

HARPER ADAMS UNIVERSITY

Board of Governors

Minutes of the Meeting of the Board of Governors held on 28 November 2018 in the Boardroom

Present: Mr Mike Lewis Chair
Dr David Llewellyn Vice-Chancellor
Mr Peter Cowdy
Mrs Emma Foulkes
Mr Richard Hambleton
Mrs Lavinia Moroz-Hale Staff Governor
Mr Peter Nixon Vice-Chair
Georgie Marland SU President
Prof Mark Ormerod
Rebecca Payne Staff Governor
Dr Julia Pointon
Mr Mark Roach
Mrs Christine Snell
Dr Martin Thomas
Mr Campbell Tweed
Mrs Debbie Winstanley
Mr Stephen Vickers Vice-Chair

Apologies: Mr Colin Bailey
Mr Tim Burnhope
Dr John Donaldson Staff Governor
Dr Tim Watson
Mr Dominic Wong

In attendance: Dr Catherine Baxter University Secretary & Clerk to the Board
Mrs Liz Furey Director of Finance
Prof Peter Mills Deputy Vice-Chancellor

Register of Interests

Members were reminded to complete or update their entry in the Register of Interests as necessary.

The Chair offered congratulations on behalf of the Board to the Vice-Chancellor who had recently been elected chair of GuildHE.

18/17 Welcome to new Members and Staff Observers

Welcome: Members welcomed Mrs Debbie Winstanley to her first meeting. Dr Tim Watson had sent his apologies, and hoped to join the next meeting of the Board in March 2019. Mrs Sarah Bowen and Mr Richard Heath were welcomed to the meeting as staff observers.

18/18 Minutes and Notes of the Planning Day held on 27 September 2018

Approved:

- i) the minutes of the meeting of the Board of Governors held on 27 September 2018 (18/01 – 18/16);
- ii) the notes of the Board of Governors/University Executive Planning Day held on 27 September 2018.

18/19 **Matters Arising**

Received: a report from the University Secretary;

- Noted:
- i) that the Nominations Committee had progressed the actions reported to the Board at its meeting in September 2018. The Committee had updated its Terms of Reference and a copy of the final document was attached with a request for members to endorse the new Terms of Reference;
 - ii) that the vacancy for a further member of the Committee needed to be filled, and members were asked to agree that the Chair might take action in this regard;
 - iii) that further work to explore the Board Apprenticeship Scheme had been completed. Negotiations were currently in hand to reduce the optional fee that might be due should the Board progress to a point where an apprentice is added to its membership. Feedback had been received to confirm that Harper Adams could be offered a reduced voluntary fee of £2k should an apprentice be appointed to the Board and the other amendments to the legal document proposed by the University had also all been agreed;
 - iv) that further legal advice had been sought with regard to the Board's previous decision to return the gift received from the Taylor McNally Foundation through the Development Trust. The legal advice indicated that if the University were in a position to agree that the gift should be returned to the Development Trust, the Development Trusts objects are sufficiently compatible with those of the Taylor McNally Foundation to permit the Development Trust to make a donation directly to the Foundation. This would ensure compliance with both Charity Commission requirements and Trustee duties. The final legal advice received in the last few days had indicated to the Development Trust that there was no need for it to seek Charity Commission advice or permission provided the donation was made as outlined above. In light of this, Board members were asked to agree that subject to comments from external auditors and final consideration of the legal advice by the Development Trust, the University would take action to return the donated funds to the Development Trust so that it might in turn make the appropriate donation to the Taylor McNally Foundation which would be equivalent to the original gift received of £110 K;
 - v) that following the Board's review of the University's Freedom of Speech, Academic Freedom and External Speakers Policy in light of HEPI Guidance for the HE Sector, a separate review leading to further HE sector guidance was due to be published shortly. Once this further new guidance was available; the University's arrangements would be reviewed again and any changes presented to the board for its approval. **CEB**

- Agreed:
- i) to endorse the amended Terms of Reference for the Nominations Committee;
 - ii) that the Chair might take action to invite an independent member of the Board to join the Nominations Committee; **MJL**
 - iii) that subject to any further comments from external auditors, and consideration of the current legal advice by the Development Trust,

the Board was content that the sum of £110 K, being the same value as the original gift received from the Taylor McNally Foundation, should be returned to the Development Trust so that it might in turn, in accordance with its objects, make a donation of hundred and £10K to the Taylor McNally Foundation. Members also agreed that should any minor changes to the above arrangements be necessary the Chair was authorised to take action on behalf of the Board on this matter acting on its delegated authority. **MJL**

18/20 Vice-Chancellor's Report and Governors Discussion

Received:

- i) a report by the Vice-Chancellor on recent developments of note;
- ii) a draft Financial Forecast 2018-2022 (adjusted to reflect 2018 student numbers);
- iii) a report from the Director of Marketing and Communications on the effectiveness of the 2017/18 marketing campaign;
- iv) an oral briefing from the Vice-Chancellor on plans for 2019 entry including proposed course changes; access and participation and international recruitment;
- v) an oral briefing from the Vice-Chancellor on recent press reports on student conduct and the University's and Student Union's plans to provide positive role models and appropriate oversight of SU clubs and societies and in discussion, detailed comments from members of the Board;

Noted:

- i) that the Vice-Chancellor was sorry to report formally to the Board on two recent deaths. George Crawford, a first-year student had passed away following a road traffic incident in Newport. The outcome of police investigations was not yet known. Staff and students from the University had attended George's funeral in Scotland. Members expressed their regret at this sad news;
- ii) that Mr Anthony Burgess, a long serving former Governor and Chair of the Board since 2004 and Chair of the Development Trust, had passed away very suddenly at the beginning of the month. The University would be attending a memorial service for Tony early in December. Members acknowledged the considerable contribution made by Mr Burgess over many years to the work of the University and expressed their condolences. The Vice-Chair of the Trust was standing in for the time being;
- iii) that undergraduate admissions were currently 7% ahead of the same point in 2017, with overall application numbers 17% ahead of the position in 2016 at the same time. When compared to the year in which the largest intake was secured the current application numbers were 81% of that particular year. As usual, at this time of year application numbers remain volatile with the next best indicative date being 15th of January 2019 when the first stage of UCAS applications are due to be submitted;
- iv) that while it was important to note the current positive position, there were a number of areas of concern where two course areas were not currently attracting sufficient numbers of applicants while others were performing very well. The University Executive continued to track applications in detail on a weekly basis and had already discussed the introduction of alternative courses in the subject areas such as degree apprenticeships, should there be sufficient interest from

industry partners. Heads of Departments had been asked to work on alternative ideas with their teams;

- v) that the Vice-Chancellor had been invited to attend the Royal Society of Arts dinner at which its review of environmental science was discussed. Institutions represented at that event confirmed that applicant numbers were not strong and that the market for a number of courses appeared to have dipped significantly. The Vice-Chancellor would be convening the newly emerging Agriculture University's council for its second meeting the following week. It was hoped that this would be a useful group which could work together to ensure that the profile and strategic importance of agriculture at higher education level is raised and maintained. There had been a piece on Farming Today by a representative of Barclays bank focusing on this same point;
- vi) that the University's performance in attracting and enrolling taught postgraduate students for 2018/19 had been good and it was also particularly pleasing that 26 new degree apprentices had started their programs in the autumn term. The number of enquiries from companies who are potentially interested in engaging with degree level apprentices was also very encouraging and actions were in hand to ensure positive delivery of further degree apprentices for 2019 entry;
- vii) that subject to final confirmation, the Minister for Universities and Science was likely to visit the University and the Agri-Epi-centre the following day. The planned programme would include the formal opening of the Agri-Epi centre hub building and the smart dairy. There would also be an opportunity for the Vice-Chancellor to discuss key points with the Minister and to introduce him to a number of students and staff during a separate visit to the University;
- viii) that the University had been asked to collaborate with the DIT to create a video (produced by Saatchi), encouraging inward investment in agri-tech to the Telford and Wrekin area. The video was shown to members. It was noted that the video would be sent to all UK embassies in all parts of the world;
- ix) that UKVI would be undertaking an audit of tier 4 (students) and tier 2 (staff) sponsorship arrangements for overseas nationals. Preparations were in hand and appropriate professional advice and support had been sought to assist with the preparations as previously reported to the Board;
- x) that the Finance Team continued to work hard on future financial planning. The recent announcement about significant increases in Teacher's Pension Scheme contributions would affect approximately 70 universities. While the latter was still being discussed by sector representative bodies, there was currently no suggestion that the proposed increases which have been confirmed in the Budget speech might change;
- xii) that the Finance and General Purposes Committee had endorsed a new Knowledge Exchange Strategy. This had been requested by OfS in light of the University becoming eligible again to receive HEIF funding. Benchmarking had been developed, although Harper Adams was currently included with some rather unusual proposed benchmark institutions. The Vice-Chancellor of Keele, acting as a national independent Chair was currently leading on the development of the Knowledge Exchange Framework (KEF);

- xiii) that two very successful Careers and Placement fairs had taken place with approximately 187 employers attending and a further 42 attending the Development Trust Scholarship Fair. 16 new employers had participated in the fairs and positive engagement and feedback had been received. It was noted by a member of the Board that he had also received particularly positive feedback from the staff of AFBI who had attended the event and commented favourably on the very positive engagement with students they had met;
- xiv) that at the recent GuildHE conference, the CEO of OfS had advised that registration was still ongoing as not all HEI's had yet been registered. The focus of the 500 strong OfS team would shortly be moving towards monitoring activities. It was noted that most HEI's have been given some form of enhanced monitoring. As members recalled, Harper Adams had been advised that it was to be subject to enhanced monitoring in relation to its Access and Participation Plan and it was hoped that this could be further discussed and contextualised during the visit of Chris Millward in February 2019. It was understood that enhanced monitoring in relation to Access and Participation was one of the most frequent requirements that have been applied to HEI's, while others had also been given additional requirements including an expectation of formal reporting on actions taken to address such requirements by a given date;
- xv) that as illustrated in the Key Student Indicators Report later on the agenda, the University had been successful in attracting a slightly more diverse first year cohort for September 2018. This was therefore helpful with respect to meeting access and participation targets;
- xvi) that OfS monitoring would focus on in particular, Access and Participation, student transfer arrangements; careers advice; development of a 'what works' centre on social diversity; data led monitoring; better information for students; diversity in higher education; reducing the regulatory burden; unconditional offer making; grade inflation; testing the evidence behind student number projections; and it was also understood that the OfS board would be looking at arrangements for market exit as well as unconditional offer making at its next meeting;
- xvii) that at the Governance Review Group meeting prior to the Board meeting, it had been agreed that the University Secretary's current work to review the regulatory framework and ensure that the University was addressing all the compliance issues should be developed into a briefing document for the Board showing in particular how the board and its committees would be able to be assured about compliance; **CEB**
- xviii) that UCAS would also be publishing a report on unconditional offer making shortly;
- xix) that the Labour Party had proposed a National Education Service along with a pledge to stop tuition fee charges at the point of delivery;
- xx) that the Augar review was continuing its work. It was understood that its report on post-18 education funding was likely to be published in January 2019 once the Office for National Statistics report on the loan book was also available;
- xxi) that the Institute of Fiscal Studies had looked at graduate outcomes. While agriculture was not reported to consistently offer high salaries, overall Harper graduates were performing reasonably well with male

students at age 29 earning £35K and female students at age 29, of £29K. This compared with one competitor institution with the same level of female salaries but a slightly higher level of male salaries at age 29 of £40 K. It was understood that agriculture-based earnings were likely to be affected by related courses that were not so highly paid being included in the same dataset. It was also encouraging that Veterinary Nursing was likely to be reclassified from 2020 onwards as a recognised graduate profession;

With respect to student conduct issues, a detailed discussion led by members took place. Key points were made as follows:

- xxii) Members asked whether the current social programme offered by the Student's Union needed to be overhauled to ensure that it was better balanced, involved less bar related activities and was appealing to all students. In discussion, the President confirmed that the University and the Students' Union were working together to put in place further ways to ensure that the social programme available at the University was sufficiently inclusive and welcoming to students from all backgrounds. The Student Union and the University were also very mindful of the recent coroner's report about the incident at a university where an agriculture student had died following excess consumption of alcohol at a student society event. Very robust discussions had taken place with the Student Union and the Vice-Chancellor had also met with three societies to underline the importance of respect and inclusiveness in their activities and ensuring that students were kept safe and not exposed to overconsumption of alcohol or other inappropriate practices;
- xxiii) Members stressed the need for the University to deal robustly with conduct issues and to ensure that appropriate educational programmes were also in place to ensure students understand risks around excessive consumption of alcohol. It was noted that where the University was aware of inappropriate conduct it took appropriate disciplinary action the processes for which had been approved by the Board and members of the Board had also been involved in considering recent cases at the appeal stage. Further work to revise the Student Disciplinary Policy was also in hand in light of recent OIA guidance as reported to the Board previously. The revisions would include more explicit details of "educational" referral mechanisms;
- xxiv) the Students' Union had developed an action plan to better support and oversee the activities of clubs and this built on actions that had been taken over many years to introduce a culture change and emphasise the importance of respect, health and well-being. All students receive detail induction when joining the University and were made aware of support mechanisms and ways to seek advice and support during their time students;
- xxv) that the Students' Union plan included members of the Student Union Executive and Clubs and Societies Executives taking an active role in overseeing the activities of clubs and societies and underlining accountability and responsibility. Programs such as Alcohol Awareness had been used in the past and would continue to be drawn upon for educational purposes. The University had also funded and supported other social activities to encourage a wider range of clubs it was recognised by members that some students may bring with them certain cultures relating to Young Farmers and/or rugby clubs and these needed to be addressed where issues arose. In this regard the University had been clear for many years that 'initiation' or similar activities were not permitted. Additional training had been provided

for the Students Union and Club and Society Executives. In discussion, members suggested that it may be helpful to invite a young person who had experienced issues such as those at Newcastle to come and share their experience with a wider group of students. The Vice-Chancellor agreed to raise this at the Agriculture University's Council to see if this might be possible. In the meantime the Student Union was pushing forward with a respect campaign supported by Student Services. Members also acknowledged that it was very important that the student community engage and understand with their own responsibilities as adults and that they support the drive towards inclusivity and culture change;

- xxvi) Members asked whether the University had put in place quiet halls and it was confirmed that these had been in place for a number of years and this was kept under active review as student demand changes;
- xxvii) Members asked that the University's Marketing team needed to prepare appropriate press responses as necessary, given the ongoing media interest in student conduct at universities across the UK **SP**
- xxviii) that the updated five year financial forecast included with the agenda papers had been reworked using the same targets as those agreed by the Board in July 2018 but modified by the latest pension changes information and the revised student retention and increased taught postgraduate student recruitment. The improvement in undergraduate student numbers for 2018 intake had also been reflected in the revised forecast. This had led to a cash improvement. Further work had also been done to expand the savings target information to show in year savings and those that need to be carried forward. These were the same values as those agreed in the summer forecast but re-presented in a clearer manner. The University was currently 50% of the way towards achieving the savings target for 2018/19 and provided controls are non-pay spend continued the University was within £28K of achieving its targets if it continued with its current careful management. The updated forecast also continued to assume a 5% reduction in grant year-on-year;
- xxix) members noted in discussion that during Senior Staff Reviews student retention had been a particularly important discussion point and it was pleasing to see that the careful attention paid to this appeared to be working and delivering positive outcomes. It was fully recognised that this level of focus needed to continue together with the ongoing focus on admissions;
- xxx) that further work to confirm the capital budget for the Vet School building at Harper Adams had been completed since the Board meeting in September at which point the estimate had been circa £8.3M. Having taken into account equipment, essential car parking site clearance and finer detail of the building following engage with academic staff a realistic budget including a contingency of £400K, had emerged as £8.97M. While the project had not yet been out to tender it was felt that it was important to establish a realistic budget including a contingency given the scale of the project involved. It was fully recognised that the Vet School is a considerable investment and active work was underway to secure donations. A pledge for a first major capital donation had been received and a few other opportunities were currently being explored. A fundraising brochure was also under development;

- xxxi) that Mrs Folkes, as the Lead Governor on Marketing and Communications would be meeting with the Director of Marketing and Communications following the meeting. In discussion, members felt that the report provided was useful but did not fully answer whether or not the new approach taken in 2018/19 to the marketing campaign had been effective. It was suggested that members would like to see clearer conclusions and actions in this regard. It was also suggested that it may be helpful for the Director of Marketing and Communications to review information set out in the key student indicators report in relation to trend and to identify whether there were any useful indicators in the data;
- xxxii) that it was acknowledged that the University had responded quickly to a drop off of applications experienced around Easter 2018 and the work completed on social media and a different approach to individual messaging had helped achieve the improved undergraduate intake and may also have contributed to the positive apprentices outturn and improved postgraduate taught recruitment. It was also recognised that the Key Student Indicators Report showed that Animal recruitment had been held fairly steady but Agriculture had been under some strain. It was further recognised that sector wide data tends to be at an aggregate level of Agriculture and related subjects and includes a wide range of subjects other than Agriculture and so this is not easy to interpret in detail. The University was committed to trying to continue to improve and retain its market share and was continuing the targeted social media approach. Information provided by the consultancy DataHE had also shown that there were opportunities for Harper Adams to reach further into certain rural communities where the University was not currently well represented. The data analysis also confirmed that the University's assumptions around demographic challenges had been correct and that its work to offer a wider range of new courses had helped although not all had been firmly successful as some such as geography were not always attracting a firm response and this was being kept under careful review whereas other areas such as Zoology appeared to be performing reasonably.
- xxxiii) that as reported earlier in the meeting, where courses are not currently performing strongly that had already been discussions around opportunities to develop graduate apprenticeship and discuss this with industry partners. Additional Open Days and Masterclass days for specific course areas were also being used as these have proved helpful for Rural Estate Management. The Vice-Chancellor had also visited CAFRE in Northern Ireland and there were some discussions in relation to possible progression for Agricultural Engineering students through a new agreement. The Director of Marketing and Communications had also met in Northern Ireland with the Harper in Ireland Alumni Association and had discussed plans to refresh school engagement;
- xxxiv) that Mr Hambleton had noted through his engagement with the Staff Survey Working Group that IT resources continued to be challenging. In discussion, it was noted that more resource in this area would be useful however there continued to be an important imperative to manage staffing costs. The Delta Project had however enabled funds to be found to secure an extra business analyst and this was felt to be particularly helpful to support the development team;

Agreed:

to approve the revised budget estimate for the Vet School building of £8.97M **LF**

18/21 **OfS Annual Accountability Return 2017/18**

Received: a briefing note on the documentation required for the OfS Annual Accountability Return and the process that ensures approval of the various documents required from the Board and its subcommittees;

Noted: that as the briefing note set out, the Board had considered and approved a number of reports during the past year particularly in relation to academic quality matters. The remaining reports that need to be approved as part of the annual accountability return had been included as part of the agenda for the meeting.

18/22 **Audit and Risk Management Committee**

Received:

- i) a report on the meeting of the committee held on 15 November 2018;
- ii) the Annual Report of the Audit and Risk Management Committee for 2017/18 financial year, including as annexes, reports of the internal and external auditors for year ended 31 July 2018;
- iii) the Value for Money Strategy, VFM Report 2017/18 and VFM Plan for 2018/19;

Noted:

- i) that the Committee had received the final Internal Audit Report for 2017/18 and noted a positive report on the University's Access Agreement. The internal auditors had also presented an overall positive opinion in their Annual Report and had confirmed that in their opinion, the University has an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness and during the year the auditors had identified further improvements to the framework supporting these activities which would ensure that they remained adequate and effective. Furthermore, the auditors were content that the university was addressing recommendations made previously. The auditors had issued one report, Research Governance, Newhouse 2019 rated at partial assurance. The Committee noted the positive progress made by management towards completing the agreed actions, and the early follow-up that was taking place such that an updated position could be included for the forthcoming UKRI audit. It was also noted that as suggested by internal auditors, this report and the follow-up actions being taken had been noted appropriately in the Statement of Internal Controls.

- ii) During 2017/18 the Student's Union had also received a partial assurance rated report, which did not impact on the auditors overall assessment of the University. The Committee met with the SU President and Interim SU Manager at its November meeting and had been briefed on progress with agreed actions to date, with revised dates being agreed at the meeting for remaining actions to be completed;

- iii) that the internal auditors had conducted a review of the University's compliance with the CUC HE Senior Staff Remuneration Code during September 2018. The outcome has been substantial assurance with no recommendations for action;

- iv) that the report of the external auditors, KPMG, had also been positive with no major issues to report. One isolated journal not being authorised had been noted. Management had checked and confirmed that this was an isolated incident and auditors were content that this was not a major issue and would be addressed through the agreed management action. Actions from prior reports had been confirmed as completed or in progress, with no concerns raised by KPMG. Members drew attention to the use of “surplus” and that this contrasted with the move to “cash” in HEI accounts. It was confirmed that while surplus is less relevant due to FRS102 reporting, the auditors have to now refer to performance as part of their regulated role and the chosen reference is surplus, while the Board needs to be aware of cash generation;
- v) that the Committee had conducted the Annual Review of the performance of both internal and external auditors and had agreed to recommend to the Board that both be reappointed (noting KPMG would be entering an optional extension year for 2018/19 if agreed by the Board). Members had noted details of the work undertaken on tax advisory work and noted that KPMG were no longer undertaking any work for Top FTSE Companies where they acted as External Auditors. However this was not the case for HEIs and members were content that this did not affect the external audit team’s impartiality. The Committee also met with internal and external auditors without staff present. The Auditors had no issues to raise. The Committee had also asked that the phasing of tendering for new internal /external auditors should be considered and agreed to avoid both departing at the same date; **LF/CEB**
- vi) that the Committee had considered and agreed its Annual Report to the Board of Governors for 2017/18. The Committee was presenting a positive report to the Board and wished to confirm its opinion that the University has an adequate and effective framework of control with regard to key financial systems and other systems reviewed by the internal and external audit work conducted and presented to the committee during 2017/18. The Committee also confirmed that it was satisfied that current systems provide basic measures to secure economy efficiency and effectiveness and promote value for money. It also confirmed that the responsibilities of the Board of Governors detailed in the Statement of Financial Responsibilities had been satisfactorily discharged and that the University had met its obligations to ensure it delivers public benefit in accordance with the definition of public benefits set out by the Charity Commission and that it had prepared appropriate reports for submission to Companies House. The Chair of ARMC also drew the attention of all members of the Board to their individual responsibilities as set out in item 6;
- vi) that the Committee had also confirmed a positive opinion on the institution’s risk management, arrangements for economy effectiveness and efficiency. The committee had also ensured that its opinion was informed by relevant assessments of management control and quality assurance of data. It had furthermore noted that the Committee’s opinion was supported by the opinions presented by both internal and external auditors;
- vii) that the Committee considered the Value for Money Strategy, VFM Report 2017/18 and VFM Plan for 2018/19 and agreed to recommend

these documents to the Board for approval. Members also noted the helpful inclusion of the Select Committee's conclusions on the post 18 education and funding review. With respect to the latter, the University had already addressed senior staff pay arrangements; was preparing for TEF; engaged with T level discussions and offering Higher Apprenticeships; offering placements; keeping a careful approach to unconditional offer making; and keeping a close eye on graduate outcomes (while noting that salary levels, as noted earlier in the meeting, can be challenging). It was noted that OfS no longer required the AER report, and it was the responsibility of Governing Bodies to ensure that they had appropriate ways to review and assure themselves on VFM matters;

- ix) that the Committee had considered the Risk Analysis and Action Plan together with the University's Risk Management Policy 2018/19 noting that University had reviewed its plan against sector benchmarking reports during the summer. The Committee had agreed to recommend to the Board that the number of changes set out later on the agenda under the Risk Management item should be approved by the Board;
- x) that the Committee had considered the draft Annual Report and Financial Statements for the University, Cedar Energy and The Development Trust together with supporting letters, and had noted minor typographical amendments to the University's Annual Report and Financial Statements proposed by the Finance and General Purposes Committee. The Committee had been content with the Annual Report and Financial Statements including the Corporate Governance Statement and Statement on Internal Controls, and had no issues to draw to the attention of the Board;

Approved: i) the VFM Strategy, VFM Report for 2017/18 and VFM Plan for 2018/19;

ii) that RSM should be reappointed as internal auditors for 2018/19 and KPMG should be reappointed as external auditors for 2018/19;

Agreed: iii) that the ARMC Annual Report provided appropriate information and assurance to the Board. It was agreed at the meeting that to enhance readability all paragraphs would be numbered. **CEB**

18/23 Finance and Annual Report and Financial Statements

Received: i) report on matters considered at the meeting of the Finance and General Purposes Committee held on 8 November 2017 (including the report on Board level KPIs);

ii) a briefing note from the Director of Finance on the draft Audited Accounts;

iii) the 2017/18 audited Annual Report and Financial Statements for Harper Adams University incorporating external auditors' opinion, Vice-Chancellors Report and Corporate Governance Statement;

iv) the Letter of Representation for the Harper Adams University group;

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

- vi) the Annual Report and Accounts for Cedar Energy Limited and letter of representation;
- vii) the Annual Report and Accounts for Harper Adams University Development Trust and letter of representation.

Noted:

- i) that a briefing note on the Charity Commission Regulations and the Reporting of Public Benefits had been presented to the Finance and General Purposes Committee and the Audit and Risk Management Committee at recent meetings as an aide memoir when considering the University's Annual Report and Financial Statements;
- ii) that the Finance and General Purposes Committee's discussions had included consideration of student recruitment and changes to pension costs. An in year forecast had been considered and an overview of key changes to the updated five year forecast being prepared for the Board and included in the agenda for the Board's meeting had also been received. It had been agreed that significant variances that may emerge which would impact on in year or five year forecasts would continue to be highlighted as a key element of the Vice-Chancellor's reports to Board and F&GP Committee meetings. The next in year forecast would be provided to F&GP in March 2019 when up to date UCAS data would be available and it was hoped that the Augar Report might also be available. Cost savings had also been discussed together with income generation activities and the Committee was content that actions were in hand. As previously noted at Board meetings, 2019/20 continued to be a very challenging year given the reduced number of final year students returning from placement due as the last larger cohort graduates in Sept 2019 and the smaller cohorts are in place for all years. The recent announcement of increased TPS charges and the agreed investment in the Joint Vet School were also critical in 2019/20;
- iii) that the Committee had agreed a capital carry forward of £1.4M to allow for timing changes to be addressed. Members had also noted that the financial return from the Farm had been lower than anticipated. This was due to a number of factors, including the impact of holding additional stock ready for moving into the new Smart Dairy and it appeared that performance was on target for 2018/19 to date;
- iv) that the Committee had reviewed and agreed to recommend to the Board for its approval the 2017/18 audited Annual Report and Financial Statements for Harper Adams University; the Letter of Representation for the Harper Adams University group; a letter of support for Cedar Energy Ltd from Harper Adams University; the Annual Report and Accounts for Cedar Energy Limited and letter of representation; the Annual Report and Accounts for Harper Adams University Development Trust and letter of representation;
- v) members had also received and discussed the draft ASSUR document for 2017/18 and wished to recommend to the Board that the KPI for staff costs should be amended to 54% to ensure it remained realistic given pension and other cost changes; that the cash generation target agreed for the Staff Bonus Scheme of £5.5M should be included; and that net borrowing was likely to be indicated red once borrowing for the JVS was in place. However this acknowledged as a planned and known strategic investment as approved by the Board;

- vi) the Committee had noted that four staff had been accepted and agreed to complete their application to the MARS;
- vii) the Committee had also reviewed and noted the Board Level KPIs and internally reported PIS for 2017/18 and had no issues to draw to the attention of the Board;

Approved: on a going concern basis, the 2017/18 Audited Annual Report and Financial Statements for Harper Adams University, the Letter of Representation for the Harper Adams University group, the Letter of Support for Cedar Energy Ltd from Harper Adams University. Members also noted the Annual Report and Accounts for Cedar Energy Limited and the Development Trust which had been consolidated into the University's Financial Statements for year ended 31 July 2018, and also noted the relevant letters of representation.

Professor Ormerod left the meeting for this commercial in confidence item

18/24 Strategic Topics

Received: a commercial in confidence report from the Deputy Vice-Chancellor on the Joint Vet School Project with Keele University;

- Noted:
- i) that marketing literature was being developed on the joint vet school together with a fundraising brochure to seek donations for the vet school building and extensions to existing animal facilities on campus. The fundraising would be supported by the Harper Adams Development Trust's as previously reported to the Board;
 - ii) that an advertisement for the Director of Operations role will be placed shortly and Perrett-Laver had been engaged as the executive search agency to assist with identifying a head of school. It was yet to be firmly decided whether the Head of School role would be advertised during December or whether it would be best to wait until January 2019. It was hoped that the post would be advertised for a month and that following interviews and offer would be made in April with a start date of August 2019;
 - iii) that the scrutiny panel for the Veterinary Medicine degree programme had taken place and positive feedback had been received from the Royal College of Veterinary Surgeons. A number of minor changes have been requested and these have been agreed by both institutions. The formal validation of the programme was scheduled to take place in January 2019;
 - iv) that the legal agreement between the two institutions had been signed. A letter updating the Office for Students was currently being prepared. The internal project board at Harper Adams was continuing its work to oversee the capital works. There had been some initial worries about the performance of the architects however the estates consultant had managed this very well and better progress had now been made. This would continue to be closely monitored;
 - v) that it was interesting to note that in a recent Veterinary Record magazine article, 37% of qualified vets had advised that they were actively thinking of leaving the profession with 21% finding it difficult to cope with the demands of their role and a further 48% describing themselves as 'burnt out'; and a further 22% reporting that they

merely saw their work as a means to an end. These challenges were being actively recognised across the profession and part of the aim of the joint vet school was to ensure that students were well prepared for their career in the veterinary profession which ever part of the profession they might work in. The current consolidation of veterinary practices and the investment by venture capitalists was also changing the landscape. It was also recognised that the implementation of new technology would continue to have significant impacts;

- vi) that the investment being made at Keele University by CVS as a corporate veterinary company had been interpreted by some other companies as suggesting that the new vet school was exclusively working with CVS. Keele had agreed that it was important to dispel this misunderstanding and approaches to other companies were being made in particular by Harper Adams with respect to its fundraising campaign.

Prof Ormerod re-joined the meeting at this point

18/25 Academic Board, Academic Developments and Annual Assurance Reports on the Management of Quality and Standards

- Received:
- i) a report on the meeting of Academic Board held on 14 November 2018;
 - ii) a report from the Director of Learning and Teaching on International Partnerships (income and expenditure);
 - iii) a reminder of the three Assurance Statements on academic quality and standards due to be submitted to OfS by 3 December 2018;
 - iv) a commentary on areas for improvement/enhancement arising from the Key Student Indicators Report together with the full KSI document;
 - v) a summary of external examiner reports 2017/18;

- Noted:
- i) that the major items discussed at Academic Board at its November meeting had included the key student indicators report which had also been circulated to the board of governors. This provided key data on student recruitment, student satisfaction and progression, and student retention. Retention data had improved and this was a very positive indication that the University's activities in this regard had been successful. It was noted that retention as well as other data feed into the TEF metrics and therefore it was important that these were kept under careful review. The data also showed that outcomes for final year students had also improved although it was recognised across the sector that grade inflation continue to be an important area of focus. However with respect to Harper Adam is although the number of first class honours degrees and upper 2nd° had increased the University's performance was not out of line and did not appear to indicate any reasons for concern;
 - ii) that with respect to student access and participation statistics, the university recognised that it currently attracted a relatively low

number of BAME students and that this remained an important area of focus. As reported earlier in the meeting the OfS had notified the University of enhanced monitoring with respect to its access and participation plan and contextualisation of this would be an important aspect of the meeting with the director early in 2019. The University's employment statistics also continue to be good;

- iii) that the report on international partnerships aimed to set out a cost benefit analysis considering both financial return as well as reputational benefits. It was recognised that as noted in the annual report and financial statements, the Chinese government was amending its approach to taxation for overseas partnerships and this continued to be explored by the finance team. A contingency of £249K had been set aside as a broad estimate of what possible cost back data for four years might be. KPMG had confirmed that the University was one of the British universities noted in a Chinese government list as possibly needing to be approached to pay such tax;
- iv) that the reports on areas for improvement/enhancement arising from the KSI document and the summary of external examiners reports 2017/18 provided useful information to members of the Board. Board members agreed that there were no issues which needed to be explored further with respect to either report;

Agreed:

that based on the reports received by the Board of Governors on the management of academic quality and standards throughout the year, and including the reports included in the agenda for the November 2018 meeting, members were content that full assurance should be confirmed to OfS by the Accountable Officer as a Governor on behalf of all of the Governors in relation to the University's management of academic quality and standards as follows:

“the Governing Body has received and discussed a report and accompanying action plan relating to continuous improvement of the student academic experience and student outcomes. This included evidence from the Institution's own periodic review processes, which fully involves students and include embedded external peer or professional review;”

“the methodologies used as a basis to improve the student academic experience and student outcomes are, to the best of our knowledge, robust and appropriate;”

and

“the standard of awards for which we are responsible have been appropriately set and maintained.” **DGL**

18/36 Risk Management/Prevent Duty

Received:

- i) a summary of the updates to the Risk Analysis and Action Plan 2018/19 as recommended by the Audit and Risk Management Committee;
- ii) the Risk Appetite Statement 2018/19 as recommended by ARMC;
- iii) the Annual Prevent Report;

- iv) copy of the draft data return Report on Prevent together with the Chair's declaration on Prevent and the new accountability statement which was due to be submitted to OfS by 3 December 2018;

Noted:

- i) that members had been provided with a copy of the supplementary information note on the Prevent duty monitoring in higher education in England published by the OfS on 12 September 2018. The University Secretary as Prevent Lead would be attending a seminar during the forthcoming week on the Prevent duty at which an OfS staff member would be providing a briefing on the new monitoring arrangements;
- ii) that the University had continued to train and provide refresher training to a wide range of staff in relation to the Prevent duty and further sessions were planned during 2018/19. Members were also content that they had seen sufficient evidence about the University's engagement with Prevent to enable the Board to authorise the Chair to sign the relevant statement for submission to OfS. The University had also taken appropriate steps to oversee and manage external speakers and events and also actively implement its welfare/safeguarding and welfare policies for both staff and students;
- iii) that members were content that the risk appetite statement remained appropriate subject to updating references to HEFCE to read OfS; **CEB**
- iv) that members of the Board were supportive of the changes recommended by ARMC with respect to increasing the rating of risks related to poor relationships with the students union and cyber security together with the other additions to the text describing changes to risks for the forthcoming year. Members also noted that the Brexit risk register had been refreshed and would continue to be kept under review;

Approved:

- i) the Risk Analysis and Action Plan 2018/19;
- ii) that the Chair should sign the statements on behalf the Board in relation to the Prevent Duty as follows: "throughout the academic year 2017/18 and up to the date of approval, Harper Adams University has had due regard to the need to prevent people being drawn into terrorism (the Prevent Duty); has provided to OfS all required information about its implementation of the Prevent Duty; has reported to OfS in a timely way all serious issues related to the Prevent Duty, or now attaches any reports that should have been made, with an explanation of why they were not submitted"; has reviewed, and where necessary, updated its Prevent risk assessment and action plan.

18/36 Annual Accountability Return to OfS 2017/18

Received:

- i) the draft Financial Commentary for Submission to OfS on 3 December 2018;
- ii) the Annual Assurance Return template for submission to OfS;

Noted:

- i) that the above documents represented the remaining items of the Annual Accountability Return 2017/18;

Approved:

- i) the Financial Commentary for submission to OfS; **LF**
- ii) the Annual Assurance Return template (Annex B) for submission to OfS; **LF**

18/37 Corporate Planning Statement

- Received: progress report on the Corporate Planning Statement 2018/19;
- Noted: that the progress flag for the NSS had been amended from green to yellow following receipt of the PTES survey outcomes in which there were some areas of postgraduate taught provision that the University needed to work on further. This work was ongoing. It was further noted that the OfS was considering piloting a nationally managed postgraduate National student survey rather than PTES which was currently managed by AdvanceHE;
- Agreed:
- i) that the future reports it might be helpful to also star sections where an update to ratings had been made to highlight such changes further; **CEB**
 - ii) that overall appropriate progress was being made with the strategic actions agreed by the Board in July 2018;

18/38 Report of the President of the Students' Union

- Received:
- i) a report from the Students Union President on recent activities;
 - ii) the draft Trustees Report and Financial Statements for the Student's Union for year ended 31 July 2018;
- Noted:
- i) overall the Students Union felt that the year had started positively although there had been some areas of work which needed further attention. Feedback from incoming students had indicated some areas of change that it was felt would be beneficial when the new 'welcome week' is was put in place for 2019 entry;
 - ii) that the Students Union had provided a bus service to and from Newport during busy evenings such as Wednesdays or other major events. A number of students had purchased travel cards for both Monday and Wednesday evenings while others were using the service on a pay-as-you-go basis. They did not currently appear to be sufficient interest to offer a bus during weekends in addition to the small shuttle buses provided by the University which were used by, for example international students to travel to and from Telford and/or Stafford and ought to mainline stations;
 - iii) that the Students' Union recognised that its main income stream is currently the Student Union bar and there was a need to try and diversify income streams and to avoid an overreliance on sales of alcohol for other reasons. There had been some challenges with inherited shop stop which had not sold well. The Trustees had agreed that this might be written off and a black Friday sale would be taking place. Some ideas about alternative income streams were currently under discussion perhaps over 3 to 5 year period. There had been ideas including provision of a lunch area with a student union café company which would be open during the working day;
 - iv) that the SU had a change of culture plan in place and was currently working with clubs and societies to encourage engagement and ensuring that activities were welcoming to students from all perspectives;
 - v) that the SU's newly appointed external auditors had put forward a number of areas of recommendation but overall were content with the accounts and had no major issues to highlight to the trustees.

Members of the board were reminded that they were ultimately responsible to have oversight of student union activities due to the universities provision of public funding and its responsibilities under the Education Act to ensure that the Students' Union acts in accordance with its constitution and the supporting Memorandum of Agreement between the Students' Union and the University;

- vi) that the SU accounts showed an overall loss due to unexpected costs which were unbudgeted during the year which included provision of a new website and the issue with shop stop noted earlier. The new auditors had also suggested rag funds should be highlighted in a different way in the accounts and that other clubs in society funds needed to be specifically ring fenced;
- v) in discussion, members recognised that it was always challenging for the incoming president to report on the financial performance of the Students Union under a previous president. It was further noted that under the Memorandum of Agreement, the Students' Union is asked to ensure that it keeps in touch with the Director of Finance with respect provision of regular management accounts and discussion of financial matters more generally so that advice and support could be offered as appropriate. The president agreed to provide information for the Finance and General Purposes Committee's meeting in January 2019 on the student union's financial forecast for the current year and performance to date with respect to budgets; **GM**
- vi) that the President would also provide to the Board at its next meeting, a list of Students' Union clubs and societies and membership numbers together with information on all other activities undertaken by the Students Union. It was also noted that the Students' Union has been providing a regular update on its activities (every two weeks) in the weekly diary circulated to staff and governors; **GM**
- vii) that it may be helpful for the Students' Union Executive Committee to consider involving students from the final year in particular in its work and also representatives from first year who could engage with financial forecasting and budget setting. It was noted that Student Union Executive also includes a postgraduate student; **GM**
- vii) that the Students' Union is currently seeking to refresh its Trustee Board and the President would keep members updated in due course; **GM**

18/39 Committees

Received:

- i) a report on the meeting of the Health and Safety Committee held on 12 October 2018;
- ii) a report on the Staffing Committee held on 8 November 2018;

Noted:

- i) that congratulations were due to Emma Osborne, Health and Safety Officer who had been delivering IOSH managing safely courses at the University and to external participants. IOSH had conducted an audit of this provision and had graded it as outstanding. Thanks were also due to the Short Courses and Conference Office team who helps support arrangements for this provision;
- ii) that the Lead Governor on health and safety matters had also been informed of comments made by a member of staff leaving the

organisation. Detailed discussions had taken place with the individual and where action points had identified areas for enhancement these were being actively managed by the relevant Head of Department;

- iii) that as requested by the Board at its September meeting, the staffing committee had reviewed the draft policy on LTA/AA to consider whether or not it was possible for staff who did not wish to join any pension scheme to request that they could receive employer contributions in lieu of joining an employer's pension scheme. This had been explored with UCEA and in light of published information on the Pension Regulators website. Both sources had confirmed that it would be illegal to offer any kind of incentive to staff such that they might decide not to join a pension scheme. In light of this and subject to the inclusion of a small number of minor clarification points the committee wish to recommend the final policy to the Board for its approval;
- iv) that the Committee had been pleased to receive a very helpful update from the Organisational Development Manager. His contribution to the meeting had been very well received;

Approved: the policy on payment of employers pension contributions to individuals who have left LGPS/TPS as a result of exceeding Life time Allowance or Annual Allowance limits; **CEB**

18/40 Modern Slavery

- Received:
- i) a briefing note on the University's continuing plans to address the Modern Slavery Legislation;
 - ii) the University's updated statement on the Modern Slavery Act for publication in January 2019;

Approved: the University's updated statement on the Modern Slavery act for publication in January 2019 **LF**

18/41 Meeting Dates

Received: proposed 2019/20 meeting dates for the Board of Governors and its committees;

Agreed: that the Board meeting in November 2019 would take place on Wednesday 27 November 2019, together with Honorary Awards Committee. A revised set of dates would be circulated to all members; **SV**

18/42 Date of Next Meeting

Noted: that the next meeting would take place on 28 March 2019 at 10.00.

Part two starred items

18/43 Risk Management

Received: an updated report by the University Secretary on the key risk areas monitored by the Board of Governors.

18/44 **Management Accounts**

Received: the Management Accounts report for the period to 31 July 2018 and the Management Accounts for the period to 31 October 2018.

18/45 **Marketing and Communications**

Received: a report from the Director of Marketing and Communications.

18/46 **Harper Adams University Development Trust**

Noted: a report on the meeting of the Trust held on 16 October 2018

18/47 **Committees**

Received: a report on the meeting of Farm Strategy Committee held on 11 October 2017;

17/45 **OfS and other circulars**

Received: a list of OfS and other circulars received by the University since the last meeting of the Board.