

HARPER ADAMS UNIVERSITY

Finance and General Purposes Committee

Minutes of the meeting of the Finance and General Purposes Committee held on 17 January 2019

Present: Mr P Nixon (Chairman)
Mr M Lewis
Dr D Llewellyn
Mr M Thomas
Mr S Vickers
Mr D Wong

In attendance: Dr C Baxter University Secretary
Mrs L Furey Director of Finance
Professor P Mills Deputy Vice-Chancellor

Part A

Members were reminded to update their entry in the register of interests as appropriate.

18/18 Minutes

Approved: minutes of the meeting of the Finance and General Purpose Committee held on 8 November 2019 (18/01-18/17).

18/19 Matters Arising

Noted: that all actions arising from the meeting held on 8 November 2018 have been addressed.

18/20 Vice-Chancellor's Report

Received:

- i) an oral report from the Vice-Chancellor on recent developments of note;
- ii) a proposal to create an urban farming facility at the University in partnership with an industry partner.

Noted:

- i) congratulations to Mr Nixon on the award of an MBE;
- ii) that prior to the UCAS initial deadline of 15 January 2019, applications were at 95% of those received by the same date in 201. Members were reminded that in 2018 application numbers later tailed off in April and the University took action to increase its marketing and recruitment campaigns which assisted in seeing further applicants and registered students by September 2018. Further data would be released by UCAS over the next 7-10 days as applications are processed.

- iii) In light of the UCAS timetable and the desirability of F & G P considering a re-forecast which would not be available until end of January/beginning of February each year, it was agreed that a review of dates and consideration of whether one meeting of F & GP would be more appropriate in February each year to cover items currently considered in two meetings (January and March). The only exception to this would be approval of TRAC & TRAC(T) which requires approval by a committee of the Board. It was suggested Audit & Risk Management Committee could be re-arranged to end of January (2 weeks earlier) to address this need. A draft proposal would be circulated to the relevant Chairs;

CEB

- iv) that the performance of courses in attracting applicants remained variable. Agriculture was performing well and Land Management was keeping up with 2018 figures currently. Some improvement in Countryside, Animals, Vet Nursing and Vet Physio was evident, but more work was planned. Conversion rates in VN & VP were important as often there was a surplus of applicants compared to places available. Food remained very concerning. Course titles had been amended and a social media campaign was in hand to raise awareness. Plans for an apprenticeship and non-honours routes to appeal to a wider market were under discussion. This needed to be balanced against some recent political activity about 'lower grades' being accepted by HEIs and whether funding could be received for students with 'lower' entry qualifications. Engineering was performing steadily;
- v) that the Vice-Chancellor had recently met Chris Skidmore, the new HE Minister at a national level meeting. The discussions were positive. The Minister would address GuildHE Council on 31 January. The Vice-Chancellor, Chair of the Board and University Secretary would be attending this meeting;
- vi) that the Vice-Chancellor had been party to a Universities letter expressing concern about a 'no deal' Brexit and its likely impact on HEIs in the UK;
- vii) that a think tank had published a paper on the 'value of degrees'. Agriculture was second from bottom in terms of graduate salaries in the report. Farmers Weekly had responded and this had been noted by WONKHE as the only response to date;
- viii) that Henry Dimbleby was producing a new food strategy focusing on healthy eating/nutrition;
- ix) that the Secretary of State had stated at the Oxford Farming Conference that agriculture should be recognised as a STEM subject. The Agri-food initiative had picked this up and Lord Curry had agreed to take this forward. The Vice-Chancellor would also write to the minister to express strong support for this proposal. A comment from the Vice-Chancellor of RAU had been published by the HE Policy Institute (HEPI) and it was hoped that the new Agriculture Universities Council would also be asked to lobby to secure STEM status;
- x) that the Institute of Apprenticeships had been asked to look again at degree apprenticeships. The University was pleased that its first year of offering apprenticeships had been positive and other employers were getting in touch to express an interest. New proposals for Geospacial Analytics/Data Science were being explored. The Universities Minister had been pleased to hear about apprenticeship programmes at Harper Adams;
- xi) that the Minister was also focusing on KEF. It was hoped that engagement with employers offering sandwich placements could be seen as part of our KEF work;
- xii) that a consultation on TPS employer rate increases was in hand and other current consultations/questionnaires/enquiries included EHRC on racial harassment in Universities ; T Levels; degree classifications and KEF;
- xiii) that the JVS prospectus and a separate fundraising booklet for the HAU building had been prepared and would be sent out to prospects. A major

donation from Mrs Tinneveld had been confirmed and it was agreed that the main lecture theatre would be named 'Tinneveld' in recognition of this;

- xiv) that further work was in hand with respect to HEIF data. A claim for further funding was felt to be justified and had been submitted;
- xv) that the Minister is keen to see HE & FE links working effectively. The Director of Learning and Teaching continued to explore potential opportunities;
- xvi) that the outcome of a bid to secure funding for a 'Hands-free Farm' was expected shortly;
- xvii) that Westfield Cars were to run a pilot of driverless vehicles to/from Manchester Airport following the project with HAU and Manchester Metropolitan University;
- xviii) that TRAC & TRAC(T) remains very important and will feature in due course to ISF decision making. Details of the next ISF round are awaited during 2019;
- xix) that the Director of Access & Participation, Chris Millward will visit the University on 8 February 2019. The latest monitoring return had been completed and to date progress against targets looked positive with appropriate spend being achieved. There had been a slight improvement in the range of backgrounds identified by current students in their registration details. However, UCAS data was less positive due to issues such as a relatively large percentage of female applicants not being accepted overall given the predominantly female cohort of applicants for Vet Nursing which was oversubscribed;
- xx) that Writtle had achieved registration recently but had been fined for not meeting Access & Participation requirements. RAU remained very active with a strong market presence;
- xxi) that Harper Adams would be funding a prize at the Three Counties Show;
- xxii) that a review of the Marketing Department was due to commence shortly to ensure the team is able to respond to the increased need for press/PR communications and other key challenges;
- xxiii) that the Vice-Chancellor is continuing work on the review of the current Strategic Plan. It was intended to focus on the relationship between science and professional practice; the Government's aim to achieve zero emissions for agriculture by 2040, and the need for data science to inform agricultural practice/decision/policymaking. The University was currently shortlisting for a replacement Data Analytics Lectureship;
- xxiv) that forthcoming visitors included Christine Tacon, the Chief Vet, the new Lord-Lieutenant of Shropshire- Mrs Anna Turner, the lead for Forestry Research; Mr Ian Coates, Director of HE Policy (STEM) in DFE. The Vice-Chancellor had also been invited to a forthcoming British Veterinary Association (BVA) dinner;
- xxv) that the Vice-Chancellor continues to chair the Agri-Skills Initiatives Educational/Professional Framework Group. The group is currently focusing on competencies with a view to identifying how these might fit

within a professional body. AHDB/LEAF/NFU are represented in this work;

- xxvi) that there had been some leaks from the Augar Review suggesting possible fee reduction for students with top-up grants to HEIs. DFE seemed to be suggesting that any changes would not occur until 2020 or 2021. The impact on recruitment in the meantime was a concern especially given the demographic dip was at its height in 2020/2021. GuildHE Council may learn more on 31 January;
- xxvii) that UCEA have fed back to Augar on the impact of TPS increases in post 92 HEIs;
- xxviii) that the outcome of UKVI & UKRI audits conducted during December 2018 were awaited. Staffing Committee would be updated on the former. Initial informal impressions gained at the end of the audit process appeared reasonably positive, but the outcome and any formal feedback would be issued by a central Home Office Team in due course;
- xxix) that Clive Gurney continued to take on the role of Chair of the Development Trust in addition to his Deputy Chair role, until a new Chair could be appointed;
- xxx) that the proposal to form a partnership agreement with Grow Up which would enable the company to develop a research and development facility based at Harper Adams was a positive opportunity to develop the University's profile and experience of urban farming techniques. Grow Up had know how to offer and wanted to work alongside academic staff with an interest in fresh produce/precision crops etc;
- xxxi) that draft Heads of Terms for the Grow Up proposal including areas for academic collaboration had been drawn up. The cost/benefits to the University as a charity were being independently evaluated by a RICS surveyor in accordance with Charity Commission requirements so that the University can review whether permitting use of its charitable assets is a positive contribution to its charitable objects;
- xxxii) that a break clause at 10 years in a 20 year lease had been included. If the tenant chose to break the lease at this point or earlier the University would be required to purchase the building on a depreciation basis over 20 years less the rent. The building cost was £300k, so the level of risk was felt to be appropriate. An appropriate alternative use for the building could be found or an option to purchase its contents and continue urban farming may be possible;
- xxxiii) that there were opportunities to work with University of Birmingham and UCB on urban farming projects and a bid for research was already in hand between Grow Up and HAU staff. Energy would also be purchased from Cedar Energy Limited, although no liability for loss of utilities (water and electricity) was being accepted and the Company would need its own emergency backup systems;
- xxxi) that it was proposed that the Chair might act on the delegated authority of the Committee to approve the final surveyors report and confirm agreement for the partnership to proceed;

Agreed:

- i) that members were supportive of the Grow Up proposal;
- ii) that the Chair may act on delegated authority to approve the surveyors report and confirm agreement subject to the following: **PN**

a review by the Director of Finance of the Grow Up business case to include evidence of capital grant funding and planned income streams and confirmation that the Heads of Terms/Lease ensure the lease cannot be assigned by the tenant and that the development phase has sufficient requirements to protect the University's interests should the development stall before the building is completed;

CEB/LF

18/20 Strategic Financial Matters

Agreed:

- i) that an update on recruitment to course areas together with an update on the HE funding Review had been provided earlier in the meeting by the Vice-Chancellor in his report;
- ii) that the presentation by Mercers should be treated as a commercial in confidence item and included in Reserved Business.

18/21 Management Accounts

Received:

- i) the Management Accounts for the University for the period to 30 November 2018;
- ii) an oral report from the Director of Finance on her review of the Student's Union Management Accounts, year to date.

Noted:

- i) that the agenda needed to be corrected to reflect Management Accounts for the period to 31 December 2018 as these had been available in time for the meeting;
- ii) that the University was currently performing close to budget after actuarial increases were taken into account. Organisational changes costings had been included in strategic funding as previously agreed. A full re-forecast was in hand for the March meeting of the Committee;
- iii) that the pipeline for research income remained a concern. More income was required. Professor Mills had this in hand with colleagues;
- iv) that a second round MARS scheme was proposed with a view to securing further staff savings;
- v) that Brexit risks included in the risk register had been reviewed and updated in light of a recent UCU publication. This would be discussed at Audit & Risk Management Committee in February 2019. It was hoped that any forthcoming application for continuation of Erasmus exchanges for students may permit a two year extension. This was being explored;
- vi) that the Director of Finance had met with the Interim SU Manager, SU President and SU Finance Officer to review SU Management Accounts to date. This process was in accordance with the MOU between the University and the Student's Union. The SU President was being mentored by Debbie Winstanley who had suggested that the regular review of SU Management Accounts should be re-instated, and to

commence this process she had asked that a report would be presented at F & GP in January 2019;

- vii) that the Director of Finance had suggested the inclusion of some useful comparative data, but other than this she had no issues to report. The cash balances were noted to be appropriate. The Chair agreed to update Debbie Winstanley; **MJL**
- viii) that the SU was continuing its search for a new full time Manager and had agreed the services of an Executive Search Agency which leads on SU recruitment across the UK. The consultant had asked to meet the University Secretary. There was also a vacancy for a Deputy President following the recent departure of the elected officer. This post would be filled until July 2019 for the 2019/20 academic year.

18/22 Transparency Review and Costing (TRAC) and Teaching (TRAC (T))

Received: the University's TRAC and TRAC (T) return to OfS for the 2017/18 financial year.

- Noted:
- i) that the return remained very important especially with respect to research overhead costs ratios and any future bid for ISF funding;
 - ii) that indirect costs had been calculated fully for research despite the University's ability to use dispensation rates. The time sheets completed by staff and verified by managers were used for this work and to review/evaluate the allocation of teaching and research costs;
 - iii) that the outcomes indicated value for money was being achieved with a slight reduction to costs after ISF is included. This demonstrated the need for ISF was an ongoing if sufficient resources were to be available to properly deliver the subjects being taught. The University was also within benchmarks;
 - iv) that Internal Auditors had reviewed the TRAC & TRAC(T) process and had made two recommendations relating to further documentation of the process and signatures on the timesheets. Audit & Risk Management Committee would be considering this report in February 2019;
 - v) that the TRAC included surplus information as this is still used by UKRI as an indicator, while OfS will review cash generation (as set out in the Annual Report & Financial Statements) to comply with FRS & sector norms to consider sustainability;
 - vi) that where changes year on year were more than 10%, a commentary was required. Members noted the comments;

Agreed: to approve the TRAC & TRAC(T) submissions subject to final confirmation that the data had been reviewed against ISF metrics; **LF**

18/23 Strategic Project Monitoring

Received: a report from the Deputy Vice-Chancellor on progress with the Joint Vet School;

- Noted:
- i) that the two senior roles are currently being advertised. A significant response had been received for the Director of Operations role. Perret-lever were handling the Head of School recruitment and an update was awaited;

- ii) that Keele had supported a need for scholarships. Professor Mills would ensure this is co-ordinated with any requests for funding being put forward by Harper Adams to avoid asking the same sources for JVS related donations; **PRM**
- iii) that Keele require all students accessing their campus to declare any criminal convictions due to specific risks. Keele would be handling all decision making should any candidates declare relevant convictions;
- iv) that Professor Mills was exploring Research England Development Funding for capital needs at Harper Adams.

18/24 Procurement Strategy

Received: the annual report on progress with the Procurement Strategy.

- Noted:
- i) that Helen Armishaw's new role as Procurement co-ordinator was being embedded;
 - ii) that initial actions had been completed and most actions were now in the 'mainstreaming' phase. It followed that there were currently no major actions to address in 2018/19;
 - iii) that work to improve data analytics using 'Tableau' was in hand and was highlighting spend with key suppliers;
 - iv) that Brexit risks around key suppliers had been considered;
 - v) that engagement by key departments was evident. The new Head of Estates and Facilities was supporting the tender requirements and engagement with the new portal to ensure a good balance of quality and price;

18/25 Cedar Energy Limited

Received: a report from the Director of Finance/Estates Consultant;

- Noted:
- i) that it was clear that significant lessons had been learnt from the project with regard to consultant and contractor performance and expertise. It was also recognised by members that green/alternative energy systems are a steep learning curve and systems integration is also challenging;
 - ii) that despite the issues, the fundamental aim to secure greener energy, carbon savings and manage price volatility remained appropriate, although it was apparent that real benefits would take a little more time to be realised than first thought and the need for resilience given CHP break downs was also paramount in future plans;
 - iii) that the main contractors, H T Forrest were now in administration and outstanding defects were being raised with the administrators formally;
 - iv) that detailed designs of a revised system together with a revised business case setting out financial return, carbon savings and operational needs was in hand;
 - v) that resilience of the system was paramount and consideration of how this might be best achieved was in hand. Professional advice was being sought and would inform final proposals. Members recognised that the

national policy environment with respect to RHI etc had changed as had costs such as wood chip and it was necessary to adapt.

18/26 Any Other Business

Members noted that funding to support delivery of Harper Adams of a Worshipful Company of Farmers Leadership Course focusing on technology had been secured from the NFU for three years. The delivery of the course was due to commence at the University during 2019.

18/27 Date of Next Meeting

21 March 2019

Part B

18/28 Risk Management

Received: a report by the University Secretary on risks monitored by the Committee.

Agreed: that the management of these risks remained appropriate.

18/29 Estate Developments

Received: a report by the University Secretary/Estates Consultant on progress with current estate projects.