

NORWICH UNIVERSITY OF THE ARTS

Minutes of Finance and Resources Committee Held on Monday 31 October 2022 in the Boardroom, Cavendish House, Norwich, and commencing at 14.00

Present

Mr A Grimbly (Chair)
Mr M Jeffries
Prof. S Ofield-Kerr
Mr I Watson

Mr S Belderbos, Director of Finance and
Planning, NUA
Mr J Smeeth, Chief Operating Officer
Mr D Williams, Clerk

In attendance

Prof. L Anderson, Pro Vice Chancellor
(Academic), NUA

Apologies

Ms A Ferguson

WELCOME

The Chair opened the meeting.

1. APPOINTMENT OF VICE CHAIR

Ms A Ferguson was appointed to the position of Vice Chair.

2. TERMS OF REFERENCE

The terms of reference were confirmed

3. MINUTES OF THE LAST MEETING

The minutes of the meeting of the Finance and Resources Committee held on 10 June 2022 were agreed. The Chair signed the minutes.

4. MATTERS ARISING FROM THE MINUTES

There were no matters arising.

5. FINANCIAL REVIEW

5.1. Financial Report

The Director of Finance and Planning introduced the Financial Report, highlighting changes to the format of the report.

The forecast surplus stood at £3.35M. During the year income was forecast to rise by £1.59M and expenditure by £3.29M.

An increase in the size of the student body (+3% full-time equivalent - FTE) would raise tuition fee income by £990k. While the number of new student entrants at 882 was below the level of the previous year (-85 FTE), the number of continuing students had risen by 175 FTE. Unbudgeted grant income (£400k) had also been received from Research England.

Staff costs were forecast to rise by £1.43M, and non-staff costs by £1.85M. The rise in staff costs was due to pay awards for staff, additional academic and professional posts and changes in the employer's pension contribution to the Local Government Pension Scheme (LGPS). Increases in non-pay costs arose from investments to support the recruitment teams, student-facing support, information technology, professional fees to

support the re-branding, a higher depreciation charge and rising energy prices. Additional costs would also be incurred to support three projects part-funded by the Office for Students.

The forecast surplus was above the original budget forecast of £2.21M modelled in June 2022. This was largely due to changes in the level of income (+£1.27M).

The committee's attention was drawn to the five-year financial forecasts and associated drivers.

The cashflow forecasts and related level of capital spend were reviewed. The refurbishment of Bank Plain was forecast to be financed by the University's internal resources and did not include the receipt of levelling-up funding: the decision on which was now expected to be announced during November 2022.

The committee approved the submission of the financial forecasts to the OfS.

Director of Finance and Planning

The projected values of the key performance indicators (KPI) for the operating surplus and cashflow from operating activities as percentages of the level of income were reviewed. Across the four-year forecast period the target for the cashflow KPI was forecast to be met or surpassed in 3 out of the 4 years, and only marginally below target in 2024/25. By comparison the surplus to income ratio was forecast to be below target in 3 of the 4 years. The forecast pattern suggested the current KPI target for the operating surplus might need to be revisited in order that the cashflow KPI was not routinely exceeded.

The committee discussed a number of possible strategic developments, including the costs of broadening the geographical base from which students were recruited and the corresponding need to develop new products to enable such recruitment.

The Chair thanked the Director of Finance and Planning for his report.

The committee received the Financial Report.

5.2. Financial Regulations

The committee received an interim update to the University's Financial Regulations. The regulations had been updated to reflect the appointment of a Chief Operating Officer, following the resignation of the Deputy Vice Chancellor. Further changes to the Financial Regulations were expected to be made once a new scheme of delegation had been drafted.

The changes to the Financial Regulations were approved.

5.3. Draft Financial Strategy, 2002-27

The draft Financial Strategy was reviewed. The strategy reflected changes to the internal context and the University's strategy of investment and growth.

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The new strategy included greater emphasis on environmental sustainability. The committee noted it was important that the strategy included the intention of being proactive in support of the movement to net-zero.

The Financial Strategy would link to the University other enabling strategies.

The draft Financial Strategy was noted.

6. ESTATES

6.1. Estates Report

The Chief Operating Officer highlighted some of the features of the previously circulated Estates report.

Work to enable the use of Bank Plain was ongoing, and included refurbishment of the internal electrical supply. Members of the local Council had been given a tour of the building, and the aim was for visits by staff and students to view the building would in late November 2022. The system for heating the building would require attention.

The committee noted the report.

7. ANY OTHER BUSINESS

There was no other business

8. DATE AND TIME OF THE NEXT MEETING

It was confirmed that the next meeting of the committee will take place on Friday 24 February 2023 at 1400.