



# HARTPURY

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

### Minutes of Meetings 2pm Monday 14th November 2022 Gordon Canning Room and MS Teams

#### Members

Mr Edward Keene  
 Mr Henry Hodgkins  
 Mr William Marshall (until  
 4.55pm)  
 Mr Robert Brooks  
 Professor Andy Collop  
 Mr Alastair Grizzell(until  
 4.25pm)  
 Mr Chris Moody

#### University SFR Committee

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

#### College SFR Committee

Present (Chair)  
 -  
 -  
 -  
 Present (Principal)  
 Present  
 Present  
 Present (Chief Operating Officer)  
 Present Pro-Vice-Chancellor)  
 Present (Chief Operating Officer)  
 Present Pro-Vice-Chancellor)  
 Present (Vice-Principal FE)  
 Present (Vice-Principal Resources)  
 Present (Clerk to the Board)

#### In Attendance

Ms Lynn Forrester-Walker  
 Mrs Rosie Scott-Ward (until  
 3.45pm)  
 Ms Claire Whitworth  
 Ms Lesley Worsfold  
 Ms Gillian Steels

Present (Chief Operating Officer)  
 Present Pro-Vice-Chancellor)  
 Present (Vice-Principal FE)  
 Present (Vice-Principal Resources)  
 Present (Clerk to the Board)

		ACTION & ACTION DATE
SFR01/11/22	<b>Apologies</b> Apologies noted as above. <b>Quoracy</b> It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.	
SFR02/11/22	<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.	
SFR03/11/22	<b>Minutes of the Last Meetings</b> The minutes of the University SFR Committee and the College SFR Committee 22 <sup>nd</sup> June, 3 <sup>rd</sup> August, 13 <sup>th</sup> September 2022 meetings and the electronic approval of 7 <sup>th</sup> October were agreed as true records.	

SFR04/11/22	<p><b>Matters Arising</b></p> <p>The Actions Log update, confirming actions were either complete or in train was noted. It was noted the updated on the Box Park was within the Capital Report. It was confirmed feedback on the carpark was still awaited from HMRC.</p> <p><b>Farm Committee</b> – There had been a first meeting of the reinstated farm Committee. The membership included a governor (Robert Brooks), the Vice-Chancellor and Principal, a local farmer and members of the agricultural team.</p> <p><b>Confidential Item - redacted</b></p>
SFR05/11/22	<p><b>Confidential Item - redacted</b> – Restricted 5 years</p>
SFR06/11/22	<p><b>People, Performance and Development Annual Report</b></p> <p>The People, Performance &amp; Development Annual Report highlighted achievement against the HR performance indicators and other key statistics relating to the 2021/22 academic year. The report provided comprehensive reporting on the HR objectives embedded in the People, Performance &amp; Development Strategy – <i>Attract, Reward &amp; Retain, High Performing Culture, Excellence in Leadership &amp; Management, Learning &amp; Development, Diversity, Inclusivity, Wellbeing and Positive Engagement and Operational Excellence.</i></p> <p>It was highlighted that 2021/22 had been a year where Hartpury returned to normality following the Covid-19 pandemic but built on some of the Covid-19 legacy projects particularly those that promoted leaner more agile working and continuous improvement. Whilst hybrid working was in place for some teams, maximising the student experience was critical and so most members of staff returned to on campus working. Hybrid working, for some roles, had proved a beneficial recruitment tool.</p> <p>It was noted that 2021/22 had provided challenges some, but not all, relating to the pandemic but more importantly the increasing economic and financial climate. The labour market had changed through and post pandemic; the catering and hospitality industry being a prime example and the cost-of-living crisis had also had a negative impact. Work on annual pay awards/salary structures was, therefore, critical.</p> <p>The Committees considered the KPI target for voluntary staff turnover for 2021/22 which was 10%, noting that actual voluntary turnover was 17% which was significantly higher than target. This figure was reflective of the current climate because it had become increasingly difficult to retain Professional Services staff in particular. The availability of jobs in the hospitality industry and in other industries such as retail, had had an impact as demonstrated in the turnover rate of 58% within the Catering team. This had called for creativity in our recruitment campaigns and recruiting university students, who lived on site had helped in part. Governors reflected on the staff turnover figures. They queried whether size was an issue, particularly in relation to HE staff and whether Hartpury could provide sufficient progression opportunities. The Vice-Principal Resources advised that during the HE Review that job descriptions had been reworked to provide clearer pathways. The Pro-Vice-Chancellor advised that Hartpury</p>

	<p>did work to ensure there were progression opportunities. The Vice-Principal Further Education gave some examples of transfers between subject areas which had supported this. The Pro-Vice-Chancellor advised that the HE turnover had clustered particularly in Animal and Agriculture and that work had been done to restabilise the department. She advised that she thought the 10% turnover figure should be achievable going forward.</p>	
	<p>A governor questioned who were Hartpury's competitors in terms of recruitment and retention. The Pro-Vice-Chancellor advised that in sport Hartpury suffered from a number of local competitors which meant staff could move organisation without needing to relocate. The Vice-Principal Resources confirmed that reasons for leaving were considered and that they indicated a range of reasons and a range of organisations individuals were moving to.</p> <p>It was confirmed that the HE benchmarking review process had been helpful, but that Hartpury remained 2% below the market. It was noted that Hartpury's introduction of hybrid working had been a draw for some staff.</p> <p>The Vice-Principal Further Education advised that the issues were department specific, for example in animal management staff could transition to and from industry, and would need support when moving into teaching.</p>	
	<p>It was noted that significant work on wellbeing and mental health support had also been put in place. A governor commented that it was disappointing that only 73% of staff felt they would be able to raise MH issues with their manager (a growth of 2% since the previous survey). The Vice-Principal Resources advised that work continued to be ongoing to raise awareness of Hartpury's MH support.</p>	
	<p>A governor commented on the Professional Services staff benchmark He queried whether there was an acceptable split of full/part time – expressing surprise at the headcount in this area. The Vice-Principal Resources advised that Hartpury did consider HR data from HESA and AoC to identify potential options. It was noted that there had been significant turnover in IT, but that had now stabilised. A governor stressed the importance of the Professional Support staff to maintain the student experience, and the importance of working to improve stability and build resilience in these areas. It was noted there was no pay spine for these staff. The Vice-Chancellor and Principal advised that whilst management were mindful of costs they were also looking at incentives and career progression. Governors queried whether Hartpury contacted out any of its support services. The Vice-Principal Resources advised that currently no services were outsourced. Previously catering and cleaning had been outsourced but they had been brought in house to embed the services within the Hartpury culture.</p>	
	<p>Governors agreed that the report provided a helpful summary. A governor commented that it would be helpful to ensure the culture supported staff in ensuring value for money was achieved so that there were funds for reinvestment. The Vice-Principal Resources noted this.</p>	

	<p><b>The Annual People, Performance and Development Annual Report was APPROVED and AGREED to be provided to the Boards.</b></p>	
SFR07/11/22	<p><b>Prevent – OfS Submission</b></p> <p>It was noted this was Hartpury’s first PREVENT submission since becoming a university. The Committees considered the Report. A governor asked how many speakers had been on site and were advised that 162 speakers had been approved.</p>	
	<p><b>The University SFR Committee APPROVED the Report and AGREED to delegate its submission to the Vice-Principal Resources.</b></p> <p><b>The College SFR NOTED the update.</b></p>	
SFR08/11/22	<p><b>Financial Statements – Review</b></p> <p><b>8.1 University</b></p> <p><b>8.2 College</b></p> <p><b>8.3 Other Subsidiaries</b></p> <p>The Committees had been provided with the following financial statements for year-end July 2022</p> <ul style="list-style-type: none"> <li>• Hartpury University, and its 4 subsidiary companies <ul style="list-style-type: none"> <li>• Hartpury College</li> <li>• Limbury Ltd</li> <li>• Rudgeley Ltd</li> <li>• Hartpury Rugby Ltd</li> </ul> </li> </ul> <p>A financial bridge reconciling the surplus before pension adjustment in the July 2022 management accounts for Hartpury University to the financial statements had been provided.</p> <p>The Chief Operating Officer advised the Financial Statements had been considered in detail at the Audit &amp; Risk Management Committee that morning, with the External Auditor advising there were no issues of concern.</p> <p>Governors commented that having the financial bridge was very helpful. It was suggested the Financial Statements should have explanatory text to provide the context to the surplus relating to the pension adjustment and Covid. It was noted that pay had increased by £3.5m since the previous year (income had also risen in this period, but not at the same rate). It was agreed this would be an issue for the Strategy Days in March to consider. A governor queried why the group assets were lower than the university assets. It was noted this related to the valuation on incorporation and the Chief operating Officer agreed to add a note for this year, and going forward.</p> <p>A governor asked about the lease referred to on Page 40 and was advised this related to a new 20-year lease for Oakle Clifford. A governor asked why the Vice-Chancellor’s salary had increased and was advised this reflected the change in pension policy, it was agreed that a note on this, and noting that it was a Joint Role should be added.</p>	<p><b>Boards</b> <b>Mar 2023</b></p> <p><b>COO</b> <b>Nov 22</b></p> <p><b>COO</b> <b>Nov 22</b></p>

	<p><b>The Financial Statements for</b></p> <ul style="list-style-type: none"> <li>• <b>Hartpury University, and its 4 subsidiary companies</b> <ul style="list-style-type: none"> <li>• <b>Hartpury College</b></li> <li>• <b>Limbury Ltd</b></li> <li>• <b>Rudgeley Ltd</b></li> <li>• <b>Hartpury Rugby Ltd</b></li> </ul> </li> </ul> <p><b>Were noted.</b></p>	
<b>SFR09/11/22</b>	<b>OFS Finance Return</b>	
	<p>The Committees considered the detail of the annual OfS annual finance return.</p>	
	<p>It was noted that the Office for Students required the submission of the annual finance return by the end of January 2022. The return provided both historical financial data for 2019/20 and 2020/21, current budgeted out turn for 2021/22 and future financial forecasts to 2025/26.</p> <p>The return showed that the plan was to grow HE student numbers, as set out in our 2025 Strategy, allied to that will be increased staffing costs and some growth in non-pay costs aligned mainly to inflation. It was highlighted that a plan predicated on continued student growth was not without risk. The past two years student growth had been less predictable as a result of the impact of Covid and current economic pressures which was changing student behaviours.</p> <p>The plan showed that we continue to generate a surplus each year (before any LGPS pension adjustments). However, the level of surplus was impacted by no change in the funding per student for either FE and HE and the impact of inflation and forecast pay awards each year. We continued to be cash generative and this would enable some aspects of the capital development plan to be funded.</p> <p>It was confirmed that as part of the budget setting round for 2023/24 we would be asking all departments to critically review their non-pay spend and for those commercial areas to look at pricing to positively impact upon the overall surplus and thus reduce the reliance on student number growth.</p>	
	<p>The Chief Operating Officer highlighted the cashflow and the risk register. It was noted that the full return was available on the governors' website. It was confirmed that the plan showed a surplus of £1m each year and assumed HE number continued to grow as highlighted above. The Committee considered the risks related to this. The Vice-Chancellor and Principal advised that Hartpury continued to await the outcome of the OfS's small and specialist review (the outcome was now expected before the end of November. If this was successful there would be additional funding as previously highlighted. If it was not successful Hartpury would look at where it could add to its current HE offer in a way that was in line with current provision, such as education.</p>	
	<p>A governor commented on the figure of 2% increase of expenditure, noting increased inflation. The Chief Operating Officer commented that given</p>	

	<p>FE/HE income per student was capped that costs would need to be considered as detailed. It was noted the figures were based on current HE fee levels, it was noted it was possible this might vary, but would need to be considered against the wider sector.</p>	
	<p>The challenges and assumptions were reflected on.</p> <p><b>The University SFR Committee AGREED to RECOMMEND the OFS Financial Return to the University Board.</b></p> <p><b>The College SFR Committee NOTED the update.</b></p>	
<b>SF10/11/22</b>	<b>Monthly Management Accounts – September 2022</b>	
	<p>The Committee considered the Management Accounts for the 2-month period to end of September 2022. The first page provided a summary of financial performance and the KPIs.</p> <p>For 2022/23 it was noted that in response to governor feedback a couple of changes had been made to the format of the management accounts. The Capital page now included only details of the SMT Capital budget (formerly the Principal's capital Budget) and the IT capital budget. All other capital spend was reported on the monthly capital spreadsheets included as part of the Capital Report at SFR13/11/22. This ensured that the full capital spend for large multi-year projects is visible and monitored. It was noted that Capital Expenditure was also included in the OfS return.</p> <p>The cashflow forecasts had been updated and now include three graphs, to demonstrate the impact of both capital and operational cashflows on the overall position:</p> <ul style="list-style-type: none"> <li>• A graph showing the profile of capital spend across the year.</li> <li>• A profile of net operational cashflows across the year budget and actual.</li> <li>• An overall cashflow including both Operational and Capital cashflows across the year, budget and actual</li> </ul> <p>Governors were generally comfortable with these changes, although a governor flagged the removal of the single graph with capital and the Chief Operating Officer advised she would discuss this with him.</p> <p>The management accounts presented the 'Group' position and incorporate all subsidiary activity.</p>	<p><b>COO/WM</b> <b>Dec 2022</b></p>
	<p>It was noted that the operating result for the two months ending September 2022 was a deficit £3,577k compared to a budgeted deficit £3,789K. The deficit reflected the fact that student income was not yet recognised. The favourable variance was a result of ISES conference &amp; football grant income paired with well controlled Payroll costs &amp; Non-pay costs. Cash balances at the month end were £4,704k. The University had an overdraft facility of £1m. The University complied with its bank covenants and was forecast to continue to do so.</p>	
	<p>Key Performance Indicators were considered and did not indicate concerns at this time.</p>	

	<p>The Chief Operating Officer advised she had committed an initial reforecast which based on information known at this time increased the potential surplus to £1.7m. It was confirmed the updated forecast would be updated within the future Management Accounts.</p>	
	<p>A governor asked whether Hartpury had considered the use of “overnight money” given improved rates. The Chief Operating Officer advised she would look at this.</p>	<p><b>COO</b> <b>Dec/Jan</b></p>
	<p>Governors flagged the variance in the farm position. The Chief Operating Officer advised this related in changes to when animals had been sold against the assumptions at budget. It was confirmed there would be further income later in the year. It was noted there had also been changes to the milk price. It was noted that the Farm Committee had looked at the position to the end of 2021/22 but had not flagged concerns at meeting the budget at this time.</p>	
	<p><b>The University SFR Committee NOTED the September Management Accounts.</b> <b>The College SFR Committee NOTED the September Management Accounts.</b></p>	
SFR11/11/22	<p><b>Enrolment Update</b> <b>HE</b></p> <p>The latest information on enrolment was provided. In relation to HE it was noted that there had been less applicants in the sector as a whole, Hartpury had undertaken more summer activity and gained its highest clearing outcome. (these students would be monitored to check that their retention was in line with other students). The Pro-Vice Chancellor commented that the residential team had been very responsive in meeting the needs of late applicants which had helped ensure conversions to enrolments. The Pro-Vice Chancellor advised that although the mix varied from target that the financial target would still be met. She flagged that she was also targeting a small January recruitment. Governors requested further information on prior targets within the strategic plan for context. It was noted that Covid had impacted capital developments which were reflected in part in reduced growth. For example, the delay to Graze. Detail on recruitment by department was noted.</p>	<p><b>Pro-VC</b> <b>Bd Nov 22</b></p>
	<p>It was noted that the target was to grow sport, equine and agriculture and animal to the same size, but this was proving challenging. Discussions were ongoing with marketing on supporting this. It was noted that Post Graduate taught was a challenging market with students deterred by economic challenges. Work was ongoing to maximise RKE impact.</p> <p>Governors queried where International students were being recruited from. The Pro-Vice-Chancellor advised they were recruiting globally but with particular concentrations from North America and Europe, this was being generated through links with feeder colleges, improved international marketing and agents. The summer equine events had increased equine applications. A governor highlighted that RAU had some in country projects. This was noted.</p> <p><b>The HE enrolment information was NOTED.</b></p>	

	<b>FE</b>	
	<p>It was noted that FE had already met its 2025 target. It was noted figures were indicative until the 6-week cut off point data was finalised. It was noted work to further improve enrolment going forward was ongoing.</p> <p>There were 46 apprentices split over the last three years. It was noted that the split between land based and non landbased was 43% this year. Work continued to move this to 50%. It was highlighted that equine numbers had been declining and further work investigating this was ongoing. The Vice Principal Further Education advised that colleagues in the sector were experiencing a similar situation. Targeted bursaries were in place. Access to HE enrolment had also been disappointing – again reflecting the sector position and the economic challenges potential students for this course were facing.</p>	
	<b>The FE enrolment information was NOTED</b>	
	<b>3.45pm the Pro-Vice-Chancellor left the meeting.</b>	
<b>SFR12/11/22</b>	<b>Annual Insurance Report</b>	
	<p>The Committees considered the Annual Insurance Report. It was noted that Hartpury's insurance cover was renewed on 1st November each year.</p> <p>We utilised the services of an insurance broker Hettle Andrews who work with us to test the market each year to ensure we secure a competitively priced and appropriate level of cover. This ensured we were meeting the requirements of the Financial Regulations to ensure we secured value for money and can demonstrate that the market was tested for insurance services.</p> <p>Hettle Andrews receive a small fee from Hartpury for the provision of this service and for dealing with all claims throughout the year.</p> <p>The renewal for 2022/23 reflected the levels of cover, cover basis and excess levels as reported in 2021/22. The key changes, beyond the standard insurance uplift for inflation were provided. It was noted these included the fact that Terrorism premium had increased due to the new buildings completed on site. Management Liability insurance had reduced due to improved claims history over the past 12 months, Motor Fleet insurance premium has reduced reflecting improving claims experience. The level of cover for Cyber Insurance has increased due to an increase in the level of cover as recommended by the broker and from our experience of other similar institutions who have experienced successful cyber-attacks.</p>	
	A governor requested a reminder on the level of Professional Indemnity.	<b>COO Nov 2022</b>
	<b>The Annual Insurance Report was NOTED.</b>	
<b>SFR13/11/22</b>	<b>Confidential Item – Restricted 5 years</b>	
<b>SFR14/11/22</b>	<b>Confidential Item – Restricted 5 years</b>	

SFR 15/11/22	<p><b>Football - Milestone 1 Report - Strategic Definition and Outline Business Case</b></p>
	<p>The Committees considered a proposal for investment and commitment in Football 1 project over the next 5-10 years which could see the Hartpury University FC team progress up the National League System which would have a positive impact on student recruitment, improved experiences and opportunities for both students and staff and drive commercial revenue and sponsorship opportunities.</p> <p>This had the potential to attract commercial revenue beyond university sport. Examples elsewhere of this include Loughborough with Aldi, Cardiff Met with Utilia. Companies are more likely to sponsor and collaborate to a national audience through the progression of our side in FA competitions. Example below:</p> <p style="text-align: center;"><a href="https://www.lboro.ac.uk/sport">Aldi   Sport   Loughborough University (lboro.ac.uk)</a></p> <p>The development of the ground and team would provide national and international exposure for the Hartpury brand which would widen our recruitment base and attract new students and research opportunities.</p> <p>A Net Present Value Calculation has been undertaken to look at the costs of development and pay back over a 10-year period. As a result, over a 10-year period the project has a positive NPV of £287k and a positive cashflow for the same period of £174k.</p>
	<p>The Assistant Director of Elite Sport gave a detailed presentation and provided a number of handouts which provided additional background information. Progress Hartpury Football had made to date was recognised. The Assistant Director of Elite Sport highlighted current marketing hits and potential for income generation in the future, although it was recognised that this was not considerable during the early league stages. He highlighted current staff and student stories which reflected retention and recruitment because of current developments. It was confirmed there was some support for player travel from the FA. The need to meet FA requirements for current league level, and potentially next league level was stressed. Governors were supportive of this but concerned that future league promotion would require cost expenditure which would potentially exceed benefits. A governor expressed concern at the siting of the pitch, which was near residential accommodation and whether there were [potential safeguarding issues. It was noted there would be a secure perimeter fence and turnstiles. It was confirmed that it this stage Hartpury was only considering leagues 5 and 6. It was noted that if a different site was required there would be additional costs. It was noted Loughborough University were at Step 5.</p> <p><b>5.05pm Assistant Director of Elite Sport left the meeting</b></p>
	<p>Governors stressed that an agreement to the current proposal was not an agreement to future stages. The Vice-Chancellor and Principal confirmed this and stressed that safeguarding aspects would be considered at the proposed stages. Governors confirmed they were comfortable with the current stages of the proposal but recognised that there were other areas</p>

	<p>requiring investment which would need to be considered prior to future proposals.</p>	
	<p><b>Resolved that University SFRC:</b></p> <ul style="list-style-type: none"> <li>• recommend to the University Board the strategic definition and business case;</li> <li>• Recommended the Approval the next phase of work to be procured at a maximum cost of £120k inc Vat, with a drawdown of £61,371 from PLSF;</li> <li>• Note that updates will be provided to SFRC on progress of the team and subsequent stages in ground development</li> <li>• Note that safeguarding issues will be kept under review.</li> </ul> <p><b>The College SFR Committee NOTED the position.</b></p>	
SFR 16/11/22	<b>Confidential Item</b>	
SFR 17/11/22	<p><b>Policy Update – Health &amp; Safety Policy, Professional Code of Conduct</b></p> <p>It was noted that the Professional Code of Conduct had been reviewed and no changes made.</p> <p>The Committees considered the updated Health &amp; Safety Policy, subject to further additional information being added on residences and the farm it was agreed to recommend it to the Board for approval. Governors were pleased that Mental Health sections had been added. The Vice-Principal Further Education highlighted the robust Health &amp; Safety Assessments which had been put in place and the processes used to test compliance.</p> <p><b>The Committees.</b>  <b>Subject to the changes detailed above AGREED to RECOMMEND the Health &amp; Safety Policy to the Boards.</b>  <b>Noted that the Professional Code of Conduct has been reviewed and no changes made.</b></p>	
SFR18/11/22	<p><b>SFR Self-Assessment, Terms of Reference and Agenda Cycle.</b></p> <p><b>Self-Assessment</b>  A review had been taken against the terms of reference based on the work of the Committee over the year.  This confirmed the breadth of membership, quoracy of meetings and that the Committee has considered the items within its remit as required. It identifies that Digital and Sustainability are areas to consider frequency of reporting required.  No issues of concern were raised – reflecting the feedback from the Advance-HE Governance Effectiveness Review.  <b>The Committees APPROVED the Self-Assessment.</b></p> <p><b>Terms of Reference</b>  The terms of reference were updated in March 2022 to move responsibility for Health and Safety to Audit and Risk Management Committee, safeguarding to go directly to the Board and the E&amp;D focus for the Committees to relate particularly to staff.</p> <p>No changes were proposed for the Terms of Reference.</p> <p><b>The Committees APPROVED the Terms of Reference.</b></p>	

	<p><b>Agenda Cycle – It was confirmed it was planned that International and Sustainability would be reported to the Committees once additional management work had been undertaken.</b></p>	
<b>SFR19/11/22</b>	<p><b>Any Other Business</b></p> <p>Minibuses – it was confirmed these were Hartpury owned.</p> <p>Diesel Tank – it was confirmed this had been previously investigated and cost, insurance, security and safety considerations meant it had not been progressed.</p>	
	<p><b>Dates of future meetings</b> were noted.</p>	

The meeting closed at 5.20pm

APPROVED FEBRUARY 2023