



# HARTPURY

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

### Minutes of Meetings 1pm Tuesday 22<sup>nd</sup> June 2021 Via Zoom

#### Members

Mr Edward Keene  
Mr Charlie Whitehouse  
Mr Henry Hodgkins  
Mr William Marshall  
Mr Russell Marchant  
Mr Graham van der Lely  
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)  
Apologies  
Present (Vice-Principal FE)  
Present (Vice-Principal Resources)

Present (Chief Operating Officer)  
Apologies  
Present (Vice-Principal FE)  
Present (Vice-Principal Resources)

Ms Gillian Steels  
Mr Mark Price Vitruvius

Present (Clerk to the Board)  
Present – for Item 11 – Milestone Reports

Present (Clerk to the Board)  
Present – for Item 11 – Milestones Reports

		ACTION & ACTION DATE
SFR01/06/21	<p><b>Apologies</b> Apologies noted as above.</p> <p><b>Quoracy</b> It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.</p>	
SFR02/06/21	<p><b>Declarations of Interest</b> 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>During the meeting Mr W Marshall declared an Interest in relation to a family connection to Keir.</p>	
SFR03/06/21	<b>Minutes of the Last Meetings</b>	

		ACTION & ACTION DATE
	<p>The minutes of the University SFR Committee and the College SFR Committee 11<sup>th</sup> May 2021 meetings were agreed subject to a clarification on the budget item in relation to level of surplus previously forecast and not achieved and in relation to the Sports Academy item it was noted that a governor had flagged at the meeting that the figures given had been repeated in the table and an update had not yet been provided. The Chief Operating Officer apologised for this oversight and agreed to complete this and issue to the Committee. The need for the minutes to provide the rest of the Board with a clear understanding of the discussion at a meeting was recognised.</p> <p>The Vice-Chancellor and Principal commented that forecasts needed to be considered against the assumptions in place when they were made and the operating environment at that time. For example in 2018 one of the assumptions had been that the review of Small and Specialist Institutions, which would have had the potential to increase Hartpury's funding would have taken place, whereas this review was yet to happen. Governors confirmed they recognised this but commented that it was still helpful to be able to look at the direction of travel over time by considering previous forecasts. In this instance the trend of increasing payroll and overheads costs, which were limiting Hartpury's ability to develop its surpluses was a point that it was considered needed to be understood and reflected on. The Vice-Chancellor and Principal confirmed he understood this approach and confirmed that Hartpury was working to try to achieve a 5% surplus. It was noted that the refurbishment budget was the balancing figure. A governor suggested there should be a minimum figure targeted to be spent on refurbishment to ensure it was taken forward. This approach was supported by another governor.</p>	<p><b>COO</b> <b>June 2021</b></p>
<p><b>SFR04/06/21</b></p>	<p><b>Matters Arising</b></p> <p>The Actions Log update, confirming actions were either complete or in train was noted.</p> <p>In relation to the clarification requested on the ULH Fees it was confirmed that the Chief Operating Officer and Graham van der Lely had had a discussion on the matter and the Chief Operating Officer updated that there had been a miscoding, and that the fees now being shown reflected the project and not broader capital spend.</p> <p>It was noted that one issue had been raised by a governor on the Audit and Risk Management Committee for consideration by the Committee in relation to the allocation of National Insurance and Pension costs within the Management Accounts and whether it would provide a clearer understanding of costs if they were apportioned to departments. The Chief Operating Officer advised that where an area was considered in detail that the NI and pension costs were apportioned, but that within the Management Accounts they were kept as a central figure so that the scale of pension and NI costs was clearly apparent. Governors debated the matter. It was agreed that it could be very complex to apportion the costs and that on balance it would be better to keep the Management Accounts process as simple as possible.</p>	
<p><b>SFR05/06/21</b></p>	<p><b>Monthly Management Accounts – April 2021</b></p>	

		ACTION & ACTION DATE
	<p>The Committee considered the Management Accounts are for the 9-month period to end of April 2021. It was noted that for this period there was a surplus of £2,196k, compared to a budgeted surplus of £1,969k. For the first time this year the surplus was tracking ahead of budget, this variance was mostly as a result of additional HE income and well controlled costs.</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. The April reforecast had improved by £86k from that in March due to additional income for the Dept. of Health for the Covid Test Centre and significant reductions in casual or invoiced labour and lower commercial costs.</p>	
	<p>A governor queried whether Hartpury laid off any of its cash overnight if the amount held was high. The Chief Operating Officer advised this was done when possible and confirmed that Hartpury also sometimes looked at a long term laying off when appropriate. It was recognised that interest levels were currently low. A governor asked for clarification on the term Forridge and was advised it was silage/hay/stored feed. It was confirmed if an excess was held this would be recognised in the closing valuation.</p>	
	<p>A governor queried whether international student recruitment remained challenging. It was confirmed that the impact of Brexit, Covid and Visa restrictions meant this continued to be a challenging market. The number of Undergraduate International students had increased, although the number of international postgraduate students had increased.</p>	
	<p>A governor queried where the costs of paying the supplement on the furlough scheme to pay a member of staff's full wage were shown. The Chief Operating Officer advised that these were included in payroll costs, they had not been itemised to include with the Covid costs. The Chief Operating Officer advised it would have been difficult to apportion this, particularly had used flexi-furlough in the second stage. Recognising the position the Committees agreed that it would be too time consuming to try to provide this information now.</p> <p>A governor queried where the Capital Expenditure to date was shown. It was noted this was covered in the financial spreadsheet which had been provided for the Capital Item. A governor highlighted the loss relating to the sports facility and asked what this related to. The Chief Operating Officer advised it reflected the loss of commercial lettings due to Covid and also the fact that Hartpury Rugby had received a far smaller grant than anticipated from the RFU.</p> <p>A governor asked for further clarification on the cashflow forecast and was advised it reflected the expected Triodos loan draw down.</p>	
	<p><b>The University SFR Committee NOTED the Management Accounts.</b> <b>The College SFR Committee NOTED the Management Accounts.</b></p>	
SFR06/06/21	Draft Budget	

		<b>ACTION &amp; ACTION DATE</b>
	<p>The Committees considered the final draft of the budget for 2021/22. It was noted this built upon the version reviewed at the May meeting. 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>A table which detailed the small number of minor changes since the draft budget for 2021/22, reviewed at the May meeting, and the final budget, with the differences explained had been provided.</p>	
	<p>A governor noted that the budget did not set out to achieve a surplus of 5% and noted that the Committees and the Boards needed to be aware of the reasons for this. It was noted that the outcome of the Capital bids submitted was awaited. The ESFA full bid would need to be submitted by 31<sup>st</sup> July if the EOI stage was successful. Currently the timeline would still fit with the proposed Graze development. A governor queried whether there had been feedback from the Levelling Up Fund submission. The Chief Operating Officer confirmed it had been submitted with the Forest of Dean District Council and a response was now awaited from the government. The expected date for feedback was the autumn, but it was noted that sometimes there was a delay which might mean there was no response until Spring 2022. The potential significant impact for Hartpury and the Forest of Dean if the bid was successful was recognised.</p>	
	<p>A governor highlighted that the bursaries expenditure seemed a bit volatile and requested an update on the Bursary Policy. The Chief Operating Officer agreed to provide this, but flagged that the volatility shown reflected the additional support which had been provided from OfS in response to the pandemic.</p>	<b>COO Nov 2021</b>
	<p>A governor commented that it would be helpful if the FTEs for FE were shown as well as for HE and the Chief Operating Officer agreed to add this for the future.</p>	<b>COO May 2022</b>
	<p>The Committees recognised that whilst income continued to increase that the surplus was reduced, and it was recognised that if the next academic year brought further disruption that this could make the position challenging for Hartpury. It was noted that the reduction in the surplus had been a trend over the last few years. The Chief Operating Officer advised that a contingency of 1% had been built into the budget to recognise potential challenges. The Vice-Chancellor and Principal advised that the aim would be to minimise spending from the contingency to produce a larger surplus. The Chief Operating Officer advised that some of the increase in non-pay costs reflected investment to meet student growth – such as IT systems. Some increases in pay costs reflected investment in curriculum.</p>	
	<p>Governors stressed the need for a prudent approach to support the capital plans and the Vice-Chancellor and Principal confirmed this was the executive approach. A governor flagged the number of cash days and level of debt as aspects to keep under ongoing review. The Chief Operating Officer confirmed that the Executive Team were conscious of the cash position and</p>	

		ACTION & ACTION DATE
	<p>worked to maximise cash levels held. It was noted that the information relating to the college needed to be looked at against the wider context of the group.</p> <p>A governor highlighted that the information relating to equine – facilities on page 16 of the budget did not cast – indicating an error. The Chief Operating Officer agreed to check and update for the Boards.</p> <p>It was agreed that the aim should be to work to improve on performance against the budget over the year.</p>	COO June 2021
	<p><b>The University SFR Committee and the College SFR Committee APPROVED the Budget and AGREED to RECOMMEND it to the Boards.</b></p>	
SFR07/06/21	<p><b>Financial Strategic Plan</b></p>	
	<p>The Committees considered the updated plan following the discussion in May. It was noted that the report 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 was to:</p> <ul style="list-style-type: none"> <li>• Grow to 5,000 to ensure resilience and critical mass, a 1,300 student increase</li> <li>• Plan and deliver a new build program to meet needs</li> <li>• Initiate and deliver a major refurbishment program covering accommodation, teaching and learning spaces, catering and beverage outlets and staff offices</li> </ul> <p>It was highlighted that the strategic financial plan aimed to achieve this vision through planned growth in student numbers which was 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 were needed to be able to facilitate the growth in numbers, thus the plan assumed the delivery or commencement of key capital developments:</p> <ul style="list-style-type: none"> <li>• New Car Park</li> <li>• New Graze</li> <li>• ULH development</li> <li>• Additional on-site accommodation</li> <li>• Improved animal facilities</li> </ul> <p>The plan assumed that Hartpury will 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>The Strategic Financial Plan will 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. It was noted that the aspects relating to Hartpury College will be extracted for inclusion in the new financial return required by the ESFA in July 2021.</p>	

		ACTION & ACTION DATE
	It was noted that the table on page 3 had a row which either needed a heading or to be removed. The Chief Operating Officer agreed to action.	COO June 2021
	<p>Governors noted that the plan reflected the budget but commented on the aspiration to improve performance against the budget. It was confirmed it was a prudent plan which assumed that HE and FE income levels did not increase and did not reflect potential opportunities, such as T'levels. Governors commented that if income and surplus generation were not to grow consideration would need to be given to driving costs down. The Chief Operating Officer advised that the work of the Continuous Improvement Team looked to improve efficiencies. The Vice-Chancellor and Principal confirmed that there were ongoing discussions within the Executive and wider management team on how to generate more income without generating additional costs. Discussions were ongoing on how to deliver Levels 4 and 5 flexibly – either on our own or in partnerships with other organisations. The Vice-Principal Further Education confirmed that this was being actively considered. A governor commented on potential opportunity to provide CPD for adults – responding to demand generated through the pandemic. The challenges of finding new starters in the agricultural industry was flagged.</p>	
	<p>A governor reflected that turnover had increased by c£10m over a period, reflecting the increase in student numbers, and it was important to recognise that the student numbers increase had associated costs in terms of building facilities and staff. The Vice-Chancellor and Principal highlighted that Hartpury's position of a 3% surplus was one that would be positively viewed by many other HE and FE institutions. This was confirmed by a number of governors. It was recognised that there was significant variation in terms of financial strength in both FE and HE institutions, with some with large cash reserves and others in more challenging positions. The Vice-Chancellor and Principal flagged his concern for the college landbased sector, noting the loss of the New Rigg Campus in Cumbria, which showed the potential fragility of the sector. The importance of being able to service landbased industries across was country was highlighted. A governor commented on the need for increased funding weighting for landbased colleges needed to be raised up the national agenda.</p>	
	<p>A governor commented that he was pleased to see inflation being included at 2%, but noted that it could rise.</p>	
	<p>It was recognised that Hartpury had a lot of capital investment planned and that it needed to be recognised that the maintenance budget would need to increase to ensure existing and newly planned buildings could be appropriately maintained. The Vice-Chancellor agreed this was an important point which would be considered going forward. He assured the Committees that the new buildings were designed with clarity that low maintenance and longevity should be central to their design.</p> <p>A governor highlighted that the potential risks relating to the review of TEF, the fact that the College had not been subject to OFSTED since 2018 and would be due in the next cycle and Hartpury now having sufficient history to appear in league tables needed to be kept under review. The Vice-</p>	

		ACTION & ACTION DATE
	<p>Chancellor and Principal and the Vice-Principal Further Education confirmed that the College was OFSTED ready. It was noted the College could be inspected between now and 2026.</p> <p>In relation to TEF the outcome of the review was being monitored and reports updated to the QuEst Committee and the Board. It was not yet clear how this would work going forward.</p> <p>In relation to the league tables it was noted that the staff/student ratio would be highlighted as Hartpury University staff levels were below some other universities.</p>	
	<p><b>The University SFR Committee and the College SFR Committee NOTED the Draft Financial Strategic Plan.</b></p>	
<p><b>SFR08/06/21</b></p>	<p><b>College Financial Forecasting Return</b></p>	
	<p>The Chief Operating Officer highlighted the key points of the report noting that the ESFA had issued a new financial return for submission this year – the Colleges’ Financial Forecast Return (CFFR) (a copy of the full return was available on the governors’ website).</p> <p>It was noted that the return provided in a single model the forecast out turns for 2020/21, the budget for 2021/22 and a forecast budget for 2022/23.</p> <p>For Hartpury College, when compared to other colleges this was a relatively easy model to populate as the college directly receives only ESFA income and a small amount of tuition fee income. Costs were limited to teaching staff and their related pension and direct teaching non-pay, with the share of all other overhead costs being a single amount.</p> <p>The Committees were advised that in completing the model, the 2020/21 figures reflected a subset of the April 2021 reforecast figures from the management accounts, which in turn were based upon the budget approved by Corporation in July 2020. The 2021/22 budget was a subset of the budget paper at item 6 on the agenda and for the forecast budget for 2022/23 this was a subset of the Financial Strategic Plan at item 7 on the agenda.</p> <p>It was confirmed that the plan indicated that the financial health of Hartpury College is Outstanding both utilising the previous health measures and the newly proposed measures. A governor queried how this could be the case based on the 2023 outturn. The Chief Operating Officer advised this was because any surplus held was gift aided to the University as previously agreed by the College Board. The Chief Operating Officer advised that she thought it possible the ESFA would query the entry but that the standard form did not accommodate Hartpury’s unusual structure. It was noted that in the recent ESFA Review that the new ESFA Team for Hartpury had needed to be updated on Hartpury’s structure as the team who had been part of the designation process had now moved on.</p> <p>It was noted that in 2020/21 the college’s Financial Health was detailed as Requires Improvement within the ESFA correspondence (item 9 on the agenda) – the Chief Operating Officer reminded the Committees this was because it had been agreed the additional Covid costs related to the College should be shown within the forecast.</p>	

		ACTION & ACTION DATE
	It was noted that the model agreed to apportion costs between the College and the University was a simple one to avoid the need for time being spent in apportioning and cross-charging. It was recognised, however, that it did mean that individuals who lacked the background knowledge on Hartpury's structure could misunderstand the information provided. It was agreed that it should be further reviewed for March 2022 to see if this remained the most appropriate model.	COO/Board March 2022
	<b>The College SFR Committee APPROVED the College Financial Forecasting Return and Recommended it to the Board for APPROVAL and submission to the ESFA.</b>	
	<b>The University SFR Committee NOTED the position.</b>	
<b>SFR09/06/21</b>	<b>College Financial Assessment Letter</b>	
	The Financial Health Classification letters, the dashboards and comparator information were considered by the Committees.	
	<b>The University SFR Committee and College SFR Committee NOTED the feedback in the College Financial Assessment Letter and the dashboard information provided.</b>	
<b>SFR10/06/21</b>	<b>Policies</b>	
<b>10.1</b>	<b>International Fees Policy - FE</b>	
	It was noted that it was planned to retain the fees at the current level for 2022/23 given the current market and then further review for 2023 the following year when T'levels would be added.	
	<b>The College SFR Committee APPROVED the International Fees Policy FE and recommended it to the College Board for APPROVAL.</b>	
<b>10.2</b>	<b>Equality, Diversity and Inclusivity Policy</b>	
	It was noted this was the Annual Review of the Policy and work had been done to draw together some policies which had been separate into the overarching policy for simplicity.	
	<b>The University and College SFR Committees APPROVED the Equality, Diversity and Inclusivity Policy and recommended it to the Boards for APPROVAL.</b>	
<b>10.3</b>	<b>Review Arrangements for obtaining views staff and students</b>	
	A number of small additional changes were proposed to confirm that this covered the whole of Hartpury.	

		ACTION & ACTION DATE
	<b>Subject to the additional changes the University and College SFR Committees APPROVED the Arrangements for obtaining the views of staff and students and recommended it to the Boards for APPROVAL.</b>	
10.4	<b>Review Assessment reputation colleges and views stakeholders</b> The University and College SFR Committees APPROVED the Assessment of Hartpury's reputation and the views of stakeholders and recommended it to the Boards for APPROVAL.	
	2.30pm Mark Price, Vitruvius was welcomed to the meeting	
SFR11/06/21	<b>Milestone Report – CONFIDENTIAL ITEM – 5years due to commercial sensitivity</b>	
SFR12/06/21	<b>Capital Projects Update- Confidential Item 5 years due to Commercial sensitivities</b> The Capital Report was NOTED.	
SFR13/06/21	<b>Any Other Business</b> <b>Strategy Days</b> – it was confirmed that following a risk assessment that this was to progress with socially distanced measures in place. <b>Covid Cases</b> – a governor queried the number of current cases. The Vice-Chancellor and Principal advised that there were currently 30 students on site who were isolating. There were 53 positives currently: 47 College students, 3 University students and 3 staff. A governor queried whether there were clusters. The Vice-Chancellor and Principal advised that this was difficult to identify and seemed to be linked to social activity. The Vice-Principal advised that there was good compliance with the twice weekly testing and that the increase was disappointing. <b>Graham van der Lely</b> – The Chair recognised this was Graham's last meeting at this Committee and recognised the significant thoughtful and considered contribution he had made over a lengthy period of time. Graham commented that it had been a privilege to be involved and wished Hartpury well with its' capital projects.	
SFR14/06/21	<b>Dates of future meetings</b> 1 <sup>st</sup> December 2021 2pm	

The meeting closed at 4pm