

NORWICH UNIVERSITY OF THE ARTS

**Minutes of Finance and Resources Committee
Held on Monday 29 October 2018 in the Conference Room, FH201, Francis House**

Present

Mr M Jeffries (Chair)
Mr A McMenemy
Prof. J Last
Mr I Watson

In attendance

Mr S Belderbos, Director of Finance, NUA
Prof. N. Powell, Pro Vice Chancellor (Academic), NUA
Mrs A Robson, Deputy Vice Chancellor, NUA
Mr D Williams, Clerk

Apologies

None

WELCOME

The Chair opened the meeting.

1. APPOINTMENT OF VICE CHAIR

Mr I Watson agreed to serve as Vice Chair.

2. MINUTES OF THE LAST MEETING

The minutes of the meeting of the Finance and Resources Committee held on 18 June 2018 were agreed and signed by the Chair.

3. MATTERS ARISING FROM THE MINUTES

Item 3.1 2018/19 Budget. The budget had been approved by Council at its meeting in July 2018.

4. FINANCIAL REVIEW

4.1. Financial Report

The Committee considered the October 2018 Financial Report. The forecast financial outturn for 2018/19 of £3.5M was similar to the level achieved in the preceding year (2017/18: £3.9M). The year would see a continuation of previous trends, with total income forecast to rise by c.£600k, and expenditure increasing by c.£980k. The rise in total income reflected a successful outcome to the 2018 recruitment and enrolment, resulting in a rise of 67 full-time equivalent students (3%). Although student numbers had increased, the tuition fee rate remained capped at £9,250.

The assumptions the University had employed to model its financial forecasts from 2019/20 onwards included 740 new entrants in each year. This was below the level achieved in 2018/19 (790 new entrants), but above the level secured in 2017. Recognising the continuing demographic downturn, possible changes in government policy and fierce competition between institutions to recruit new entrants the assumption was considered to be reasonable. The assumption would be kept under review during the current recruitment cycle.

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The financial forecasts also incorporated assumptions about the impact of BREXIT and the University's ability to attract European Union (EU) students, and the recruitment of international students.

Collectively, the University believed the assumptions employed to model its financial forecasts were in-line with the approach it had used in previous years, and achieved an appropriate balance between being overly pessimistic or optimistic.

The University had revised its policy towards student bursaries. Previously, the University had been an outlier amongst providers in distributing cash bursaries. Research had indicated that such bursaries were ineffective in achieving their aims of improving access and participation. The Office for Fair Access (OFFA) had sought to discourage the University in using this approach. The revised approach offered more practical support to students (e.g. help with course materials, field trips), and was less costly to the institution. Given the time lag involved, the full financial impact of the revised approach would take 3 years to be achieved.

Staff costs, including pensions, continued to rise. These would continue to exert pressure on the staff base, and the need to look carefully at business cases for all staffing appointments, including filling posts where staff had left the institution's employment.

Planned capital expenditure on Duke Street would result in a cash outflow in 2018/19 and 2019/20, followed by a small cash inflow in 2020/21. Despite fully funding the development on Duke Street from internal resources, at their minimum the University's cash reserves would be £22.4M in 2019/20. Cash reserves would rise to £25.7M at the end of the forecast period (2022/23).

Over the forecast period, tangible fixed assets would rise from £25.4M (2018/19) to £36.9M (2022/23),

5. OfS Funding

5.1. Funding for academic year 2019-20

The Committee noted the report on OfS funding for 2019-20.

6. ESTATES

6.1. Estates Development

The University had completed on the purchase of the Duke Street site from Norwich City Council during September and had commenced the process of seeking planning approval to develop the site.

The committee received a copy of the Design and Access Statement, which had been prepared by Hudson, the University's architects for the Duke Street development.

By previously entering into pre-planning, the University had sought views on its proposals, enabling it to incorporate relevant feedback into its plans. Comments and support were received from external bodies, including the Norwich Society.

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Plans for the site had been submitted to the planning authorities on 10 October 2018, and the University was anticipating that it would receive a decision from the authorities early in the 2019 calendar year. Providing planning permission was granted, the University was anticipating that it would go out to tender for construction of the building in spring 2019, and look for contractors to be on site later in the same year.

Central to the long-term financial viability of the project was the inclusion of 100 student bed-spaces. In addition, the building would include a large flexible space, which could be used either as a lecture theatre or as a performance teaching space.

The Committee noted the report.

7. DATE AND TIME OF THE NEXT MEETING

It was confirmed that the next meeting of the Committee would take place on Friday 1 March 2018 at 1400.