

**Minutes of the meeting of the Finance and Investment Committee
held on Thursday 7 March 2024, 4:00 PM — 6:00 PM GMT
1B16, Technopark**

Present

Vinay Tanna (*Chair, Independent Governor*)
Tim Fransen (*Staff Governor*)
Abdirahim Ibrahim (*Student Governor*)
Ola Obadara (*Independent Governor*)
Jeremy Parr (*Independent Governor*)
David Phoenix (*LSBU Vice-Chancellor and Group CEO*)

Apologies

Jennifer Thomson (*Independent Governor*)

In attendance

Simon Cruickshank (*Group Chief Financial Officer*)
Graeme Dunn (*Interim Director of Financial Performance*)
Amy Eden (*SU CEO*) (*for item 5 only*)
Deborah Johnston (*Deputy Vice-Chancellor, Academic Framework*)
Nicole Louis (*Chief Operating Officer*)
Matt Myles-Brown (*SU Deputy CEO*) (*for item 5 only*)

Sam Curtis (*Company Secretary*) (*via MS Teams*)
Ola Dejo-Ojomo (*Governance Officer*)

Observer

Andreas Raffel (*Chair of the Board of Governors*) (*via MS Teams*)

1. Welcome and apologies

The Chair welcomed everyone to the first meeting of the Committee.

2. Declarations of interest

No interests were declared on any item on the agenda.

3. Minutes of the previous Major Projects and Investment Committee meeting

The Committee **approved** the minutes of the previous Major Projects and Investment Committee meeting of 27 November 2023 and their publication as redacted with minor amendments.

4. Matters arising from Major Projects and Investment Committee

The spin-out company has been set up with LSBU owning 20%.

The Vice-Chancellor agreed to provide an update to the Committee once the full details have been established.

All other matters arising were either complete or on the agenda for this meeting.

Items to discuss

5. **Students' Union income and expenditure annual report - with Amy Eden**

The South Bank Students Union (SBSU) CEO presented the Students' Union's (SU) audited financial statements which highlighted that the SU continued to be a going concern with an operational surplus [REDACTED] with an appropriate level of reserves.

The Committee **noted** the annual report.

6. **Management accounts to 31 January 2024**

The Committee considered the management accounts for January 2024 and the current forecast [REDACTED] for LSBU.

The Committee noted that most of the students who have not engaged with measures to address fee arrears are international students.

The Committee noted the change in government policy towards the end of 2023 had impacted the sector with some institutions reporting a 30-50% reduction in January recruitment from international students. These changes would not yet have been reflected in the January 2024 forecast and it remained to be seen how the change in policy coupled with the cost of living would impact 2024/25 intake.

The Committee noted that a debt collection service is contracted to collect outstanding fees from students who have been removed from the register.

There is also a reduction in core staffing costs, some of which is due to a reduction in research enterprise.

The Committee also noted the current environment and forecasting assumptions could contribute to a significant cumulative shortfall and queried if a [REDACTED] buffer could be created over the next 6-8 months. The Vice-Chancellor noted that this would be one of the considerations during the next Strategy Day.

The Committee **noted** the report.

7. **Estates development update includes:
- updated legal risk schedule**

- **due diligence on Long Harbour**
- **approvals timeline**

The Committee considered a report outlining 'progress to date' on the delivery of the Estates Development Projects.

The Committee also noted the following updates since the paper was circulated:

SBC Nine Elms Block B&D – Returns on the tender application released in November 2023 had been received. The Estates Team is working on recommendations based on the returns, which would be reviewed by the Vice-Chancellor, Chief Operating Officer and Group Chief Finance Officer before being considered by the Board.

Land Transaction – the planning application was agreed by LB Lambeth Planning Committee on 27 February 2024. The developer is progressing with the decant to the three modular units.

The Committee were advised that the deadline for judicial review on this decision is 23 April 2024.

The Committee **noted** the report and updates.

8. **TSAAMs programme briefing**

- **costed risk register**
- **key milestones and phasing of the project**
- **measures for success and performance monitoring**

The Committee considered an update on the progress of the TSAAM programme, including an outline of key risks.

The project is currently running slightly behind schedule, mainly due to lack of staff availability driven by BAU workload and priorities. Despite the delay, there is currently no overspend and the project remains in the green/amber stage.

The Committee **noted** the report.

9. **Financial risk mitigation options in worst-case scenarios**

The Committee considered a paper outlining theoretical options in financial worst-case scenarios. The Group CFO noted that this was part of prudent financial management, regardless of an institution's current or forecasted position.

The Group CFO also outlined the following considerations:

- The updated treasury management policy and overdraft proposal (minute 11);

- The proposed sale of halls of residence on New Kent Road, which had not been occupied for a number of years;
- The potential of a [REDACTED] cash boost from the [REDACTED]. Although this would have a material impact on the Group's cash position, it was not currently included in any of the financial forecasts.
- The possible renewal of the revolving credit facilities in 2026, though there would be less reliance on this if the [REDACTED] is completed.

The Chair requested that the Committee receive a regular update on progress at each meeting.

The Committee discussed how the scenarios feed in with the estates masterplan, and the challenges of anticipating the size of the university in the short, medium and long term in light of recent changes to government policies that have been already seen sector-wide changes to the international student intake.

The Chief Operating Officer confirmed that the Group has appointed external assistance with the estates strategy.

The Committee **noted** the report.

Items to note

10. **National and international partnerships update**

The Committee considered an update to the national and international strategy to overcome key challenges of the cost of future growth. The Committee **noted** the report.

11. **Treasury management report and policy update**

The Committee noted the revisions to the treasury management policy.

The Committee noted the importance of an up to date policy, given the various transactions that are occurring within the group.

The Committee **approved** the updated policy.

The Committee considered and **approved** a proposal for an overdraft facility of [REDACTED] to assure access to liquidity should unforeseen circumstances arise beyond current forecasts.

12. **Consideration of new committee arrangements**

- **Approved committee terms of reference**
- **Committee annual work plan**

The Committee **noted** the terms of reference which had previously been agreed by the Board.

Responding to a query from the Committee, the Vice-Chancellor advised that whilst budget delivery for SBC is agreed by its board, the overall budget for SBC would be approved by this Committee. Any negative variations in the budget would be reported to this Committee.

The Vice Chancellor and the Company Secretary would review the work plan in light of the new committee structure.

- . **Supplementary items**
- 13. **Debt covenant monitoring and breach risk management plan**

Date of next meeting
4:00 pm on Wednesday, 8 of May 2024

Confirmed as a true record

..... (Chair)