

HARPER ADAMS UNIVERSITY

Finance and General Purposes Committee

Minutes of the meeting of the Finance and General Purposes Committee held on 7 November 2019

Present: Mr D Wong (Chair)
Mr M Lewis
Dr D Llewellyn
Mr M Thomas
Mr P Nixon

In attendance:	Dr C E Baxter	University Secretary
	Mrs L Furey	Chief Financial Officer (CFO)
	Professor P Mills	Deputy Vice-Chancellor

Apologies: Mr S Vickers

sufficient time to attend Committee meetings and engage with the work of the Committee;
PN/CEB

19/04 Vice-Chancellor's Report

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

Noted:

- i) that new Home/EU undergraduate student registration on the first day of term had been 653, which was a good conversion rate for the year. In addition, 34 degree-level apprentices had started, 66 BUA students and 18 Huazhong students. The target for apprentices had been 40, and it was hoped that the level of interest from employers being indicated for 2020/20 would enable this target to be met in the future;
- ii) that 48% of undergraduates were from a farming background compared to 53% in 20212.13; and 76% were from a rural area, compared to 82% in 2012/13. While diversity in the student body was welcomed, the need to continue to attract and retain students from rural areas remained very important, as did the focus on agriculture as a core discipline that was at the heart of the University's success and reputation;
- iii) that PGT students were 134, slightly less than in 2018/19, although the fee waiver scheme was not in place for 2019/20 and so income levels would be similar between the years. Workforce development students for 2018/19 were 534 fte compared to 554 in 2017/18, this would continue to be an area of focus;
- iv) that the University was pleased to be placed third in the recent national PGT survey. Progression rates for undergraduates were lower for foundation degree students c.f. honours students, and there had been a slight decline overall which was being carefully monitored. Rates remained good however overall. The new intake of foundation year

matter and it was understood that other HEIs had also raised queries in relation to their letters. A reply was awaited;

- vii) that delivery of the Access and Participation Plan is in hand and would be reflected in a specific new section of the Vice-Chancellor's Report to the Board as previously agreed for ease of reference;
- ix) that an announcement about ISF funding was expected during November 2019. However OfS had cancelled a number of its engagements with the sector due to the General Election announcement and the start of purdah. It was expected that "World Class Teaching" would continue to be a key criteria for ISF. It was also expected that a number of HEIs who had been excluded in the last round would be seeking to be eligible again and it was also possible that the amount of funding to be shared could be reduced. ISF remained a vital source of funding for Harper Adams, being 50% of its grant;
- x) that the government's decisions about the Augar Review remained uncertain, although a proposal to freeze tuition fees until 2025 and

Scholarship Fair and a further 180 would be engaging across the month to offer placement and graduate positions to students;

- xiv) that the Vice-Chancellor designate of Chester University had started to engage with public events including at UCS. The new Principal of Askham Bryan was also in post. The Marches LEP continued to engage with HE projects including NMiTE in Hereford;
- xv) that the University was pleased to be placed 25th in the “Table of tables”. This was a good performance, especially as a small specialist HEI, HAU did not feature in the Guardian table;
- xvi) that the Food and Drink Sector Council Workforce Group had published a report on skills which supported apprenticeships, and noted the on-going shortfall of talent. By contract the Industrial Strategy Council had published a report stating that there were sufficient skills for the food sector to draw on and that knowledge (drawing on OECD benchmarks offered by McKinsey) was also sufficient to meet its workforce needs;
- xvii) that the Vice-Chancellor had updated the Strategic Plan following feedback at the September Planning Day and further engagement with staff by email and at staff meetings. The two changes made were to

Further work to review this was still in hand for 2019/20. The CFO was keeping in close touch with LGPS information as it was likely that further voluntary contributions from employers may be announced;

- vii) that the ASUR document provided a useful summary of financial sustainability indicators for the Committee and the Board. Most targets were green, and the amber indicator for research publications was understood to be likely to improve to green again once further data was gathered during the year. Staff costs were also increasing due to pensions and other issues and so were amber. External borrowing would be red in 2019/20 due to the JVS planned investment which the Board had approved as a strategic investment;

Agreed:

- i) to recommend the draft 2018/19 annual report and accounts for the University, subject to minor amendments (including adding for clarity the formal names of the consortium on page 49 and deletion of the capital table on page 48) as discussed during the meeting, to the Board its approval; **LF**
- ii) to recommend to the Board the draft letter representation for Harper Adams University group (subject to inclusion of any Smart Dairy impairment details and final Cedar Tax figures as noted above); **LF**
- iii) to recommend to the Board the draft 2018/19 annual report and accounts for Cedar Energy Ltd together with the draft letter representation for Cedar Energy Ltd and a draft letter of support and loan arrangements for Cedar Energy Ltd from Harper Adams University; **LF**
- iv) to recommend to the Board the annual report and accounts the Development Trust along with the draft letter of representation; **LF**
- v) to recommend the ASSUR Report, for approval by the Board at its meeting in November 2019 **LF**

19/06 Financial Planning

Received: the revised financial forecast to 2024/25 to recommend to the Board of Governors for submission to the OfS

Noted: i) that the document was an update of that considered and agreed by the Board in Juyu 595.35(20.16.(Board)-346(th)8(e)-345(dr)-2(a)5(ft)5()-344(20)]TJETQ

- Noted:
- i) that applications received (531 including some for 2021) were good and appeared to indicate a strong interest in the Harper Keele Vet School at this stage. Interviews would be taking place in the coming weeks;
 - ii) that should the number of confirmed places exceed the planned numbers, contingency plans were being discussed as it was difficult to estimate conversion rates without any direct experience. However some indicative indicators were available and numbers could be managed at confirmation when only applicants meeting offers in full could be guaranteed a place if numbers of acceptances were to be high;
 - iii) that applicants not securing an offer for the JVS would be offered an alternative course at Keele or Harper Adams. A proposal to offer a special three year biovet route for such applicants may be considered and would be followed up by LF and PRM; **LF/PRM**
 - iv) that the loan documentation from Barclays Bank was not yet in its final form. It had been challenging to negotiate with the appointed legal advisers for the Bank, and a teleconference was now being sought to resolve remaining queries. In part it appeared that the terms being suggested were not applicable to Universities and so this had needed further discussion around issues such as pensions as it was unclear whether LGPS and TPS were affected by the 2004 Act referred to. The CFO would obtain specialist advice on this aspect. The precedents set out were noted and accepted by members as was the letter from Santander confirming that there was no issue with the proposed loan with regard to the existing loan covenants in place for its loan to HAU;

it was understood that 3 or 4 projects would be funded in due course. This would be both an opportunity and a significant challenge and change for the farm if funding was secured. A bid would be prepared;
PRM

- vi) that work to review and reduce farm emissions was under active discussion in support of the NFU pledge and University strategy;
- vii) that work to enhance day to day housekeeping and ensure all farm staff were embracing health and safety in all their activities was in hand. The Farm Manager was considering seeking farm specific expertise to help inform improvement plans:

Date of next meeting 26 February 2020

Part B

19/16 Risk Management

Received: a report on the management of risks assigned to the Committee.

19/17 Estate Developments

Received: a report by the Head of Estates and Facilities on progress with current estate developments;

19/18 Management Accounts

Received: i) the consolidated management accounts for 2018/19
ii) the management accounts, for the period to 30 September 2019

Agreed: that in future the Management Accounts would be included in Part A of the agenda
LF/CEB