

## **FINANCE COMMITTEE**

**12 JUNE 2025**

### **REDACTED MINUTES FOR PUBLICATION**

A meeting of the Finance Committee was held remotely via Zoom videoconferencing on Thursday 12 June 2025 from 10.00-12.00noon.

Present:	Ros Kerslake CBE [RK] Peter McCrea OBE [PM] Dominic O'Rourke [DOR]	Vice Chair of Finance Committee
	Graeme Scott [GS]	Chair of Finance Committee (Honorary Treasurer)
	Ashley Wheaton [AW]	Vice Chancellor
Apologies:	Prof. Nick Braisby [NB] Gareth Ralphs [GR] Lyndsay Hughes (note taker) [LH]	
In Attendance:	David Balme (Chief Operating Officer) [DB] Jane Fawkes (University Secretary) [JEF] Jim Kerr (Finance Director) [JK]	

## **1) GENERAL MEETING GOVERNANCE**

### **5478      1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST**

5479      There were no conflicts of interest declared.

### **5480      1.2/ APOLOGIES FOR ABSENCE AND PRELIMINARIES**

5481      There were apologies for absence from Prof. Nick Braisby and Gareth Ralphs. It was noted that due to Lyndsay Hughes' absence the meeting was being recorded and would be minuted from the recording. It was also noted that this was the final committee meeting as UCEM and that the new title of University of the Built Environment was being adopted this week. The Board meeting on July 10 would be the first Trustee's meeting under the new institutional name.

### **5482      1.3/ MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 20 MARCH 2025**

- 5483 The minutes of the Finance Committee meeting held 20 March 2025 (paper 1.3) were **APPROVED** as a true record and signed by the Honorary Treasurer.
- 5484 The proposed redacted sections of the minutes from the meeting held 20 March 2025 were **APPROVED** and will be published accordingly on the website.
- 5485 1.4/ MATTERS ARISING AND ACTIONS SUMMARY**
- 5486 An actions summary from the last meeting was circulated as paper 1.4. The Committee **NOTED** the update on actions provided and that all were either now closed or due for further discussion during the meeting, in particular action 5406 on fees, to be discussed at agenda item 5.1.

## **2) 2024-25 FINANCIAL YEAR**

- 5487 2.1/ YEAR TO DATE PERFORMANCE 2024-25, BALANCE SHEET AND CASHFLOW FORECAST**
- 5488 JK presented paper 2.1 to the Committee which summarised the April 2025 management accounts, balance sheet and cashflow forecast relative to the approved budget for 2024-25. Overall, UCEM is on target to meet income forecast for the year and commentary was provided on the anticipated yearend position.
- 5489 JK reported that the balance between apprenticeship and non-apprenticeship income continues to swing in favour of apprenticeships. There will likely be cost savings once again on vacancies of approx. £200K by yearend. The numbers do not include the LSA transaction – these will be included as BAU from 1 August 2025 for the new academic and financial year but for the remainder of 2024-25 are considered a below the line project.
- 5490 The Committee queried performance on CPD/Professional Training which is underperforming for the year. There are still ambitions to grow this significantly in the next five-year period. A comprehensive plan will be developed for this and presented to the Board/Finance Committee in due course.
- ACTION: Present the plan for development of Professional Training to the Board/Committee. [JEF]**
- 5491 The Balance Sheet remains healthy with UCEM holding £5.7M in cash as of end April 2025. This will, however, be offset by the LSA cash outgoings and the proposed deficit budget for 2025-26.

5492 The Committee **NOTED** the April year to date financial position against forecast, the April 2025 Balance Sheet at paper 2.1b, and the cashflow forecast for the remainder of FY2024–25 and for FY2025/26 to FY2028/29.

## **5493 2.2/ LSA FINANCIAL INTEGRATION INTO UCEM**

5494 DB presented paper 2.2 to the Committee which summarised the current position in terms of the LSA's financial integration into UCEM and the ongoing work to complete full integration by September 2025.

5495 DB reported that there have been some unexpected costs but nothing that substantially deviates from the provisions already made to cover the merger.

5496 REDACTED

5497 REDACTED.

**ACTION: REDACTED**

5498 The Committee also queried how new student recruitment to the LSA programme was progressing for the autumn 2025 intake. REDACTED

5499 The Committee **NOTED** the initial budgetary position with LSA and the plans to be fully integrated financially by the early part of the FY26 academic year in September 2025. The LSA integration project as a whole will be reviewed by the Board in July 2025.

5500 The Committee requested that the LSA financials be presented as a separate P&L through 2025/26 so its performance can be more specifically tracked. Separate cost centres and budget codes have been established for this.

**ACTION: Present LSA financials in a separate P&L through 2025/26 for performance tracking purposes. [DB/JK]**

## **3) 2025–26 FINANCIAL YEAR**

### **5501 3.1/ P&L BUDGET FOR 2025–26 and 3.2/ INVESTMENT PROPOSALS**

5502 JK presented paper 3.1 to the Committee which presented a proposed budget for the 2025–26 financial and academic year for the Committee's consideration.

5503 REDACTED

5504 REDACTED

5505 REDACTED

5506 REDACTED

5507 REDACTED

5508 The Committee **PRE-APPROVED** a budget for 2025-26 of REDACTED

**ACTION:** REDACTED

5509 The Committee **NOTED** the total investment proposals as presented over the five-year plan in the strategic investment model and that the sums in each year would change with the revised phasing to be planned in work to now be undertaken by the Executive Team. The Board will also be provided with the five-year aggregate view in the papers presented to them in July. The Committee also **NOTED** the Project Review Board approach that will be taken to managing the investments processes throughout the period.

## 4) PROPERTY

**5510 4.1/ REDACTED**

5511 REDACTED

5512 REDACTED

5513 REDACTED

5514 The Committee also **NOTED** that the health and safety remedial works required to remain compliant with UK legislation at Shinfield Grange have all been completed.

5515 Ashley Wheaton left the meeting at the close of this item.

**5516 4.2/ UCEM ESTATES STRATEGY**

5517 DB provided a verbal update on plans to develop a UCEM Estates Strategy during 2025, but work has not taken place as yet. This workstream has been delayed by the LSA merger work and needs to properly reflect the plans of the business. DB is taking advice from a former colleague at Sunderland University who recently retired from the role of Director of Facilities at Newcastle University REDACTED. DB now needs to better understand the design of the institution going forward and the spaces needed for the various activities it undertakes in a very holistic way. The institution is not yet in a position to define its needs in such a way that would allow a meaningful Estate Strategy to be developed at the current time. The space and capacity to undertake the pre-work is required first to inform it.

- 5518 The Committee **NOTED** the proposed approach to development of an Estates Strategy and the aim is to have something prepared and ready for consultation with the Committee by the end of the calendar year.

## 5) FINANCIAL GOVERNANCE

### 5519 5.1/ ANNUAL FEE REVIEW

- 5520 Stephen Bartle joined the meeting for this item of business.

- 5521 The Committee was presented with UCEM's Annual Fee Review proposals in paper 5.1. The Committee was reminded that fees are already fixed for the coming academic year but can be amended (in some cases) for the 2026-27 year and beyond, at UCEM's discretion but within certain pre-determined boundaries. SB summarised the proposals as per the paper.

- 5522 The Committee **NOTED** the current market and regulatory position with fees for undergraduate, postgraduate and apprenticeship programmes.

- 5523 The Committee **APPROVED** the proposed approach to fee-setting for the academic years 2026-27, which were proposed in line with the University's five-year income plan submitted in the Annual Financial Return to the OfS, and included:

- Raising MSc Real Estate fees by 3.4% to £1,500 per module and all other module fees at PG level to £1,425.
- Setting fees for research degrees at UKRI standard rates for 2025/26.
- Concluding the fee-setting process by confirming the undergraduate non-apprenticeship fee and the LSA Master of Architecture (Part 2) at the new regulatory limits when they are announced by the DfE later this year.
- Implementing the additional fee for HK students starting new hybrid programmes in 2026/27 in line with ongoing discussions with the new APAC Director Andy Chan.
- No changes to apprenticeship fees until Autumn 2025 when more is known on the likelihood of the integrated EPA being adopted for the Chartered Surveyor standard.

- 5524 The Committee discussed the potential for making annual inflationary rises to student fees throughout the lifetime of a student's study with UCEM. The Executive were not in favour of adopting such a policy and reminded the Finance Committee this had been discussed by the Committee several times in the past.

- 5525 The Chair thanked Stephen Bartle for his contributions and invited him to leave the meeting.

**5526 5.2/ PENSIONS UPDATE**

5527 JK provided an annual update on all UCEM pension arrangements, costs, valuations and liabilities, as per the Terms of Reference for the Committee. Paper 5.2 was jointly prepared by Lisa Wilks, Director of HR.

5528 The paper advised that 72 staff are in the USS scheme (more expensive scheme), the Prudential Scheme has 15 members and is closed to new entrants (legacy scheme) and all other staff are in the People's Pension scheme. There is also a different pension scheme for Hong Kong employees. The USS scheme is moving to salary sacrifice for contributions from this month. It no longer carries a liability on the Balance Sheet as it is no longer in deficit. The costs associated with all the schemes were provided in the paper based on total salary rather than auto enrolment qualifying earnings.

5529 The Committee **NOTED** the individual and overall healthy position regarding UCEM's pension schemes.

5530 The Committee **NOTED** there is no longer a current requirement for a provision on the balance sheet for USS since the scheme is no longer in deficit.

**5531 5.3/ FORVIS MAZARS AUDIT STRATEGY MEMORANDUM**

5532 JK presented the draft Forvis Mazars Audit Strategy Memorandum for the 2025 Audit to the Committee (paper 5.3). The Committee was advised that the Audit Committee had reviewed the document in detail at its May 2025 meeting as per its Terms of Reference and were content to recommend it for full Board approval on 10 July 2025, with the Finance Committee's mutual endorsement.

5533 JK reported that the memorandum takes into account the addition of LSA to the institution with some extra costs factored in to integrate them into the group audit. They are also likely to focus on EPA and Shinfield Grange as per previous years. JK does not anticipate any issues with the work to be undertaken.

5534 The Committee **CONFIRMED** its support for the Audit Strategy Memorandum, proposed approach to Audit in 2025 and fees quoted and that it will now be presented to the Board of Trustees for final approval on 10 July 2025.

5535 The Committee **NOTED** that the Audit Partner for UCEM at Forvis Mazars will remain as Helen Knowles in 2025 (her second year), that audit work will take place for two weeks commencing 8 September 2025 and that reporting is due to the Joint Audit and Finance Committee taking place on 13 November 2025.

- 5536 GS reminded the Committee that there is an intention to prepare a glossy brochure version of the Annual Report and Financial Statements in 2025, to act as a marketing document for the institution. It was noted this will take increased effort and cost to produce and will need fully planned out.

**ACTION: Plan for an enhanced Annual Report and Financial Statement glossy document in 2025. [JEF/DB]**

## 6) ANY OTHER BUSINESS

### 5537 6/ ANY OTHER BUSINESS

- 5538 No other matters of business were raised, and the Honorary Treasurer thanked all members for their attendance at the meeting.

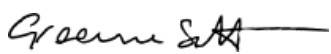
## 7) MEETING CLOSE

- 5539 The Honorary Treasurer closed the meeting at 11.45am.
- 5540 The date of the next Finance Committee meeting will be Thursday 13 November 2025.

## 8) MATTERS FOR NOTING

- 5541 The Committee **NOTED**, as per paper 8.1, the Sarasin & Partners Quarterly Performance Report for Q1 2025 dated 31 March 2025, at which point UCEM had a total portfolio value of £9,110,475
- 5542 The Committee **NOTED**, as per paper 8.2, the OfS Financial Return 2025 deadlines. The Committee **NOTED** that it has now been confirmed that LSA will need to be included within the 2025 return from the point of Transfer/Completion of the transaction.
- 5543 The Committee **PRE-APPROVED** the letter of grant from UCEM to UCEM Asia Ltd of £565,000 for the 2024-25 financial year to allow audit work to commence, noting this would be refined in the autumn to a final sum of grant. The Chair of the Board gave his permission for the letter to be issued with his signature.
- 5544 The Committee **NOTED** that the bank mandates were now fully up to date and accurate with both NatWest and Sarasin and Partners. It was highlighted, however, that the authority level for UCEM Asia Ltd was down as HK\$128M which is £12M. JK checked this and confirmed this is how the account and associated authority was established and that changing anything is notoriously difficult and bureaucratic in Hong Kong. The balance

for the account is kept deliberately low at around £20K so this is not considered a significant issue. The Committee noted that Nick Hughes is now the Board of Trustees representative on the UAL Board of Directors.

Signed 

Name Graeme Scott

Position Chair of Finance Committee / Honorary Treasurer

Date 13 November 2025