

17/19 **Vice-Chancellor's Report**

- Received:
- i) a report from the Vice-Chancellor on recent developments of note;
 - ii) a presentation on the student applicant lifecycle and post graduate recruitment for 2017/18;
- Noted:
- i) that the University had recently been visited by the Chief Vet for Wales who had been particularly interested in discussing the University's plans for a new joint Vet School with Keele University;
 - ii) that the Vice-Chancellor was currently involved in a sector wide governance review of the National Student Survey. It appeared likely that some recommendations for change would emerge from this process;
 - iii) that the University had submitted its response to the Office for Students consultation on the new regulatory framework by the due date in December 2012;
 - iv) that the University had now succeeded in being included in the Marshall Papworth scheme which provided funding for African PhD students to study at a number of UK universities offering agricultural -related masters programmes;
 - v) that the University had been well represented by both staff and students at the recent Oxford Farming Conference. The Minister had made positive comments about his visit to the University during the autumn term. The Minister had also made reference to an intention to consider land-based education during his address at the conference. However, there was as yet no detailed information about this particular review. There had also been a very successful presentation about the Hands-Free Hectare project. In addition to this in the early weeks of January 2018, Jonathan Gill, another member of the HFH team had been named

re-forecast. The Farm Strategy Committee would also be meeting on 1 February 2018 and would be looking at the latest position with regard to detailed farm budgets.

17/20 Financial Forecast

- Received: i) a presentation from the Director of Finance on anticipated future income projections;
- Noted: ii) that further work on the five year forecast would follow once the six monthly re-forecast was completed however in the meantime the Director of Finance had reviewed anticipated income levels in light of information that was now available which had not been available when the five year forecast had been presented and approved by the Board in July 2017. For example, members recalled that in July 2017 all institutions had anticipated an increase in fees, however since then the government had announced that the fee levels would not increase;
- iii) that the most recent TRAC data had also been taken into account and was presented later on in the agenda. This showed that the University continued to offer high cost subjects which were likely to be in the upper quartile. It was recognised that it was important to balance efficiency and high cost subjects and that the University had made a strong case to secure institutional specific funding due to the high cost of its provision as well as its high quality. The revised income forecast also reflected the actual student numbers secured and the financial outturn for 2016/17;
- iv) that known attrition rates had been applied although it was noted that the University was working hard on improving retention and a further report was due at the end of January which may improve the position although no assumptions have been adjusted to date. The forecast had also updated student numbers to reflect the intake but no assumptions have been made about new courses that were being developed such as a potential leadership course at postgraduate level and the likely numbers that might be enrolled on future pre-vet or veterinary courses. As in July 2017, a reduction in ISF funding had also been assumed;
- v) that along with all other universities and many employers staff costs continued to grow relating to costs of living increases, incremental cost and pension costs together with national insurance changes. A further national pay review was likely to be completed in advance of the Board meeting in July 2018;
- vi) that the University plans to offer accommodation in halls of residence to final year students. To date 20 students had expressed an interest. It was hoped that this could be increased and members considered a proposal to offer a 40 week let to final year students at a 10% discount to enable them to remain in their accommodation during the Easter vacation as many final year students wish to study and complete their projects during this period;
- vii) that ensuring that financial forecasting remained very robust remained a key concern for the Committee. Members emphasised their on-going wish to be actively engaged with the process on an on-going basis and to continue to be briefed regularly about the assumptions and range of scenarios that were being drawn upon to develop forecasts; **ALL**

Agreed: that the Vice-Chancellor and Director of Finance should take action to implement appropriate decisions to maximise the occupation of halls of residence, including the proposal discussed at the meeting and any other proposals that were appropriate in this regard **DG/LF**

17/21 **TRAC and TRACT (T)**

Received: the university's TRAC and (T) return to HEFCE for 2016/17 financial year.

Noted:

- i) that the TRAC group had met on a number of occasions to review the return. The return was now MSI-based which would be an important metric in any future opportunities to make a case for high cost subjects and seek ISF funding if it remains available in due course;
- ii) that the costs of the University farm had been charged to agriculture students in particular rather than shared across all students in the return as this was felt to be more appropriate. The return also showed the impact of ISF investment in teaching and as this supported non-publicly funded teaching as well as publicly funded teaching this had been appropriately shared across both in the return;
- iii) that that the TRAC Steering Group would be meeting the following day to finalise the return, however no changes were expected. If there were any changes the Director of Finance would seek comments and approval from the committee as necessary; **LF**

Approved: the TRAC and TRAC(T) returns for submission to HEFCE for 2016/17.

17/22 **Strategic Project Monitoring**

Received:

- i) an oral report on progress with agri-tech projects
- ii) a report from the Deputy Vice-Chancellor on progress with the joint Vet School including minor updates set out in the paper circulated at meeting reflecting minor changes to the proposed business plan that had been more recently with colleagues from Keele University;

Noted:

- i) that staff and students have moved into the Agri-Epi building and the SMART dairy was almost completed. The University had received confirmation on its application for an option to tax which would secure VAT recovery;
- ii) that in collaboration with Agri-Epi Ltd, the University continued to support visits by potential tenants. An application for a significant proposal had also been submitted, and may be an opportunity to work with Wageningen on a UK – EU digital hub for agri-tech. Engagement was also ongoing through the Marches LEP with support for small businesses in the agri-tech area. In addition to this, discussions were ongoing with JCB about their original plan to locate one of their teams in the building;

- v) that the key component for sustainability was to maintain a healthy capital cycle and cash balance and wherever possible increase the cash reserve to avoid external borrowings where appropriate. A key measure continued to be EBITDA which was a reasonable proxy for cash flow and a method to measure underlying financial performance. In particular, members noted that this could provide helpful targets such as the generation of cash to repay loans, a reasonable level of investment, and an increase in working capital;
- v) that it was recognised that publications produced by CUC and FSSG still refer to surplus as a key issue and that a surplus was still reported in the financial statements. However it was important to note that the make-up of the surplus was very different under FRS 102 whereas the operational EBITDA

would be presenting a post audit occupation report to the meeting of the committee in March 2018. In the meantime, an assessment of 20% efficiency to date appeared to be appropriate based on the Laboratory Managers' feedback and calculations;

- ii) that the EMM report is voluntary and is submitted to the British University Finance Directors group on an annual basis. However AER acknowledge EMM as being a legitimate return and advise that if it is completed there is no need to complete a separate procurement report as part of AER. In light of this the University had continued to prepare the EMM report as set out on the agenda; **LF**
- iii) that the University continue to focus on procurement at a tactical level. Progress had been made in categorising suppliers on the purchase ledger with a view to encouraging better spend and reduce the number of new suppliers. Following this no order no pay would be fully enforced. Better tender documentation had also been prepared using the services of a procurement consultant. In the longer term the University will be seeking to appoint a Procurement/Insurance Coordinator. In the meantime, it was important to emphasise that progress had been made an impact will spend in relation to IT capital were already heavily sourced through consortia wherever possible;
- iv) that the Committee wished to continue to engage pro-actively with the University's approach to procurement and the identification of ways to secure the very best value for money. Members noted the importance of securing appropriate efficiencies and effecting non-pay savings as far as practicable through better procurement and the opportunities that this may offer to support budgets given the very wide range of external factors and other cost pressures that were affecting all aspects of UK University funding;

Agreed: that the AER EMM returns should be approved and signed off by the Vice- Chancellor subject to minor adjustments to columns and rows on page 64 and 65 of the agenda; and that a formal report to the Board at its April 2018 meeting should be made to request that the Board endorses the approval action taken by the Finance and General Purposes Committee. **LF/CEB**

17/25 **Estates**

Received a report by the University Secretary/Head of Estates on progress with current estate developments;

- Noted:
- i) that feedback from students on the refurbishment of Boughey Hall was generally positive;
 - ii) that work to complete the changes in the pig unit was in hand and due to finish in mid-March;
 - iii) that the University had continued to engage positively with the Neighbourhood Plan. There have been some recommendations for changes to the draft plan put forward by the inspector at the final stages of the process. These were being discussed between the Parish Council and the Local Authority. It was noted that there may need to be some changes to the University's master planning documentation in due course and that once this was completed the full estate strategic plan would be published. **PM**

17/26 **Cedar E**