Registrar & Secretary and two members appointed by Senate on the nomination of the Chair of Senate (the Vice-Chancellor) (currently Professors Charmley and Reynolds).

Discussion

The case for change

Much has changed since PRC (or Resources Committee as it was originally known) was conceived:

- Council is a significantly smaller body (reduced from over 40 to 17) and far more able to engage in greater detail surrounding strategy, finances and major new projects. With a larger body, even the simple process of “everybody having a reasonable say” was very time consuming. As Council has reduced in size, and as PRC has largely retained the same composition, a greater proportion of Council membership find they are rehearsing the same arguments for a second or third time, as issues move through the committee structure. Other members of Council may be reluctant to take up Council’s time by “going over old ground”.
- The Executive Team is now a more cohesive body which brings together the academic community and Senate (through the Deans and Faculty Executives) with the “administration”, with a clear focus on determining strategy in the overall best interests of the University. ET also undertakes frequent and effective monitoring of financial issues and key business processes, such as admissions.
- A number of PRC’s lesser decisions (e.g. approving posts) are now by custom and practice taken by ET.

It would seem timely to consider migrating the activities of PRC to Council and ET to reduce duplication of effort and overall numbers of committees. Additional meetings of Council may be required – five plus the Strategy Day in each year would generate two meetings in each “term” which seems appropriate.

Senate will now have representation; the Deans attend as observers at Council, Senate is well represented on ET, and Senate’s representation on Council is no less than that on PRC. The student body has always felt excluded in not having membership of PRC, and this move helps to resolve that issue.

The Finance Group

There remains a concern that if PRC is stood down the Treasurer in particular may not have adequate opportunity to monitor and evaluate in some detail the financial position of the University where Council relies heavily on the Treasurer’s understanding and interrogation of the position. It is proposed, therefore, to establish a small “working” committee which has been designated as the Finance Group with the composition and terms of reference as set out in the recommendations. It will undertake some of the current functions of PRC (in relation to acquisitions, disposals, borrowing and fees).

	Terms of Reference	Allocated to
1	advise Council on financial planning and the allocation of resources	Finance Group
2	integrate academic, financial and estates planning	VC (effectively ET)
3	recommend to Council the acquisition or disposal of property at values in excess of £500,000, and to make recommendations to Council on incurring debt in excess of £500,000	VC (effectively ET)
4	act on behalf of Council in authorising the redeployment of existing resources, the filling of new and replacement posts and the saving or incurring of other expenditure consistent with the University's plans in promoting value for money	VC (effectively ET)
5	determine levels of fees;	Finance Group
6	determine the establishment of academic posts;	VC (normally further delegated)
7	abolish posts;	VC (normally further delegated)
8	institute scholarships and prizes;	VC (effectively ET)
9	manage finance and appoint bankers;	Director of Finance within a framework approved as necessary by Council
10	invest University funds;	Director of Finance within a framework approved as necessary by Council
11	the acquisition or disposal of property at values lower than £500,000	Finance Group
12	ensure the University has the necessary infrastructure to support its work;	Council
13	approve borrowing of less than £500,000;	Finance Group
14	review the risk register annually.	VC (effectively ET) subsequently reporting to Council Strategy Day

Table 1