University of the Built Environment
EST. 1919

Patron: His Majesty King Charles III

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FINANCE COMMITTEE
11 MARCH 2026
REDACTED MINUTES FOR PUBLICATION

A meeting of the Finance Committee was held remotely via Zoom videoconferencing on Wednesday 11 March 2026 from 13.00-15.30pm.

Present:	Prof Nick Braisby [NB]	
	Ros Kerslake CBE [RK]	
	Dominic O'Rourke [DOR]	Vice Chair of Finance Committee
	Graeme Scott [GS]	Chair of Finance Committee (Honorary Treasurer)
	Prof. Ashley Wheaton [AW]	Vice Chancellor
Apologies:	Jane Fawkes [JEF]	University Secretary
In Attendance:	David Balme [DB]	Chief Operating Officer
	Stephen Bartle [SB]	Pro Vice Chancellor Commercial (for item 4.2 only)
	Lyndsay Hughes [LH]	Note taker
	Jim Kerr [JK]	Finance Director

1) GENERAL MEETING GOVERNANCE

5638 1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST

5639 There were no conflicts of interest declared.

5640 1.2/ RECORDING OF THE MEETING

5641 The Committee members gave their consent to the recording of the meeting within Zoom in order to support minute taking and on the basis that the recording is deleted thereafter.

5642 1.3/ APOLOGIES FOR ABSENCE

5643 There were apologies for absence from Jane Fawkes.

5644 1.4/ MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 13 NOVEMBER 2025

5645 The minutes of the Finance Committee meeting held 13 November 2025 (paper 1.4) were **APPROVED** as a true record and signed by the Honorary Treasurer.

5646 The proposed redacted sections of the minutes from the meeting held 13 November 2025 were **APPROVED** and will be published accordingly on the external website.

5647 **1.5/ MINUTES OF THE JOINT AUDIT AND FINANCE COMMITTEE MEETING HELD ON 13 NOVEMBER 2025**

5648 The minutes of the Joint Audit and Finance Committee meeting held 13 November 2025 (paper 1.5) were **APPROVED** as a true record. They will be signed by the Chair of Audit Committee once approved through that Committee in May 2026.

5649 The proposed redacted sections of the minutes from the Joint Audit and Finance Committee meeting held 13 November 2025 were **APPROVED** and will be published accordingly on the external website once approved and signed by the Audit Committee in May 2026.

5650 **1.6/ MATTERS ARISING AND ACTIONS SUMMARY**

5651 An actions summary from the last meeting was circulated as paper 1.6. The Committee **NOTED** the update on actions provided and that all were either now closed, due for further discussion during the meeting, or in hand for future reporting.

5652 The Honorary Treasurer referred to action 384 from the Joint Audit and Finance Committee which requested income by programme be presented to the Committee. DB responded that initial business scoping has been undertaken on this work as per the productivity update at paper 5.6 and will be further reported to the Committee once completed.

2) 2025-26 FINANCIAL YEAR

5653 **2.1/ YEAR TO DATE PERFORMANCE 2025-26 VS APPROVED BUDGET**

5654 JK presented paper 2.1 to the Committee which summarised the January 2026 University management accounts, LSA P&L, University balance sheet and University cashflow forecast relative to the approved budget for 2025-26.

5655 JK reported that YTD is ahead of budget on income due to strong new student recruitment in the autumn and a higher-than-expected teaching grant from the OfS (of approx. £100K). The YTD position is also underspent on costs in the areas of staff vacancies, unused FY25 bonus provision and some underspend on expenses which are not being spent as profiled/anticipated when budgeting for the year. REDACTED The Balance Sheet and cashflow forecast remain healthy.

5656 The Committee queried if the underspend was a concern, specifically questioning the underspend in learner support for apprentices. This underspend is a genuine saving and represents a budget provision which was made, and which has not been taken up by apprentices. There are also some areas of the business where underspend may catch up further by year end, such as IT. The primary driver of institution underspend remains inaccurate budget forecasting by budget holders through the budget planning process. The team is looking to address this through the planning process for 2026-27 which is now commencing and then budget holders will be held to account to manage to a number rather than within a number, which is a change in mindset and approach. The Vice Chancellor also commented on the institution's challenges with absorbing and spending new/additional investment in year when outperformance is achieved in the early part of the year.

5657 The Committee was reassured that the underspend is not driven by operational problems. The Committee congratulated the institution on another excellent emerging financial position for the year. The impact of the gain on student retention and continuation in particular is to be acknowledged. There is now an overall rate of 97.3% on module success rates. In addition, some gains have been made on EPA income yield which have contributed to the overperformance.

5658 The Honorary Treasurer commented on the disappointing performance in terms of LSA income this year and queried the confidence levels for meeting the targets next financial year. The Vice Chancellor replied that the University expects to meet the targets for 26/27 because the issues experienced this year emerged due to the late completion of the merger. This adversely impacted the Practice Network, but this has been a significant area of focus for the intake in the year ahead and has been built back up. The five-year plan recognised that both the first and second year post-merger could be impacted in terms of overall income generation, but there are signs this may be limited only to year one and that building back confidence in the brand is well underway.

5659 The Honorary Treasurer also queried why debtors had grown by approx. £1.5M YoY and was informed this was partly down to End Point Assessment (approx. £700K) and on-programme payments for apprenticeships (approx. £100K) where numbers have grown. Debtors also include the LSA cash balance of £240K. None of these matters are concerning to the institution.

5660 It was suggested Professor Lee Ivett should be invited to a future Board meeting to provide an up-to-date overview of the LSA operation, integration and future plans.

ACTION: **Invite Prof. Lee Ivett to present to a future Board on the LSA operation and future plans. [JEF]**

5661 The Committee **NOTED** the January year to date financial position against approved budget at paper 2.1a REDACTED, the LSA P&L at paper 2.1b, the January 2026 Balance Sheet at paper 2.1c, and the cashflow forecasts for FY2025-26 and for FY2025/26 to FY2029/30 at paper 2.1d.

5662 2.2/ FORECAST 2025-26

5663 JK presented paper 2.2 to the Committee which summarised work undertaken in January to reforecast to year end for 2025-26 (paper 2.2).

5664 JK reported that the budgeted deficit of £790K has been improved upon with the forecast now showing REDACTED, largely as a result of income overperformance in the autumn semester (£850K improvement in total from £25.6M to £26.4M). The Committee requested enhanced presentation in the future of the split in performance between operating BAU and investments, with a further clear split and tighter definition in what is underlying operating surplus, what is spend to improve service and what is spend that is genuine business investment to generate more income in the future (or less spend later on). This presentation would help the Trustees to understand how healthy the underlying business is and the intended impact of new spend. DB assured the Committee this work is underway and is part of budgeting and planning across a 3-year cycle this year.

ACTION: **Improve the presentation of in year financials to better differentiate between operating surplus and types of investment. [DB/JK]**

5665 The Committee **NOTED** the overperformance in both new and retained students, particularly apprenticeships, and the overall improvement in the forecast of REDACTED

3) PROPERTY

5666 **3.1/ REDACTED**

5667 REDACTED

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5671 **3.2/ REDACTED**

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4) FINANCIAL GOVERNANCE

5678 **4.1/ THE GILLES REPORT – FINANCIAL FINDINGS AND THEIR RELEVANCE TO UNIVERSITY OF THE BUILT ENVIRONMENT**

5679 The Committee considered the Gilles Report and the overview of financial and risk-related findings within the report and their relevance to the University (paper 4.1). Any findings relative to wider governance is being considered through other Committee meetings. Overall, the University is considered compliant and in a far better position than Dundee was, but there are areas that could be strengthened and some actions are proposed to this effect.

5680 Whilst it was accepted that the issues at Dundee were significant and very different to UBE's, the Committee suggested that an overarching report to the Board on the Gilles findings, the UBE position relative to them and the wider applicability learning from the report would be useful, covering all aspects. The purpose of this would not be to look to increase workload and reporting, but to demonstrate that what UBE does is sufficient and to encourage a culture of challenge and questioning, which does need to be openly in place and functioning.

ACTION: **Bring a consolidated and holistic report to the Board in July 2026 regarding the institutional response to the Gilles Report and applicable lessons learnt that can be taken forward at UBE. [JEF/DB]**

5681 The Committee **NOTED** the responses to findings provided in paper 4.1 and **AGREED** that the narrative provided gives appropriate assurance over the University's operating practices in relation to the financial and risk related matters raised within the Gilles Report.

5682 4.2/ UCEM ASIA LTD REVIEW – FINANCIAL ASPECTS

5683 Stephen Bartle, Pro Vice Chancellor Commercial, joined the meeting for this item of business.

5684 The Committee was reminded that the Board would be undertaking a planned review of the UCEM Asia Ltd entity and Hong Kong operations on 26 March 2026 (potentially postponed to July 2026 due to the Ofsted Inspection from 17-20 March 2026) and that ahead of this full and broad review, the Board Leadership Group had requested that Finance Committee specifically reviews the financial elements of performance to date so it can feed observations into the wider discussion. The financial review of performance was provided in paper 4.2.

5685 SB recapped the approved strategy with regards to UCEM Asia Ltd and that the new blended delivery model is due for launch for autumn 2026 (subject to regulatory approvals being secured). The financial performance to end January 2026 was provided in the paper and it was noted that this is relative to starts on existing programmes of study, offered in UBE's standard delivery model. This shows a significant underperformance vs target for the year and is expected to end at £150K below budget. However, over the life of the approved 5-year plan that is being put in place, the expectation is to attract significantly higher student numbers on higher fees associated with blended delivery. The original plan forecast is still applicable in totality, but for the 2026/27 year the target was reduced from 180 new students to 135. The blended delivery model being put into operation currently is the essential element in this plan being achievable. The reduced target in 2026-27 is compensated for in other areas of new student targets for the 2026-27 financial year.

5686 REDACTED

ACTION: REDACTED

5687 REDACTED

5688 REDACTED

5689 The Chair thanked SB for his contributions and invited him to leave the meeting.

5690 4.3/ COSTING THE STRATEGY – AN UPDATE

5691 The Committee was presented with an update on the work to date to cost the strategic plan as per paper 4.3. The paper introduced a discussion aimed at agreeing an acceptable budget outturn from several possible options in order to provide clarity to the Executive Team for planning and budgeting in the years ahead.

5692 The Honorary Treasurer proposed an option 2b as a hybrid between options the 2 and 3 presented in light of the approved Strategic Plan statement that 'growth would be funded through retained surpluses rather than capital depletion' and reminded the Committee that its role was not to agree, approve or otherwise change approved Board strategy and policies. It was further noted, however, that the strategy had been approved in total absence of any costings which was less than ideal. The approach can be changed but that would be for Board to agree, not Finance Committee.

5693 Discussion in response to the paper and the Honorary Treasurer's comments included:

- The Vice Chancellor queried whether this 2b approach would include retained surpluses from prior years/underspend from those years or only in-year surpluses/over-performance only and when the cut-off would be.
- What projects are the Executive seeking to have approved for investment to deliver the strategy? The ask is too open currently but paying out of cash surplus in a given year was acknowledged as inhibiting and that more flexibility would be required.
- It would be helpful to have investment proposals associated with the strategy set out clearly to Trustees in a clearly categorised list with those items that are considered essential first and with associated timeframes / financial implications.
- A review of the current reserves policy is required – what is the appropriate holding for the University at its current size and with its further growth plan and with the potential future challenges to come. Given the University had £27M across restricted and unrestricted reserves at end FY25, which broadly matches the 12-month spend, how much of the reserves is it feasible to spend on investments?
- A methodology to demonstrate return on investments is required.
- Given any deficit position would place the institution on the OfS radar, a zero surplus zero deficit position should be the start point to budgeting. Thereafter prioritisation relative to the approved strategy should be presented to the Board for approval.

5694 It was acknowledged the institution needs to provide clearer rationale and costing for all proposed investments and some scenario planning on reserves, but equally the Committee needs to provide a clear steer to allow planning to take place and the appropriate reserves approach to be agreed. It was proposed the full approach to costing the strategy, taking into consideration the feedback provided, should be presented for the Board's strategic discussions later in 2026.

ACTION: **Present greater detail and proposed approach to costing the strategy to the Board's strategic discussion later in 2026. [AW/DB]**

5695 For budgeting for 2026/27, it was suggested that the Executive must aim for a breakeven position until the broader debate around the associated reserves position is held, even if this means a delay to any investment projects the Executive may have wished to present for 2026/27. If individual projects for investment are approved by the Board separately to this, then the budget can be flexed/changed accordingly in year.

5696 The Committee **AGREED** that of the four options proposed as an approach to investment, its preference was for option 2 and a breakeven approach to budgeting in 2026/27.

5697 4.4/ INVESTMENTS

5698 DB provided a brief update on work to source alternative deposit facilities for the University's healthy cash at bank (paper 4.4). The proposal being to source two bank deposit accounts of approx. £1M each, in order to remain within the confines of the current Treasury Management Policy and the level of risk the Finance Committee is prepared to accept but high street banks require customers to open a current account.

5699 The Honorary Treasurer proposed that the simplest solution was actually to open just one further deposit facility at a high street bank and put £2M into it and update the Treasury Management Policy to allow for this alternative maximum instead. This will meet the intended aim of diversifying to reduce risk but not overburdening operations.

5700 The Committee **AGREED** that the University would seek just one further deposit accounts for £2M of its surplus cash at bank. It noted that that new deposit takers 'know your customer' requirements will need to be complied with in order to open this additional account.

ACTION: **Open one further deposit account at a high street bank for £2M of the University's cash at bank surplus to diversify risk and update the Treasury Management Policy. [JK]**

5701 4.5/ BURSARIES PROVISION REVIEW

5702 JK presented paper 4.5 which outlined the level of bursaries provision currently in place and the potential, as part of wider investment discussions and decisions, to increase this in line with the growth of the institution/student numbers and in support of the University's charitable mission. The University is likely to allocate a total of £125K for bursaries in 2025/26.

5703 Whilst the University would ideally increase the amount of bursaries it awards, given the challenges in the context of costing the strategic plan, increasing the sum in isolation of these wider decisions would not be considered wise. It was agreed this should be considered in the wider costing the strategy work.

5704 The Committee **ENDORSED** the actions taken to increase bursary spend so far in 2025-26. In consideration of whether existing spend levels remain appropriate, the Committee **AGREED** that it would retain this at the current level but keep this under regular review, and specifically as part of the strategic investments and reserves discussions to be presented to the Board later in 2026.

5705 4.6/ PROFITABILITY UPDATE

5706 DB provided a brief overview of the work being delivered in terms of productivity initiatives across the University, covering areas within LSA integration, apprenticeships delivery, module / programme costing and academic delivery model (paper 4.6).

5707 It was noted that some quick wins are being made and some opportunities for real step changes in this work streams are also now emerging. Work on module and programme costing will continue so that greater detail can be presented to the Committee in the medium-term future. The Committee urged the Executive to continue to try and break the continual alignment and co-dependency between income increases and expenses increases to increase margin and allow for investment back into the institution.

5708 The Committee **NOTED** the updates on various strands of productivity project work underway in the areas of LSA, apprenticeships, module/programme costing and academic delivery model.

5) ANY OTHER BUSINESS

5709 5/ ANY OTHER BUSINESS

5710 No other matters of business were raised.

6) UNIVERSITY OF THE BUILT ENVIRONMENT INVESTMENTS

5711 6/ SARASIN & PARTNERS ANNUAL UPDATE ON INVESTMENT PERFORMANCE

5712 The Committee was advised by the Chair that Sarasin & Partners had been unable to join the meeting to present their annual review following the date change to 11 March 2026. The Chair had a meeting with them independently to hear the update and provided some context on this to the wider Committee, with reference to the papers 6.1 and 6.1a-6.1c. Overall, the performance can be summarised as Sarasin's having overperformed versus their target last year but underperformed in the current year to a broadly net position at this time. Overall, the Honorary Treasurer considers there is no cause for concern at the current time, and the Committee did not feel a Sarasin presentation at the next meeting would be required. It was acknowledged that the outbreak of war between the USA and Iran in the last week would likely have a significant impact though. It was noted that as of 31 January 2026, the University's total investment was £9,726,042 (vs £9,640,792 at end February 2025).

5713 The Committee **NOTED** the latest investment fund valuation report for Q4 of 2025 and the annual fund performance reports.

5714 The Committee **NOTED** that as per the action taken at the last meeting, the income mandate for the investment fund has now been amended so that profits from the fund are reinvested into the portfolio rather than taken as income.

7) MEETING CLOSE

5715 The Honorary Treasurer thanked all members for their attendance and closed the meeting at 15.05pm.

5716 The date of the next Finance Committee meeting will be Monday 22 June 2026.

8) MATTERS FOR NOTING

5717 The Committee **NOTED**, as per paper 8.1, that the Financial Return 2025 had been fully and successfully concluded. The Committee further **NOTED** that an interim Financial Return is now required, largely focussing on cash flow expectations over the next twelve months, with a submission deadline of 2 April 2026. This will be achieved without issue and will not require approval from the Committee.

Signed

Name Graeme Scott

Position Chair of Finance Committee / Honorary Treasurer

Date 22 June 2026