**Minutes of Finance and Resources Committee**

**Held on Friday 09 June 2023 in the Boardroom, Cavendish House, Norwich, commencing at 14.00**

**Present**

Mr A Grimbly (Chair) Ms A Ferguson

Mr M Jeffries Prof. S Ofield-Kerr

## In attendance

Prof. L Anderson, Pro Vice Chancellor (Academic), NUA Mr S Belderbos, Director of Finance and Planning, NUA Mr J Smeeth, Chief Operating Officer, NUA

Mr D Williams, Clerk

## Apologies

Mr I Watson

# MINUTES OF THE LAST MEETING

The Minutes of the meeting of the Finance and Resources Committee held on 24 February 2023 were agreed and signed by the Chair.

# MATTERS ARISING FROM THE MINUTES

**Item 6.1 Estates development.** The activities and respective scale of each of the phases associated with the development of Bank Plain were clarified. Phase 3 covered the main and largest phase of the building’s refurbishment. The University would use an open tendering process to procure architects for this phase.

# FINANCIAL MANAGEMENT

## Finance report

The Director of Finance and Planning drew the Committee’s attention to key matters contained in the report.

For the current financial year the surplus before actuarial adjustments was forecast to be £5,432k. The surplus was ahead of the forecast of £3,706k made in February 2023 and above the original budget of £4,462k set in June 2022.. When compared to 2021/22, income was forecast to increase by £2,559k (+9%) and expenditure by

£4,419k (+21%). Staff costs were expected to rise by £1,903k and non-staff costs by

£2,516k.

The proposed budget for 2023/24 delivers a surplus of £1,731k. This incorporates a

£823k (+3%) rise in income and £4,524k (+18%) increase in expenditure. The increase in expenditure is largely attributed to a rise in staff costs, reflecting both increasing costs and a growth in the number of posts.

The budget had been set to enable the target surplus to income ratio to meet the 5% threshold as set in the Financial Strategy.

The forecast surpluses would fall to £1,571mn in 2024/25, before rising in the following two years. Net cash flow from operating activities was forecast to be £3,111k in 2023/24 and would then increase in following three years to the end of forecast period in 2025/26.

Reflecting significant levels of capital expenditure in 2022/23 (£4.3mn) and 2023/24 (£5.6mn) there were net cash outflows of £437k and £1,769k in these years. Capital expenditure would continue to be high in the following two years, but with net cash inflows of £600k and £3,757k.

The balance sheet position remains strong. Cash and investments across the forecast period would rise from £38.0mn at the start of 2023/24 to £40.1mn at the end of 20025/26.

The Committee noted that the enhancement made to the resource base should shortly began to show evidence of improving outcomes, including an anticipated growth of income. A significant uplift in income was expected to take place from 2024/25 onwards.

To enable a better understanding of the financial costs and outcomes achieved for different areas of activity, the Committee suggested it would be helpful if the budget could be segmented by activity.

## Director of Finance and Planning

The Committee approved the University’s budget for 2023/24 and commended it to Council for its approval.

## Chair of F&R

The Chair thanked the Director of Finance and Planning and the finance team for their successful management of the University’s finances during the year.

## Higher Education Financial Statements Benchmarking 2021/22

The Committee considered the benchmarking data. The data was based on information published by the Higher Education Statistical Agency (HESA) and the Office for Students (OfS).

The HESA data used actual financial outcomes for 2021/22. The data confirmed the University’s strong financial position.

The OfS data was based on providers’ forecasts covering the period 2021/22-2025/26. The data highlighted that most providers were expecting to grow their total student numbers (Home and international), with some forecasting very large increases; anticipating low levels of financial surplus with higher levels of cash generation; and were continuing to undertake significant capital expenditure.

The Committee noted the report.

## Real Living Wage

The Senior Management Team (SMT) had recently taken the decision to pay the real living wage (RLW) from 1 August 2023, and for the University to apply to the Living Wage Foundation to become a Living Wage Employer.

To achieve Living Wage accreditation, payment of the RLW would apply to, for example, hour-paid and causal staff.

The payment of the RLW would impact the University’s grading structure, and the recognised trade unions were being consulted about the proposed changes.

The total cost of the University paying the RLW is estimated to amount to £19k in 2022- 23, £41k in 2023-24 and £56k in 2025/26.

The Committee endorsed the decision made by SMT.

* 1. **Consideration whether to expand our student accommodation offer in future** The Committee considered the matter of investing in additional student accommodation. The advantages and disadvantage were explored together with the opportunity cost of making an investment.

The Committee explored the position with regard to the current number of bed-spaces controlled by the University; the growing demand for University accommodation from second and third-year students; a potential reduction in supply of private rented accommodation; and the potential positive impacts on the student experience of having more accommodation.

The Committee noted that there were different options for increasing student accommodation controlled by the University.

It was agreed that the SMT would give further consideration to the matter of student accommodation. Reporting back to the Committee might be timed to take place with the planned presentation on the Estates strategy in autumn 2023.

## Chief Operating Officer/Director of Finance and Planning

The Committee noted the report.

# ESTATES

## Estates report

The Committee received information about the University’s projects in relation to its estate.

The Committee were up-dated as to the work on Bank Plain and the planned phases of work. The University was likely to make an application to the Office for Students (OfS) for a capital grant to support phase 3 of the project, which would involve the creation of a new library.

A major theme for a number of the other estates projects, including those at Duke Street and St. Georges, was improving access and inclusion.

The Committee noted the report.

# ANY OTHER BUSINESS

The were no matters of any other business

# DATE AND TIME OF THE NEXT MEETING

The next meeting of the Committee would take place on Monday 30 October 2023 commencing at 14.00. The meeting would be preceded by a joint meeting of the Finance and Resources Committee and the Audit Committee commencing at 13.00.