



# HARTPURY

## MEETINGS OF THE STRATEGY, FINANCE AND RESOURCES COMMITTEES of HARTPURY UNIVERSITY AND HARTPURY COLLEGE

### Minutes of Meetings 10am Tuesday 9<sup>th</sup> May 2023 Gordon Canning Room and MS Teams

Members	University SFR Committee	College SFR Committee
Mr Edward Keene	Present (Chair)	Present (Chair)
Mr Henry Hodgkins	Present	-
Mr William Marshall	Present	-
Mr Robert Brooks	Present	-
Professor Andy Collop	Present (Vice-Chancellor)	Present (Principal)
Mr Alastair Grizzell	-	Present
Mr Chris Moody	Present	Present
<b>In Attendance</b>		
Ms Lynn Forrester-Walker	Present (Chief Operating Officer)	Present (Chief Operating Officer)
Mrs Rosie Scott-	Present (Deputy-Vice-Chancellor)	Present (Deputy-Vice-Chancellor)
Ms Claire Whitworth	Present (Deputy-Principal FE)	Present (Deputy-Principal FE)
Ms Lesley Worsfold	Present (Deputy-Principal Resources)	Present (Deputy-Principal Resources)
Ms Gillian Steels	Present (Clerk to the Board)	Present (Clerk to the Board)

		ACTION & ACTION DATE
<b>SFR01/05/23</b>	<b>Apologies</b> Apologies noted as above. <b>Quoracy</b> It was confirmed that the University SFR Committee and the College SFR Committee meetings were quorate.	
<b>SFR02/05/23</b>	<b>Declarations of Interest</b> The Clerk advised that members' interests would be taken as those disclosed in the Register of Members' Interests. It was noted that the Chair, Vice-Chancellor/Principal and Chris Moody were members of both the University and College Boards.	
<b>SFR03/05/23</b>	<b>Minutes of the Last Meetings</b> The minutes of the University SFR Committee and the College SFR Committee 7 <sup>th</sup> February 2023 meetings were agreed as true records.	
<b>SFR04/05/23</b>	<b>Matters Arising</b> The Actions Log update, confirming actions were either complete or in train was noted. <b>OFS Capital Grant</b> – confirmed funds had been spent in line with required timescale.	

**Overnight Funds** – the Chief Operating Officer was discussing with the bank later that day to see if there would be a benefit to Hartpury in pursuing.

SFR05/05/23

**Equality, Diversity and Inclusivity (EDI) Annual Report**

The Committees considered the Report which provided Governors with an update on Hartpury’s EDI objectives/Single Equality Action Plan and EDI activity. This helped to ensure Governors were meeting their statutory duties to monitor and oversee Hartpury’s EDI activity. It was noted that in accordance with The Equality Act 2010 (Public Sector Equality Duty), Hartpury was required to prepare and publish specific and measurable objectives that it reasonably thinks it should achieve to meet one or more aims of the general equality duty. This included publishing our annual Gender Pay Report on our website. This report highlighted that last year the median pay gap was 11.54% which had reduced this year to 9.33 which was encouraging, but work would continue in this area. Comparator data from other FE and HE providers was given.

The Deputy Principal Resources advised that the Equality Duty Action Plan had been revised in summer 2022 and Equality Objectives and more detailed targets set. These were:

OBJECTIVES		
1.	Empower our community to embrace equality	We are committed to ensuring that all members of our community are aware of their individual and collective responsibilities and legal duties in relation to EDI. We are committed to increasing equality of opportunity and outcomes.
2.	Celebrate and recognise the strength of diversity	We will increase our understanding of EDI and the challenges that our students and staff may face, nurturing, supporting, and enabling them to succeed through staff and student surveys, awareness raising events and networks
3.	Promote an inclusive culture	We promote inclusive learning and working cultures, where everyone can flourish. This is the responsibility of all members of the Hartpury community and is demonstrated through actions and behaviours with the integration of EDI into initiatives and activities across Hartpury
4.	Apply zero tolerance to all forms of harassment and discrimination	We enable an inclusive environment where everyone can feel inspired to make a difference and where bullying and harassment, discrimination and hate crime are challenged, reported and action taken.

It was noted that work had been done with marketing to celebrate and promote Hartpury’s practice in relation to EDI. A Wellbeing and Inclusivity Calendar had been launched in September 2022 and related material was regularly displayed on the screens in Graze. There had been positive student feedback on this. Following staff and student feedback a Women’s Network and a Neurodiversity Group for staff and students launched.

Governors recognised the significant amount of work Hartpury was putting into these important areas and queried if it was possible to measure the impact on students. The Deputy Principal Resources advised that there was an increased willingness with students and staff to ask for support

which was very positive. Governors asked whether the impact of Covid, which had increased the need for support was expected to be maintained at that level. The Deputy Principal Resources advised that there was an increased culture for young people to share and disclose the need for support and this was unlikely to reduce again. Governors agreed it was positive staff and students knew how to access support. Governors queried if buddying was in place and were advised mentoring in place.

Governors considered the increase in sexual abuse being reported and queried whether there was sufficient support in place. The Deputy Principal Further Education advised that support on this issue was provided on an ongoing basis and that the issue was highlighted at induction and then through the year in Preparation for Success work and residency support. She advised that some of the abuse being reported related to the past, as students became more aware.

Governors agreed that it was a very comprehensive Report. They queried whether the images used sufficiently promoted Hartpur's commitments to EDI and it was agreed this would be considered for the future. The importance of ensuring all material used reflected Hartpur's EDI commitments was recognised.

Governors queried Hartpur's position in relation to transgender athletes in sport. The Deputy Vice-Chancellor advised that Hartpur followed the national governing body guidelines.

Governors recognised Hartpur's achievement as 1 of the first 5 universities to achieve the Student Minds University Mental Health Charter and achievement of the Gloucestershire Inclusive Employer award.

**The Committees APPROVED the Annual EDI Report.**

**Dep Prin.  
Resources  
Ongoing**

**SFR06/05/23 Monthly Management Accounts – March 2023**

The Committee considered the Management Accounts for March 2023. These provided an update on the financial position of the University Group, and enabled the committee to monitor whether financial performance was on track and gain assurance on any areas of potential concern.

The Accounts showed that the operating result for the eight months ending February 2023 was a surplus of £1,532k compared to a budgeted surplus of £682K. The favourable variance was mostly resulting from higher FE high needs funding from Local Authorities together with lower than budgeted staffing costs mostly as a result of vacancies. A full reforecast was carried out in January and showed a projected surplus of £1,474k compared to an original budget of £1,054k. This had been reviewed and this was still considered where Hartpur expected to be.

Cash balances at the month end were £4,022k. The University had an overdraft facility of £1m. The University complied with its bank covenants and was forecast to continue to do so.

Governors queried whether staff vacancies were reducing or whether this remained an ongoing concern. The Chief Operating Officer advised that appointments had now been made in her areas. The Deputy Principal Further Education advised market supplements had been used to successfully attract staff from industry in some challenging areas. Agency staff were still being used for chefs, but the position in relation to catering assistants had improved. Market supplements had also been used for night staff.

Governors noted the adverse variances, and in particular the sport mon pay costs relating to transport for teams. It was noted matches would be completed by June.

It was noted that the Hartpury Football Team would not require further capital expenditure as they had not been promoted. Governors queried the impact of the separation of women's rugby as Gloucester Hartpury. It was confirmed that the required legal documents, joint venture, service level agreement etc were being drawn up.

Governors asked for more information on FE High Needs Funding. It was confirmed that this was funded by the local authority, for Gloucestershire an agreed process was in place, for other authorities this was negotiated as students enrolled. It was noted Hartpury had 31 FE High Needs students, reflecting our provision type. The number had been increasing, particularly in animal. Governors queried if recovering the money from local authorities could be difficult, they were advised there were sometimes delays in a small number. It was confirmed Hartpury only appointed specific support for an FE High Needs student once the student confirmed they would be attending.

The Deputy Vice-Chancellor advised that around 30% of Hartpury's HE students for 2023/24 are predicted to have additional learning requirements. The process of diagnosing students in order for them to benefit from the Disabled Student Allowance and associated support is being changed from the 1<sup>st</sup> of August. While Hartpury is encouraging new students to apply for diagnosis as soon as possible, there is a risk that an interruption in service at this crucial time impacts negatively. Without a diagnosis Hartpury would not be able to access funds and would need to be cautious about adjustments, as there is a risk a student could obtain, or be perceived to obtain, an unfair advantage. It was confirmed that the issue had been highlighted to potential students and was being monitored carefully.

It was noted that students with additional needs were growing, particularly in animal. It was agreed it was a positive that Hartpury was able to effectively support these students. It was noted that they tended to be retained and achieve. There were some challenges, for example logistics in relation to exam invigilation for individual rooms. The Deputy Principal Further Education advised that FE had 500 learners with additional needs, again they tended to achieve well. The Deputy Principal Resources advised that the EDI forum would consider students with High Needs to ensure Hartpury was able to provide the support they needed, demonstrating reasonable adjustments were being made.

	<p>The new Financial Summary Page was agreed as a helpful additional document. It was agreed that it was helpful to have the information on Capital Costs, but noted that there was a need to remember the ongoing running costs when new buildings were developed.</p>	
	<p><b>The University SFR Committee NOTED the March 2023 Management Accounts.</b>  <b>The College SFR Committee NOTED the March 2023 Management Accounts.</b></p>	
<b>SFR07/05/23</b>	<b>Draft Budget</b>	
	<p>The first draft of the budget for 2023/24 was reviewed. It was noted the budget setting process for 2023/24 had commenced in January and the budget had been reviewed and challenged by SMT and the Executive. The budgeted surplus for 2023/24 is £1.003m before FRS17 adjustments on a total income of £52.415m, which is a 1.91% (2.11% 2022/23 budget) surplus as a % of income. Staff costs were 57.19% of income (57.64% 2022/23 budget)</p> <p>The key assumptions within the budget were:</p> <p>Income</p> <ul style="list-style-type: none"> <li>• 1.1% growth in HE tuition fee income, with overall, HE income up by 3.3%</li> <li>• ESFA 16-18 income reflects allocation and impact of slight rise in funding per student</li> <li>• Apprenticeship income reduced due to lower funding per student</li> <li>• Commercial income including accommodation, catering, bar etc are budgeted to increase reflecting increased charges and activity across commercial areas.</li> <li>• Government and other grants are down due to an exceptional year in 2022/23 with various unplanned grants etc</li> <li>• Sports income has reduced due to the establishment of a new joint venture with Gloucester Rugby for the Gloucester Hartpury Premiership Rugby team and therefore no direct income has been included.</li> </ul> <p>Pay</p> <ul style="list-style-type: none"> <li>• 2% pay award assumed, plus a budget for academic staff incremental rises</li> <li>• New posts predominantly in HE due to planned growth in student numbers</li> <li>• A 1.5% vacancy factor is included – this was the first year this had been put in place, it was considered this should mean the budget would be smoother through the year. Governors agreed this was a helpful development.</li> </ul> <p>Non-Pay</p> <ul style="list-style-type: none"> <li>• Increased marketing budget to drive student recruitment</li> <li>• Student transport costs have increased in line the forecast for 2022/23 and increased running costs.</li> <li>• IT spend increased within Admin and Central Services due to increased licenses for new software</li> </ul> <p>It was confirmed the balance sheet and cashflow would be developed once there was a final budgeted out turn and will form part of the final budget sign off in June and July.</p>	

In terms of capital expenditure, it was assumed there would be a £500k Principal's Capital budget, a £350k IT Capital budget and that other major capital projects in train would continue in line with budget.

It was highlighted that there were a number of items where work was still required before the budget can be finalised

- Business Development Income has yet to be finalised and how these impacts on costs. It is felt that any grant income will be offset by additional costs and therefore have minimal impact on the bottom line
- The full impact for the joint venture with Gloucester for the Gloucester/Hartpury RFC team has yet to be finalised. All staff are still fully employed by Hartpury and are included in this budget. On the basis that any subsidy made to the joint venture will be offset by the partial transfer of staff it is felt that the full impact will be small.
- Application data and recruitment for both FE and HE will continue to be monitored until early June and any predicted changes will be reflected in the final budget considered by SFRC at the June meeting.

The Committee considered these areas, in particular the HE recruitment. The aspect of withdrawals was also reflected on, noting this was 103 so far this year, against 72 at this point last year. The Deputy-Vice-Chancellor confirmed the updated position would also be incorporated in the next iteration of the budget. It was confirmed that International Fees were not proposed to increase. Governors queried whether international recruitment was likely to remain at current levels in 2023/24. The Vice-Chancellor confirmed this was the current position, he advised that new agents had been recruited, but noted that this took time to impact recruitment.

Governors reflected that Hartpury had a KPI of budgeted surplus of 5% and that this needed to be reviewed to reflect that this was not a realistic target currently. Governors recognised it was a small surplus which could be easily eroded, and recognised the potential difficulties relating to this. It was recognised that the pay award last year had been low, focused on the lower paid, and that a repeat of this in 2023/24 could be challenging. The Vice-Chancellor and Principal commented on the need for clear messaging around the budget, for example ensuring that revenue and capital spending were clearly distinct.

The Vice-Chancellor and Principal commented that it had been a challenging process to set the budget. Efficiency savings of 2.5% had been applied. If student recruitment was successful there would be greater scope. He advised that going forward the cost base work should provide greater opportunities, although he flagged that the next two years would be difficult as smaller HE cohorts worked their way through. He advised that the HE sector as a whole was finding it challenging, with 31 institutions currently subject to formal financial monitoring by OFS

Governors queried whether Hartpury had reviewed sufficiently all income areas within its control, for example catering and residential. It was confirmed market testing had been used to assess proposed increases. It was noted costs for residential accommodation were set the previous August, and were based on the best information to date at that point. It was noted that energy and food costs had increased significantly over the

year. The need to ensure costs were sufficient to allow for maintenance and reinvestment in accommodation was recognised, at the same time it was recognised that financial hardship was a significant reason given by students withdrawing from their courses. The Deputy-Vice-Chancellor advised that at recruitment there were some negative comments on current onsite accommodation in comparison with private accommodation, but acknowledged that onsite accommodation was currently fully subscribed for 2023/24.

Governors welcomed the process which had been used to develop the budget, and agreed that the approach and assumptions were realistic.

Governors noted that an interest rate was expected later in the week and queried the position on Hartpury's borrowings. The Chief Operating Officer confirmed that all loans had fixed rates of interest.

A governor queried whether the budget incorporated expenditure to support sustainability. The Chief Operating Officer advised there was a small non-pay budget, and an expectation that opportunities for grant funding would be pursued. The Vice-Chancellor and Principal advised that a Sustainability Manager appointment had been made who had good experience of this approach. He confirmed that sustainability would be a key element of the 2030 Strategy.

Governors queried whether carers for high needs students were employed by Hartpury. It was noted that for FE students they were not employed by Hartpury, whilst for HE there was a mix (such staff were on a zero hours contract).

Governors were pleased to see the increase in Research income.

**The Committees NOTED the draft budget, and the further work to be taken forward for the final version to be considered at the next meeting.**

**SFR08/05/23 Confidential Item Commercially Sensitive – Restricted 3 years**

**SFR09/05/23 Confidential Commercially Sensitive – Restricted 3 years**

**SFR 10/05/23 Confidential Commercially Sensitive – Restricted 3 years**

**SFR 11/05/23 Confidential Commercially Sensitive – Restricted 1 years**

**SFR 14/05/23 Policy Update**

**HE Tuition Fees**

It was confirmed that market testing had taken place prior to the policy being presented. Governors queried whether Hartpury undertook any integrated masters/4-year courses. The Deputy-Vice-Chancellor advised that there were options for a 4-year course which incorporated a foundation year and a placement year for some courses, such as Veterinary Nursing (VN). She highlighted that while in agriculture students tended to get paid

	<p>placements that this was not the case in VN and that Hartpury aimed to provide some support (this had been benchmarked and Hartpury was currently providing a higher level of support than some other providers).</p> <p>The Deputy-Vice-Chancellor advised that work was ongoing to look at targeting support to students with parental income in the 25-42k income bracket, as these had been identified as students at greatest risk of withdrawal. Additionally, work was being done to enable students to access support where circumstances changed in year. It was noted that living expenses rather than fees were the most significant financial factor for students.</p>	
	<b>The University SFR Committee APPROVED the HE Fees Policy.</b>	
<b>SFR15/05/23</b>	<b>Any Other Business</b>	
	None	
	<b>Dates of future meetings</b> were noted.	

The meeting closed at 12 noon

APPROVED JUNE 2023