

HARPER ADAMS UNIVERSITY

Finance and General Purposes Committee

Minutes of the meeting of the Finance and General Purposes Committee held on 20 January 2017

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
Mr S Pride Director of Marketing & Communications (for minute 15/21)

Apologies: Professor P Mills Deputy Vice-Chancellor

Members were reminded, if required, to update their entry in the Register of Interests.

16/17 Minutes

Approved: the minutes of the meeting of the Finance and General Purpose Committee held on 8 November 2016 (16/01-16/16).

16/18 Matters Arising

Received: a matters arising report from the University Secretary.

Noted:

- i) that Cedar Energy had now secured environmental insurance for the slurry tanks with the same provider which provided environmental cover for the University. This meant that the farm no longer needed to hold separate NFU insurance and Cedar Energy would be in a position to continue to offer the service to the farm. The Director of Finance also reminded members that it was important for the relationship between Cedar Energy and the farm to be defined in accordance with relevant regulations, including VAT. She and her team would be working on an appropriate agreement in due course; **LF**
- ii) that the Elizabeth Creak Chair in Agri-Tech Applied Economics had attracted a good level of interest and a number of strong applications had been received for the post to date. The Chair in Beef Production had also been advertised and a number of promising applications had also been received;
- iii) that the level of funding available from CIEL to fund a new Beef Unit remained modest and, as discussions with the potential commercial partner had not yet progressed towards a firm conclusion, the Head of Animal Production, Welfare and Veterinary Sciences had developed an alternative scheme to utilise the funding to improve the current Beef Unit. The scheme would, however, have a impact on farm storage and, therefore, this was currently a matter of discussion between the farm and the Animal Production, Welfare and Veterinary Sciences Department.

16/19 Risk Management/Insurance

Received: i) a report by the University Secretary on risk items assigned to the Committee.

Agreed: that members were content that relevant risks continued to be managed appropriately.

16/20 **Vice-Chancellor's Report**

Received:

- i) an oral report on recent activities of note;
- ii) a presentation from the Director of Marketing & Communications on the updated Marketing Strategy.

Noted:

- i) that, since the on-time deadline of 15 January 2017, a further 25 applications had been received from potential undergraduate students. This compared to one or two additional applications which had been received in the same period during 2016. This confirmed the sector-wide impression that potential students were making their decisions much later in the cycle and, in some cases, many were waiting until their A level or diploma results before making a firm decision about whether or not to apply to university. The cycle was, therefore, longer and students were entering the cycle at different times and not necessarily keeping to the traditional 'on-time' deadlines;
- ii) that, overall, the University was currently experiencing a 12% decline in applications. However, this needed to be considered in the context of the fact that two foundation degree courses were no longer being offered which generated a significant number of applications but attracted very few students who were successful in enrolling at the University. The University had, therefore, decided to seek more honours degree students in both Engineering and Veterinary Nursing. With respect to Veterinary Nursing, the RCVS was content with this approach and, given the strength of interest in Veterinary Nursing, it was anticipated that the Animal Production, Welfare and Veterinary Sciences Department would be able to fill the spaces available with honours degree students;
- iii) that, if the number of applications normally received for the two former foundation degrees were set aside, the University was currently at 99% of 2016 applications when the remaining courses were directly compared. When compared to 2015 (which was a very strong year in terms of both applications and enrolments), the University was at about 94% of the previous year when, once again, the former foundation degrees were left out of the calculation and the remaining degrees compared on a like-for-like basis;
- iv) that Engineering remained an area of concern and applications were currently at around 70% of 2016 levels. However, the Engineering Department was ensuring that it was making every effort to raise its profile. It had been a significant achievement for the Engineering Department to win the best small stand at the recent Motor Sport International Show which was the first time that a team from Harper Adams had participated in the event. This event would help raise the profile of Harper Adams Engineering programmes with a different audience;
- v) that Agriculture applications were also not as strong as in the previous few years and were currently 75-80%. However, REALM applications were up on 2016. It was possible, in light of the Agriculture and REALM applications, that there might be additional industry factors influencing student decision-making and it would be important for the University to continue to emphasise its contribution towards the public good in terms

of food production, diversification, and enabling students to tackle new challenges, such as identifying new ways of diversification and also recognising the importance of utilising public funding for the public good;

- vi) that the University offered its Agriculture students development and higher level skills not simply for food production but also for a range of other careers, including policy making, consultancy roles and working in retail environments;
- vii) that the University offered a matrix system to support its undergraduate degrees which meant that it was possible for a certain degree of flexibility to be operated when considering student numbers for each of the various programmes. Nevertheless, the University would continue to keep a careful eye on resourcing to ensure that appropriate resources were in place to teach students in the various course areas;
- viii) that the Vice-Chancellor had received an invitation from HEFCE to give a presentation to the HEFCE Board on 1 February. The Board had asked for a presentation focusing upon the importance of Agriculture and its current and future position within higher education. In addition to this, the Vice-Chancellor had also been invited to make a presentation to the Catalyst Fund Committee on the National Centre for Precision Farming which had secured the first Catalyst bid awarded to a university for engagement with industry. The Vice-Chancellor apologised that this invitation had clashed with the planned date for the next Finance and General Purposes Committee on 22 March. However, members confirmed that they were available for the alternative date of 20 March;
- ix) that the Deputy Director for Strategy at the Department for Education had agreed to visit the University. He had a particular interest in apprenticeships and technical education. The University was continuing to engage with opportunities to develop food engineering apprenticeships and other apprenticeship plans were also being actively progressed;
- x) that recent visitors had included Meurig Raymond and Guy Smith of the NFU; future visitors included Lesley Griffiths, Farming Minister for Wales (22 February), Lord Ridley (24 February), Andrea Leadsom (2 March, although subject to diary confirmation) and Sir Lockwood Smith (17 March);
- xi) that Hourds Bank had also expressed an interest in visiting the University in the next few months and Ross Murray, President of the CLA, had also confirmed that he wished to visit and a date was currently being agreed. Professor Jo Price the new Vice-Chancellor at the Royal Agricultural University, together with the RAU Chairman, Mr Nick Stace, had also agreed to visit Harper Adams on 30 March. The Chairman of the Board would be joining the Vice-Chancellor for the latter visit;
- xii) that the University continued to engage actively with opportunities to secure Growth Deal 3 funding with a view to creating the planned cluster of Agri-Tech employment land to the south of Newport that would support the Agri-Epi development on the University's campus and the University's other continuing investments in Agricultural engineering;

- xiii) that a number of changes had taken place at other competitors including the announcement that the Principal of Writtle would retire during the summer of 2017 and confirmation that a new Chief Executive had been appointed at Askham Bryan – Catherine Bryan the former Chief Executive of the Law Society;
- xiv) that Wayne Powell, the Principal of SRUC, had asked to meet with the Vice-Chancellor to further collaborate around Agri-tech and a date for a meeting was currently being agreed;
- xv) that a successful visit from senior staff at Rothampsted had taken place in the last few weeks. A follow-up discussion had been agreed, focusing on common interests on policy and funding issues;
- xvi) that it had recently been announced in the press that University Centre Shrewsbury had obtained planning permission and funding for more residences. It had also been noted in the press that the University of Chester was currently managing some issues around the academic schools trust for which it was responsible;
- xvii) that Emeritus Professor Brian Revell had been successful in his engagements with DEFRA over recent months. This had led to an opportunity to work with the Foreign and Commonwealth Office on trade negotiation and training. In particular, Professor Revell had been invited to give a masterclass on Agri-food trade;
- xviii) that the Vice-Chancellor had been elected to GuildHE Executive and had attended his first council meeting the previous day. A useful update had been received by council on TEF. It was clear that work was still on-going to finalise TEF 3 and that this was not straightforward as, at this stage, subject level review processes needed to be agreed and there were a number of different ways in which this might be taken forward;
- xix) that the update on TEF also confirmed that it was possible that a longer term view of employment data might be taken and it had also been announced that HESA would be taking over responsibility for the destination of leavers in higher education survey (DLHE). GuildHE Council had suggested that verification of data would be important to ensure that central data collection did not lead to anomalies;
- xx) that work was continuing to review what was meant by graduate level jobs. It was understood, in particular, that the RCVS was pressing for Veterinary Nursing to be recognised as a graduate profession and the University would also try to continue to influence this debate wherever the opportunity arose;
- xxi) that the University had almost completed preparation of its TEF 2 submission. Although the metrics shared with the University appeared to be positive, the submission was, nevertheless, very important. In due course the TEF panel's assessment of both metrics and the narrative would be announced;
- xxii) that the University was continuing with the agreed plan to invest ISF funding in improving the student experience, and learning and teaching in particular. It was also pleasing that the Elizabeth Creak Charitable Trust had confirmed its willingness to match fund the Chair in Applied Agri-Tech Economics;

- xxiii) that an appointment had been made to the new lectureship in Sub-Saharan Africa. An opportunity to develop a joint bid with AGCO and the University of Zambia was also under active discussion led by Andy Wilcox;
- xxiv) that the new Business Development Manager had been recruited and would start at the University towards the end of February and a successful recruitment process had also led to the appointment of a Deputy Registrar who would take up the role in the next few months. The planned work to enhance security was also well underway and further plans were in hand over the coming months. This was particularly important as the University had suffered some theft from the farm workshops of equipment during the previous week;
- xxv) that, unfortunately, the Students' Union had been slow with making investments to utilise the additional funding allocated for the specific purpose of offering a wider range of activities to appeal to all students. The Students' Union President was aware of this and it had been agreed that some of the funding would be held back. This strategic investment was important in terms of the recent UUK report on ensuring that universities addressed the need to be inclusive and to ensure they actively offered social and other extra-curricular/student community led activities which would be of interest to students from all backgrounds. There was also an important link to the recent report on bystander policies and the re-emphasis of the need to ensure that all students were safeguarded during their studies at university;
- xxvi) that it was understood that the ESIF bid with Aston University for creation of an Agri-Tech knowledge exchange team was progressing positively. However, no firm announcement had yet been made;
- xxvii) that the investment in international marketing was moving forward positively and would be discussed during the presentation from the Director of Marketing and Communications;
- xxviii) that two posts together with the planned investment in a new REALM capital scheme were currently not be progressed;
- xxix) that members of the Committee were particularly pleased to note that matched funding had been secured for a number of ISF investment strands. This indicated that ISF funding could be used successfully to lever other funding to deliver the University's overall strategic aims.

16/21 **Presentation on the Updated Marketing Strategy**

Noted:

- i) that the Chairman welcomed Mr Simon Pride, Director of Marketing and Communications to the meeting. A detailed presentation was made to members of the Committee during which the following key points were noted:
- i) that the University had a very strong brand image focusing in particular on engagement with industry and the strong ethos of theoretical and practical education, together with application of science and technology;
- iii) that a thorough brand review had taken place including re-consideration of the logo together with other key messages which could be communicated through both image and written word;

- iv) that the proposed rebranding had been shared with the Students' Union which was enthusiastic about the proposals. It was recognised that the formal crest of the University remained important to the Students' Union and to alumni and also to key events such as graduation and other formal/ceremonial occasions. Nevertheless, a logo which could be more easily produced in digital format for use in Twitter, Instagram, Facebook and other social media platforms in particular was needed and would be a more flexible tool;
- v) that the Director of Marketing and Communications had also worked with admissions and other colleagues across the University to develop a better understanding of an applicant's journey and to consider how this could be further strengthened by speeding up decision-making, timelines and ensuring consistency of communications. This had led to a proposal that the University should invest in a CRM system and a number of platforms had been evaluated to date;

Agreed:

- i) that members of the Committee were supportive of the proposals put forward in the presentation (including the new logo concept) and would welcome sight of the formal written marketing strategy when it was completed; **SP**
- ii) that, as suggested during discussions, some of the proposals might need slight modification to ensure that they would appeal to all audiences; **SP**
- iii) that it would be important for the Marketing Team to check images being used with academic staff, particularly those in Agriculture; **SP**
- iv) that it would be important for the descriptive words used to describe the student journey to be considered in the context of progression to postgraduate taught courses and also postgraduate research courses; **SP**
- v) that members wished to thank the Director of Marketing and Communications for his inspirational and thorough presentation. **SP**

16/22 **Management Accounts**

Considered: the Management Accounts for the period to 30 November 2016.

- Noted:
- i) that the accounts included provision for the fraud related issue that had arisen during the Autumn term. In relation to this, the University continued to keep in touch with the police and was currently considering with their advice, if any further recovery might be possible from the individual who had been identified as being involved in the matter. However, it was important to note that costs could be prohibitive and this would need to be weighed up carefully;
 - ii) that the accounts recognised that, due to the unprecedented number of students who accepted a place at confirmation including booking a room in halls of residence and then did not proceed to enrol, the number of voids. The late timing of withdrawals pre-enrolment meant that students who might have been willing to take the released hall places had already made alternative accommodation arrangements for the forthcoming year and had signed contracts etc. The Director of Finance had considered whether or not a deposit could be charged but this was also quite a sensitive area and it had been agreed that this could be counter-productive and deter students from applying to Harper Adams if it appeared to be unduly restrictive;

- iii) that the accounts also recognised that the Cedar Energy heat ring main installation had been delayed and would not be completed until March 2017, although it was hoped that the slurry tank arrangements could be put in place as soon as possible so that a modest income could be achieved in the meantime by Cedar Energy. Members welcomed the Farm Manager's application for funding to seek a grant to procure new slurry store lids. The outcome of this bid was currently awaited;
- iv) that, overall, the management accounts indicated that the University was working to budget when elements of pay savings were taken into account.

16/23 Updated draft five-year financial forecast and revised budget setting arrangements

Received: i) a draft five-year forecast;

ii) an oral report on revised budget setting arrangements.

Noted: i) that the updated 5-year forecast had been drafted to try and set out various scenarios should student recruitment not meet the planned targets in Autumn 2017. The forecast had been put together on a prudent basis. Assumptions included that income would only be changed, whereas costs would remain the same. With respect to income, different levels of student recruitment reductions had been assumed and the finance team had also included a 10% reduction in HEFCE grant. Fees had been adjusted to reflect the University's ability to charge £9,250 due to meeting TEF 1 requirements. The Board's decision to ensure that the overall cost of studying for the current intake remained the same by offering a discount on placement year fees before charging the new £9250 fee in the final year for the 2016/17 first year cohort had also been included in the latter;

ii) that grant reductions had been assumed at 10% in the first two years, followed by 5% in 2019/20 and 2020/21. In addition to this, the tables included an assumption that ISF would reduce to 50% in the latter part of the period following the University's re-application for these funds;

iii) that the scenarios showed that 2017/18 would be a challenging year financially if student recruitment levels were to be reduced significantly and no changes were made to the University's cost base. However, a sensitivity analysis showed that, with relatively minor changes to either cost or income, there were opportunities to address this;

iv) that the more recent recovery of applications might suggest that a reduction of 5%-10% might be more reasonable and that the forecasts were perhaps overly pessimistic. Nevertheless, it would be important for the University to consider costs carefully and to ensure that, as previously agreed, it continued to make strategic use of ISF funding. Members agreed that the scenario planning was very useful and that the Vice-Chancellor/Director of Finance would keep the chairs of appropriate committees updated in due course. In particular, members asked for an update at the next meeting of the Finance and General Purposes Committee on 20 March 2017; **LF**

v) that the finance team was revising the budget setting process for this year and it was intended to generate proposed budgets using the resource allocation model informed by current budget forecasts and outturn. This would then form the basis of discussion with individual budget holders.

16/24 **Transparency Review and Costing (TRAC) and Teaching (TRAC (T)) (PN)**

Received: the University's TRAC and TRAC (T) return to HEFCE for the 2015/16 financial year.

- Noted:
- i) that considerable work had been done to refresh the University's system for putting the TRAC report together. A thorough review of the drivers had been undertaken and these would be helpful in the resource allocation model as well as useful to the TRAC process;
 - ii) that the TRAC steering group would continue to meet and the good level of engagement by academic heads in particular continued to be helpful to the Finance team;
 - iii) that, overall, whilst overhead recovery for research had improved, recovery from other government departments and charities remained challenging;
 - iv) that HEFCE was continuing to emphasise the importance of cash flow although in the TRAC return surplus levels were still being reported;
 - v) that the Director of Finance was a member of the TRAC development group which met regularly with HEFCE and would continue to ensure that members of the Committee were updated on any changes to TRAC which might be forthcoming following the changes that had already been made to reflect the new accounting standards.

Agreed: that the TRAC and TRAC (T) returns as presented to the Committee should be submitted to HEFCE. **LF**

16/25 **Strategic Project Monitoring (SV)**

- Received:
- i) an oral report on progress with Agri-Tech projects;
 - ii) an oral report from the University Secretary on behalf of the Deputy Vice-Chancellor on progress with Aquaculture.

Agri-Tech Projects

- Noted:
- i) that the Agri-Epi building was progressing as planned and an opportunity had arisen to bid for additional funding to support laser equipment for the Agri-epi innovation centre. It appeared that this bid might be successful, although it would be important to note that only very limited capital was available to make changes to the building to house this equipment and therefore the current spaces would need to be used as appropriate to house this new development;
 - ii) that the Smart Dairy had proved to be very challenging in terms of cost. Members recalled that there had always been risks around these project due to the speed that was necessary to put proposals together to secure the grant funding over a very limited timeframe. Members acknowledged that it had not been possible to secure fully costed tenders and therefore cost estimates had been necessary for the Unit based upon a budget of £758k made up of 510k grant from Agri-Epi and the remainder from the University. As the project had developed, issues such as poor ground and a range of other necessary additional costs had meant that the budget needed to be reviewed. After very careful discussion, the team was clear that they had reached a point where it would not be possible to reduce costs any further without

affecting the quality of the project and therefore, the farm, estates department and animals department had all agreed to contribute towards the scheme from their other budgets to ensure that it remained fit for purpose. The overall budget was therefore £1.003m. The Director of Finance had discussed this with the Agri-Epi Chair and advised that there might be some modest additional funding available but this would be very limited. For example it was possible that Harper Adams might be able to use some of the spend allocated to create satellite farms to help complete the Smart Dairy budget package;

LF

- iii) that Innovate UK continued to be positive about the Agri-Epi work. In recent discussions, robotics drones and bioscience were being emphasised as key areas. It was likely that opportunities to bid for grants in these areas would be forthcoming and it remained important therefore for the facilities at Harper Adams to be as high quality as possible. It was further noted that since the estimates were put together the construction market had changed significantly and build costs had increased. It was also the case that estimates had been based upon mainstream Agricultural buildings whereas four on research dairy specifications became clearer, additional costs needed to be covered to create such a bespoke facility.

Agreed: that the University should uplift the budget by £250k made up of a transfer of budget from the estates department, farm and the animals entrepreneurial account as it was very important to ensure that the Smart Dairy remained a high quality exemplar facility.

Aquaculture

- Noted:
- i) that the Planning and Approvals Committee had recently approved undergraduate certificates and diplomas in Trout, Tilapia and Salmon Production. These were to be offered in partnership with Improve International which was positive about the likely market for these modules;
 - ii) that, in addition to the above development, a range of discussions were being followed up with contacts that Professor Davies had developed over many years in Nigeria. It was possible that a number of masters and/or research students might progress to the University from this link in due course.

16/26 **Procurement Strategy**

- Received:
- i) a progress report from the Director of Finance;
 - ii) a report on spend with North Western Universities Purchasing Consortium (NWUPC);

- Noted:
- i) that, although the report from NWUPC indicated that staff at Harper Adams did not always attend the various consortium groups, it was, nevertheless, important to note that the University also belonged to other consortium such as the JISC (IT consortium) and an insurance buying group and, therefore, the report did not give a fully comprehensive picture. Nevertheless, the Director of Finance would be discussing with colleagues whether or not it would be useful to attend the furniture buying group; **LF**
 - ii) that, following a resignation in the Finance Department, an opportunity had arisen to consider creation of a Procurement Co-ordinator role and a separate role of Financial Accountant. It was intended that the

Procurement Co-ordinator role would further strengthen the University's resource in this area and that the Co-ordinator would be able to work with managers and budget holders to further strengthen procurement arrangements;

- iii) that the Committee would like a further update on procurement at its next meeting once the procurement return had been made. **LF**

16/28 Estate Developments

- Received:
- i) a paper by the University Secretary/Head of Estates on progress with current estate developments;
 - ii) a post-occupancy review for Leverhulme and Jerman Halls of Residence;
 - iii) a presentation from the Estates and Facilities Manager on the review of the Estates Strategy 2010- 2020 and preparation of a revised Estates Strategy 2016-2026.

- Noted:
- i) that, as noted earlier on the agenda, there had been delays in installing the Cedar Energy heat-ring main in particular, due to weather and a number of contractor issues. This project was being closely monitored;
 - ii) that members of the Board had visited the Elizabeth Creak Building prior to the November 2016 Board meeting and the scheme was now almost complete. An opening date of either 7 or 9 June 2017 had been proposed to the Trust and members would be updated in due course.
 - iii) that a detailed review of the maintenance programme was in hand and would be described by the Estates and Facilities Manager in his presentation on the review of the Estates Strategy;
 - iv) that work to construct a bund around the slurry tanks had now been completed;
 - v) that a feasibility scheme for further car parking had been drawn up and would be discussed in more detail during the Estates Strategy presentation;
 - vi) that the Vice-Chancellor, University Secretary and Estates and Facilities Manager continued to engage actively with the local and neighbourhood planning process. The neighbourhood plan draft was subject to the first stage of consultation. The draft included positive support for Harper Adams together with a map showing a development boundary around the centre of the campus which again was the same as that used in the University's Estates Strategy;
 - vii) that, once the Green Energy project was in place, the newly appointed M&E Manager, together with other colleagues, would be pushing forward the University's focus on developing and implementing an updated Carbon Management Plan. Notwithstanding this, the University had continued to maintain the Carbon Trust Standard, albeit in a slightly different form;
 - viii) that the student residences post-development review work had confirmed that the development of Jerman and Leverhulme halls had been a successful project, notwithstanding the fact that Hauzhong University students had not progressed to Harper Adams at the levels that were initially envisaged. Nevertheless, this relationship was

continuing to develop positively and it was possible that numbers might build up steadily over the coming years. In the meantime, the new halls had been successfully marketed to other student groups and the contribution from the new halls had been positive given a lower than expected cost base and the fact that any defects or maintenance required had been met under buildings and equipment warranties during 2015/16. The level of borrowings had also been slightly lower by £0.6m and, as a result, the interest chargeable was lower than that predicted in the capital appraisal/forecast for the new residences;

- ix) that, overall, the post-occupancy questionnaire had received very positive comments, although it was agreed that it would be useful to ask the Marketing Team to ask students attending open days to comment upon which hall they had visited and what their views were about the student bedrooms and other facilities that they had seen;

SP

Presentation on the review of the Estates Strategy 2010-2020 and preparation of a revised Estates Strategy 2016-2026

- Noted:
- x) that it had been timely to undertake a mid-term review given the fact that the estate remained a very important part of the University's strategy to attract and retain both students and staff. In addition to this, it was important to recognise that many of the proposed developments in the 2010-2020 strategy had already been achieved and an updated master planning exercise was, therefore, important to ensure that the University would be in a positive to respond as and when funding opportunities might arise for new developments or major refurbishments;
 - xi) that the proposals for updating the strategy also took account of discussions in the space management group about timetabling changes, together with changes to learning and teaching patterns and the development of more efficient teaching spaces such as the Weston Lecture Theatre and the new Elizabeth Creak Building where larger class sizes could be accommodated and existing smaller spaces could then be refurbished for other purposes;
 - xii) that, during the period to 2010, the University had also been successful in attracting industry partners to the site in the form of the Dairy Crest Innovation Centre. Going forward, it would continue to seek industry partners to engage with the Agri-epi Innovation Centre;
 - xiii) that, since 2003, £40m of capital development had been delivered (not including the STEP project). Overall, in the past 14 years the estate had grown from 36km² to 82km². The breadth of investment, across all areas of the campus, was also important to note including student residences, farm facilities, teaching, research and scientific/laboratory facilities. In addition to this, a number of meeting rooms and other office areas had also been updated and refreshed;
 - xiv) that the University had completed a condition survey as required by HEFCE and, as anticipated, the survey had identified a number of areas where refurbishment/upgrading was needed to ensure either that facilities remained at category B and all those that were category C needed to be improved to uplift them back to B. It was notable that at a recent HEFCE briefing on the new quality assurance arrangements, the use of EMS statistics was part of the data metrics which had been mentioned in terms of the spend required to retain space at 'good' categories and the amount of 'good space' which it was assumed meant category A or B, possibly C;

- xv) that the strategy recognised that the impact of spend was not necessarily the same as spend priority as it would always remain essential to ensure that legal compliance and other statutory obligations were met, whereas student staff and visitors to the campus might be more impressed by new capital developments or refurbishment schemes. It was important to try and maintain a balance between these elements and to ensure that ongoing maintenance and refurbishment were balanced against major capital development;
- xvi) that a number of detailed drawings were shared with the Committee, indicating future areas where academic buildings and/or residential spaces could be identified within the existing development zone. It was important to recognise that the STEP project offered a useful district heating system that could support these developments and therefore help to manage refurbishment and development costs and meet environmental requirements under any planning applications provided current requirement in this area did not change significantly';
- xvii) that the estates team had also put together plans for Easter and Summer 2017 including upgrades to some roads, footpaths, upgrades to library windows and the Kaldi Café. Work on Boughey Hall would also start (as agreed with Student Services) by refurbishing block E as a pilot. In addition to this, a proposal to redevelop part of the Pig Unit was underway and plans to install and upgrade water storage together with potable water infrastructure;
- xviii) the Estates Team had engaged actively with Student Services about hall refurbishment. Their feedback had been that it would be important to priorities upgrading of communal spaces including washrooms and kitchens and to create common spaces wherever possible and that these were more important than redeveloping individual student study bedrooms;
- xix) that the plan also indicated a wish to extend and develop sports facilities around the gym area in particular. This would need to be the subject of fundraising and had been discussed with the Development Trust;
- xx) that once the new Elizabeth Creak building was fully operational there would be an opportunity to move the anatomy laboratory over to the new laboratory and consolidate AD research in this area supported by a new build that was also due to be delivered over the next few months. It was also hoped that smaller laboratories vacated by the new teaching spaces could be developed into effective research laboratories over a period of time;
- xxi) that, in the medium term, it would be appropriate to review the older engineering workshop facility and to consider whether it would be possible to re-clad/refresh this building now that the rest of the area had been significantly upgraded;
- xxii) that car parking remained very important and a number of schemes for creating new car parking areas were included in the proposals and were being explored;
- xxiii) that discussions had taken place with Telford and Wrekin Council about the crossroads area. However, they had not agreed that a roundabout scheme would be appropriate and, instead of this, the

Estates and Facilities Manager had suggested that 4-way lights might be considered and this was currently under consideration;

- xxiv) that longer term car parking might be necessary together with opportunities to relocate car parking away from the side of the B5062 so that frontage areas might be released for future development. There may also be opportunities to consider consolidation of student residential facilities along Flatt Road towards the end of the 10-year strategic planning horizon;
- xxv) that a further area of consideration was ensuring sufficient staff offices and whether or not, in due course, Bradford Hall could be replaced by the new hall adjacent to Leverhulme and Jerman for which planning permission had already been received and for which services were already available in the ground. Nevertheless, this was recognised to be a medium to long term aims that would need appropriate funding to be identified in due course;
- xxvi) that next steps would be to discuss the detailed schedule for refurbishment with the Conference Office, Finance Office and Student Services colleagues to ensure that appropriate windows of opportunity to undertake the work together with appropriate phasing of the necessary funding was agreed. It was also recognised that it would not be possible to do all of the works at once and that careful phasing would be essential.

- Agreed:
- i) to endorse the proposals set out in the presentation and to receive the final updated Estates Strategy 2016-2026 as soon as it was available in its final format; **PM**
 - ii) to thank the Estates and Facilities Manager for his hard work in delivering the previous Estates Strategy and putting together some useful and exciting plans for the 10-year period.

16/30 **Report from Cedar Energy Limited**

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

16/31 **Any other Business**

Report on proposed transfer of land for a gas governor and easement to permit National grid to access a new gas pipe servicing the new green energy system

- Noted:
- i) that Shaun Jones RICS of Halls had provided his professional opinion on the above matters and that his report was presented in accordance with Charity Commission requirements in circumstances where a charity is considering transferring any of its land or granting access to a third party
 - ii) that the report indicated that the easement and transfer of land was appropriate and would support the work of the University in meeting its charitable objects;
 - iii) that a final plan would be drawn up by the University's advisers, in the meantime, members noted the route of the gas pipe and the location for the gas governor using draft plans;

- Agreed:
- i) that the report confirmed that the proposals were appropriate and in light of this, members agreed that the necessary steps should be taken

to grant the easement and the transfer of land for the gas governor subject to consideration of the points below

- ii) that the draft easement should be reviewed to check whether re-instatement of any damage caused to University land or property through National Grid accessing their pipe and/or gas governor was included in the agreement **CEB**
- iii) whether or not the easement as drafted included any requirement for National Grid to give reasonable notice (except in any emergency) to the University of any works they intend to undertake in relation to the gas pipe or gas governor **CEB**

16/32 Date of Next Meeting

Noted: the agreed revised date of Monday, 20 March 2017.

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HARPER ADAMS UNIVERSITY

Finance and General Purposes Committee

Reserved Business – January 2017

16/04R Minutes

Approved: the minutes of reserved business of the Finance and General Purposes Committee held on 8 November 2016 (16/01R-16/03R).

16/05R Pensions

Received: an oral report from the Director of Finance.

Noted: that the Director of Finance continued to keep pensions under careful review and would update members as appropriate.

16/06R Vice-Chancellor's Report

- Noted:
- i) that the discussions with a potential commercial partner about farmland at Fernhill (715 acres mostly grade 2) would be continuing at a meeting on 31 January. In the meantime, an opportunity to consider acquiring a further 479 acres located adjacent to the University had arisen. This land was owned by the Duchy of Cornwall and it was understood on a pre-market basis that the Duchy might be seeking to sell the land having had a valuation of c£4-5m which included a large farmhouse and other residential buildings some of which were currently rented to students by the current tenants;
 - ii) that this was a very valuable opportunity for the University to secure contiguous land of good quality and to secure its position and reduce its reliance on rented land which came with a number of risks and did not allow security around long term research or other project activities;
 - iii) that there were a number of financial options, although it would be important to consider loan covenants carefully. In this regard, it was likely that the University would be able to raise 40% of the cost from its own resources, although it would be particularly important to understand the nature of the tenancy that was in place.

- Agreed:
- i) that the University should continue to explore this opportunity and consider in particular whether there might be any opportunities should the land be rationalise current farm holdings especially rental agreements; **LF/SK**
 - ii) that the Chairman would be willing to offer informal advice in the first instance; **SV/LF**
 - iii) that it might be helpful to consider whether the Duchy might be interested in a pre-market discussion especially as the University would be keen to use the land for educational and charitable purposes.
 - iv) that, should the land be secured, it would be excellent for beef work in particular and would offer certain economies of scale for the farm as well as cost savings given that a number of the rented parcels were up to 10 miles away from the University campus;
 - v) that the Vice-Chancellor should keep the Committee informed by correspondence and if necessary seek the Committee's approval to make a recommendation to the Board in due course.

16/07R Staffing Issue

- Noted:
- i) that a former member of staff had raised a number of issues in a resignation letter. The University had invited the individual to attend an exit interview with its normal arrangements. However, unfortunately after protracted engagement over the Autumn period the individual had finally indicated that they did not wish to attend an exit interview. Since then, the University had been contacted by the RSPCA who had suggested that a member of the public had raised concerns with them. The RSPCA Inspector had discussed the matter with the Estates Foreman but had advised that he had no particular concerns to follow up and that he would not be considering the issues further;
 - ii) that, immediately before the Committee met, a tribunal claim had been received from the former member of staff in which it was indicated that certain issues relating to health and safety and the Countryside Act had been raised with management and that the University had not responded to these issues and that the situation had, therefore, caused the former member of staff to resign. In the University's view every effort had been made to engage with the individual and the independent investigation being conducted by a member of the senior management team and not involved with the Estates Department had not revealed that any issues had been raised during the individual's employment. Therefore, as far as the University was aware these issues had not been raised until the person had left the University and, following this, he had not been willing to attend an informal exit interview so that the matter could be considered further if necessary using the most appropriate process;
 - iii) that one issue not highlighted in the current tribunal claim (but which had been included in the resignation letter), related to the University's employment of self-employed contractors. The University had already been reviewing this area given the forthcoming changes to IR35. It appeared that the University might have some issues in relation to this and it was, therefore, procuring professional advice from PWC and, depending upon the advice, it might be necessary to engage with HMRC about these matters. The Chairman of the Board would be kept informed. **LF**