



HARTPURY

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

Minutes of Meetings 10am Tuesday 3rd May 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)
Apologies
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)
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 Mark Price

Present (Clerk to the Board)
Present 11.25-12.12 (Vitruvius)

Present (Clerk to the Board)

		ACTION & ACTION DATE
SFR01/05/22	Apologies Apologies noted as above. Quoracy It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.	
SFR02/05/22	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.	
SFR03/05/22	Minutes of the Last Meetings The minutes of the University SFR Committee and the College SFR Committee 8 th February and 4 th March 2022 meetings, were agreed as true records.	
SFR04/05/22	Matters Arising	

		ACTION & ACTION DATE
	<p>The Actions Log update, confirming actions were either complete or in train was noted.</p> <p>Electrical Costs – it was confirmed Charlie Whitehouse and Mark Price had discussed this matter. It was confirmed that the £140k of costs were in the Graze Project and would not move to another project.</p>	
SFR05/05/22	EDI Annual Report - Staff	
	<p>The Committees considered the Equality, Diversity & Inclusivity Report which provided Governors with an update on Hartpury's Equality, Diversity & Inclusivity objectives/Single Equality Action Plan and any Equality, Diversity & Inclusivity activity. The Report helps to ensure Governors are meeting their statutory duties to monitor and oversee Hartpury's Equality, Diversity & Inclusivity activity.</p> <p>The Vice-Principal Resources highlighted key elements within the Report:</p> <p>Gender Pay Gap – the full report was on the website as required, with the data from 2021. It was noted that Hartpury's mean pay gap last year was 5.47% which this year had increased by 1.18%. Last year the median pay gap was 11.38% which this year had increased by 0.16%. It was agreed it was disappointing the mean gender pay gap had increased this year compared to last year, it was confirmed it would be monitored on a regular basis. Additionally, it was noted that the mean was not as reliable as the median, as the mean is skewed due to outliers at the higher and lower ends of the hourly rates. The median therefore provides the middle value when ordered from highest to lowest, therefore being a better measure of central tendency and the fact, this has not changed significantly indicates that the Gender Pay Gap is not widening by much. Benchmark data from our competitors indicated that our position within the sector was positive, which was considered encouraging.</p>	
	<p>Staff Profile –It was highlighted that staff declaring a disability had increased from 14.8% to 8.2%. It was confirmed that HR used this information to provide any necessary support. It was noted that mental health matters were a growing matter nationally. Governors were pleased that staff felt able to make declarations, and were receiving support. The Committees were advised that the results did not indicate issues relating to work load or work practice and was not impacting staff performance. It was noted that all staff making a declaration received support from occupational health, and where they were off work support with return to work where this was appropriate. It was confirmed Hartpury used the nationally definitions for disability. Staff could make declarations at appointment and then also at appraisal, or within staff surveys. The Vice-Chancellor and Principal advised that staff returning to work after long absence had indicated they valued the support provided.</p> <p>A governor queried whether staff retention was looked at by EDI groups. The Vice-Principal Resources agreed to ensure this was considered within the next HR Report,</p> <p>EDI Website - this now had a dedicated area on the website to support communication of Hartpury's approach on these key issues.</p> <p>Sexual/Peer on Peer Abuse – Hartpury's no tolerance stance and processes to support this were detailed, including a forum and an</p>	<p>VP Resources Nov 2022</p>

		ACTION & ACTION DATE
	<p>anonymous reporting tool. The Committees were advised that the no tolerance statement had been issued jointly with the SU.</p> <p>Race Equity Group – this had been established to take forward key actions following Race Equity Training.</p> <p>Mental Health Statistics - A breakdown of some of the referral categories was provided for September 2020 – June 2021 together with a graph for the previous academic year. There were 1,009 concerns reported about student's mental ill health and wellbeing compared to 823 concerns for the same categories in the previous academic year; September 2019- June 2020 (first chart page 8). This equated to an 18% increase in concerns for student's wellbeing and mental ill health from the previous academic year. The increased support available to students was detailed, these included a Student Assistance Programme app and a 24/7 confidential line. 93 students had engaged with this support line since its launch.</p>	
	<p>The Annual Equality, Diversity and Inclusivity Report was APPROVED for Recommending to the Board.</p>	
SFR06/05/22	<p>Monthly Management Accounts – March 2022</p>	
	<p>The Committee considered the Management Accounts, which were for the 8-month period to end of March 2022. For this period there was a surplus of £3.11m compared to a budgeted surplus of £1,906m. The favourable variance was largely unchanged from previous months and was a result of lower pay costs due to vacancies and than budgeted 'other income' mainly due to additional unplanned funding received in this financial year to support in year and prior year Covid costs and stronger than budget performance in Catering and Equine commercial areas.</p> <p>It was confirmed that the reforecast had been reviewed in March and having taken account of the financial impact of the impairment of the current Graze building (£500k) when it was demolished in July 2022 the forecast out-turn was a surplus of £1.8m compared to a budget of £1.9m.</p> <p>It was confirmed the management accounts presented the 'Group' position and incorporated all subsidiary activity.</p>	
	<p>A governor queried the asset impairment approach. The Chief Operating Officer advised that the Head of Finance was working through this, it was expected the total amount would be impaired. A governor asked what the impact of having a full staffing profile would be. The Chief Operating Officer advised that the budget included costs for the full staff profile. A governor asked for assurance that the staff vacancies hadn't impacted on the student experience. The Vice-Principal Further Education advised they had used more sessional staff in agriculture with more input from managers to support teaching. It was noted there was a national shortage in agriculture staff. Hartpury had been able to make some recent appointments which was pleasing. Governors asked whether the exam results had been impacted by the staff position. The Vice-Principal Further Education advised that the agriculture January exams were slightly below target and work was ongoing to provide support. It was noted that the pay scale for these staff was within the top 25%. The Additional Learning Support team had been reviewed to</p>	

		ACTION & ACTION DATE
	<p>help ensure support was in place. The Pro-Vice-Chancellor advised that there were some issues within the Equine Yard where staff had been lost due to the impact of lockdown. This was being covered through sessional staff which caused additional pressures on the rest of the team and HR. It was noted that Digital Staff was another area where there were national demands.</p>	
	<p>A governor asked about the transition of Graze. The Vice-Principal Resources advised that the old Graze would be decommissioned after 17th July. She confirmed there was a detailed plan in place. There would be some additional outsourced catering for a short time and from mid0August the new Graze would be in action.</p>	
	<p>The University SFR Committee NOTED the Management Accounts. The College SFR Committee NOTED the Management Accounts.</p>	
<p>SFR07/05/22</p>	<p>Draft Budget</p>	
	<p>The first draft of the budget for 2022/23 had been provided review. It was noted that the budget setting process for 2022/23 commenced in January and had been reviewed and challenged by SMT and Executive.</p> <p>It was highlighted that the key assumptions within the budget were:</p> <p>Income</p> <ul style="list-style-type: none"> • 9% growth in HE tuition fee income • ESFA 16-18 income reflects allocation and impact of slight rise in funding per student • Apprenticeship income reduced to reflect no new recruits in 2022/23 due issues with funding levels • TPS grant confirmed for full year • Sports income increased due to additional support from Gloucester Rugby and increased sponsorship • Business Development income is now reflected in the areas that benefit from the income with a small proportion retained by BD • Other income down due to no Covid income <p>Pay</p> <ul style="list-style-type: none"> • Includes impact of the HE teaching staff salary consultation • 2% pay award assumed • New posts predominantly in HE due to planned growth in student numbers • Additional costs of NI included <p>Non-Pay</p> <ul style="list-style-type: none"> • Increased student transport costs reflecting additional routes and high fuel costs • Utilities increased due to global price increases • Deprecation increased to reflect new developments • Interest increased to reflect additional loan from Triodos drawdown <p>In terms of capital expenditure, it was assumed there would be a £500k Principal's Capital budget, a £350k IT Capital budget and that the ULH, Car Park, Water Treadmill and Accommodation refurbishment would be completed. It was stressed that no other major capital projects were</p>	

		ACTION & ACTION DATE
	<p>assumed at this stage. It was confirmed the paper did not reflect the recent discussions at the Away Days, which took place after the paper was issued.</p> <p>The Chief Operating Officer advised that following the prioritisation of the Boards on potential capital projects that there would be further discussions with Triodos in relation to potential for an additional loan as had been discussed.</p> <p>Governors queried whether efficiency targets had been set. The Chief Operating Officer advised that there had been discussions with managers at the managers forum, Executive and SMT about constraints. There had been no increases in non-pay or staffing costs generally, managers were required to fund any additional staff through efficiencies.</p> <p>The Committees discussed the presentation of the men and women's rugby teams and the need for consistency, and the need to ensure the reporting was appropriately reporting shared costs. The Chief Operating Officer agreed to consider this further. It was recognised that the full information was required within the accounts to the RFU, but recognised it would be clearer if internal reporting processes, such as the budget, showed such shared costs within the sports academy. It was noted no rugby club was currently declaring surpluses. It was confirmed the Committee would continue to have an annual report on rugby costs as it had done earlier in the year. The option of a sports subsidiary company was also one that would be explored in the longer term.</p> <p>The ongoing work on the balance sheet was discussed, noting that there were a number of accounting policy matters to be reflected. It was agreed the Chief Operating Officer would discuss these with Bill Marshall prior to the next stage of the budget being considered by the Committees in June.</p> <p>A governor queried the reasoning behind the reduced expected income from International. The Pro-Vice-Chancellor advised this level reflected the reduction there had been over the last two years, and advised the level of income was considered realistic.</p>	<p>COO June 22</p> <p>COO June 22</p>
	<p>The University and College SFR Committees NOTED the developing budget.</p>	
<p>SFR08/05/22</p>	<p>Draft Financial Strategy</p>	
	<p>This report put the proposed 2022/23 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:</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 • 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 was being achieved and commensurate</p>	

		ACTION & ACTION DATE
	<p>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"> • New Car Park – agreed budget £2,772,653 inc VAT • New Graze – agreed budget £9,797,819 inc VAT • ULH development - Milestone 3 budget £12,050,585 inc VAT <p>It was confirmed that the plan assumed that we will not receive any capital grants to support developments beyond that already secured in 2021/22, 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 highlighted that 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 December 2022. It was noted that the aspects relating to Hartpury College will be extracted for inclusion in the financial return required by the ESFA in July 2022.</p>	
	<p>The Committees debated the payroll noting it was getting quite high for a specialist institution, and that if residencies were removed it was higher still. The Vice-Chancellor and Principal commented that the plan highlighted the challenges, but that the aim was to work to a higher surplus and reduce the percentage spent on staff. He commented that the figures demonstrated the need to consider income diversification. It was noted that the plan demonstrated the impact of recent growth. The Vice-Chancellor and Principal confirmed that course delivery costs in FE were currently being looked at and that that HE would be looked at next. Governors queried whether the updated HE salary scales would cause disquiet with FE staff. The Vice-Chancellor and Principal advised that FE salaries reflected the sector. An area for further review was professional services. It was noted that a number of universities, including UWE and RAU had announced redundancies. The Vice-Chancellor and Principal advised this reflected concerns within UUK.</p> <p>Governors queried if the revisions to the HE pay scales would cause issues going forward. The Pro-Vice-Chancellor advised that Hartpury had aligned to the HE pay scales, but not adopted them. The challenge of rising costs for individuals was noted. It was recognised that income levels were stuck, based on government announcements and that payroll was likely to be under pressure for a period. The Committees expressed concern that a 2% surplus was a concern. The Chief Operating Officer confirmed that this was recognised. She commented that the 2% pay award was used creatively and didn't necessarily mean all staff were awarded 2%. It was noted that hybrid working also provided an additional benefit for some staff, and that broader pay and conditions needed to be considered. It was confirmed that the plan did not include any specialist factor – recognising this was currently an unknown. It was confirmed that new ways of delivering continued to be explored.</p> <p>Governors queried if the plan included sensitivity analysis, for example differential fees. The Pro-Vice-Chancellor advised that the reduced</p>	

		ACTION & ACTION DATE
	<p>Foundation year costs were modelled in, but otherwise it was anticipated that fees would remain at £9,250. It was confirmed that the Auger Review risk was on the Risk Register.</p> <p>It was suggested that the wording was changed from 23/24 budget to projections, and the Chief Operating Officer agreed to action this.</p> <p>Governors queried the potential level of specialist funding if this was achieved. It was noted we would know in June/July if we had been successful in applying for this, it was recognised it was by no means certain as had been discussed at the Strategic Days, and that the amount would be a minimum of £500k up to a potential £1m.</p>	
	The Committees NOTED the Finance Plan.	
SFR 09/05/22	Insurance Update	
	<p>The Committees had been provided with details of the University and College's insurance coverage. The report was provided for assurance, following a request from the Committees.</p> <p>Governors noted the fee and it was confirmed the brokers provided a wide range of support for this. It was confirmed that each year they confirmed that they were not receiving a fee from insurers. A governor requested the Total Insurance Premium Cost and the Chief Operating Officer agreed to email this.</p> <p>Governors queried if the SMT was comfortable we had the right level of cover recognising rising costs. The Chief Operating Officer advised this was reviewed each year, and would be considered again in September. It was confirmed that there was an indexing approach in place. Because of the dispersed campus form it was considered unlikely that all areas would be affected if there was to be, for example, a fire.</p> <p>A governor noted that the cover did not include terrorism. The Chief Operating Officer advised this was regularly reviewed and would be reviewed again in September. It was confirmed that there was cover for fraud. It was confirmed Hartpury did not have cover for clinical trials. If there was any need for this within a research project it would be covered separately.</p>	COO May 22
	The Insurance Update was NOTED. It was agreed it would be reviewed annually going forward, with the next report in November.	
	<p>11.25am Mark Price, Vitruvius, joined the meeting</p> <p>Confidential Item – 3 years Commercial Sensitivity</p>	
SFR10/05/22	Capital Project Report	
	Confidential Item – 3 years Commercial Sensitivity	

		ACTION & ACTION DATE
	<p>Minutes CPAWG 24/3/22 31/3/22 These were NOTED.</p>	
	<p>The University SFR Committee AGREED to recommend to the University Board Approval of the ULH Milestone 3 Report and APPROVAL to proceed with the identified preferred contractor to commence construction. The College SFR Committee NOTED the position. 12.12 Mark Price left the meeting</p>	
SFR12/05/22	<p>Policy Updates* <i>Data Protection Policy – this was APPROVED.</i></p> <p>It was noted that complaints went to QuEST and that the Clerk to the Governors was the Data Protection Officer.</p>	
SFR13/05/22	<p>ESFA – Financial Health Category Review Grading It was NOTED that Following the ESFA review of “the college’s financial forecasting return (CFFR) submitted in July 2021 we concluded that the college’s financial health grade for 2020/21, based on the outturn forecast, was Outstanding. Following a review of the college’s audited financial statements and finance record, we confirm this grade.”</p> <p>It was NOTED there was benchmark information which would be made available at a separate session.</p>	
SFR14/0/22	<p>Any Other Business Offsite back up – it was confirmed this was checked to ensure it was taking place. It was noted there was a copy off site and a copy in a separate server at Hartpur. Agri- Skills Building- it was noted this had not been prioritised by the Boards at the Strategy Days and debated whether work on it should cease. The stage agreed to date was noted. It was agreed that unless 50% could be raised externally that there was not an appetite for this project at this stage. It was agreed that the Engineering workshops were the most important part of the proposal and that consideration should be given to the possibility of taking forward this part of the design. It was agreed it would be helpful to proceed to full planning on the current design, subject to confirmation of costs, which could then be varied. It was agreed the workshops would support diversification through options for apprenticeships. It was agreed that a £12m project was not affordable.</p>	

		ACTION & ACTION DATE
	<p>It was agreed that Hartpury would talk to UWE about potential engineering companies that might want to be involved and look at any potential OfS Capital funds.</p> <p>It was agreed it would be helpful to proceed to full planning on the current design, subject to confirmation of costs not exceeding those already agreed, which could then be varied, and that an option relating to the Workshops alone being explored with the architects.</p>	COO
SFR15/05/22	<p>Dates of future meetings 22nd June 2022 29th November 2022</p>	

The meeting closed at 12.45pm