HARPER ADAMS UNIVERSITY

Finance and General Purposes Committee

Minutes of the meeting of the Finance and General Purposes Committee held on 8 November 2016

Present:	Mr S Vickers	Chairman
	Dr D Llewellyn	
	Mr M Lewis	
	Mr P Nixon	
	Mr M Thomas	
	Mr D Wong	
In attendance:	Dr C Baxter	University Secretary
	Mrs L Furey	Director of Finance
	Professor P Mills	Deputy Vice-Chancellor

Members were reminded, if required, to update their entry in the Register of Interests. Mrs Liz Furey, Director of Finance, declared an interest in relation to the Agri-EPI Strategic Project item included on the agenda (in her role as Acting Chief Operating Officer for Agri-Epi).

16/01 **Minutes**

Approved: the minutes of the meeting of the Finance and General Purpose Committee held on 9 June 2016 (15/49-15/63).

16/02 **Matters Arising**

Received: a matters arising report from the University Secretary.

Noted:

i) that the report included a table confirming the fee plan which had been discussed at the Board meeting on 30 September 2016. The table reflected the Board's decision that those undergraduate students commencing their courses in Autumn 2016 would not face an increase in tuition fees until they reached their final year of study. The table was based upon the fees that could be charged following the University's successful engagement with the TEF 1 process;

ii) that a successful outcome in TEF 2 may permit the University to charge additional fees in due course.

16/03 **Terms of Reference**

Received: the terms of reference for the Finance and General Purposes Committee.

Agreed: that the terms of reference remained appropriate.

16/04 **Risk Management/Insurance**

Received:

i) a report by the University Secretary on risk items assigned to the Committee;

ii) a report by the Personal Assistant to the Director of Finance on the University's insurance renewal for 2016/17 and review of insurances.

Noted:

i) that the details of insurance cover procured by the Director of Finance's office did not include details of the NFU policy which was managed directly by the farm. The latter's policy covered farm machinery, stock and environmental risks relating to the slurry tanks during the time that these remain managed by the farm. Later on the agenda, the Committee would be asked to note that, due to AD issues, Cedar Energy Limited no longer intended to sell the tanks to the farm. However, the NFU had recently confirmed that it would only continue to insure the tanks if the farm was directly managing them, rather than Cedar Energy Ltd. Cedar Energy was, therefore, currently seeking quotes for environmental insurance and, in due course, there might be a need for the Cedar Board and the University to consider both likely VAT costs and insurance costs/risks. The Committee would be kept informed in due course about the most effective course of action with regard to securing value for money as well as effective management of risks; **LF**

ii) that the Director of Finance would be taking action to ensure that appropriate insurances were in place to cover the University's engagement with the Agri-Epi Innovation Centre in due course;

iii) that the University had been improving its security measures and had a forward plan to continue this improvement over the next few months. It was regrettable that one of the farm's vehicles had been stolen during the previous evening. This matter was currently being investigated. It was understood that it had been stolen from University property;

iv) that the Vice-Chancellor would be reporting under reserved business on a recent confidential matter relating to the Fraud Response Policy;

v) that the Annual Assurance Return due to be submitted to HEFCE by 1 December 2016 required, for the first time, that universities should submit a value for money report. The guidance on the future format of such compulsory reports had been published and was currently subject to consultation. In light of this, therefore, the 2016 report would reflect previous reports submitted to HEFCE on a voluntary basis, rather than the new guidance which, it was understood, was expected to apply to 2017 reporting rather than that due in 2016. The Audit and Risk Management Committee would be fully briefed upon proposals in relation to the HEFCE guidance and would receive draft reports during the year in preparation for the final report in the new format (which would be due to be submitted to HEFCE at the beginning of December 2017); **LF**

vi) that members would appreciate an update on progress with the University's Procurement Strategy at the next meeting of the Committee in January 2017. In particular, members noted the importance of ensuring best value, rather than assessing on price only. It was confirmed that the University was very conscious of the need to secure value for money in all of its procurement activity. **LF**

16/05 **Vice-Chancellor's Report**

Received: i) an oral report on recent activities of note;

ii) a paper from the Vice-Chancellor on the University bonus scheme.

<u>Noted</u>: i) that student applications currently stood at 80% when compared to the same point in 2015. However, it was unclear whether this was a feature of a general downturn or a further delay in the cycle which had been evident in the past two years. Indications were that student applications were generally down across the whole HE sector, including competitor institutions;

ii) that numbers planning to attend the November open day were also slightly lower than at the same point in 2015. An active social media campaign was currently in place to try and ensure that as many potential applicants and their families were attracted as possible. The University Executive continued to review application statistics on a weekly basis and to agree action plans, where necessary;

iii) that applications to Agriculture courses were generally lower than at the same point in previous years whereas applications to REALM courses had improved slightly. In some respects, this reflected a pattern that was last seen in 2001 when a number of issues were affecting the agricultural sector;

iv) that the University had taken a number of steps to bring forward interview arrangements so that students would have a response to their application at an earlier point in the year. An additional December visit opportunity had also been put in place;

v) that there would be an opportunity to review applications in detail once the January deadline for 'on time' applications had passed;

vi) that the University had recently received the draft template of TEF 2 metrics. It was pleasing that the table indicated a large number of green indicators, including a number noted as 'green plus' or 'green plus-plus'. The University had been advised that one metric was marked as 'blue' ie below benchmark. This was in relation to the destination of other undergraduates into highly skilled employment. Work was currently underway to understand exactly which students had been allocated to this category as it was thought that workforce development students might be included who were generally taking short courses rather than full degree programmes;

vii) that the Academic Registrar had recently attended a webinar on TEF 2 and it was hoped that this would help the University to understand in more detail the steps it needed to take if it was to secure the best 'gold' rating. Members were reminded that a successful outcome from TEF 2 would enable the University to increase fees and might, it was thought, influence decisions which were likely to be made by the Home Office around which institutions (based on a currently unknown 'quality measurement') would be permitted to offer Tier 4 visas at the same rates as at the current time. It was understood that, if the Home Office determined that an institution was not meeting the latter's quality measures then the number of Tier 4 visas allocated could be reduced or even removed entirely. Further details about the University's application to TEF 3 would be forthcoming in due course;

viii) that the University had submitted a bid to HEFCE for Catalyst funding in relation to learning and teaching. Unfortunately, the bid had not been successful. Over 100 bids had been submitted and detailed feedback was currently awaited. Notwithstanding this, the funding that had been set aside for learning and teaching within the agreed ISF allocation would be progressed;

ix) that a number of academic posts also funded in full or in-part through the ISF allocations which were currently being progressed and an advert had recently been placed for these roles. The Chair in Precision Farming Economics could also shortly be advertised now that 50% funding had been secured from the Elizabeth Creak Charitable Trust. A press announcement would also be made in due course; **PRM**

x) that plans to improve security infrastructure were also in hand and the Students' Union had recently submitted its plans to develop alternative clubs and societies and other social/extra-curricular opportunities which were more inclusive of the wider student population. Progress reports would be provided to the Board by the President of the Students' Union as part of his regular reports to the Board;

xi) that a bid had been submitted to the ESIF Committee in conjunction with Aston University. The bid had progressed to the final stage and £2m in total had been requested;

xii) that work to develop the University's international marketing strategy was actively underway. A short video had been developed;

xiii) that the remainder of the ISF allocation was currently being held in abeyance until such time as the Autumn Statement was released and the University's funding position became clear for the remainder of the year;

xiv) that the University was looking at engaging with the QS World Rankings exercise. As part of this, overseas employers and academic contacts, in particular, were being contacted with a view to ascertaining whether or not they would be willing to participate in the survey. It was intended that Harper Adams would seek to be included in the Agriculture and Forestry table which would particularly focus upon the top 200 institutions in the World, as judged by the feedback from employers and peers;

xv) that congratulations were due to Nicola Blowey who had been named as the Agricultural Student of the Year. This was the fourth year in a row that a Harper Adams student had won this particular award;

xvi) that on 24 November the University and Dairy Crest would be attending a Times Higher Awards ceremony where the collaboration had been shortlisted for university/industry collaboration;

xvii) that BBC Midlands Today would shortly be filming a piece on Harper Adam University's collaboration with Dairy Crest;

xviii) that the Vice-Chancellor had recently spoken at the NFU Cymru Conference. Other speakers had included Sir Lockwood Smith, the High Commissioner for New Zealand, and a number of useful contacts had been made;

xix) that the Vice-Chancellor had the opportunity to meet Jo Johnson at a recent GuildHE meeting. The Vice-Chancellor had also been in contact with the Minister, Greg Clarke, seeking his comments on agri-tech matters. A reply is awaited. However, it was hoped that the local MP would be able to seek further clarification on a number of points on behalf of the University;

xx) that Andrea Leadsom would be meeting with Peter Bloxham in China in the next few weeks and it was understood that there would be an opportunity to discuss Harper Adams as part of this engagement;

xxi) that two members of staff from the University were currently in India and it was understood that they might have an opportunity to speak to the Prime Minister and/or Jo Johnson as part of the event they were attending;

xxii) that engagement with farming press had increased significantly in recent weeks and thanks were due to all staff for their activities in this area;

xxiii) that Professor Simon Blackmore had been giving evidence to a Parliamentary Select Committee and this had received a significant amount of coverage;

xxiv) that members were particularly pleased to see the positive coverage that had taken place in relation to the 'Hands Free Hectare' project;

xxv) that the University had not fully met the criteria for the bonus scheme in the past couple of years. As set out in the paper from the Vice-Chancellor, a review of performance confirmed that student numbers had been missed by a small margin, the financial target had been met (excluding Cedar Energy) and the University had succeeded in achieving a top ten NSS performance;

xxvi) that the Vice-Chancellor wished to recommend that, notwithstanding the fact that the student target had not been fully met, 2015/16 had been an exceptional year and all staff had worked very hard to achieve a significant number of accolades and awards that the University had been conferred with. Members acknowledged that the University had performed exceptionally well and that, on that basis, consideration should be given to making a special award, albeit not the University bonus scheme itself as the bonus scheme targets had not been fully met.

Agreed: to recommend to the Board that a special exceptional payment be made to staff of £100 which, although based upon the bonus scheme arrangements, was entirely separate and a discrete one-off award to recognise the exceptional performance achieved in 2015/16.

16/06 **Annual Accounts**

Received:

i) a briefing note from the Director of Finance on reporting requirements to meet Charity Commission regulations on the Reporting of Public Benefits;

ii) the draft 2015/16 Annual Report and Accounts for Harper Adams University along with a briefing note;

iii) the draft 2015/16 Annual Report and Accounts for Cedar Energy Limited

iv) the 2015/16 Annual Report and Accounts for the Development Trust along with the Letter of Representation;

v) a draft letter of support for Cedar Energy Limited from Harper Adams University;

vi) a draft Letter of Representation for Harper Adams University Group;

vii) a draft Letter of Representation for Cedar Energy Limited;

viii) the Annual Sustainability Assurance Report (ASSUR).

Noted:

i) that the Charity Commission briefing on the Reporting of Public Benefits remained the same as that presented to the Committee in

2015. Members acknowledged the importance of the briefing and noted the content;

ii) that the Annual Report and Financial Statements of Harper Adams University for year ending 31 July 2016 had been updated since the circulation of the agenda and members were provided with both an electronic and paper copy at the meeting. The main changes were that a tax charge of £16,000 had been posted twice and this had now been corrected. A number of other minor typographical issues had also been addressed;

iii) that, since the presentation of the management accounts to the Board on 30 September 2016, a review of the impact of not including the re-valuation of residences as agreed by the Board had been completed. This had led to a reduced depreciation charge as noted by the Board but also led to an impairment and a need to recognise more correctly, the portion of impairment which reflected the various categories and elements of the residences eg. furnishings, plant etc;

iv) that a small write-off of assets confirmed by the IT team, comprising £14k in value over the past five years, had also been completed following a detailed and careful review;

v) that, in relation to the farm, a small number of items had also been written down to zero after further review. In addition to the above, there had also been minor changes to donations and minor adjustments relating to FRS 102 presentation requirements;

vi) that the University was presenting its accounts in the FRS 102 format for the first time. On page 43 of the draft Annual Report and Financial Statements for 2015/16, a note had been included describing the transition to the new FRS 102 format;

vii) that the University's pension liabilities in respect of the Shropshire Local Government Pension Scheme (LGPS) had increased to £17.1m due to the revaluation exercise and the changes which had followed BREXIT. It was understood that similar changes were affecting other universities which were members of LGPS in other areas of the country. Mercers had initially suggested that valuations might move around 25% but, in the case of the University, the movement had been much greater. KPMG had advised that it was seeing similar levels of impact at other HEIs. Mercers had indicated that in their view, the impact of the revaluation was likely to increase the deficit by a further £1m in the case of Harper Adams to c£18m in 2017 if nothing changed in the meantime. The Director of Finance was engaging with this carefully and would be attending a meeting at UCEA later in the week where LGPS matters were being discussed with relevant HEIs. It was understood that Shropshire Pension Scheme would be joining a West Midlands pool as part of a UK-wide move to consolidate local government pension schemes into wider linked schemes. However, each scheme, including the Shropshire scheme, would continue to manage its own investment arrangements. This would be a useful opportunity to understand how other universities were responding to LGPS related challenges as the sector had been focusing almost entirely on the challenges around the Universities Superannuation Scheme (USS) in recent years;

viii) that 2016 was the third year anniversary of auto-enrolment and that any staff not currently in the relevant pension scheme had to be auto-enrolled once again and, if they did not wish to remain within the scheme had to opt out formally, once again. This three-year cycle was a requirement of the auto-enrolment arrangements;

ix) that the Teachers' Pension Scheme (TPS) remained government-backed currently and, therefore, was not included on the balance sheet. A number of universities would be declaring their USS commitments and other off-balance sheet items for the first time due to FRS;

x) that the Annual Report and Financial Statements included an updated section entitled 'Strategic Review'. This linked to the ASSUR return and included a draft proposal that the University would focus upon a medium term financial strategy to generate operating cash in excess of 14% of income and that external debt would not exceed 30% of unrestricted reserves. These draft strategic aims were suggested to replace the longstanding aims of generating at least 5% of surplus in view of the fact that the new FRS 102 Statement of Accounts meant that the previous surplus measurement was no longer relevant;

xi) that the 14% proposal related to MSI targets and the calculation of EBITDA as a percentage. It was understood that MSI in most HEIs was in the range of 8-9% as this has been discussed at a recent TRAC group meeting. As Harper Adams was a relatively small institution, the suggested 14% was roughly mid-range as it was understood from the TRAC group that values varied between 6-20%. The 14% was also felt to be reflective of the University's agreed 5-year strategy. 22% had currently been achieved in part due to income being held as cash from insurance proceeds. It was further suggested that the 14% would be based upon an average over a 5-year period;

xii) that there was a number of minor grammatical points which members would provide to the Director of Finance at the end of the meeting;

ALL

xiii) that, with regard to Cedar Energy, the Cedar Board would be meeting the following day as the meeting had needed to be rearranged due to other commitments. The Cedar Energy accounts, as drafted, reflected the current impairment charge together with the recovered assets. The Cedar Board had decided that the CHP engine from the AD plant should now be sold and it had, therefore, been written-down further as the costs of converting the engine to be used in the new energy project was found not to be good value;

xiv) that, in addition to the above, there had been significant breakdown of the slurry tanks due to the need to respond to VAT advice as it was understood that a transfer of ownership from Cedar Energy to the farm might crystallise the VAT that had not been incurred on the original cost of construction of the tanks. It was, therefore, proposed to retain the tanks in Cedar Energy Limited and provide a slurry storage service to the farm at a reasonable higher rate. To calculate this, including the development of a new bund (without maintenance costs), it had been necessary to review the value of the slurry tanks and to ensure that the costs of the bund could be capitalised. Detailed discussions had taken place with KPMG who were content with the arrangements that were being proposed. In due course, a rent would be chargeable to the farm of c£20k per annum before maintenance costs;

xv) that Cedar Energy had received a tax charge during the year of £64k due to the income from the Business Interruption insurance. HMRC, however, had confirmed that capital proceeds were not due to be subject to capital gains tax as they were covered by reinvestment relief over a period of 24 months. Further consideration would be given to whether or not Cedar Energy needed to consider making a gift aid payment to the University during the year. This would be reviewed during January 2017 and the Director of Finance would advise Cedar Board and the Finance and General Purposes Committee as appropriate; **LF**

xvi) that the Development Trust had considered its accounts and had agreed them at its meeting in October 2016. As the Development Trust accounts were consolidated as part of the University Group, they were presented to the Committee for their information;

xvii) that a draft letter of support was proposed to be agreed by the University to support Cedar Energy. Members were reminded that the Finance and General Purposes Committee Working Group had reviewed the business plan for Cedar Energy and the only change to this plan had been the decision not to sell the tanks to the farm. It was likely that Cedar Energy would need some support from the University during the year to assist it during a year in which it would only be part trading. Should any support/draw-down of funds be required, the Finance and General Purposes Committee would be kept informed by the Director of Finance; **LF**

xviii) that a draft letter of representation had been prepared and was included in the agenda. The first letter related to the Harper Adams University Group whilst the second related to Cedar Energy Limited and would be considered by the Cedar Board in due course.

xix) that, alongside the ASSUR return, the agenda included a copy of a recent publication provided by the Financial Sustainability Strategy Group entitled 'Mind the Gap – Understanding the Financial Sustainability Challenge', a brief guide for senior managers and governing body members (July 2016). Members commented that the document was useful;

xx) that the University had developed its approach to ASSUR to March 2013. In light of FRS 102 however, changes were needed to ensure that metrics being used reflected the new accounting standards and the revaluation process that had taken place;

xxi) that it was proposed to remove the metric around historical cost surplus as a percentage of income, excluding exceptional items as this was now redundant in the FRS 102 accounting standard presentation of accounts. However, operating cash was very important as was loan borrowing capacity and it was, therefore, proposed that these were included as new metrics;

xxii) that, as suggested in 2015, the research metric had also been amended and no longer referred to impact factors; rather the number of peer review articles had been included as an indicator. In discussion, although the target was to increase the number of peer reviewed articles, it was recognised that number alone was not the only way to judge sustainability as the quality of the articles was also important. For example, members understood that having one article published in a very prestigious journal such as Nature was likely to have a very significant positive impact upon sustainability as opposed to a larger number of articles in lesser well known or prestigious journals. It was also understood that the research office would be ensuring that wherever possible, numbers were included by 1 November each year so that these could be included in the ASSUR metrics. At the current time, the office tended to collate the total number of articles by 31 December each year and therefore it was possible that the number of articles reported might increase in due course. Members further noted that as Harper Adams had a significant amount of commercial and industry research income, it was therefore likely that the number of publications appearing in peer reviewed articles could change depending upon the percentage of confidential research income that was being received in any one year whereby publication might not be possible under the contract agreed with commercial/industry partners;

xxiii) that the two Lloyds Bank covenants had been reviewed under FRS 102. The Bank's requirements had been met and the University was careful to ensure that it monitored compliance with covenants on a regular basis at each point in the year when forecasting was undertaken. Reports were also made to the Bank on a quarterly basis;

Agreed: i) to recommend to the Board the Annual Report and Financial Statements subject to a number of minor corrections to grammatical points being addressed; **CEB**

ii) to recommend to the Board that the letter of support to Cedar Energy Limited should be approved; **CEB**

iii) that the draft letter of representation to the Harper Adams University Group should be recommended to the Board as revised financial sustainability metrics; **CEB**

iv) that amendments to the ASSUR table as set out on pages 1454-146 on the agenda;

v) that with regard to the research indicator, the Deputy Vice-Chancellor should provide a commentary for future years so that key changes could be highlighted and explained. **PRM**

vi) to recommend that the University should continue to support the presentation of the Annual Sustainability Assurance report on a voluntary basis to HEFCE. The Director of Finance would prepare the relevant documentation for the Board to approve at its meeting on 29 November 2016. **LF**

16/07 **Management Accounts**

Received: i) the consolidated management accounts for 2015/16;

ii) the management accounts for the period to 31 October 2016.

Noted: i) that the consolidated management accounts had been considered at the Board meeting in September 2016. Only minor changes already noted on the agenda had been completed since that time;

ii) that the presentation of the current quarter's management accounts had been refreshed to try and make information clearer;

iii) that the accounts reflected the slight under recruitment of undergraduates (670 compared to a target of 677). The Finance Team had also reduced the provision for withdrawals and had assumed that of all withdrawals, 5% would provide no fee income to the University whereas 3% would meet all fee income;

iv) that information on Funding Council grants was becoming clearer and these appeared to be less volatile at the current time. It was likely that the following year's grant would appear to be more certain based upon the previous year's performance in future;

v) that the re-presented accounts highlighted teaching, research and other activities and provided information upon the total year to date. However, it was recognised that teaching and research was phased across the year and that some of this activity would also be linked to other 'activities';

vi) that the accounts clearly demonstrated that, if recruitment did not meet targets and fell significantly, to a level of (say) 80% of target, this would clearly impact upon the University and would affect cash generation, in particular. It was important, therefore, that the University had reserved some of the ISF funds at the current time until the picture became clearer.

16/08 **Capital Budget 2016/17**

Received: a paper from the Director of Finance on capital carry forward from 2015/16 to 2016/17.

Noted:

i) that, as presented later on the agenda, a number of key capital schemes continued to be progressed including the laboratories scheme, the Agri-Epi schemes and the STEP (green energy) scheme;

ii) that, in addition to the capital schemes, a number of maintenance plans were under development and/or underway;

iii) that the Estates and Facilities Manager was currently completing a review of the Estates Strategy and putting together, in particular, a proposal for focusing on maintenance in the short to medium term. In light of this, it was proposed that the University would not take on major capital projects in the very short term, although two key areas would need to be considered in due course. These were sports facilities and additional academic staff office accommodation. Both of these would require donations to be progressed;

iv) that a further planned activity was to review the capacity of the Estates Team and to consider carefully the use of contractors;

v) that it was not always easy for the Estates Team to spend all of their allocation by 31 July each year as a number of important projects could only take place over the summer period and, therefore, capital funding tended to be needed to be carried forward so that projects could be completed as it was difficult to allocate budgets in advance when budget allocation from 1 August in any one year was not yet certain.

Agreed: to approve the capital budget to include capital carry forward for 2016/187.

16/09 **National Pay Negotiations**

Noted:

i) a paper on the action taken by the Chairman of the Finance and General Purposes Committee (together with the Chairman of the Board and Chairman of Staffing Committee) to approve that the University should implement the national pay award (back-dated to 1 August 2016) and approve the further change to salary scales set out in the agenda paper;

ii) that the paper asked the Committee to approve and recommend to the Board a further change to salaries scales as set out in the agenda paper. In particular the UCEA proposal that, through discussion with the trades unions, point 1 on the national salary scale should be removed with effect from 1 April 2017.

Agreed: i) to endorse the action taken by the Chairman of the Committee (together with the Chairmen of the Board and Staffing Committee) to approve the national pay award backdated to 1 August 2016;

ii) to recommend to the Board that the University should remove point 1 of the salary scale as recommended by UCEA. **CEB**

16/10 **Strategic Project Monitoring**

Received: an oral report on progress with Agri-Tech projects from the Director of Finance.

Noted: i) that construction of the Agri-Epi Innovation Centre and the SMART Dairy was progressing. There had been some delays with the project and the need to re-work and replace damaged facia etc. Nevertheless, practical completion was broadly on track and careful monitoring of the site was underway. The SMART Dairy was also being progressed positively;

ii) that discussions by the Agri-Epi Board had focused upon a number of key issues including the need to put in place an appropriate and sustainable health and safety policy and arrangements to manage all of the various sites that would be owned by the company. Harper Adams had offered to seek advice from senior health and safety experts at Eversheds to inform this discussion;

iii) that a number of issues had arisen recently relating to a conflict between state aid and VAT requirements. These related to the model for the agri-tech centres that had been developed by Innovate UK. The latter had now recognised that this was an issue and was continuing to consider how a resolution might be achieved. In the meantime, the Chief Executive of Agri-Epi, together with the Director of Finance in her role as Interim Chief Operating Officer for Agri-Epi would be meeting colleagues at a Catalyst Centre to understand how they were currently managing state aid/VAT issues relating to the commercialisation of activity;

iv) that an agreement had been signed for CIEL since 30 September 2016. It had been agreed that Harper Adams would intend to start work on a new beef unit in 2017. Discussions were still ongoing with the commercial company and follow up had been put in place recently. In the meantime, an opportunity to consider another option located in the local area had arisen and this had been considered further and, if necessary, members would be advised in-between meetings as appropriate; **DGL**

v) that risks relating to Agri-Epi state aid and VAT were not necessarily key risks for the developments at the University but they could, nevertheless, affect Agri-Epi's overall funding streams if they needed to meet VAT costs in due course.

16/11 **Estate Developments**

Received: a paper by the University Secretary on progress with current estate developments.

Noted: i) that the University had been engaging proactively with the local and neighbourhood plans for Telford & Wrekin, Edgmond and Newport respectively. Positive engagement had also taken place with the Business Development Team from Telford and Wrekin Council and with Newport Regeneration Partnership;

ii) that the Laboratories Scheme was progressing to plan, although funding for further work to reconfigure existing laboratory space had not yet been secured. The Laboratories Manager and the Deputy Vice-Chancellor had been fully briefed on this and were aware that only minor changes that could be afforded in existing budgets could be progressed at the current time;

iii) that the Marches LEP and Telford and Wrekin Council remained positive about supporting the project to open up employment land to the south of Newport. This continued to be one of the key schemes which were being recommended to the Department of DCLG.

16/12 **Report from Cedar Energy Limited**

Received: a report from the Estates and Facilities Manager/Director of Finance.

Noted: i) that the application to relinquish the permit on the AD site was being taken forward;

ii) that, although the STEP project was progressing, a number of challenges had arisen. These had included some issues with the extensive laying of pipes across campus which were being carefully managed by Harper Adams's staff on a daily basis. In addition to this, there had been a lot of work to secure the required bond from Forrest. Draft terms had now been received and were being worked on with a view to securing a final bond prior to commissioning;

iii) that challenging discussions had also taken place with Western Power and local gas suppliers with a view to ensuring that they progressed their activities to ensure that relevant supplies were in place. In particular, British Gas had advised that it would need the University to provide a piece of land to locate a gas governor. The reason for this was not understood as there were other gas governors on site which were still on University land which had not been gifted to the gas supplier. The University's in-house legal adviser was currently seeking a contact with the gas supply company so that she could speak directly to their legal team and explain the University's position;

iv) that the claim against RG Parkin in relation to Incident 1 had been progressed by the solicitors employed by the insurance company. A significant amount of work by the Estates and Facilities Manager and Legal Advisor had been required to support this claim and it had been agreed that c£120k would be the settlement figure with £19k of this funding being paid to Cedar Energy Limited;

v) that, with respect to Incident 2, insurers had recently instructed solicitors (Beechcroft) to review the files and to consider whether or not there were opportunities to seek recovery. The University had advised that all the relevant documentation had already been provided to insurers and loss adjusters.

16/13 **Key Performance Indicators**

Received: Key Performance Indicator data for 2014/15.

Noted: that following feedback from the Board, a significant amount of work had taken place over the summer to consider whether or not the Board KPIs remained key performance indicators and which of the other detailed KPIs were, in fact, PIs or did not need to be reported on formally as PIs. This exercise had led to the Board KPIs being reaffirmed largely in the same format as previously but a significant number of previously reported KPIs being taken out of the tables and a succinct group of PIs being confirmed.

Agreed:

i) that the Board level KPIs as presented were appropriate and should be recommended to the Board at its meeting on 29 November 2016; **CEB**

ii) that the PIs would, in future, only be uploaded for the information of members to the Governors' document library and would not be circulated to the Finance and General Purposes Committee as part of the agenda item. **CEB**

16/14 **Committees**

i) Farm Strategy Committee

Received: the minutes of the meeting of the Farm Strategy Committee held on 13 October 2016

ii) Health and Safety Committee

Received: the minutes of the meeting of the Health and Safety Committee held on 27 October 2016.

Noted: that a member of CERC staff had unfortunately been involved in an accident which had been followed up with additional measures being put in place to prevent a recurrence.

16/15 **Any Other Business**

Mind the gap' - Understanding the Financial Sustainability Challenge - a briefing for Senior Managers and Governing Body members

Noted: that this recent publication was helpful and provided useful information for members of the Committee.

Development Trust

Noted:

i) that the Development Trust had received a request from a donor whose donation had been submitted in time to generate a successful claim for matched funding. Matched funding was held by the University following the transfer of the donation to the University in 2011. The donor has asked the Development Trust to consider whether or not some or all of the matched funding might be added to the original donation in the form of M&G units. Although under the matched funding scheme donors were not able to determine how funds should be used or invested they could, nevertheless, with the agreement of the University, give advice or guidance or be asked for their opinion. After due consideration, the Development Trust had agreed to recommend to the University that this request be agreed. After further discussion, the Vice-Chancellor and Director of Finance and University Secretary wished to propose that a limit of £5k be agreed as a change to the Treasury Policy which would enable such requests to be considered as the University did not normally invest its funds in such investments as it was recognised that these could decrease as well as increase.

ii) that, in addition to reviewing the new fraud guidance issued by the Charity Commission, the University would be actively engaging with other sources of advice including ongoing membership of the BUFDG Fraud Championship Group.

Agreed: i) that £2.5k of the matched funding sum secured as a result of the WD Morrow donation should be invested in M&G units in accordance with the request from the Development Trust.

ii) that such investments would be included with the Treasury Policy with a maximum ceiling of £5k. In due course, the amended Treasury Policy would be formally presented to the Committee at its meeting in January 2017. **LF**

16/16 **Date of Next Meeting** - 19 January 2017

Reserved Business

Received: the minutes of reserved business of the meeting held on 8 November 2016.