LASE Finance and Estates Committee Terms of Reference

1. Constitution

1.1 The Finance and Estates Committee is a committee of the Board of Governors, operating under delegated authority.

2. Scope

2.1 The role of the Finance and Estates Committee is to monitor the financial performance of London and South East University Group (LASE) on behalf of the Board of Governors and oversee the implementation of LASE's Estates Strategy. This includes reviewing financial statements and financial forecasts, monitoring performance in relation to approved budgets, monitoring the investment portfolio and making recommendations to the Board of Governors to ensure the long term financial performance and sustainability of the University Group. The Committee approves business cases in line with the limits set in LASE's Delegation Framework.

3. Membership

3.1 The membership shall comprise no fewer than five Governors and not more than eight Governors, a majority of whom should be Independent Governors:

- Two Independent Governors (who are not the Chair of the Board of Governors) appointed by the Board of Governors to act as Chair and Vice Chair;
- The Vice Chancellor and Chief Executive Officer;
- The Chair of the Board of Governors;
- 1-4 other Governors appointed by the People and Nominations Committee.

3.2 No member of the committee may also be a member of the Audit and Risk Committee.

3.3 Members of the Finance and Estates Committee (other than those serving ex officio) shall normally be appointed to the Committee for a term of three years and are eligible for re-appointment. Membership shall cease on expiry of the member's terms of office on the Board of Governors.

3.4 The quorum is three members, the majority of whom must be Independent Governors.

4. Attendance at meetings

4.1 The following role holders shall normally attend meetings but are not members of the Committee:

- Group Chief Financial Officer
- Group Chief Operating Officer

- The Senior Deputy Vice-Chancellor and Deputy CEO
- The Deputy Vice-Chancellor (Research and Innovation)
- Chief Estate and Facilities Officer
- Group University Secretary.

4.2 Other staff may be invited to attend for specific items where their attendance can inform and support the Committee.

5. Frequency and format of meetings

5.1 The Finance and Estates Committee will meet a minimum of four times per financial year.

5.2 Meetings will be held either in-person, via electronic means (e.g. online) or via a hybrid format, subject to agreement by the Chair. The Committee may also decide matters by email circulation. In between meetings of the Committee, the Chair of the Committee is empowered to decide matters falling within the Committee's remit by the Chair's action; matters decided by the Chair's action shall be reported to the next meeting of the Committee.

6. Delegated authority

Under the Group's Delegation Framework, the Committee is authorised by the Board of Governors to approve:

6.1 **Bankers**: the appointment of the Group's bankers and investment managers;

6.2 **Short-term working capital loans/overdrafts**;

6.3 **Charitable assets:** charitable trusts or other charitable legal entities;

6.4 **Subsidiaries and spinouts:** the formation and dissolution of subsidiary and spinout companies, their relationship with the Group; and any actions which fall to the Group (e.g. appointment of directors);

6.5 **Estates:** Estates masterplans;

6.6 **Land/property:** the granting of interests in land or property by way of licences, easements or wayleave[1]; applying for or abandonment of material planning permissions;

6.7 **Policies:** the University Group's Treasury Management Policy and Long Term Investment Policy;

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[1] FEC approval is not required for the granting of licences that are for less than 12 months and are typically of the type granted in the normal course of business such as for student accommodation or for the carrying out of works, etc.

6.8 **Investment strategy:** approve the University Group's investment strategy and monitor the performance of financial investments including endowments and investments held by the Group and the returns thereon;

<u>Within the limits specified in the Group's Delegation Framework, approve or recommend to the Board of Governors:</u>

6.9 **Budget increases:** in year budget increases or virements;

6.10 **Endowments, legacies or gifts**: the University Group acting as trustee or manager for and in relation to endowments, legacies or gifts;

6.11 **Subsidiary/ spinout loans, guarantees or grants**: the sale/purchase of shareholdings in or a loan to or guarantee or grant in respect of a University Group subsidiary company or spin out company;

6.12 **Joint ventures**: the entering into of joint venture agreements;

6.13 **Gifts:** gifts from one source whether financial or in kind;

6.14 **Debts**: the writing off of debts;

6.15 **Procurement:** the procurement or sale of goods or services;

6.16 **Disposal of non-property assets:** the disposal of assets other than land or buildings;

6.17 **Research and knowledge exchange**: individual research or knowledge exchange contracts at the signing stage;

6.18 **Overruns:** Capital cost overruns;

6.19 **Business cases**: business cases and capital projects (including those planned for in the capital budget and those not planned for), evaluating their consistency with agreed strategies to ensure the joining up of resources, finances, people and infrastructure have been addressed;

6.20 **Fundraising:** money received from fundraising activities, gifts and donations including 'matched funding'.

7. Other duties

<u>Review and make recommendations to the Board of Governors on:</u>

7.1 **Annual budget**: the annual budget of LASE including the Group's capital budget;

7.2 **Students' Union:** the funding of the LASE's Students Union (included in the Group's annual budget);

7.3 **Annual report and financial statements:** in conjunction with the Audit and Risk Committee, review the University Group's Annual Report and Financial Statements for approval by the Board of Governors;

7.4 **Five year financial plan**: the University Group’s five year financial plan supporting the OfS Financial Return, including the long-term capital plan;

7.5 **Land acquisition/disposal:** the acquisition or disposal of any land or property including leases;

7.6 **Borrowing:** capital finance/borrowing including decisions to mortgage or charge assets and any ancillary or incidental financial instruments;

7.7 **Lending:** any proposal to lend money;

7.8 **Pensions:** monitor the financial performance of the University Group’s pension schemes, other pension arrangements and make recommendations to the Board of Governors on material changes to pension schemes;

7.9 **Guarantees**: the giving of guarantees;

7.10 **Regulatory requirements:** the requirements of funding bodies and regulators, including the approval of the Financial Return to the Office for Students (OfS).

<u>Monitor the following areas:</u>

7.11 **Estates Strategy:** oversee implementation of the Estates Strategy, the programme of expenditure on capital, building projects and long term maintenance;

7.12 **Financial performance:** the University Group’s financial performance against budgets; review the quarterly financial outlook, including assessments of risks and opportunities, prior to consideration by the Board of Governors;

7.13 **Capital plan:** the University Group’s capital plan and cash/liquidity impact;

7.14 **Banking covenants:** the University Group’s banking covenants;

7.15 **Non regulatory tuition/accommodation fees:** the levels of non-regulatory tuition fees and accommodation fees payable by students;

7.16 **Students’ Union:** monitor the finances of LASE’s Students Union, review its quarterly accounts and annual financial statements;

7.17 **Subsidiaries and spinouts:** the subsidiary and spinout companies of the University Group;

7.18 **Insurance:** the insurance arranged to cover the University Group's property and liabilities;

7.19 **Post implementation review:** monitor the post implementation review of revenue and capital projects with significant budgetary or strategic implications.

8. Reporting Procedures

8.1 The Finance and Estates Committee reports to the Board of Governors as follows:

- **Frequently:** through summaries of the minutes of each meeting to the next meeting of the Board. Additionally, the Committee Chair delivers an oral report (along with other committee chairs) as an item on the Board meeting agenda;
- **Annually:** through its recommendations regarding the Five-year Financial Forecast and the annual financial statements;
- **Periodically:** via other policies, reports, plans and progress updates which it reviews and/or recommends for Board approval within the business cycle and its terms of reference;
- **Ad hoc:** where urgent Group-wide matters require direct escalation to the Board of Governors for decision or discussion.

9. Secretarial arrangements

9.1 The Committee will be clerked by the Group's University Secretary or their nominee.

10. Review

10.1 The Committee will review its own effectiveness annually and in greater depth at a minimum of every three years. Reviews may be performed as part of wider governance effectiveness reviews.

10.2 These terms of reference will be reviewed annually to ensure their effectiveness and any amendments recommended to the Board of Governors for approval.

Approved by Board of Governors: 12 August 2026
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