



HARTPURY

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

Minutes of Meetings 2pm Tuesday 5th November 2024 Gordon Canning Room

Members

Edward Keene
Henry Hodgkins
William Marshall until 11am
Fiona Reece
Andy Collop (Professor)
Alastair Grizzell
Chris Moody

In Attendance

Mick Axtell
Rosie Scott-
Claire Whitworth
Lesley Worsfold

Gillian Steels

University SFR Committee

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

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

College SFR Committee

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

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

Present (Clerk to the Board)

		ACTION & ACTION DATE
SFR01/11/24	Apologies Apologies noted as above. Quoracy It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.	
SFR02/11/24	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.	
SFR03/11/24	Minutes of the Last Meetings The minutes of the University SFR Committee and the College SFR Committee 19 th June 2024 meetings were agreed as true records.	
SFR04/11/24	Matters Arising The Actions Log update, confirming actions were either complete or in train was noted. It was confirmed the EDI action remained ongoing. Financial Regulations – paper on the agenda.	

	<p>Digital – The action plan previously discussed with the Committees continued to be taken forward. Two additional appointments had been made to the IT team to develop resilience. Actions were being taken forward balancing risk against funding resource.</p> <p>Confidential – 5 years commercial sensitivity</p>	
SFR05/11/24	<p>People, Performance & Development Annual Report</p> <p>The Deputy Principal Resources outlined the key aspects of the report:</p> <ul style="list-style-type: none"> • achievement against the HR performance indicators and other key statistics relating to the 2023/24 academic year • reported 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>It was highlighted that 2023/24 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 digital services posts being hard to resource. Catering had now been outsourced to Aramark and the Hartpury Catering team (25 employees) had been TUPE transferred to Aramark.</p> <p>It was noted that the Professional Services salary scales, effective from January 2024, had been introduced. Appraisal forms had been reviewed, grade descriptors produced, and an appraisal management policy developed following consultation with Professional Services line managers. January 2025 would be the first opportunity for Professional Services staff to be awarded an incremental rise within their designated salary band. The criteria for this were outlined. It was noted this was different for FE and HE lecturing staff and that work to standardise approach was to be targeted for in the future. The cost of supporting these processes was recognised. It was confirmed there was a review process by HR to ensure consistency of approach to appraisals and that there had been line manager coaching and training on undertaking appraisals.</p> <p>A governor queried how the introduction of the professional services salary scales had been received by staff, noting that the staff survey feedback showed a reduction of 22% against the comment “Hartpury has a reward system that recognises good performance”. The Deputy Principal Resources advised that this reflected the timing of the survey. The next survey was due in the first quarter of 2025 and it was hoped the position would show the impact of the introduction of the Professional Services salary scale. The Deputy Vice-Chancellor and Deputy Principal FE confirmed that the review processes for increments were robust, with a range of threshold criteria.</p> <p>It was noted that the KPI target for voluntary staff turnover for 2023/24 was 12%. The actual voluntary turnover was 15% - the same as the previous reporting period. This figure is reflected the current climate because it had</p>	

	<p>become increasingly difficult to retain Professional Services staff. It was hoped the introduction of the Professional Services salary scales would reduce this in the future.</p> <p>The breakdown of turnover for FE (decreased during the period from 17% to 12%) and HE (increased from 4% to 8%) was considered. It was noted FE retention was likely to have been impacted by the 6.5% pay award funded by government and HE by lags in salary against the HE sector.</p> <p>Governors were pleased to note the median gender pay gap drop from 9.33% to 3.21% (KPI 11%). The staff survey, during the reporting period, showed that 90% of staff were 'proud to be a member of staff at Hartpury' meeting the KPI.</p> <p>Staff wellbeing and mental health had been, and would continue to be, key priorities. Hartpury had in place wellbeing events, external coaching and face-to face counselling as part of the Employee Assistance Programme. We produced our first annual journey review for the Student Minds University Mental Health Charter, and it was agreed that Hartpury had demonstrated continued maintenance and development of the 'Principles of Good Practice' and taken steps to address the recommendations outlined in the Outcomes Report. The College had also signed up to the AoC Mental Health Charter demonstrating continued commitment to staff wellbeing.</p>	
	<p>A governor highlighted the staff survey feedback about staff feeling informed and their ability to make suggestions for improvements and queried how these aspects could be improved. The Committees were advised that there had been recent discussions at SMT on improving SMT visibility and on looking at the cascade of information in both directions. It was agreed that effective communication was always important, and particularly so in challenging times.</p>	
	<p>The Committees thanked the Deputy Principal Resources and her team for the clear and informative report.</p> <p>The People, Performance & Development Annual Report was APPROVED.</p>	
SFR06/11/24	Monthly Management Accounts – July & September	
	<p>The report provided an update 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.</p> <p>July Management Accounts Highlights</p> <p>The operating result for the 12 months ending July 2024 was a surplus of £1,647k compared to a budgeted surplus of £1,024K. The favourable variance was mostly resulting from higher grant release totalling £1,452 which included £400k from the Hartpury University Charitable Trust to fund extensions and refurbishments of some of the accommodation blocks over the year. It was noted that utility costs had been an issue. Resolution had been reached with the existing supplier and</p>	

	<p>movement to a new supplier undertaken. Robust monitoring processes under the new arrangement were to be put in place.</p> <p>Cash balances at the month end were £7,037k. 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>The annual LGPS pension valuation had been received and had reported a positive movement of £10.9m resulting in a pension asset of £10.9m. The positive movement continues to be impacted by the 5% discount rate applied by the actuaries. In line with the previous year, the pension asset has been reduced to zero.</p>	
	September Management Accounts Highlights	
	<p>The operating result for the 2 months ending September 2024 was a deficit of £3,699k compared to a budgeted deficit of £3,954K. The favourable variance was mostly from higher ESFA FE Full time College Courses following a favourable outcome of the funding review carried out at the start of the year, higher than budgeted research income, and learner responsive income from Student Loans Company relating to the prior year. It was noted that capital spend had also been delayed.</p> <p>Cash balances at the month end were £2,850k. The University has an overdraft facility of £1m (this had been re confirmed by Hartpury's bankers). The University complies with its bank covenants and was forecast to continue to do so.</p> <p>The Committee KPIs were considered. It was proposed to remove the Adjusted Current Ratio and add OfS liquidity days – the relevant time period to apply for this would need to be agreed. Governors commented that it would be helpful for the table of KPIs in the Management Accounts to show the targets as well as the position. No other changes were proposed.</p> <p>The cashflow position was considered.</p>	COO Dec 24
	<p>The University SFR Committee NOTED the July & September 2024 Management Accounts.</p> <p>The College SFR Committee NOTED the July & September 2024 Management Accounts.</p>	
SFR07/11/24	Financial Statements	
	<p>The Committees reviewed the Financial Statements to inform their work and understanding of Hartpury's financial position. It was noted that changes in staff had delayed the issue of some papers to the Committees. It was noted that the Audit and Risk Management Committee would review the detail of the Accounts with the Auditors and recommend them to the Boards. The external audit partner information was to be updated.</p> <p>7.1 University</p> <p>It was confirmed Hartpury was returning a surplus and the cash flow was detailed. Hartpury was confirmed as a going concern. It was noted that the LGPS pension asset was to be assessed as zero in line with sector practice, recognising that there could be significant changes in the</p>	

	valuation each year which could make the underlying financial position difficult to understand.	
	7.2 College It was confirmed the College Board had met that day and agreed the gift aid.	
	7.3-Limbury - It was confirmed the Limbury Board had met that day and approved the Financial Statements and agreed the gift aid. 7.4 Rudgeley - It was confirmed the Rudgeley Board had met that day and approved the Financial Statements and agreed the gift aid. 7.5 Rugby - It was confirmed the Rugby Board had met that day and approved the Financial Statements.	
	Governors were reminded of the current purposes of these companies. They discussed whether Limbury and Rudgeley were still a helpful way of managing the activities within them. This was to be reviewed, but it was recognised that as future operational changes were considered that subsidiary companies could be the best mechanism for management. A governor queried whether cross charges of overhead had been appropriately applied and the Chief Operating Officer agreed to review.	COO Nov 2024
	The University SFR Committee and College SFR Committee noted the Financial Statements.	
SFR08/11/24	Enrolment	
	FE	
	Overall, the College had achieved its largest ever intake of students recorded pre and post 6 weeks (to date). The target had been 2092, 2162 had been enrolled and 2091 had met the 6-week point. Additionally, 91 apprentices had been recruited against a target of 80 and 90 had been retained to the 6-week census.	
	The Deputy Principal FE advised that 2024/25 had seen a different pattern of recruitment which needed to be considered for the future. Governors queried if the strong recruitment would present staff challenges. The Deputy Principal FE advised that an additional agriculture member of staff and two sport staff had been recruited to ensure class sizes would support the student experience. Equine recruitment had been below target. Staff in this area had been reduced through the reduction of sessional staff.	
	A governor queried why 71 students had withdrawn. The Deputy Principal FE confirmed this had been reviewed. There were a number of reasons: journey time, homesickness, mental health challenges. She advised there had been a reduction in homesickness after the introduction of a one day move in date and updated induction process.	
	Governors queried if the reasons behind the record recruitment had been reviewed. They were advised that work was ongoing to identify the reasons. The Ofsted outcome and the introduction of VAT on private school fees were some anecdotal feedback. Governors queried whether this level of recruitment would impact on capacity for 2025/26. The Deputy Vice-Principal Resources advised that they would be doing some modelling to assess this.	

	<p>The Vice-Principal FE advised she had been very pleased with the T level agriculture recruitment, which had supported the decision to progress with only one option despite the government's pause in defunding plans. The improved level of funding for T'levels was highlighted, this recognised the additional delivery costs in land-based provision which was welcome. It was noted there was some uncertainty over the animal T'level due to the pause and the outcome of this was awaited. It was confirmed that the minimum entry criteria was the same as for the B'tecs.</p>	
	HE	
	<p>The Deputy Vice-Chancellor highlighted that whilst provisional, current enrolment and financial data suggested that HE had exceeded budgetary targets by close to £1mil. This was not directly the results of increased student numbers (which was only 1% growth) but based on increased student growth in higher worth activities. Work was continuing on retention.</p> <p>It was pleasing that this increase in income was aligned with predictions made in early / mid-September, indicating that the significant efforts placed into in-year modelling and planning had been effective. It was noted this had required significant prioritisation of human resource, and future steps would be to consider how we can reduce the manual nature of this modelling. It was noted that Postgraduate Taught and International were down. These would continue to be reviewed and actions put in place to improve. It was noted Hartpury was putting in place an arrangement with a Super-Agent to improve international recruitment going forward. The Vice-Chancellor confirmed that given Hartpury's current, relatively low, numbers in this area that he thought it was realistic for Hartpury to continue to target growth. It was confirmed international students came from a range of countries with equine being particularly attractive for them.</p> <p>Governors queried areas of growth for under graduates and were advised there had been an 8% growth in Veterinary Nursing (37 students) and 4% in sport. The need to protect the non-academic sport experience was being considered. There had been growth in agriculture, with this now anecdotally the biggest agriculture recruitment in the UK. Equine was 2.5% down (sector down 10-20%) reflecting this as a sector issue. Animal was also down, which did not reflect the sector, it was considered this was a reflection of the resources. Options to improve this were being considered, governors queried whether it could partly be a branding issue. The Deputy Vice-Chancellor advised animal was to receive additional marketing support for 2024/25. It was noted that FE animal numbers had increased and the use of facilities would need to be carefully balanced.</p> <p>The Committees thanked the staff for achieving these positive overall numbers.</p>	
	The University and College SFR Committees NOTED the FE and HE Enrolment.	
SFR09/11/24	Confidential Item – Independent Governors only	
SFR10/11/24	Confidential Item – Independent Governors only	

SFR11/11/24	OfS Finance Return	
	<p>This Report provided the Committees with the detail of the annual OfS Finance Return. This return provides both historical financial data for the University Group for 2022/23 and 2023/24, current forecast out turn for 2024/25 and future financial forecasts to 2028/29. The Office for Students require the submission of the annual finance return by the 2nd December 2024.</p> <p>The following key points were highlighted:</p> <p>The return had been prepared at a time when sector funding was challenging, though there was some optimism that the new government will provide additional support. Our plan is to continue grow HE student numbers with increased staffing costs and some growth in non-pay costs to ensure a high-quality education and service. The plan includes the recent growth in full time FE student numbers.</p> <p>Given Hartpury's current funding constraints and to ensure liquidity reserves are rebuilt, the plan assumes a three-year delay in the completion of the ULH, when operating cash flows were expected to have generated sufficient funds. Work will continue to secure additional funding to allow earlier completion of the ULH than assumed in this plan, invest in maintenance of the estate and deliver the Hartpury 2030 Strategy.</p>	
	<p>The return reflected recent outcomes:</p> <ul style="list-style-type: none"> • Higher HE revenues than anticipated due to strong recruitment and retention of home students offsetting fewer international students; • Higher FE revenues in 2025/26 and beyond due to the higher student intake in 2024/25 and the lag in funding; • Additional staff costs to support the higher student intake; and • An estimate of the impact on national insurance and minimum wages of the recent government budget announcement. 	
	<p>The return also includes a benefit of £1.5m p.a. from 2025/26 from the modernisation programme that will be presented at this Committee meeting.</p> <p>The return shows that we expected to generate a growing 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 growth was driven by the recent growth in student numbers and assumes higher international students in HE together with higher international fees.</p> <p>As part of the budget setting round for 2025/26 we will 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>It was recognised that inevitably certainty on the plan was less robust in the later years, recognising that the external environment continued to evolve. The governors debated the plan and agreed it was a prudent one. The current capital constraints were recognised. It was recognised that the plan</p>	

	reflected a reportable event to the OfS in relation to liquidity days and the focus on building up cash over the life of the plan.	
	The University SFR Committee AGREED to RECOMMEND the OfS Finance Return to the Board, noting that this would require a reportable event to OFS in relation to liquidity days.	COO Nov 24
SFR12/11/24	Confidential Commercially Sensitive – Restricted 3 years	
SFR 13/11/24	Policy Update – Financial Regulations	
	<p>An amended version of the financial regulations had been provided which proposed changes which aimed to:</p> <ul style="list-style-type: none"> - Simplify processes, to be more efficient whilst maintaining strong controls; - Update for changes in procurement thresholds; - Align responsibilities to be more consistent and in keeping with role accountabilities; - Tidy up some areas of the framework. <p>It was planned that further updates on the financial framework would be developed for future meetings, such as a more comprehensive review of the KPIs tracked in the management accounts.</p> <p>It was noted that this paper had been circulated late due to conflicting priorities and staff changes and that the Committees would like to consider the proposals in more depth at the next meeting. The need to balance making best use of key staff time, whilst making sure they remained sufficiently informed and that controls were effectively maintained was stressed. It was agreed it would also be helpful to clarify whether approvals below the COO would only be allowed if they were within budget.</p> <p>The Committees agreed that</p> <p>(i) the Contracts and Procurement Manager should be given the ability to sign off contracts below £25k and</p> <p>(ii) that the Procurement thresholds should be raised in line with the Public Procurement requirements.</p> <p>Revision detail below:</p> <p>“6. ENTERING INTO WRITTEN CONTRACTS</p> <p><i>Any dealings with third parties (i.e., suppliers, customers or other parties) which require a written contract, agreement or memorandum of understanding to be entered into must be referred to either the Vice-Chancellor/Principal or Chief Operating Officer for approval and signing.</i></p> <p><i>Any low risk* written contract, agreement or memorandum of understanding and where the total value is £25,000 or less may be delegated to the Procurement and Contracts Manager for approval and signing, according to a framework set out by the Chief Operating Officer. The Chief Operating Officer or the Procurement and Contracts Manager will consult the University & College legal advisers as appropriate.</i></p>	COO Feb 2025

	<p><i>Certain contracts, particularly those relating to property, require the Hartpury seal to be affixed in the presence of 2 Governors.</i></p> <p><i>Originals of executed contracts must be returned to the Chief Operating Officer for logging and safe keeping.</i></p> <p><i>* Low risk being defined as minimal personal data will be shared and/or the contract, agreement or memorandum of understanding has been agreed using Hartpury's or standard legal / industry terms."</i></p> <p>The Financial Regulations to come to a future meeting.</p> <p>Insurance It was noted that the full report would come to the February meeting and confirmed that the existing contract had been extended.</p>	
SFR14/11/24	Prevent Submission	
	<p>The Deputy Principal Resources advised that the return needed to be completed and sent to OfS. The university SFR Committee noted the requirements. The detailed return was circulated post meeting. (It confirmed that there had been no Prevent cases where there had been onward referrals. The number of events with speakers confirmed through the external speaker process had been 248 and the number of staff trained was also detailed).</p> <p>The University SFR Committee AGREED to Delegate final APPROVAL for the submission to the Chair of the Committee and to management to submit.</p>	
SFR15/11/24	Any Other Business	
	<p>Following press reporting about the government plans to raise HE Tuition Fees for undergraduate courses to reflect inflation it was proposed to revise the wording of the Hartpury University's Tuition Fee Policy and Tuition Fee Ratecard to enable Hartpury to reflect this revision.</p> <p>The University SFR AGREED the wording should be altered to reflect that fees would align with government guidance. It was agreed to delegate to SMT the exact change to wording with the revised wording to be brought to the next meeting for information.</p>	
	Dates of future meetings were noted.	

The meeting closed at 4.50pm