

## **Finance and Investment Committee**

### **Terms of Reference**

The Finance and Investment Committee is a sub-committee of the LSBU Board of Governors. It is responsible for strategic oversight of finance, major projects and investments, and estates matters, in accordance with the authority delegated to it by Board of Governors. It provides for the Board in depth review of:

- LSBU's in-year financial performance and cash flow;
- The proposed annual budget and five year forecasts;
- Treasury management;
- Financial implications of student recruitment and enterprise activities;
- Extensions of LSBU's undertaking into significant new activities, such as international partnership proposals, joint ventures, or new campuses;
- International partnership performance;
- Investment and delivery of significant projects;
- The digital and physical estate and infrastructure;
- Proposals to acquire and/or dispose of land or buildings;
- Establishment of operating subsidiary companies.

#### **1. Remit**

The remit of the committee is to:

##### **1.1 Finance**

- 1.1.1 Review financial performance as set out in the management accounts and the Annual Report and Accounts;
- 1.1.2 Review the annual budget and five-year forecasts and recommend to the Board;
- 1.1.3 Monitor the financial sustainability of the University and the Group and review evidence of the going concern status to support the Group Audit and Risk Committee's oversight of preparation of the annual report and accounts and to recommend their approval by the Board;
- 1.1.4 Approve investment and treasury management policies, including policies for investment of charitable funds;
- 1.1.5 Review an annual assurance report on adherence to the Gift Acceptance Policy, any regulatory guidance on charity fundraising, and approve fundraising strategies as required;
- 1.1.6 Review an annual report on the Students' Union income and expenditure;
- 1.1.7 Recommend opening of bank accounts to the Board;
- 1.1.8 Review and recommend to the Board approval of capital finance;

- 1.1.9 Review and recommend to the Board approval of borrowing raised on the security of the University's assets;
- 1.1.10 Review and recommend to the Board approval of lease finance arrangements with a capital value greater than £250,000;
- 1.1.11 Review and recommend to the Board approval of borrowings (by loan facility or overdraft) and necessary debt financing above £0.5 million;
- 1.1.12 Review the prosecution, defence or settlement of litigation with a value above £0.5 million or being otherwise material to the interests of the LSBU Group.

## **1.2 Estates**

- 1.2.1 Review and recommend to the Board strategies and 'master-plans' for the Group's physical and digital estate and infrastructure;
- 1.2.2 Review and recommend to the Board proposals to acquire and/or dispose of land or buildings;
- 1.2.3 Receive regular strategic reports on development of the physical and digital estate to deliver the Corporate Strategy.

## **1.3 Major projects**

- 1.3.1 Review proposed capital and revenue investment and significant projects and, if thought fit:
  - approve the proposals, if within authority levels set in the Financial Regulations; or
  - if the levels are exceeded, recommend approval to the Board;
- 1.3.2 Monitor delivery of major projects;
- 1.3.3 Consider post-investment reviews of major projects; review company or business acquisitions committing to significant expenditure, risk or reputation and recommend to the Board;
- 1.3.4 Review establishment of operating subsidiary companies and recommend to the Board;
- 1.3.5 Review proposals to extend LSBU's undertaking into new activities, such as opening new national campuses or joint ventures.

## **1.4 International partnerships**

- 1.4.1 Review and approve business proposals for new international partnerships in line with the agreed approvals process;
- 1.4.2 Review and recommend to the Board proposals to extend LSBU's undertaking into new activities, such as opening new international campuses or joint ventures;
- 1.4.3 Receive regular reports on the strategic performance of international partnerships.

## **1.5 LSBU Group**

- 1.5.1 Review, and if thought fit, consent to the actions of SBA, SBC, SBUEL as required under the Governance Agreements (or equivalent) with those companies and in line with the delegations of authority as set out in the Group Financial Regulations;
- 1.5.2 Consent to draft SBA and SBC budgets.

## **2. Membership**

- 2.1 Membership shall consist of up to four independent governors, the Vice Chancellor, plus one student governor and one staff governor.
- 2.2 A quorum shall consist of at least two independent governors plus one other governor.
- 2.3 The committee Chair shall be an independent governor, appointed by the Chair of the Board of Governors.
- 2.4 Members of the Group Audit and Risk Committee shall not be a member of the committee.
- 2.5 At least two members should have experience of financial reporting and operational management, including an ability to critically assess financial viability and performance and analyse financial statements.

## **3. Secretary**

The secretary to the Committee will be the Clerk to the LSBU Board or other appropriate person nominated by the Clerk.

## **4. Meeting Attendees**

- 4.1 Chief Operating Officer and Group Chief Financial Officer will attend meetings.

## **5. Reporting Procedures**

- 3.1 The minutes of meetings of the Committee will be circulated to all members of the Board via Convene and a summary report will be included on the Board agenda.

*Approved by the Board of Governors on 23 November 2023.*