

HARPER ADAMS UNIVERSITY

Finance and General Purposes Committee

Minutes of the meeting of the Finance and General Purposes Committee held on 21 March 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

By invitation: Mr Tom Webster Chief Technical Officer, Grow Up for item 18/31 only

Part A

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

18/30 Minutes

Approved: minutes of the meeting of the Finance and General Purposes Committee held on 17 January 2019 (18/18-18/129).

18/31 Matters Arising

Noted: that all actions arising from the meeting held on 17 January 2019 have been addressed.

Mr Webster joined the meeting at this point

Received: i) an oral briefing from Mr Tom 1.92 reiG[)JTJETQq0.000008871 0 595.32 841.92 reW*

Agreed:

that, having carefully weighed up the positive benefits and the possible risks, members concluded that they were supportive and wished to **RECOMMEND** to the Board that the project proceed, subject to the above stipulations being checked with legal advisers and the Heads of Terms and the lease updated if required. **PN**

18/32 **Vice-Chancellor's Report**

Received: an oral

months to ensure student targets were met, or if possible exceeded. Student retention work was also positive and remained a key focus;

18/31 Annual Review of Financial Strategy and Financial Indicators

Noted: that this would be an item at the next meeting, when it was understood that the OfS grant letter would be available. **LF**

18/32 Financial Planning/Budget

Received: i) the Management Accounts for the University for the period to 31 January 2019;
ii) the updated five year plan;

Noted: i) that planned savings for the current year were progressing to target and a second MARS round was due to commence on 1 April 2019. While overall performance remained reasonable, Cedar Energy had not performed as well as expected due to breakdowns of key equipment and this and a reduction in farm income with some increased costs remained risks that were being carefully monitored. Local Government Pension Scheme (LGPS) costs had also increased. The budget surplus had been reduced from £738K to £693K to reflect these movements;

ii) that since the forecast in July 2018, the large and unknown increase in Teachers Pension Scheme (TPS) employer costs from September 2019 was a key factor. The review of the forecast had also brought Vet School grant forward as it would need support until it gets into a surplus position. Other adjustments included the 40 week let for students and changes to conference lettings and catering income at Easter as a result. Farm income had been reduced to £100K as a prudent measure, and Cedar Energy heat generation had also been factored in to reflect known

18/33 Report from Cedar Energy Limited

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

Noted: i) that the report proposed a scheme for investing in changes to the current

achieved by February 2020 and May 2020 and these were to be match funded from industry funds and/or other sources such as the Development Trust. If growth was not achieved, no scholarships would be paid;

- ii) that the maximum investment of £3M should be placed with Santander given its current rates and that used foreign currency (often received from EU grants) can be retained at a maximum of £500K with any of the approved institutions. It was also agreed that Lloyds and RBS continue to be deemed appropriate institutions on the basis of UK government ownership of RBS and the outlook for Lloyds.

Agreed: that the placement with Brewin Dolphin should be progressed together with the placement with Santander.

18/36 Strategic Project Monitoring

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

- Noted:
- i) that the role of Director of Operations for the JVS was to be offered to a preferred candidate and that arrangements for Head of School interviews were in hand for early April. The Chair of the Board would be a member of the interview panel;
 - ii) that the validation had now been completed for the programme and RCVS had not raised any issues about the curriculum. Feedback from external panel members had also been positive;
 - iii) that Nottingham Vet School had announced a second, in-year, intake of students and it was understood RVC may be considering similar action.
 - iv) that interest in the Harper Keele Joint Vet School at UCAS Fairs and in the forthcoming Animals Open day was encouraging;
 - v) that plans to secure loan funding for the JVS were progressing with a range of options considered to date as set out in the agenda paper;

Agreed: that the Director of Finance should continue to explore options to secure loan finance for the JVS capital development at Harper Adams at a fixed rate for 7 years. **LF**

18/37 Committees

- Received:
- i) the minutes of Farm Strategy Committee held on 6 February 2019

Part B

18/39 Risk Management

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

Agreed: that the management of these risks remained appropriate.

18/40 Estate Developments and annual report on progress with the Carbon Management Plan and Environmental Sustainability Strategy

Received: a report by the Head of Estates and Facilities

Agreed: that members were content with the report and had no issues to raise