



HARTPURY

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

Minutes of Meetings 2.30pm Tuesday 7th November 2023 Gordon Canning Room

Members	University SFR Committee	College SFR Committee
Edward Keene	Present (Chair)	Present (Chair)
Henry Hodgkins	Present	-
William Marshall	Present (until 4.30pm)	-
Robert Brooks	Present	-
Andy Collop (Professor)	Present (Vice-Chancellor)	Present (Principal)
Alastair Grizzell	-	Present
Chris Moody	Present	Present
In Attendance		
Lynn Forrester-Walker	Present (Chief Operating Officer)	Present (Chief Operating Officer)
Mick Axtell	Present (Chief Operating Officer - Designate)	Present (Chief Operating Officer- Designate)
Rosie Scott-	Present (Deputy-Vice-Chancellor)	Present (Deputy-Vice-Chancellor)
Claire Whitworth	Present (Deputy-Principal FE)	Present (Deputy-Principal FE)
Lesley Worsfold	Present (Deputy-Principal Resources)	Present (Deputy-Principal Resources)
Gillian Steels	Present (Clerk to the Board)	Present (Clerk to the Board)
Iain Williams	Present – items 08-09 inclusive	Head of Finance
Graeme Brooks	Present item 12	Head of Property
Jackie Jobes	Present items 1 – 05 inclusive	Director Sustainability

		ACTION & ACTION DATE
SFR01/11/23	Apologies Apologies noted as above. Quoracy It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.	
SFR02/11/23	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.	
SFR03/11/23	Minutes of the Last Meetings The minutes of the University SFR Committee and the College SFR Committee 21 st June 2023 meetings were agreed as true records.	
SFR04/11/23	Matters Arising	

	<p>The Actions Log update, confirming actions were either complete or in train was noted.</p> <p>Economic Impact Report – the Vice-Chancellor and Principal advised this would be provided to governors with the Board papers and he would include key aspects within his Board presentation.</p>	
SFR05/11/23	Sustainability	
	<p>The Director of Sustainability provided a briefing on sustainability. This outlined what sustainability was – meeting present needs without compromising the future and highlighted the drivers towards sustainability. She advised of guide for Governors on Sustainability and agreed to circulate after the meeting. She outlined ongoing work at Hartpury to progress sustainability and advised she was drawing all this together in a report which would be provided to the Board once complete</p>	Spring 2024 Head of Sust
	<p>She was working to record annual emissions, planning to use 2022/23 as a base year. Hartpury would need to set sustainability targets and options for approaches to this were outlined. It was agreed these, and an overarching sustainability mission would need further discussion. Governors queried the size of the job to do and it was confirmed answering this was under development. A transition plan would be required, with focus on the areas which would have the greatest impact. Governors stressed the need to consider embedded costs and the Director of Sustainability confirmed this was her approach. The focus would be on working with departments to be ready to consider sustainable options once assets were coming to the end of their life. She confirmed she was now involved in estates projects. The Board would need to confirm its approach to sustainability in relation to capital projects, noting there were a range of approaches which could be used. BREAAAM which was the current model used required early use, and would need to be assessed to see whether it remained the most appropriate.</p>	
	<p>Governors queried whether the option of using the Hartpury Estate for Environmental Funds was being explored. It was confirmed this was an option which would be reviewed. The Director of Sustainability advised different funds had different conditions, some of which were more restrictive than others. Consideration of the masterplan would be a key element on making any such decisions. This would be an extensive piece of work which would require specialist advice. It was confirmed external funding would be sought to obtain this.</p> <p>Governors were pleased with the balanced approach being used to take forward sustainability.</p>	
	<p>It was noted there would be a more comprehensive discussion at the Board Away Days in March.</p>	
	The Sustainability Update was NOTED.	
	<p>3pm The Director of Sustainability left the meeting</p>	
SFR06/11/23	Confidential Item - Commercial Sensitivity – 3 years	

	The Enrolment Update and planned actions were NOTED.	
SFR07/11/23	OfS Finance Return	
	<p>The Committee considered the annual OfS Finance Return, noting the return provided both historical financial data for the University Group for 2021/22 and 2022/23, current forecast out turn for 2022/23 and future financial forecasts to 2027/28. It was confirmed the plan was based on the best information to date, but it was confirmed the management team would keep it under review as information was updated. The return showed that the plan was to continue to grow HE student numbers, allied to that would be increased staffing costs and some growth in non-pay costs aligned mainly to inflation. The plan included modest growth in full time FE student numbers and more significant growth in apprenticeship numbers.</p> <p>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 were changing student behaviours.</p> <p>The return also included a target of £250k new recurring income added from 2024/25 – with no additional costs added and a target for recurring savings line added £250k for 2024/25 and beyond. It was noted that the current reviews of the income and cost base of the Sports Academy, Equine and A 'Levels should help to contribute to these targets.</p> <p>The return showed that Hartpury continued 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 FE and for home HE undergraduate students and the impact of inflation and forecast pay awards each year. The surplus also assumed growth in HE numbers due to increased international students and the impact of new curriculum and growth in FE within apprenticeships and some limited new curriculum. Hartpury would continue to be cash generative and this would enable a limited capital development programme to be funded.</p> <p>It was confirmed that as part of the budget setting round for 2024/25 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>Governors reflected on the plan, and considered the assumptions that underlay it. Governors queried whether 2% for inflation and staff pay award was realistic. The Chief Operating Officer advised that these were best assessments at the current time, but might need to be varied as circumstances changed. Sensitivities and risks were also considered. It was agreed the COO would provide further information on this for the version to be considered by the Board.</p> <p>The need for the return to be realistic was stressed. It was confirmed the return incorporated the latest information on enrolment, as discussed earlier in the meeting. It was noted that the forecast incorporated cost savings which reflected the ongoing cost saving work and new income generation, it was confirmed it was not necessary to detail these.</p>	Nov 23 COO - Bd
	The Vice-Chancellor and Principal confirmed he considered it a realistic forecast. He commented on the need to ensure the OfS had a clear view	

	of the challenges facing the sector. Governors queried how the OfS would use the forecast they were advised they would use it to measure trends, and to highlight institutions where they had concerns, either because of the financial position or due to assumptions, for example of significant growth. A key concern would be reasonableness of the forecast. OfS had not been in dialogue with Hartpury since Covid, when it had been closer to institutions. It was noted that OfS' focus was protecting students not institutions.	
	Following the discussion on recruitment concern over how to improve animal was considered. The need to improve facilities was recognised. It was noted recruitment was undersized for both FE and HE. The need to access external funding to support development of facilities was confirmed as a focus.	
	A governor queried whether the wording re number of Postgraduate Taught students could be better expressed and the COO agreed to review.	COO Nov 23
	The University SFR Committee AGREED to RECOMMEND the OfS Return to the University Board for Approval.	
	The College SFR Committee NOTED the update.	
	4pm The Head of Finance joined the meeting	
SFR08/11/23	Monthly Management Accounts – September	
	The Management Accounts updated on the financial position of the University Group, and enabled the committees to monitor whether financial performance was on track and gain assurance on any areas of potential concern. A typo on the net current assets was clarified.	
	<p>It was noted that the operating result for the two months ending September 2023 was a deficit of £4,247k compared to a budgeted deficit of £4,410K. The favourable variance was mostly resulting from higher ESFA FE Full time College Courses funding following a favourable outcome of the funding review carried out at the start of the year, higher than budgeted equine income from summer events and higher contribution from catering due to increased sales.</p> <p>Cash balances at the month end were £3,840k. The University has an overdraft facility of £1m. The University complied with its bank covenants and was forecast to continue to do so.</p> <p>It was highlighted that a high-level reforecast had been undertaken, after the publication of the management accounts. This had not been incorporated in the management accounts but was included within the covering report. This showed a projected surplus of £1,341k compared to an original budget of £1,024k.</p> <p>The surplus had increased due to additional FE income. In September the ESFA announced an increase in the base funding rate for 16-18-year-old study programmes to help fund the negotiated pay award with trades unions of 6.5% for academic staff, for Hartpury this resulted in an additional £211k. At the same time the review of programme</p>	

	<p>weighting factors was concluded and this increased the weighing factor for land-based courses which had resulted in a further increase in our allocation of £884k. Balanced against this Hartpury had seen a reduction in HE income due to lower than budgeted student numbers, an increase in students electing to undertake a placement year where the fee is significantly lower and more students electing to study part time UG and PG rather than full time.</p> <p>The revised surplus assumed a budget for pay awards and increments of £504k from January 2024 i.e. 7 months in this budget (full year cost £770k) this compared to the original budget pay award of £420k.</p> <p>The revised surplus also takes account of the recently announced employer contribution rate for the TPS, which would increase by 5% from 1st April 2024. The Government had announced that there will be no additional funding for universities to cover this increase although the ESFA have indicated that there may be some funding for colleges. We had assumed no additional funding at all in the reforecast.</p>	
	The Committees considered the Management Accounts and the high level reforecast, noting that management would keep this under ongoing review and update the Committees and Boards.	
	Confidential Item – Commercial Sensitivity – 3 years	
	Governors queried when it was proposed to implement a professional service pay scale and were advised this was proposed from Jan 2024. The Vice-Chancellor and Principal confirmed that the issue of a professional services pay scale was one which had been repeatedly raised with him in his surgeries. It was confirmed that the proposed pay award was incorporated within the OfS return.	
	<p>KPIs – The Committees considered the Committees KPIs to see if they should be revised. After discussion it was agreed to remove the net liability ratio. It was agreed that the Adjusted Current Ratio would be retained but with further explanatory detail on it added.</p>	<p>COO Jan 2024</p>
	<p>The University SFR Committee NOTED the September 2023 Management Accounts.</p> <p>The College SFR Committee NOTED the September 2023 Management Accounts.</p> <p>Subject to the changes detailed above it was AGREED the Committees KPIs would be as currently set.</p>	
SFR09/11/23	<p>Financial Statements – Review</p> <ul style="list-style-type: none"> • Hartpury University • Hartpury College • Limbury Ltd • Rudgeley Ltd • Hartpury Rugby Ltd 	
	The Committees considered the Financial Statements. A financial bridge reconciling the surplus before pension adjustment in the July 2023	

	<p>management accounts for Hartpury University to the financial statements had been provided.</p> <p>It was noted that the Audit & Risk Management Committee would consider the Financial Statements and recommend them to the Boards.</p> <p>The Committees noted the LGPS position, and the variation over the years. It was agreed that the proposed recognition of the surplus at 0 had been agreed by the Audit & Risk Management Committee Chairs and approved by the External Auditors. Governors queried the High pay Earner detail and the Chief Operating Officer agreed to confirm the details.</p>	COO – Nov 23
	<p>The Committees NOTED the Financial Statements</p> <ul style="list-style-type: none"> • Hartpury University • Hartpury College • Limbury Ltd • Rudgeley Ltd • Hartpury Rugby Ltd. 	
	3.50pm The Head of Finance was thanked for his attendance and left the meeting	
SFR10/11/23	People, Performance & Development Annual Report	
	<p>The Committees considered the People, Performance & Development Annual Report which highlighted achievement against the HR performance indicators and other key statistics relating to the 2022/23 academic year. The report provided comprehensive reporting on the HR objectives embedded in the People, Performance & Development Strategy – <i>Attract, Reward & Retain, High Performing Culture, Excellence in Leadership & Management, Learning & Development, Diversity, Inclusivity, Wellbeing and Positive Engagement and Operational Excellence.</i></p> <p>It was noted that 2022/23 had provided challenges, particularly the economic and financial climate difficulties driven by the rise in inflation and the cost-of-living. The labour market had been challenging with catering/hospitality, residential support (night posts) and FE agricultural lecturing posts being hard to resource. This had led to a change in structure and salaries for catering posts and market/night supplements for agricultural teaching posts and residential support officers. Work on annual pay awards/salary structures was, therefore, considered critical, and the annual pay award had been used creatively with salary increases ranging from 2%-8%. In year, work to develop a Professional Services salary scale for implementation in January 2025 should support recruitment and retention.</p> <p>It was noted that the KPI target for voluntary staff turnover for 2022/23 was 12%. The actual voluntary turnover was 15%. This figure was reflective of the current climate because it has become increasingly difficult to retain Professional Services staff although there was a slight improvement from 2021/22. The availability of jobs in the hospitality industry and in other industries such as retail, has had an impact as demonstrated in the turnover rate of 41% within the Catering team. This continued to be a challenging area. Another area of high turnover within Professional Services, was Equine with a turnover rate of 59%. Changes to staffing structures have taken place to address this area of concern which has been impacted by recruitment challenges.</p>	

	<p>FE turnover had increased during the period from 12% to 17% largely driven by recruitment challenges within FE Agriculture where the turnover was 43%.</p> <p>HE turnover had decreased from 15% to 4% which was a positive step for Hartpury particularly given the consultation and changes to the HE salary scales implemented last year. This has had a significant impact on retention although this will continue to be monitored as there are a number of external pressures.</p> <p>Governors reflected on the levels of turnover and recognised the potential to impact on the student experience.</p> <p>In terms of HR Corporate KPIs it was positive to see the median gender pay gap drop from 11.54% to 9.33%. A wellbeing pulse survey showed that 90% of staff are 'proud to be a member of staff at Hartpury'. Governors considered this positive progress.</p> <p>Staff wellbeing and mental health was a key priority, and had been promoted by offering wellbeing events, external coaching where necessary and face-to face counselling is part of our Employee Assistance Programme. A major achievement was being one of the first five universities to achieve the University Mental Health Charter.</p> <p>It was recognised as important that Hartpury ensures effective and transparent communication with staff. Governors welcomed the use of more diverse imagery within the report, to reflect Hartpury's aspirations. Governors thanked the HR team for a comprehensive and clear report. Governors recognised the breadth of benefits offered by Hartpury, such as the counselling and coaching and agreed these were positive ways to support staff.</p>	
	<p>The University SFR Committee and the College SFR Committee APPROVED the People, Performance & Development Annual Report.</p>	
SFR11/11/23	PREVENT Return	
	The Prevent Return was reviewed.	
	The PREVENT Return was APPROVED for signing and returning to the OfS.	
	4.30pm William Marshall left the meeting and the Head of Property joined the meeting	
SFR12/11/23	Confidential Commercially Sensitive – Restricted 3 years	
SFR 13/11/23	Annual Insurance Report	
	The report provided the Committees with an update on the insurance premium and cover for 2023/24. It provided assurance that Hartpury had in place sufficient and relevant insurance cover for all activities and through this was minimising financial risk.	

	<p>Hartpury's insurance cover was renewed on 1st November each year. We utilise the services of an insurance broker who work with us to test the market each year to ensure we secure a competitively priced and appropriate level of cover. This ensures we are meeting the requirements of the Financial Regulations to ensure we secure value for money and can demonstrate that the market is tested for insurance services.</p> <p>The renewal for 2023/24 reflected the levels of cover, cover basis and excess levels as reported in 2022/23. The Committees noted the changes which had impacted on the premium.</p> <p>It was confirmed Hartpury subsidiaries were included within the costs. Gloucester Hartpury as a joint venture had separate insurance. It was noted there was a separate policy for medical insurance for the Hartpury RFC players and separate cover student union activity.</p> <p>A governor commented it would be helpful to have a session from the insurance brokers on the insurance in place and the support provided, covering in particular governor liability insurance.</p>	
	The Annual Insurance Report was NOTED.	
SFR 14/11/23	Policy Update	
	<p>Updated Policies were provided as below:</p> <ul style="list-style-type: none"> • Health & Safety Policy • Professional Code of Conduct 	
	The University and College SFR Committees APPROVED the UPDATED Policies.	
SFR15/11/23	Any Other Business	
	The Chair thanked Lynn Forrester Walker for her contribution to the SFR Committees and the time and effort she had put in to support them.	
	Dates of future meetings were noted.	

The meeting closed at 4.55pm