



## **FINANCIAL PROCEDURES**

### **Section 13 – Fferm Penllais**

<b>Approving Body:</b>	Resources and Performance Committee
<b>Date of Approval:</b>	November 2021
<b>Policy Owner:</b>	Finance Business Partners/Finance and Compliance/Research Finance
<b>Last Review Date:</b>	November 2021
<b>Next Review Date:</b>	December 2022

## **Section 13: Approval of Fferm Penglais rent increases**

### **13. Section 13: Approval of Fferm Penglais annual rent increases**

- 13.1.1. The payments made to Balfour Beatty and Legal and General are subject to annual RPI increase in August based on the RPI in June each year. The rents charged to students for renting the Fferm Penglais farms are subject to annual increases at a rate specified by the University.
- 13.1.2. The long term nature of this contract means that failure to match increases in student room rents can have a multi million pound impact on the overall financial performance of Fferm Penglais over the full life of the development.
- 13.1.3. The form must be approved according to the general University Authorisation Matrix, for example changes to the net present value for the project in excess of £2.5m must be approved by Council.

**Appendix - Penglais Farm Approval**

**Annual Approvals for Fferm Penglais Operations**

Year	Student Rent Uplift (%)	Project Cost Uplift (%)	Narrative	Project Cash NPV		Project Cash NPV		Annual Income	Annual Project Costs	Project Costs as % of Income
				(£'000) Brought Forward	In-year Cash NPV Movement	(£'000) Carried Forward				
Approved Plan	N/A	N/A		N/A	N/A					
2015-16	x	x	xxx	x	x	x	x	x	x	x
2016-17	x	x	xxx	x	x	x	x	x	x	x
Etc.	x	x	xxx	x	x	x	x	x	x	x
				<i>Gain / (Loss) on</i>						
				<i>Approved Plan</i>						

**Approvals**

*Fee increase approval (November)*

Financial Analysis

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*Finance Business Partner*

Director of Estates, Facilities and Residences

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Director of Finance and Corporate Services

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*Cost uplift approval (July)*

Financial Analysis

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*Finance Business Partner*

Director of Estates, Facilities and Residences

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Director of Finance and Corporate Services

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