**HARPER ADAMS UNIVERSITY**

**Finance and General Purposes Committee**

Minutes of the meeting of the Finance and General Purposes Committee held on 13 June 2019.

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| Present: | Mr P Nixon (Chairman)<br>Mr M Lewis<br>Dr D Llewellyn<br>Mr D Wong | |
| Apologies: | Mr M Thomas<br>Mr S Vickers | |
| In attendance: | Dr C Baxter<br>Mrs L Furey<br>Professor P Mills | University Secretary<br>Director of Finance<br>Deputy Vice-Chancellor |
| By invitation: | Mr Jonathan Cain | Head of Estates and facilities for Item 5 only |

**Part A**

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

18/41 **Minutes**

Approved: minutes of the meeting of the Finance and General Purposes Committee held on 21 March 2019 (18/30 18/ 40).

18/42 **Matters Arising**

Received a report on matters arising from the meeting held on 21 March 2019

Noted:

i) that since the last meeting engagement with Grow up had been continuing. However in early May the company had advised that it had decided to engage in an opportunity to become part of a larger organisation and in light of this they estimated that it would be 12 to 18 months before they would be in a position to continue the discussions with Harper Adams;

ii) that in the meantime two tentative enquiries had been received from similar organisations interested in establishing a link with Harper Adams relation to vertical farming. One organisation appeared to be an investment company and an initial meeting had been arranged for early July 2019 to discuss their proposal. The other, a very recent enquiry in the last 24 hours prior to the F and GP meeting, related to a company that were already producing salad crops using vertical farming and which wish to explore an opportunity to develop an R&D facility. It was understood at this stage that the facility would be small-scale and may possibly be located at the Agri-Epi Hub. Further information was awaited;

Agreed that, in light of the Board's previous support for the Grow-Up proposal to seek approval from the Board for the following action:

- that should either of the tentative enquiries need urgent consideration prior to the next meeting of the Committee in November 2019, members would be willing to hold a teleconference discussion report back to the Board/seek approval as necessary by circulation;

- . It was also recognised that from the University's perspective, if the more recent enquiry led to the creation of facility at the Agri-Epi Hub, this may be preferable as the lead in time to setting up such a facility would be quicker, given that the University had already put in place all the necessary permissions for Agri-Epi to conduct its activities on the University's land and therefore there would be no need to consider Charity commission related issues. There would however be a need to consider any planning related issues and also the practicality of supplying utilities. These aspects would need to be explored once further information was available.

18/43 **Vice-Chancellor's Report**

Received: an oral report from the Vice-Chancellor on recent developments of note;

Noted:

i) that live applicants registered with the University at the current time were overall 14% ahead of the numbers at the same point in 2018. There were slightly less applicants in total, however the conversion rates and levels of acceptance were more positive compared to the previous year. As previously reported some subject areas and programmes were not as strong as others and this would continue to be monitored carefully;

ii) that a major open day would take place on 15 June 2019. Including the special animals related open day which had been held recently, the number of individuals registered was 605 compared to 538 at the same point in 2018. Numbers included 43 expressions of interest in veterinary science and in addition 75 alumni would be attending the annual alumni open day;

iii) that that it was recognised that there was still a number of months to go until enrolment for 2019/20 would commence. The University continued to focus carefully on all admissions including UG, PGT, and PGR and would be carefully planning clearing opportunities including the foundation programme for aspiring veterinary medicine students which had not yet been advertised as this would be particularly applicable to those who had applied for vet school but had not been able to secure a place during clearing in August 2019. The University was confident that it will be able to fill the planned 10 places;

iv) that there had been considerable discussion across the HE sector and in the press about the Augar review. Some aspects of the recommendations such as the proposal that degree level apprenticeships should be inspected by OFSTED had not been agreed and it was currently unclear the extent to which the package of recommendations would be taken forward by the next Prime Minister and his/her cabinet;

v) that the Augar Review had recommended freezing the unit of resource for a number of years and reducing the level of fee payable by students. The Augar Committee had further recommended that higher cost subjects should be topped up by a government grant system so that they would be protected and reference had also been made to the need to support small and specialist HEIs which reflected the Higher Education Act's provision. There was also a need to keep under careful review the perception of agriculture as a STEM subject as a KPMG study published alongside the Committee's report had unhelpfully included agriculture alongside subjects such as geography. Nevertheless the agri-skills initiative had around the same time been actively proposing that agriculture be formally recognised as a STEM subject;

vi) that the Secretary of State had recently written to the 0fS asking them to take particular account of degree standards, the elimination of essay mills and the oversight of unconditional offer making. A number of universities had received a letter directly from the Minister asking them to desist from making conditional unconditional offers. Harper Adams had not received a letter as it had not made unconditional offers in 2017/18. However some unconditional offers had been made for 2018/19 as previously discussed as it had become apparent that the University needed to remain competitive with other HEI's offering agri-food courses. However none of the offers made had been subject to conditions and all such offers encourage students to make their decision once they had received all of their offers;

vii) that the Access and Participation Plan 2020-2025, approved by the Chair of the Board acting under the delegated authority of the Board had been submitted to OfS. Initial feedback had been received in the last few days with a request for a response by the end of the week. The information requested was being put together and would be submitted later that day;

viii) that the University continued to engage as closely as possible with the wider policy debates in the agri-food sector including BREXIT risks. The University's work on precision farming had been mentioned by the Minister at an artificial intelligence and technical forum in the last few days. There had also been an increasing focus by the Food & Drink sector Council about the importance of adoption of technology for agriculture in the future. The University felt that it was therefore particularly timely for it to launch its technology leadership programme in conjunction with the Worshipful Company of Farmers;

ix) that the University's performance continue to be recognised at national level. It was recognised as the top modern university in two of the national league tables and it was pleasing to see that although the Guardian continued to exclude small institutions from its main table it had included Harada in its subject tables for agriculture and forestry where it ranked sixth overall compared to 11th in previous years. It was also particularly pleasing that for engineering, Harper Adams had moved up 21 places to 8th place for engineering programme. There are currently some areas of feedback from students in engineering which needed further focus and this was being dealt with at the current time;

x) that the University's engagement with Cereals 2019 has been going very well over the previous few days. It was particularly pleasing that the University student team had won the Cereals Challenge earlier that day.

18/44 **Financial Planning**

Received i) the draft budget for 2019/20 including the Financial Forecast [please see separate booklet 1]

ii) a report on consideration of a revision to the Staff Bonus Scheme KPI set

iii) a report from the Director of Finance on the annual review of the Financial Strategy and Financial Indicators

iv) OfS publications on Financial Sustainability of Providers in England- letter to Governing Bodies & Report published 4 April 2019

v) an analysis by KPMG of the Financial Sustainability of the sector

Noted:

i) that the budget for 2019/20 and the financial forecast had been put together based on the latest information available the previous week. The final capital budget estimate for the joint vet school development, which was an item later on the agenda, had not yet been factored in but would be before the final version is issued in the board papers. In addition to this Keele University had also advised of a slight change in annual USS costs for academic staff pensions in the JPS and therefore this would also be factored in;

` ii) that there had also been a detailed discussion at the recent Cedar Board meeting in relation to the run rate of the CHP engine. The budget had assumed 95% run rate whereas advice had been received from Bosch that suggested 85% run rate may be more resilient. Henry Gunn-Why would be raising this with Bosch with a view to ascertaining whether 90% run rate may be feasible as this would assist the business model. Further work to review pricing and carbon premium would also be important. With respect to the overall group position Cedar energy and the University performance were consolidated but it remains important to ensure that Cedar energy was sustainable as a company and the University wish to avoid purchasing energy from the grid as far as possible and therefore the overall run rate of the CHP was important from a financial and carbon savings perspective;

iii) that student number assumptions had been summarised in the introductory paper. A target of 630 UGs, including the “Halo effect”, for 2019 20 had been included. The University hoped to improve on this but was currently taking a prudent approach. It was noted that Mr Thomas had requested that the committee seeks an update on the Halo effect. It was noted that this was looking positive and further details will be discussed later on the agenda when the JVS report was considered;

iv) that Mr Thomas had also asked whether the University was making progress with reaching new markets. Positive progress was being seen although further work was continuing. This important area had been a focus of discussion at recent interviews for the Director of Marketing and Communications post and would continue to be so;

v) that the OfS publications on financial sustainability of providers in England had noted the importance of governing bodies ensuring that they did not include unrealistic estimates of growth in their financial strategy. The Committee noted that the University’s projections remained prudent and based on the well-established popularity of veterinary medicine courses the proposal to secure additional numbers through the development of the JVS was realistic as was the assumption that offering veterinary medicine would naturally attract further students to related courses at the University. As noted above, some emergence of further interest in animal related courses had already been seen and this would be discussed later on the agenda as part of the JVS item;

vi) that the University remain focused on ensuring positive student numbers across all its programmes- undergraduate and postgraduate. It had taken steps to protect the marketing budget as it recognised how important this activity was in securing current and additional market share in a very competitive environment. It was also recognised that in 2021 the demographic upturn would start across the UK and although it was likely to be a slower recovery in rural areas, the University's activities in attracting students from semi urban or urban areas have started to bear fruit and offering veterinary medicine would continue that trend. The forecast was therefore modest in its assumptions about growth although there would be every effort made to exceed targets where ever possible;

vii) that at the September 2019 strategic meeting for members of the Board and the University Executive, it was intended to present strategic KPI data that would help to underpin and share the universities performance and decision making based on data with members. The University had also not over estimated the number of international students that might be recruited whereas it was clear that the other HEIs were perhaps being overoptimistic in this regard and this was also a factor which could lead to queries abo whether a universities forecast was realistic;

viii) that the University had a maximum of 810 bed spaces including rooms that could be shared. This may become challenging over the forecast period but it was felt that it was important to remain prudent in the meantime while nevertheless recognising that if numbers increased there may be a need to revisit the development of a further hall of residence or consider a rental portfolio. However the Vice-Chancellor and Director of Finance had agreed that it was important to see evidence of recruitment and recovery before exploring this further. There was also a need to ensure that all the residences are refurbished and there may be a need to consider partnership and explore risks in relation to this including in particular the fact that halls make a contribution to the University, the current forecast did not include any spend on residences and therefore if this were to emerge as a priority there would be a need to divert resource from other critical matters. Members recognise however that essential maintenance needed to be supported and it was therefore suggested that the Director of Finance should include a capital estimate for a potential new hall in around 2021; **LF**

ix) that the OfS no longer required the financial forecast to be submitted during July each year but had advised recently that forecasts would be due in early December at the same time as the other annual returns. The Director of Finance would therefore undertake a thorough review of student accommodation over the summer and would report back to the autumn meeting of the Committee and thereafter to the Board at its November meeting; **LF**

x**)** that the annual review of the Financial Strategy and Financial Indicators had been completed. No changes were proposed;

xi) that the Chair of the Board, the Chair of F&GP (and Vice-Chair of the Board) and Mr Vickers as the second Vice Chair, had discussed the staff bonus scheme with the Vice-Chancellor and Director of Finance during May 2019. The work to develop a process by which the overall bonus payable could be broken down into smaller payments if certain KPIs were met while others were not had been completed as suggested by the staffing committee. The proposal had been shared with the director of finance and the Vice-Chancellor. However it was clear that notwithstanding the staged payment proposal it was still not going to be the case that the bonus would be payable in 2018 19 as the financial target would not be met;

xii) that on reflection, the Chair and Vice-Chairs had agreed that it would not be helpful to introduce a new bonus scheme and potentially raise staff expectations when in reality it was already known that a payment would not be forthcoming for the current year. It was felt therefore that this could be an unhelpful message to staff, whereas the aim of considering staged payments had been to try and increase the possibility of a payment being made and therefore hopefully address the suggestion that the bonus scheme could be demotivating as well as motivating. Also, given the University's overall financial position and the priorities it needed to focus on the chair and Vice chairs had felt that it would be an appropriate time to suspend the bonus scheme and to return at a later point to consideration of reintroduction in 12 months' time and to visit the possible phasing proposals at that point;

xiii) that the financial forecast indicated a savings target of £270K. Vacancy savings had been assumed with some new posts commencing in October 2019 and some following thereafter it was felt that these estimates were prudent and achievable. There would be an ongoing need to achieve efficiency of around £200K in the following year and £296K a year after based on current student recruitment. This was less than the saving predicted in previous years as it reflected the slight improvement in student numbers and a marginal surplus was suggested. The forecast was also assisted by an additional £300 K of teaching grant which had been awarded and grant reductions had been assumed at 3% rather than 5% as in previous forecasts. This was also felt to be realistic;

xiv) that pay costs running at circa 57% which took into account the recently confirmed TPS increase for employer contributions at 44% which was affecting all universities offering this pension scheme. The KPMG benchmarks continued to confirm that the University's pay costs were at average for the HE Sector;

xv) that research income continue to be challenging. Competition was increasing particularly as EU funding was starting to dry up and therefore larger universities which had been interested in this area of funding were now turning to domestic funding including in the agri-tech areas where they had not previously been competing. The Deputy Vice-Chancellor confirmed that the estimates were prudent and he hoped that they could be improved upon;

xvi) that the capital forecast would be updated to reflect the outcome of discussions about the JVS later on the agenda;

Agreed:

i) to recommend the draft budget for 2019/20 including the financial forecast to the Board of Governors subject to the amendments noted above; **LF**

ii) two endorse the Chair's and Vice Chairs' decision that the staff bonus scheme should be suspended for 12 months. This would also be discussed at Staffing Committee and thereafter should be reported to the Board; **MJL**

iii) to approve the Financial Strategy and Financial Indicators;

iv) that members were content that the financial forecast was based on appropriate data, that was prudent and realistic and therefore there were no concerns arising from the OfS publication on financial sustainability of providers in England that needed consideration by the Board.

18/45 **Strategic Project Monitoring**

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

ii) a report from the Director of Finance on Capital requirements funding options for the JVS development at Harper Adams.

Noted: i) that the project continued to plan. The Joint Academic Board had been established and its terms of reference had been agreed by the Harper Adams Board the previous day and would be reported to the Board;

ii) that the Head of School, Dr Matt Jones, had been confirmed. He had agreed to spend some time at the University ahead of his taking up the role and would for example be joining colleagues in a meeting with the BVA in the next few weeks. He would formally take up his post in mid-August 2019. Recruitment for the Director of Operations for the JVS had now been taken forward by a search agency and it was understood that the response had been positive and a strong shortlist was anticipated. Other academic roles required for the first phase of the vet school were also currently being advertised;

iii) that enabling works for the vet school were proceeding to plan. Service diversions had been completed and arrangements for garages agreed with nearby residents. Time planning was also proceeding after discussions with the ecologist drainage and highways experts. The latter intended to seek to reduce the speed limit across the frontage of the University in due course to 30 mph the University welcomes this;

iv) that with regard to the budget for the main building, tenders had all come in above QS estimates. A very detailed discussion with the Director of Finance, Head of Estates and Facilities, Professor Mills as lead for the JVS project, the Vice-Chancellor and the University Secretary took place, informed by a detailed report that set out the reasons for cost increases, the risks associated with the project and how best value on costs and due diligence on contractor performance and robustness had been secured during the detailed procurement and tendering process;

v) that a key focus of the discussion was members' wish to understand why the initial estimates provided by the University's Quantity Surveyors (QS) for the building project were much less than the three tenders. The following reasons were discussed;

- The key areas of increase were the preliminary set up costs for the site to ensure it was mobilised sufficiently quickly to meet the required start and completion dates and resourced to manage a build programme of 52-54 weeks. There was also a consistent rise in the costs of labour and materials for construction in recent months. Both of these cost factors were evident in all three tender returns;
- The QS team had advised that they had based their initial estimates of the preliminaries on their previous experience of recent capital projects at Harper Adams. Unfortunately it appears that they did not recognise the scale of this project, and the timescale for delivery was such that these costs would, in all likelihood, be larger than in previous jobs. The preliminaries costs included in the estimate did not take into account the additional site management resources that all three tenderers had deemed required to meet the programme and University expectations

of quality and design coordination. It also did not reflect the higher preliminaries costs of larger contractors attracted to the scale of the project than the University had previously worked with. The QS has agreed that this had not been anticipated;

- It had become clear during the development of detailed employer's requirements and tender specification that the QS had assumed in earlier budget estimates that the University would be able to finish some of the fit out from other budgets and using its own estates team as it had previously done in other smaller projects. Given the tight time frame, the scale of the project, and the very limited window between the date for handover from a contractor and occupation of the building by the staff and students of the JVS, this was not felt to be a sensible option The University's estates team would not have sufficient capacity or time to undertake further fit on a major project of this scale, and , it would lead to split responsibilities and risks of the building being handed over as partially complete with snagging etc. not finished. The JVS project team concluded that for this project to be successful it was important to ensure that all costs were clearly included in the JVS budget to ensure main contractor delivery was integrated and managed as one package with a single point of responsibility. The exception to this would be AV/IT and lose furniture, and the integration of these packages with the contractors work was carefully described in the tender documents;
- The costs of building materials had increased significantly in recent months as has the cost of labour. BREXIT uncertainty had not assisted with this uplift in costs as there had been more reports about scarce labour and skills in construction since the tender process started. See https://www.designingbuildings.co.uk/wiki/Skills_shortage_and_Brexit for a RICS Report;
- That due diligence in the form of Experian reports and review of financial performance had been carried out on all three of the tenders. The Experian reports showed all 3 contractors that had reached the final presentation stage were low risk. It was agreed that there were no major concerns and the detailed reports would be further scrutinised by Mr Wong, given his particular expertise. No issues were identified by Mr Wong;
- That there was a need to ensure that sufficient contingency for a project of this scale was available. The current contingency was £100K, given the tender costings. Members agreed this needed to be raised to £350K. While every effort would continue to secure savings, it was agreed that the total capital budget should be increased to £10.2 m including a £350k contingency;
- That some of the tenders included certain exclusions including, in one case, BREXIT risks. These exclusions had been challenged and would be challenged further at the final tender presentations arranged for 14 June 2019;
- that, overall, members felt that subject to a positive tender presentation, it appeared likely that the lowest cost tenderer was of sufficient quality and robustness in terms of their business performance and profit margins to date to be appointable. It was agreed that negotiation of their exclusions would be helpful if that could be achieved, even though these were less onerous than those in the other tenders. [post meeting note - exclusions have been withdrawn]. The lowest tenderer was also locally based and directly employed its own workforce with limited sub-contractor engagement as well as being a Main Contractor, whereas the other two tenders would involve Main Contractors located at a distance from Shropshire who employ a range of sub-contractors. Overall, members felt that the risks of the lowest

cost contractor, subject to the final presentation and the views of the selection panel, appeared to be a positive option;

- That contingency planning should the building not be ready on time was already in hand. While the Committee was clear about the reputational risks and risks of impact on all students at HAU, the total number of vet students in year one based at Harper Adams would be 35, and this could be managed. It was noted that for most teaching this number could be accommodated in existing rooms and the necessary IT facilities could be located elsewhere on campus. There would be four days a month when all 70 JVS students (including 35 based at Keele) would come together at Harper Adams for practical sessions, however it was felt these could be accommodated and or other activities re-arranged to suit available facilities if absolutely necessary and unavoidable. It was recognised that if the JVS Building was delayed, there would be an impact on other students as the timetable for the JVS had to be fixed to work with Keele's timetable, so its flexibility was limited. Contingency measures were being considered by the Director of Finance and the JVS Project team to address this point.
- That it was understood the building programme at Keele was about three weeks behind schedule in terms of its development and that Keele was starting to make contingency plans, including ensuring that the JVS sections of the larger CVS building was finished first. Close liaison was on-going.
- That planning permission was moving forward positively. Ecology and drainage consultations were completed and highways comments verbally agreed. A final decision was imminent and was being chased daily.

The following points were agreed:

(j) that the Head of Estates would provide a further detailed breakdown of the cost tables to support the above information, to be circulated by the Chair of the Board and Chair of F&GP, so that all members of the Board could see exactly where costs have risen compared to the initial QS estimates. It was noted that The University's estimates of enabling works remained appropriate and most had already been delivered or were in progress and no cost over-runs were envisaged to date. These works were included in the overall estimate. It was the main contract element that has risen from an estimated budget of £6.4M to a range that was £7.4M-£7.9M. Detailed specification of the cattle handling facilities is still under careful discussion with academic staff with every effort to constrain the project to the allocation to £100K . Members also had a detailed discussion about the risks associated with the JVS project and with the associated capital build in particular. **JC**

(ii) that the availability of a high quality Vet School Building is critical to the success of the JVS project. It was therefore vital that the quality and delivery of the building remained a priority.

(ii) that although it was not anticipated at this point that the build could not be completed by the due date, there would be performance bonds and collateral warranties secured to provide some protection of the University 's interests .That the idea of the University seeking additional project insurance in its own right had been explored with an AON adviser. The advice had been that it was more cost effective to require contractors to insure the project and for the University to ensure it has details of such contractor insurances. This information would be secured from the successful tenderer. **JC**

(iii) that having considered the cash flow projections, existing loan covenant forecasts that a fixed rate loan of £8m for the maximum period offered of 7 years should be recommended to Board. A loan of £8m should also provide some capacity to invest in student residences recognising that with the proposed intake of students increasing with vet school and 'halo' effect students that existing student residences will not provide adequate capacity whilst some of the older residences also require investment. The Director of Finance would work up some options and report back to the Committee in due course; **LF**

Members discussed the original business case and noted the following:

- The business case had been predicated on a range of factors. These included growing the reputation of the University, opening up a new area of work that would enhance and complement current provision, recognising that Veterinary Medicine is a very popular programme with many more well-qualified applicants than places available. Predicting modest growth was therefore appropriate and justified as it was based on sound information. The JVS would also help diversify the University's student population, especially if access to Vet Medicine courses could be facilitated as was planned for under-represented groups. The creation of a Foundation Programme to help well qualified applicants top up their qualifications before progressing to Vet Medicine was also a strong opportunity to secure students at Harper Adams from 2019 onwards as many students do not secure a place in Vet Schools every year and wish to seek a different pathway.
- That the business case had made it clear that as Vet Schools are high cost, the overall income from the new School itself would be modest, and would not start to make a contribution for a few years. The investment was therefore long-term and strategic in nature. ROI was not the only driver and in fact needed to be weighed against the other multiple factors such as reputation, strategic advantage, position in the HE sector overall, and the "halo" effect caused by having a Vet School on campus.
- With regard to the "halo", it had been agreed by the Board that much of the value in terms of new income would relate to the "halo" effect where students are attracted to study at Harper Adams due to their being a Vet School on campus, even if they are not themselves vet students. Some might wish to take a related course such as Bio veterinary Science and transfer if their performance is sufficient. Others might welcome studying animal science or vet nursing alongside students and staff who are engaged in veterinary medicine. This sort of response was a well-recognised phenomenon where new Medial Schools had started up.
- That to date the number of current applicants to Harper Adams in 2018/19 was up as follows: 10% in animals courses; 57% in Applied Life Sciences, 27% in Veterinary Nursing; 2% for Veterinary Physiotherapy and 25% for Foundation courses, though it was recognised in the latter case that further late-term recruitment was needed, following the pattern for these courses in previous years. Members acknowledged that although it was early days, the trend was positive and helped to demonstrate that the anticipated "halo" effect could be starting to have some traction. Numbers attending the special animals open day and signed up for the forthcoming combined June open day were positive.
- That the demand for Vets in the UK was such that immigration controls might be changed. However as 50% of all newly registered vets in the

UK are already non-British, there remained a strong demand for UK trained vets and for vets who would remain within the profession, as retention rates were problematic at the current time. The JVS sought to address retention by seeking to attract students with all round skills and sound practical acumen and not just academic excellence.

- That there may be an opportunity to increase intake numbers modestly from current projections after the first few years. However this needed to be carefully balanced against RCVS requirements and ensuring quality and student satisfaction. It was acknowledged that one Vet School now intended to take two intakes a year.

In summary, after a detailed and extensive discussion and scrutiny of the information provided to the Committee, members agreed:

i) To agree, on the delegated authority of the Board, that the University may proceed to complete the tender process, taking into account the need for an uplifted budget of £10.2M, such that a contractor could be appointed on 14 June 2019, subject to a successful outcome of the final tender stage and that a contingency of £350K should be put in place as part of the £10.2M;

ii) To recommend to the Board that a fixed rate loan of £8M be secured up to a maximum of seven years; **PN/LF**

iii) To circulate the original business case paper that had been agreed by the Board to the new members of the Board for their information, with an offer of further discussion with the Chair if required. **MJL/PN**

18/46 **Report from Cedar Energy Limited**

Received: a report from the Director of Finance and the Estates Consultant

Noted:

i) that as noted in the discussion around the draft budget for 1920 and the financial forecast, performance of the CHP engine and its efficiency remained paramount to the business case. This was being worked on carefully with regular reports to Cedar Board;

ii) that Mr Thomas had noted in his comments on the agenda that the work being undertaken by Henry Gunn-Why to improve the infrastructure and efficiency of the system continue to be very important in this regard;

iii) that the University had claimed on the performance bond and a meeting with loss adjusters was due to take place in the next few weeks. The claim included costs for ensuring the system worked effectively which it was believed were legitimate as the contractors had not delivered the quality and efficiency as had been required. The costs of the engineering work undertaken by Henry Gunn-Why was therefore included in the claim and every effort would be made to recoup these costs in due course

**18/47 Committees**

Received:

i) the minutes of Health and Safety Committee held on 30 May 2019

ii) the minutes of the Farm Strategy Committee held on 23 May 2019

Noted: that members had no issues to raise with respect to the above minutes

**18/48 Date of Next Meeting**

7 November 2019

**Part B**

**18/49 Risk Management**

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

Agreed: that the management of these risks remained appropriate.

**18/50 Management Accounts**

Received the Management Accounts for the period to 30 April 2019

Agreed: that members had no queries to raise on this occasion

**18/51 Estate Developments plans for development of a revised Carbon Management Plan (CMP)**

Received: a report by the Head of Estates and Facilities

Noted**:** that the plans for the revised CMP did not include proposals for reducing carbon relating to farming activities. This was because the University's CMP needed to be directly comparable to the plans being developed by other universities which focused solely on their estate for delivering learning and teaching/student residences. The University had established a number of years ago that other universities with farming activities did not include them in their estate statistics and it was therefore important to ensure that the University's CMP remained comparable with that of others as it was likely that future capital funding may relate to carbon reduction targets being met for the built environment. Nevertheless the University was well aware of the need for its farm to work on reducing carbon and this remained a key area of focus for the Farm Manager and his team and for the other farming activities managed by Academic Departments;

Agreed: that members were content with the report and with the proposals for revised CMP and had no issues to raise.