



HARTPURY

MEETINGS OF THE STRATEGY, FINANCE AND RESOURCES COMMITTEES Of HARTPURY UNIVERSITY AND HARTPURY COLLEGE

Minutes of Meetings 11.30am Tuesday 11th May 2021 Via Zoom/Gordon Canning

| Members | University SFR Committee | College SFR Committee |
|--------------------------|---|--|
| Mr Edward Keene | Present (Chair) | Present (Chair) |
| Mr Charlie Whitehouse | Present | - |
| Mr Henry Hodgkins | Present | - |
| Mr William Marshall | Present | - |
| Mr Russell Marchant | Present (Vice-Chancellor) | Present (Principal) |
| Mr Graham van der Lely | - | Present |
| Mr Chris Moody | - | Present |
| In Attendance | | |
| Ms Lynn Forrester-Walker | Present (Chief Operating Officer) | Present (Chief Operating Officer) |
| Mrs Rosie Scott-Ward | Present (Pro-Vice-Chancellor) | Present (Pro-Vice-Chancellor) |
| Ms Claire Whitworth | Present (Vice-Principal FE) | Present (Vice-Principal FE) |
| Ms Lesley Worsfold | Present (Vice-Principal Resources) | Present (Vice-Principal Resources) |
| Ms G Steels | Present (Clerk to the Board) | Present (Clerk to the Board) |
| Mark Price Vitruvius | Present – for Item 12 – Milestone Reports | Present – for Item 12 – Milestones Reports |

The main meeting was preceded by a discussion of the Governors on the Committees, including the Vice-Chancellor and Principal and the Chief Operating Officer and Clerk on Capital Developments – How Did we Get here. This covered how, since 2015, Capital Development had been taken forward at Hartpury and how the processes had developed, areas of learning identified and any further developments required to further improve the processes. It had been agreed to hold this session because the number of capital projects being managed by Hartpury had increased over the years and the need to ensure effective processes were in place with an agreed approach by the Committees and the Executive was recognised as very important.

| | | ACTION & ACTION DATE |
|--------------------|--|---|
| SFR01/05/21 | <p>Apologies There were no apologies.</p> <p>Quoracy It was confirmed that the University SFR Committee and the College SFR Committee meeting was quorate.</p> | |
| SFR02/05/21 | Declarations of Interest | |

| | | ACTION & ACTION DATE |
|--------------------|---|----------------------------|
| | <p>The Clerk advised that members' interests would be taken as those disclosed in the Register of Members' Interests. It was noted that the Chair, Vice-Chancellor/Principal and Chris Moody were members of both the University and College Boards.</p> <p>There were no declarations of members' interests for agenda items</p> | |
| SFR03/05/21 | <p>Minutes of the Last Meetings</p> <p>The minutes of the University SFR Committee and the College SFR Committee 9th February 2021 meetings were approved as true records, subject to a revision on page 6 to read "the delay the previous year in bringing, the Milking Parlour to SFR for consideration and approval".</p> | |
| SFR04/05/21 | <p>Matters Arising</p> <p>The Actions Log update, confirming actions were either complete or in train was noted.</p> | |
| SFR05/05/21 | <p>Monthly Management Accounts – March 2021</p> <p>The Committees considered the Management Accounts for the 8-month period to end of March 2021. For this period there was a surplus of £946k, compared to a budgeted surplus of £1,334k. This variance was mostly as a result of additional Covid costs and lower income in some areas due to Covid restrictions in force on campus and lower footfall. The overall trend in financial performance remained consistent with previous months and there were no significant new variances.</p> <p>As discussed when the budget was approved in July 2020, a re-forecast was being provided each month this year to reflect the ever changing position with regard to Covid-19 impact on the financial position. It was noted that the March reforecast took account of the impact of the recent lock down ending on March 8th and thus levels of refunds in student accommodation, livery and transport fees were lower than forecast in this period. Prior to the finishing of lockdown £157k had been claimed through the Job Retention Scheme for staff who had been furloughed in this financial year. Cost savings had also been recognised in catering, bars, transport, sport and equine as a result of the lockdown. This resulted in a reforecast surplus of £787k compared to a budget of £1,320k.</p> <p>The Chief Operating Officer advised that the position would improve by £51k following the receipt of a Covid grant for women's Rugby which had been notified after the Management Accounts had been issued.</p> | |
| | <p>The University SFR Committee NOTED the Management Accounts. The College SFR Committee NOTED the Management Accounts..</p> | |
| | | |

| | | ACTION & ACTION DATE |
|-------------|--|----------------------------|
| SFR06/05/21 | <p>Draft Budget</p> <p>The Committees considered the first draft of the budget for 2021/22. It was noted that the budget setting process for 2020/21 commenced in January and had been reviewed and challenged by SMT and Executive.</p> <p>The budget reflected a 2021/22 where enrolment and teaching was based on a normal operating year, with the timing of enrolments as planned in early September. Summer equine events were planned to continue as normal, subject to the continued easing of lockdown restrictions, and conferencing and sporting events were planned to return to normal during 2021/22.</p> <p>It was confirmed SMT would continue to review the budget and will then look at the impact on cash flows and determine the capital development programme for 2021/22 and beyond based on the availability of cash. These decisions will also be influenced by the outcomes of the following capital bids etc which are in train:</p> <ul style="list-style-type: none"> • Further Education Capital Transformation Fund (FECTF) – Bid to support the development of the classrooms above the new restaurant on Rudgeley car park – grant requested £1.65m – EOI submitted decision on that due in early May, if successful full bid to be submitted by end of July with final decision in late September 2021 • Levelling Up Fund – EOI submitted to Forest of Dean Council as part of a council wide bid for up to £20m. Hartpury bid is circa £12m to support the development of the ULH, New Car Park and repairs to Hartpury House. Whilst this spend is beyond 2021/22 the securing of this funding would enable capital spend for summer 2022/23 to be reviewed. At the meeting governors were advised that the Hartpury House element had not been successful but the rest of the bid had been supported at the EOI stage and a full bid would now be submitted to meet the 18th June timeline. <p>It was noted that the budget assumes that the Triodos loan of £8m will be drawn down in two tranches in 2022/23 to fund the Car Park and commencement of New Graze build. Clearly, if the FECTF fund was successful this may impact on the timings of these draw downs to support New Graze and if the Levelling Up fund were successful this would impact on the need to utilise the Triodos funds to support this development. Triodos were also happy to consider a further Loan to support the ULH development of around £5m which should the bids detailed above not be successful may be required. It was confirmed any loan draw down or additional loan would be subject to agreed approvals through SFR and the University Board.</p> | |
| | <p>Governors asked whether the assumption that there would be no significant impact due to Covid on teaching from September 2021 was realistic. The Vice-Chancellor and Principal advised it was based on the latest guidance from DfE and the Minister for HE, but he recognised it was a changing landscape. It was noted that the assumption was supported by the latest data on hospitalisation due to Covid, but recognised rates of infection were increasing. It was agreed the level of vaccinations should limit the impact, based on current evidence. It was noted that a larger contingency had been built into the budget recognising the uncertainty and agreed that the process used this year of providing a reforecast within the Monthly Management Accounts could be used if necessary, but it was agreed having a fixed budget</p> | |

| | | ACTION & ACTION DATE |
|--|---|----------------------------|
| | <p>was good practice and would give Hartpury a target to work towards. It was noted that the budget was a prudent one with current circumstances reflected , for example a reduction in International Students built in.</p> | |
| | <p>The Committees considered the update on the Levelling Up Fund – noting this was a development since the February meetings. The Committees were updated that the Bid had successfully passed the EOI stage and that the next stage needed to be submitted to the Forest of Dean District Council for 31st March which was a challenging deadline. The complete bid was for £20m and the Hartpury element for £10m. Governors were pleased that Hartpury was involved and was successfully through the first stage. It was noted that the advantage of shovel ready projects was that Hartpury was ready to bid for such funding which tended to have a tight delivery line.</p> | |
| | <p>The Chief Operating Officer highlighted the recruitment growth built into the budget and the costs of additional posts to support the recruitment such as to growing HE (recruiting staff to deliver the 2021/22 curriculum) and wellbeing. Governors reflected that the increase of staff costs (due to increased costs such as NI and pension, pay award and additional staff) meant that although turnover was increasing the surplus was being eroded by the increased costs. A governor referred back to prior year financial strategies, reflecting that the levels of turn over targeted had not been achieved and that staffing costs had risen. It was recognised that this was partly an impact of Covid which had reduced the surplus, but also that other potential increases in income which had been identified when Hartpury moved to university status had not crystallised – for example the review of institutions of specialist provision was not currently being progressed by OfS. The need to work to build an increased surplus going forward to support investment was recognised. The Vice-Chancellor and Principal advised that the aim was to achieve a surplus of 5%, but in the current year, due to the particular circumstances this would be less than 2%. The Pro-Vice Chancellor commented that there had been significant investment in the year, such as the digital infrastructure which should help to support further growth in the future without additional staff costs. It was recognised that investing to maintain the Student Experience was important and balancing the different demands was complex, but confirmed that a prudent budget had been developed.</p> | |
| | <p>A governor queried how the impact of recruitment growing ahead of the 2025 Strategy would impact on the financial strategy and the student experience. The Vice-Chancellor and Principal advised that this was being looked at as part of the review of changes introduced based on learnings from Covid adjustments. The Chief Operating Officer advised that the assumptions within the Strategic Plan were that the unit cost would not change and that other funding areas were being explored. The recent government announcements on Adult learning loans were noted, but it was recognised that experience had previously shown that adults were reluctant to take on loans for learning. It was agreed it was helpful to be both a college and a university to benefit from any funding opportunities for both sectors. It was confirmed that where costs could be absorbed this was the expectation for departments but that in some areas this was not possible – for example utilities and transport.</p> | |

| | | ACTION & ACTION DATE |
|--------------------|--|-------------------------------|
| | <p>The Pro-Vice-Chancellor advised that the HE Income growth of 17% had been balanced by staff cost increase which had been limited to the same level. It was noted that while the graduate fee levels were static it was noted that there were opportunities to increase fees for postgraduates and also EU and International students.</p> <p>The Vice-Principal Further Education commented that the potential increase for T –levels had not been factored in. There was little growth in FE staff numbers except where new areas were being developed in apprenticeships and veterinary courses.</p> <p>It was confirmed that the budget incorporated the car park although it was recognised that a further decision on this would be made in due course.</p> <p>A governor commented that Hartpury seemed to be doing better than the sector which was positive.</p> <p>The Chief Operating Officer confirmed that the budget would be updated for the June meeting, reflecting on the points highlighted and any updated information received.</p> | |
| | <p>A governor queried the provision of information on the Rugby Company and stressed the need for directors of the company to receive this regularly as had been practice. The Chief Operating Officer advised these were normally provided on a quarterly basis and also provided to the RFU. The requirement to provide them to the RFU had lapsed during the pandemic but it was confirmed they would be reinstated in future Management Accounts for the Boards. The format was discussed and it was agreed this would be considered by the Chief Operating Officer. It was recognised that the income and expenditure needed to be considered against the role the link with Hartpury RFU played in attracting students. It was noted that this was not just to do with students who aspired to elite sport, but the publicity from this link and also the opportunity to access elite athletes for other courses such as health and fitness.</p> | <p>COO June 21</p> |
| | <p>The University SFR Committee and the College SFR Committee NOTED the Draft Budget to Date.</p> | |
| | <p>12.40pm Mark Price, Vitruvius was welcomed to the meeting</p> | |
| SFR12/05/21 | <p>Milestone Reports – CONFIDENTIAL ITEM – 5years due to commercial sensitivity</p> | |
| SFR07/05/21 | <p>Draft Financial Strategic Plan</p> | |
| | <p>The paper put the proposed 2021/22 budget into the wider perspective of the long-term Strategic Plan, aligned to the delivery of the agreed Strategy to 2025.</p> <p>In Summary the agreed Vision is;</p> <ul style="list-style-type: none"> • Grow to 5,000 to ensure resilience and critical mass, a 1300 student increase • Plan and deliver a new build program to meet needs | |

| | | ACTION & ACTION DATE |
|--|---|----------------------------|
| | <ul style="list-style-type: none"> Initiate and deliver a major refurbishment program covering accommodation, teaching and learning spaces, catering and beverage outlets and staff offices. <p>The Strategic Financial Plan thus aimed to achieve this vision through planned growth in student numbers which is being achieved and commensurate development of the facilities on site to accommodate the growth. The plan was caveated that all aspects of the underpinning infrastructure are needed to be able to facilitate the growth in numbers, thus the plan assumes the delivery or commencement of key capital developments:</p> <ul style="list-style-type: none"> New Car Park New Graze ULH development Additional on-site accommodation Improved animal facilities <p>It was highlighted that the Plan assumes that we would not receive any capital grants to support developments beyond that already secured in 2020/21, no further funding to cover costs and impact of Covid-19 beyond that already received or in the process of being paid and no further philanthropic donations to support on campus developments.</p> <p>It was confirmed the Strategic Financial Plan would continue to be developed and honed over the summer and early autumn as enrolment progresses, in preparation for the OfS financial return for submission in January 2022. The aspects relating to Hartpury College would be extracted for inclusion in the new financial return required by the ESFA in July 2021.</p> | |
| | <p>It was noted that as capital projects progressed depreciation charges would increase. It was confirmed that the inflation and pay awards were built into the plan. A governor suggested that it would be helpful to have an update on the cash available, covering loan repayments and capital expenditure. It was agreed that for the next meeting the Chief Operating Officer would add in information on cash generated, interest charges and cash available, loan repayments and capital expenditure. The slippage from the 2018 cash position as highlighted above was again noted.</p> | COO June 21 |
| | <p>A governor highlighted that banks appeared to be lending more currently and queried if this was an area the Executive was exploring. The Chief Operating Officer advised she was in ongoing discussions with Triodos and they were taking a paper to their Credit Committee to explore the potential to increase borrowing if this was an avenue the governors wanted to progress. Governors agreed it was helpful to explore this but recognised the need to ensure any borrowing was prudent. It was noted that currently Hartpury was paying back a £1m a year in relation to its loans and had appropriate disciplines in place. It was agreed any proposal to increase borrowing would be subject to modelling and Board approval.</p> | |
| | <p>It was noted that the commitment to refurbishment was maintained across the plan, although this had been impacted by the reduction in the surplus. It was noted that tendering for the refurbishment of a block was currently out to tender.</p> | |

| | | ACTION & ACTION DATE |
|---------------------------|---|----------------------------|
| | <p>A governor queried the impact on animal of the delay in the ability to invest in this area. The Vice-Principal Further Education advised that it limited the animal science provision but the introduction of T levels in 2023 might provide opportunities. The Pro-Vice-Chancellor advised that the joint use of the facility across HE and FE meant there were some timetabling issues but these could generally be managed. The Vice-Chancellor and Principal advised that Tquals might provide a funding opportunity if a shovel ready project could be developed, noting that this would lead to fee costs. The need to juggle the different issues was recognised.</p> | |
| | <p>The University SFR Committee and the College SFR Committee NOTED the Draft Financial Strategic Plan.</p> | |
| <p>SFR08/05/21</p> | <p>Equality, Diversity and Inclusion Annual Report</p> | |
| | <p>It was noted that the Equality, Diversity & Inclusivity Report provided Governors with an update on: Hartpury's Equality, Diversity & Inclusivity objectives/Single Equality Action Plan and any Equality, Diversity & Inclusivity activity.</p> <p>It was confirmed this helps to ensure Governors are meeting their statutory duties to monitor and oversee Hartpury's Equality, Diversity & Inclusivity action plan/objectives. The Report covered 2019/20 and 2020/21 to date.</p> <p>The report included reporting on the Gender Pay Gap, Mental Health initiatives and activities, the "Everyones Invited" website and a range of Equality, Diversity and Engagement activities. The breadth of activities and Hartpury's commitment to Equality, Diversity and Inclusion was highlighted by the Committees.</p> <p>The Committees considered the Gender Pay Gap in detail and were pleased with how Hartpury compared with other colleges and universities. It was noted there would be a further update in October 21.</p> <p>The excellent work of the Student Union and the establishment of liberation officers – black, disabled, LGBTQ and women was highlighted.</p> <p>Hartpury's involvement in the University Mental Health pilot was discussed. It was noted that an action plan was now being worked through and that this had given a good insight.</p> <p>The Vice-Principal Resources advised that work was ongoing with the marketing team to ensure that the marketing images were broadly based.</p> <p>It was noted that the Safeguarding Newsletter had been issued to governors to keep them updated. Governors recognised it had been a challenging year and thanked the teams involved in this important work.</p> | |

| | | ACTION & ACTION DATE |
|--------------------|---|--------------------------------|
| | The University SFR Committee and the College SFR Committee APPROVED the Annual Report on Equality, Diversity and Inclusion and Recommended it to the Boards. | |
| SFR09/05/21 | Safeguarding – Interim Report | |
| | <p>It was noted this was the first of two reports the Strategy, Finance & Resources Committee receive on an annual basis. The report provides Governors with an update on Safeguarding and helps to ensure Governors are able to monitor and oversee Hartpury's Safeguarding activity. The report included an update on the Safeguarding Team, COVID 19, Safeguarding/Wellbeing Training, Safeguarding and Wellbeing Referrals, Sexual Harassment/Violence and the University Mental Health Charter.</p> <p>The sad death of one of Hartpury's students and the review undertaken was noted. It was requested that this area be extended before the report was presented to the Boards to include lessons learnt. It was noted that this had been requested by a number of governors within their recent appraisals. The Vice-Principal Resources advised that training of on-site wardens had been extended to cover such an occurrence. The Pro-Vice-Chancellor advised that dealing with such an issue in an age of social media was challenging, and also the limitations on communication where it was a police matter. These were all issues which had been reflected on.</p> <p>In relation to fitness to reside the Vice-Principal Resources advised that a number of students had recently been sent home due to safeguarding concerns. She confirmed suicidisation was kept under consideration to ensure appropriate support was available.</p> <p>The increase in referrals, and the relationship to lockdowns was noted.</p> | VP Resources May 21 |
| | The University SFR Committee and College SFR Committee APPROVED the Report and Recommended it to the Boards. | |
| SFR10/05/21 | Anti-Fraud Policy and Financial Regulations Update | |
| | <p>It was noted that following the approval of the updated Financial Regulations by the University and College Boards in early March, a governor suggested that the Fraud Policy would benefit from further work. A review of other University Fraud Policies has been undertaken and the Hartpury Fraud Policy re-written to give more clarity on the scope, responsibilities and actions to be taken.</p> <p>The revised policy was attached for review and recommendation to the University Board of Governors for approval.</p> <p>A clarification in relation to when the Chair and the Chair of the Audit and Risk Management Committee were referred to were requested. It was also highlighted that following the March Board meeting another governor highlighted a number of minor changes (mainly clarifications in relation to terminology to refer to the University and College Boards, typographical and grammar changes that would improve the clarity of the Financial Regulations) and the Clerk had worked with him to add these refinements. The changes do not make substantive changes and have</p> | COO May 21 |

| | | ACTION & ACTION DATE |
|---------------------|---|----------------------|
| | not impacted on any of the detail of the delegations, requirements or processes detailed in the Financial Regulations. It was noted the updated version was available on the Governor site. | |
| | The University and College SFR Committees APPROVED the updated Anti-Fraud Policy and Financial Regulations and recommended them to the Boards. | |
| SFR 11/05/21 | Committee Terms of Reference | |
| | These had been provided for information following their approval by the Boards in March. | |
| SFR13/05/21 | Capital Projects Update- Confidential Item 5 years due to Commercial sensitivities | |
| | 2.15pm Bill Marshall left the meeting. | |
| SFR14/05/21 | Any Other Business | |
| | Planned Company Link - a governor asked for an update on this. The Vice-Chancellor and Principal advised he would be reporting on this in his Board report | |
| SFR15/05/21 | Dates of future meetings 22 nd June 2021 1pm 1 st December 2021 2pm | |

The meeting closed at 2.20