

NEWMAN UNIVERSITY

Finance and General Purposes Committee

Minutes of the Meeting held on Thursday 31st May 2018 at 2.30 pm
in the Directorate Meeting Room.

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| Present: | Mr S Kenny | Chair |
| | Dr J Carlisle | |
| | Mr J Day | Chair of Council (by phone) |
| | Professor S Davidson | Vice Chancellor |
| In Attendance: | Ms L de-la-Haye | Deputy Registrar <i>vice</i> Ms A J Bolshaw |
| | Mr A Sharma | Director of Finance and Corporate Services |
| | Ms J Flowers | Minute Secretary |

1. Apologies

There were no apologies for absence. It was noted that Ms de-la-Haye was in attendance in the absence of Ms Bolshaw.

2. Standing Item – Declaration of Interest

There were no declarations of interest.

3. Minutes of the Meetings held on 8th March 2018

The minutes of the meeting held on 8th March 2018 were received and considered.

The Committee **resolved FGPC 4/2018**

To accept the minutes of the meeting held on 8th March 2018 as a correct record of the meeting.

4. Matters Arising*Templeton Project Approval – SRES 2 (Minute 5)*

At the last meeting, the Committee had asked for clarification on the role of the Council in the approval of the proposal in view of the expenditure arising on the University's part (£1.5m over three years). It was reported that the Standing Orders did not specify that such a proposal needed to be approved by the Council. However, given the expenditure arising, the Committee nonetheless thought it advisable for Council to receive details for information.

Action: Clerk to the Council

An opportunity for Council members to meet staff from the CSKBS to hear about the findings of SRES 1 would be arranged.

Action: Clerk to the Council

It was reported that the University had been told informally that the follow-on grant would be awarded, at the predicted value; however, formal notification had not yet been received.

5. Finance Matters 2018/19

5.1 Applications and Enrolments (2018/19)

The Deputy Registrar introduced and spoke to a report giving the latest information on applications for 2018/19. She observed that the position was mixed: there was an overall decrease in applications of 8.5% but there had been an increase in applications to provider led PGCE and to School Direct. The strategy of making earlier offers on undergraduate ITE had resulted in a 41.6% increase in offers made over the previous year.

It would be necessary to recruit at least 130 students in clearing, and she emphasised the importance of the first day of clearing. She noted that there was a smaller pool of applicants because of the temporary decline in the number of 18 year olds and higher tariff institutions were lowering their offers which had an impact on medium and lower tariff institutions.

During discussion the following points were raised.

Some applicants were making applications after the normal closing date and the Marketing Department would be running a campaign at schools and colleges for these students.

There was a need to set an appropriate threshold for clearing, given the highly competitive environment.

The impact of a low tariff on student retention was discussed. The Vice-Chancellor outlined the University's intentions for increased support for students, including the introduction of a personal tutor system for the next academic year. The importance of induction was also noted.

The University was doing some research into the performance of BTEC students on its programmes and was considering ways in which to help them make the transition to HE.

The decline in the acceptance rate was noted. The reasons for this were not clear, but it was thought that some students wished to wait to see what would become available and did not respond to offers so that they would be withdrawn from the system and then could later enter clearing.

The Committee noted the report.

5.2 Budget 2018/19

The Committee considered the draft budget for 2018/19, including the key planning assumptions. In presenting the draft budget, The Director of Finance and Corporate Services firstly outlined the process and schedule for setting the budget and then drew attention to the following points.

All things being equal, from the trends apparent in the currently available figures, there would be a significant gap between the student numbers forecast and the likely actual recruitment. (He noted that the Planning and Systems Development Office was preparing a revised forecast which would be available in about a week.) As a result, at best there would be a shortfall of at best £800,000 and at worst up to £1.7m. To address the shortfall, the University would need to recruit at least 130 students in clearing and to improve the retention of currently enrolled students. It would be challenging to recruit during clearing as many competitor institutions were similarly placed and would also be looking to recruit heavily during this period.

In response to questions from the Committee, the Vice-Chancellor outlined measures being taken by the ULT to increase income and to manage costs within the foreseeable income. There had been a presentation and a written communication to all staff to raise awareness of the present environment in higher education and its impact on the University. The importance of recruiting and retaining students had been emphasised. The Vice-Chancellor was currently holding meetings with Departments for further detailed discussion and for staff to give their input and ideas.

In respect of income generation, the University had identified areas of academic study which were likely to attract large numbers of students, which included Law and a Liberal Arts programme with an in-built high level of employability. These areas would be prepared in time for the upturn in the student demographic from 2020 onwards. The possibility of increasing the number of short courses offered was being considered, as was the potential income from the use of the Halls of Residence for conferences, for example, over the summer period.

With regard to cost management, the Vice-Chancellor advised that the major cost was staff. Vacancy management had been used in the short term, but it was not effective in the long term. The University was identifying academic areas where costs could be taken out to provide headroom to develop other subjects which would recruit in greater volume. It was noted that regardless of the current student recruitment position, there would be a pause in the implementation of the Estates Strategy because of the need for its review in the light of the new Strategic Plan.

The Committee felt it important for the budget to cover costs and to maintain a surplus.

The Committee **resolved FGPC 5/2018**

5.1) to receive the budget

- 5.2) to note that the budget had been prepared before the latest admissions data were available
- 5.3) not to support the setting of a deficit budget

It was noted that the next scheduled meeting of the Committee was in November 2018; in the circumstances, the Committee felt that it would be necessary to have an additional meeting in September 2018 when the student numbers would be clearer.

Action: Clerk to the Council

5.3 Tuition Fees Schedule 2019/20

The draft schedule of tuition fees for 2019/20 was presented for consideration. The Director of Finance and Corporate Services advised the Committee that the Government had capped undergraduate home tuition fees at £9250. Although it was not likely that the Government would allow the full time fee to rise, should this occur, the University would want to increase the fee in line with inflation to about £9500. It was also proposed to increase the fees for part time courses in line with inflation.

The tuition fee for the Foundation Year Zero was not in line with comparable institutions and it was felt that the fee could be increased from £4500 to about £7000: a final decision would be made later after market research and internal consultation had taken place.

The possible expansion of the short course programme was discussed, with it noted that two of the current courses were oversubscribed and could be offered more frequently.

The Committee **resolved FGPC 6/2018**

To recommend to the Council that the 2019/20 tuition fees schedule be approved.

5.4 Financial Forecasts

The Director of Finance and Corporate Services advised that it was a requirement of the OfS for the Financial Forecasts and Commentary to be approved by the governing body. The Forecasts and Commentary for 2018 were received by the Committee for review and for endorsement for approval at the Council meeting in June 2018.

Taking the Committee through the Forecasts, the Director of Finance and Corporate Services described the key assumptions which underlay the Forecasts, these were: a modest growth in full time students numbers of 3% in line with KPIs; that the full time undergraduate tuition fee would remain flat at £9250 until 2020/2021 but from 2021/22 would rise by £250; that there would be a pause in the capital programme until 2020 whilst the new Strategic Plan was being prepared; that staff pay costs would rise by 3% per annum (approximately £400,000 per annum); there would need to be an

efficiency gain of £750,000; there would be a budgeted surplus of about 2-3%.

During discussion, the following points were noted: the pivotal importance of student recruitment; the risks facing the University, which included the competitive environment, the uncertainty of higher education funding and the likelihood that funding would not increase in future; the necessary efficiency gains (£750,000) could be decreased with the recruitment of additional students to existing courses due to the low marginal cost involved.

Having considered the Financial Forecasts and Supporting Commentary for 2018 the Committee resolved:

The Committee **resolved FGPC 7/2018**

To endorse the financial forecasts and commentary for approval at the Council meeting in June 2018.

6. Finance Update 2017/18

6.1 Newman University

A report giving a financial update for 2017/18 was discussed. The Director of Finance and Corporate Services commented that there had been little change since his last update. There were no new issues arising. Income was expected to be about £400,000 lower than budget but costs were being managed and the University expected to meet the budgeted surplus of £603,000. Pay costs were in line with the budget.

The Committee discussed the arguments for and against the conversion of the RCF to an end term loan. It was noted that the Director of Finance and Corporate Services was currently talking to banks about this.

The Committee received the Report.

6.2 Newman Firmtrust Limited

The Committee was provided, for information, with the accounts and a report about the activity of its subsidiary, Newman Firmtrust, in relation to the Halls of Residence and the Hilda Building. The buildings were in use. Some snagging remained and this was being addressed. Newman Firmtrust and the University had both signed the construction contract. Final invoicing was completed. There were no matters arising.

The Committee received the report.

7. Estates Strategy Update

A paper giving an update on the implementation of the Estates Strategy (2015-20) was considered.

The Committee heard from the Director of Finance and Corporate Services that the Darwin refurbishment was expected to be delivered on time (August 2018), on budget and to a high standard. An important objective of the Estates Strategy had been to refurbish existing teaching areas to a high standard. All teaching areas had now been refurbished apart from the Drama facility and an evaluation of the refurbishment/reconfiguration of this area was currently being undertaken. This might be brought forward for September 2018. The cost would be around £200, 000.

The Director of Finance and Corporate Services advised that it was intended to have a pause in the Estates Strategy whilst the review of the University's Strategic Plan took place in 2019. This would have limited impact on the student experience.

There were no matters of significant concern arising.

The Committee received the update.

8. Newman Students' Union Annual Report and Accounts 2016/17

The University Council had asked that the Finance and General Purposes Committee receive every year a copy of the annual report and accounts of Newman Students' Union (NSU). The Committee reviewed the Annual Reports and Accounts for 2016/17. There were no issues arising and the Committee found the report to be positive and interesting. It was felt that NSU did good work on a limited budget.

The Committee received the NSU Annual Report and Accounts for 2016/17.

9. Any Other Business

In response to a question, the Vice-Chancellor outlined the University's approach to apprenticeships, noting that the University was registered a provider and end-point assessor for teaching apprenticeships. The University could fund from its apprentice levy apprenticeships for its own academic staff at level 7 (Professional Academic Apprentice) and might also be able to offer these apprenticeships to staff employed by other institutions.

10. Date of the Next Meeting

The next scheduled meeting of the Committee was in November 2018; an additional meeting would be arranged for September 2018.

**NEWMAN UNIVERSITY
COUNCIL
Finance and General Purposes Committee**

Action Plan for the meeting of the Finance and General Purposes Committee held on 31st
May 2018

| Minute | Agenda Item | Action to be Taken | Person Responsible |
|---------------|-----------------------------|---|---------------------------|
| 4 | Matters arising - Templeton | 1) Council to receive details of proposal/grant for information. 2) To arrange an opportunity for Council members to meet staff from the CSKBS to hear about the findings of SRES 1. | Clerk to the Council |
| 5.2 | University Budget | To arrange a special meeting of the Committee in September. | Clerk to the Council |