



HARTPURY

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

Minutes of Meetings 10am Tuesday 8th February 2022 Gordon Canning Room and Teams

Members

Mr Edward Keene
Mr Charlie Whitehouse
Mr Henry Hodgkins
Mr William Marshall
Mr Russell Marchant
Mr Alastair Grizzell
Mr Chris Moody

University SFR Committee

Present (Chair)
Present
Present
Present
Present (Vice-Chancellor)
-
-

College SFR Committee

Present (Chair)
-
-
-
Present (Principal)
Present
Present

In Attendance

Ms Lynn Forrester-Walker
Mrs Rosie Scott-Ward
Ms Claire Whitworth
Ms Lesley Worsfold

Present (Chief Operating Officer)
Present Pro-Vice-Chancellor) to 12.55
Present (Vice-Principal FE)
Present (Vice-Principal Resources)

Present (Chief Operating Officer)
Present Pro-Vice-Chancellor)
Present (Vice-Principal FE)
Present (Vice-Principal Resources)

Ms Gillian Steels
Mr Daniel Tinkler
Mr Mark Price

Present (Clerk to the Board)
Present (Advanced HE Observer)
Present 11.10-12.50 (Vitruvius)

Present (Clerk to the Board)

		ACTION & ACTION DATE
SFR01/02/22	<p>Apologies Apologies noted as above.</p> <p>Quoracy It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.</p>	
SFR02/02/22	<p>Declarations of Interest 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. This was noted particularly in relation to item 07/02/22</p>	
SFR03/02/22	<p>Minutes of the Last Meetings The minutes of the University SFR Committee and the College SFR Committee 22nd November 2021 meetings, subject to the need to amend attendance to include Alastair Grizzell and amendment of a typo on page 8 to read 78%, were agreed as a true record.</p>	

		ACTION & ACTION DATE
SFR04/02/22	<p>Matters Arising</p> <p>The Actions Log update, confirming actions were either complete or in train was noted.</p> <p>Farm Committee – under review until new Farm Manager joined. It was queried how the Farm was being managed during the transition to the new manager. It was noted Matt Bell was overseeing and the new manager, who was currently at Bridgewater, was visiting one day a week. It was noted the shepherd was currently on crutches and the Vice-Chancellor advised he would confirm they were managing.</p>	RM
SFR05/02/22	<p>Monthly Management Accounts – December 2021</p> <p>The Committee considered the December Management Accounts. It was noted that the operating result for the four months ending December 2021 was a Deficit of £88k compared to a budgeted Deficit of £759k. The favourable variance was largely a result of lower pay costs due to vacancies and higher income in some areas. It was noted that Cash balances at the month end were £1,774k. The University has an overdraft facility of £1m. It was confirmed that the University complies with its bank covenants and was forecast to continue to do so.</p>	
	<p>It was noted that the deficit variance had also been improved because of increased catering income, an additional equine event and additional grants relating to the support Hartpury had given students in relation to Covid – for example meals during isolation. Governors were pleased at the accessing of additional grants. It was noted that some further funding was also awaited, this reflected good relationships in place with Gloucestershire County Council.</p>	
	<p>Governors queried the impact of carrying the vacancies on students and staff. The Pro-Vice-Chancellor advised that HE academic vacancies were being filled through sessional staff whilst vacancies were filled. The vacancies in Professional Services were more challenging to deal with. There were particular issues in landbased staff, transport and catering. In FE managers and directors were having to do more teaching, which had potential to impact on their wider roles. The Vice-Chancellor and Principal advised that currently overall, he did not think it was impacting the student experience, but recognised that when a Head of Department left it did cause challenges. It was highlighted that the shortage of agricultural staff was a national issue. It was noted however that recently Hartpury had successfully appointed three specialists, and that Hartpury's reputation did help to draw applicants.</p>	
	<p>It was confirmed that a reforecast would be undertaken in January and provided in the next set of Management Accounts.</p>	
	<p>A governor queried how the reduction in overseas students would impact on the next budget. The Vice-Chancellor and Principal advised that a plan was being developed for next year and the longer term. He confirmed that the budget would reflected reduced recruitment in this area. It was recognised that this was a national issue with EU recruitment having reduced significantly. International recruitment had also reduced across the sector, although less at Hartpury than in some universities. Hartpury was looking at</p>	

		ACTION & ACTION DATE
	<p>how to regain numbers. Different packages within North America were being considered and identification of specific target countries in Europe was also on going, where there was a specific curriculum draw. The need for a USP in this challenging market was recognised. It was noted that FE international students was small, c 10, but that numbers were holding us, these were from a number of countries. It was confirmed that staying in the FE International Market would also need to be considered. A governor queried the current opportunity for students from North America. The Vice-Chancellor and Principal advised that it had an ongoing arrangement of top up degrees with Canada. The aim was to rebuild and grow this market through partnerships.</p> <p>It was noted that there had been a successful application to Hartpury's insurance company which had largely offset the cost of a 20/21 claim against the university. This again had supported the positive variance. It was confirmed that the Chair had been updated on the matter. Governors requested an update on Hartpury's Insurance Cover generally – levels and provider.</p>	COO May 2022
	A governor noted that the Pension Liability was shown as £19m when it had been advised as £29m within the Financial Accounts. The Chief Operating Officer advised she would revise this in the reforecast.	
	The University SFR Committee NOTED the Management Accounts. The College SFR Committee NOTED the Management Accounts.	
SFR06/02/22	TRAC Return	
	<p>The report provided the University's Strategy Finance and Resources Committee with the finalised 2020/21 TRAC return for submission to the OFS. It was noted that due to Covid 19, the requirement for the filing of the return had been extended to one month after the submission of the Annual Finance Return and before 31st March 2022 and that OfS for 2020/21 had again removed the requirement to submit a TRAC-T return.</p> <p>It was noted that the annual TRAC return, allocated income and expenditure to teaching, research and other activities. To ensure the process Hartpury had an integrated TRAC model, developed for the 2018/19 return as previously outlined to the Board, which had been updated for the audited financial out turn for 2020/21. The output from this model had then been input to the TRAC Return, a full copy of which was provided on the Governors Website.</p> <p>It was noted that currently the information from the TRAC return had limited use at Hartpury because it had only limited research, although the Pro-Vice-Chancellor did confirm that it was used to inform the cost of the research done, and that Hartpury also had a separate costing model.</p>	
	The University SFR Committee CONFIRMED THAT IT WAS SATISFIED that the University's TRAC return for the 2020/21 academic year had been prepared in compliance with the TRAC requirements, as set out in the TRAC guidance issued by the Office for Students and APPROVED its submission to the Office for Students.	
	Confidential Item – 5 years Commercial Sensitivity	

		ACTION & ACTION DATE
SFR07/02/22	Cost apportionment of shared costs to Hartpury College Report	
	<p>At the request of the SFR Committees and the Boards a review had been undertaken of the current methodology utilised to apportion shared costs to Hartpury University for the development of the Hartpury College Financial Statements and financial returns to the ESFA. The reason the review had been requested was to assess whether the methodology being used was the most appropriate to ensure that the level of actual contribution of the University Group and the College were as transparent as possible, or whether an alternative approach might provide a more realistic view of the actual contribution of the College and might better meet the College's needs. As part of the review the consultant engaged had discussed the issue with key finance staff, senior managers and governors.</p>	
	<p>Governors discussed the matter in some depth.</p>	
	<p>It was agreed that the report, and the range of methodologies investigated, demonstrated clearly the considerable challenges and difficulties of apportioning costs between the two linked entities of Hartpury College and Hartpury University, using an alternative to the current, regulator agreed, methodology in place.</p> <p>Governors queried whether an option might be to revise the apportionment percentage, but were advised that unless the detailed cost apportionment was established at a granular level that it would not be possible to demonstrate the basis for the adjustment. It was agreed that disaggregating costs would be very complex, for example in areas such as depreciation. The Committees considered the merit of doing further work on cost apportionment, but agreed that as long as the wider Hartpury context was made clear in reporting and comparison in the landbased sector that such work was not necessary, given the time and cost involved.</p> <p>It was confirmed that all the Hartpury subsidiaries had the same accounting policy and that the group accounts clearly set out the financial position of the group and the subsidiaries. It was agreed that the Management Accounts set out clearly the in-year costs and supported effective cost monitoring.</p> <p>It was considered that the alternative methodologies were insufficiently granular and too binary to reflect the complexity of the group relationship and the separate entities given interwoven nature of operation. The Committees stressed the need for the report to be considered in the context of the group and the need to ensure it was not considered out of the wider context.</p> <p>It was agreed that a methodology which looked at costings at a more granular level would cause significant additional workload without providing a benefit to management or governor monitoring. The Vice-Chancellor and Principal stressed that alternative processes were in place for ensuring effective cost monitoring. He outlined the processes in place:</p> <p>FE Managers had been trained in course cost management and had demonstrated a clear understanding of their costs and how to manage, monitor and reduce them in budget discussions with the Vice-Chancellor and Principal and Vice-Principal Further Education.</p>	

		ACTION & ACTION DATE
	<p>HE Managers were currently further developing their knowledge of course costing through the same process and were currently being supported by the Vice-Chancellor and Principal and Pro-Vice-Chancellor in this development.</p> <p>Management Accounts provided governors and managers with an effective mechanism for scrutiny and challenge. [The Accounts are issued monthly to governors in line with best practice].</p> <p>The Annual Accounts provided clear context of the Hartpury University Group position and set out the relationship with the subsidiaries which would prevent the risk of the information provided through the current methodology being misunderstood in the college or landbased sector.</p> <p>It was agreed to update the FE Board and University Boards that the Committees recommended that the current, regulator approved, methodology for apportioning costs between the University and the College be retained.</p>	
	<p>11.10am Mark Price, Vitruvius, joined the meeting</p> <p>Confidential Item – 5 years Commercial Sensitivity</p>	
SFR11/02/22	Agricultural Project – Update – Commercial Confidential – 5 years	
	Confidential Item – 5 years Commercial Sensitivity	
SFR12/02/22	Capital Project Report	
	Confidential Item – 5 years Commercial Sensitivity	
SFR08/02/22	Rugby	
SFR09/02/22	Refresh on LGPS – Assumptions	
	<p>A report had been provided to give governors a refresh on the details of the Local Government Pension Scheme, the risks and issues associated with current performance and potential next steps. The options available were noted. It was recognised that this was a national issue. It was confirmed that the Gloucestershire LGPS assumptions and performance was now in line with other local government pension schemes, as had been confirmed by the External Auditors. Governors queried whether Hartpury had previously offered enhanced pensions, recognising this had a significant impact. The Vice-Principal Resources advised she was not aware that this had been a practice at Hartpury. The importance of highlighting the benefits of the pension scheme in recruitment was stressed. Governors queried if many staff opted out and were advised that few did – about 3%</p> <p>It was agreed the paper covered all issues.</p> <p>The Report was NOTED and it was agreed the follow up work proposed should be taken forward.</p>	

		ACTION & ACTION DATE
	Confidential Item – Commercially Sensitive 5 years	
SFR10/02/22	Triodos Loan – Interest Rate Fix	
	Confidential Item – 5 years Commercial Sensitivity	
SFR13/02/22	Procurement of Project Management support for Capital projects	
SFR14/02/22	<p>Policy Updates*</p> <p>Financial Regulations - Approved for Recommending to the Boards subject to revision of maintenance projects approval levels in line with capital projects.</p> <p>HE Tuition Fees – Approved by the University SFR Committee</p> <p>Slavery and Human Trafficking Statement – Approved for Recommending to the Boards</p> <p>Refunds Policy - FE - Approved by the College SFR Committee</p> <p>Refunds Policy -HE - Approved by the University SFR Committee</p> <p>Subcontracting Policy - Approved by the College SFR Committee</p>	
SFR15/02/22	Any Other Business	
	None	
SFR16/02/22	<p>Dates of future meetings</p> <p>3rd May 2022</p> <p>22nd June 2022</p> <p>29th November 2022</p>	

The meeting closed at 1.45pm

APPROVED May 2022