

# MEETING OF THE FINANCE COMMITTEE

## MINUTES (UNRESERVED)

2.00pm on Monday, 30 January 2023

Elton and Bowring Room

**Present (Reserved):** Ms Loretta Minghella (Chair); Miss Elizabeth Conder (Bursar); Professor Jonathan Goodman; Professor Neil Greenham; Professor Jacqueline Tasioulas (Senior Tutor); Professor Hendrik van Veen; and Dr Toby Wilkinson.

**Present (Unreserved):** Ms Sara Sharif (UCS representative); and Mr Bjarne Bergh (MCR representative).

**In Attendance:** Miss Emma Easterbrook (Secretary); and Mrs Rebecca Willatt (Deputy Financial Bursar).

1. **Apologies**

Professor David Chambers; and Professor Heike Laman.

2. **Declarations of Interest**

None.

3. **UNRESERVED MATTERS**

(i) **Minutes of 21 November 2022**

Approved.

(ii) **Matters Arising**

- a. *Item 3(iii) (iv) and (v), Financial Statements for the year ended 30 June 2022:* The Financial Statements for the year ended 30 June 2022 had been signed by the Master and the Bursar. The Letter of Representations had been signed by the Bursar.

(iii) **Management Accounts to 31 December 2022**

The Bursar circulated a paper to the Finance Committee, which provided an overview of the operating performance of the College for the first half of 2022-23. Income from student accommodation was as expected for undergraduate students and slightly higher than budgeted for graduate accommodation. The Clare St Regis building is fully occupied this year and more students had arriving earlier than previously. Meanwhile, as reported at the last meeting of the Finance Committee on 21 November 2022, both conference accommodation and external catering had a strong first quarter performing £645k (30%) better than expected. However, external business in Q2 was significantly below budget, in part due to the Gillespie Centre still not being fully available for conference business with Phase 1b of Old Court project being delayed further than expected when budgets were set. Endowment drawdown has been smaller than expected due to timing differences as a result of costs being pushed to later stage in the year; general donations and other income are in line with the budget; and the College has realised gain on disposal of fixed assets

(under the shared equity scheme) of £118k.

Regarding expenditure, Housekeeping costs were higher by £115k in Q2 due to increased utility prices and challenges recruiting permanent staff resulting in more casual staff being required. Administration departments have generated savings of £95k year to date in total mainly due to the low level of Fellows' activities linked in part to the delay in Phase 1b of the Old Court project so that events have been smaller or cancelled. There has been an increase in the costs for the Sportsground of £36k (63%). As at 31 of December 2022, the income and expenditure account was showing a cumulative operating surplus of £42k compared to a budget deficit of £675k. This was purely driven by better than expected results from external business in Q1. Q2 has seen a reverse in performance, with the quarter's performance of £386k worse than budgeted. Income in Michaelmas term was overall lower than expected, while expenditure was £100k higher than budget in the quarter. If the surplus generated in the first quarter is not further eroded, then the forecast deficit will be reduced to £1,004k compared to a budgeted deficit of £1,678k. If the Q2 trends in income and expenditure continue, then the improvement in performance over budget for the full year will reduce to £263k resulting in a forecast deficit for the year of £1,415k.

*[Professor van Veen entered.]*

(iv) **Student rents**

The Bursar circulated a paper to the Finance Committee, which proposed increases in undergraduate and postgraduate rents for 2023-24 and the introduction of a 'Green' 9 months' Licence for Castle Court. The Consumer Prices Index (CPI) rose by 10.5% over the 12 months to December 2022. Typically, accommodation costs, mainly staff, maintenance and utility costs, rise by at least 1% and often more than the CPI index each year. Housing and household services rose at 11.7% over the 12 months to December 2022. The College will also face significant increases in utilities with gas set to rise by 100% from 2022-23 prices as the previous hedged contracts come to an end. Private student halls of accommodation in Cambridge showed an average growth of 10.5% for non en-suite and 10.7% for en-suite rooms from 2021-22 to 2022-23. The expert advice is that similar increases will be seen in these halls in 2023-24. Compared to other Cambridge colleges, Clare's median undergraduate weekly rent in 2022-23 is lower than 21 of the other colleges and its median postgraduate weekly rent is lower than 25 other colleges. Students are encouraged to apply to the Financial Tutor as usual if they require financial support.

Meanwhile, students wish to see the majority of students in Castle Court being able to choose between 9 months' licence and termly licences. However, as part of the College's sustainability measures, the College wishes to turn off the heating at Castle Court during the week before and after Christmas to reduce emissions. Given that the number of students who wanted to stay over the Christmas period was minimal in 2022, the proposal is the replacement of the current 9 month's licences with new 'Green' Licences. The 'Green' Licence or a termly licence would be available to

all students who choose Castle Court in the Rooms' Ballot. Where students are unable to return to their home at Christmas but wish to live in Castle Court, they should apply to the Tutorial team for a Christmas residential licence ahead of the Ballot opening.

***Decision:** The Finance Committee approved the undergraduate and postgraduate rent increases for heated accommodation by 10.5% and the introduction of 'Green' 9 months' Licences for Castle Court with a reduced rent increase of 9% to support the introduction of these new licences from 1 October 2023.*

(v) **Privately funded undergraduate fees 2024-25**

The Deputy Financial Bursar circulated a paper to the Finance Committee, proposing an increase of the privately funded Undergraduate College Fee for those matriculating in 2024-25. The University had requested all Cambridge colleges to indicate now for the University Prospectus the College's Fee for privately funded and International students matriculating in 2024-25 (to apply for all years of their courses). The Finance Committee agreed that the previous fee levels had been set at a low level historically and should now be increased above the proposed increase.

***Decision:** The Finance Committee formally approved of increasing the privately funded undergraduate fees 2024-25 to £12,500 for students matriculating in 2024-25.*

(vi) **College Committees and membership**

An updated paper of the College Committees and membership was circulated to the Finance Committee. The Finance Committee formally approved any changes to the membership of College Committees, which reported into the Finance Committee. There was currently one vacancy on the Finance Committee.

(vii) **Rooms management system**

The Bursar circulated a paper to the Finance Committee, recommending that the soon to be out-of-support 'Forum' rooms' management software be replaced with the Kinetics rooms' management suite of packages. The service would offer better functionality, intuitive use, an improved student experience, and provided the best value for money.

***Decision:** The Finance Committee approved of the purchase of Kinetics to succeed the Forum rooms' management software. This would be £111,592 capital with £56,656 annual cost.*

(viii) **Minutes of other Committees**

- a. *Investment Committee: 18 November 2022 (DRAFT):* for note only.
- b. *OCIG Minutes: 7 December 2022 (DRAFT); and 2 November 2022:* for note only.

(ix) **Any Other Business**

None.

4. **RESERVED MATTERS**

5. **Dates of Next Meetings:**

All are at 2.00pm in the Elton and Bowring Room except when otherwise noted.

**Monday, 27 February 2023 (joint with Council)      Monday, 22 May 2023**

Monday, 6 March 2023

Monday, 19 June 2023

**Distribution (Reserved):** Ms Loretta Minghella (Chair); Miss Elizabeth Conder (Bursar); Professor David Chambers; Professor Jonathan Goodman; Professor Neil Greenham; Professor Heike Laman; Professor Jacqueline Tasioulas (Senior Tutor); Professor Hendrik van Veen; Dr Toby Wilkinson; and the Governing Body.

**Distribution (Unreserved):** Ms Amy Oh (UCS representative); and Mr Bjarne Bergh (MCR representative).

**In Attendance (Finance):** Miss Emma Easterbrook (Secretary); and Mrs Rebecca Willatt (Deputy Financial Bursar).

**Emma Easterbrook**

**14 February 2023**