

## FINANCE AND EMPLOYMENT COMMITTEE

## Confirmed minutes of meeting held on 20 February 2019

**Present:** Mr N MacDonald (Chair)  
 Mr D Bradley  
 Lord Kerlake  
 Ms M Munn  
 Dr S Timothy  
 Mr M Conway (University Secretary and Clerk to the Board)

**In Attendance:** Mr R Calvert, Chief Operating Officer  
 Mr S Coulby, Senior Recruitment Adviser (for agenda item 6.1)  
 Ms D Harry, Chief Finance and Planning Officer  
 Dr S Jackson, Director of Human Resources + Organisational Development  
 Prof C Kinsella, Chair of the Audit and Risk Committee (observer)  
 Mr M Swales, Director of Estates and Facilities (for agenda items 7.1-7.4)  
 Ms S Swales, Deputy Director of Human Resources (for agenda item 6.1)  
 Mr Simon Taylor, Director of Financial Services (for agenda item 7.1)  
 Mr P Sweeney, Governance Services (Minute Secretary)

**Apologies for absence:** Prof Sir C Husbands

Paper reference	Minute reference	
	FEC/19/01	<b>Declaration of Interests</b>
	1.1	There were no declarations of interest.
FEC 5/18/M FEC 5/18JM	FEC/19/02	<b>Minutes of Previous Meetings</b>
	2.1	The minutes of the meeting held on 13 November 2018 and minutes of the joint meeting of the Finance and Employment Committee and Audit Committee on 13 November 2018 were <u>confirmed</u> as a correct record.
FEC 5/18 Action	FEC/19/03	<b>Matters Arising/Action Tracker</b>
	3.1	The Committee <u>noted</u> the Action Tracker. The items on governance arrangements for subsidiary companies, revised governance arrangements for capital expenditure and the financial benefits of PSOM would be brought to the next meeting on 22 May 2019.
		<b>Action: Clerk to the Board</b>
	FEC/19/04	<b>Other Urgent Business</b>
	4.1	The Chair reported that an item on Financial Performance Report - Period 6 had added to agenda for this meeting.

## FEC/19/05 **Academic Staffing and Progression**

5.1 The Academic Careers Framework (ACF) had been introduced in 2018 to set out clear and consistent expectations about what academic staff should be achieving at each grade and to define outstanding contribution when considering the case for promotion. The ACF was currently being evaluated and feedback was being sought from academic staff in terms of how it worked for them. It would be republished once the evaluation process had been completed. The intention was that the ACF would then become the underpinning framework for all academic staff and progression, including:

- I. The Performance and Development Review (PDR) process.
- II. A new merit-based academic promotion scheme.
- III. A contractual probationary period for academic staff.

The report to the Committee set out a proposal for taking this work forward.

5.2 In discussion members highlighted the risk of the promotion scheme introducing an unconstrained financial element into department budgets and asked how costs would be controlled. The Director of Human Resources and Organisational Development reported that this had been considered by the University Leadership Team when the ACF was first introduced. There was no indication at that point that it would lead to more people being promoted overall. The key to controlling costs would be to ensure that promotion criteria were set at the right level.

5.3 In response to other comments and questions raised in discussion, the Director of Human Resources and Organisational Development made the following points:

- I. The proposals should not impact on the ability to recruit academic staff. The proposed approach was becoming increasingly common in the sector.
- II. The title 'Associate Professor' was being proposed to introduce parity across different strands of activity at Grade 9 (for example reader and principal lecturer). Use of this title was also becoming increasingly common across the sector.
- III. The promotion scheme would take account of equality, diversity and inclusion matters. The University would continue to look at how staff were supported and developed and through close monitoring of applications. Schemes such as the one that mentored women through to reader and professor applications had proved to be successful and would continue.
- IV. It was too soon to assess how the new PDR process was being received by staff. There were indications however that PDR and ACF were being used together and that staff were seeing them as helpful documents. The intention was to look more closely at how it was working, and the experience of staff, in around six months time.
- V. This was a significant shift in approach which required a lot of work. The Director was satisfied however that the directorate had the capacity to implement it.

- 5.4 It was agreed that the Committee would receive a further report in November 2019. This would include details of the cost implications.

**Action: Director of Human Resources and Organisational Development**

FEC/19/06 **Equality, Diversity and Inclusion**

- 6.1 The Equality Objectives 2017-20 committed the University to challenging itself to make equality, diversity and inclusion a priority in all its work. The overall objectives are to bring about a step change in race diversity and equality, to continue to eradicate gender disparities and to ensure an inclusive, accessible and open working and learning environment for all staff and students. The Director of Human Resources and Organisational Development, who was also the institutional lead for Equality, Diversity and Inclusion activity, provided a verbal update on progress with the institutional challenges that needed to be addressed to achieve the overall objectives.

- 6.2 In discussion, members asked how the University would ensure a more diverse workforce. The Director of Human Resources and Organisational Development reported that the directorate had established a University-wide task and finish group to focus on understanding the issues and developing interventions that would address the under-representation of Black, Asian and Minority Ethnic (BAME) people within the workforce profile. Overall, the proportion of BAME staff within the workforce had increased from 6% to 7.4% (2015/6 to 2017/18).

- 6.3 The Committee noted the report and requested that the written version should be presented to the Board at its meeting on 5 March 2019.

**Action: Director of Human Resources and Organisational Development**

- 6.4 A further report on Equality, Diversity and Inclusion would be presented to the Committee at its meeting in July 2019.

**Action: Director of Human Resources and Organisational Development**

FEC/19/07 **Professional Services Operating Model**

- 7.1 The Professional Services Operating Model (PSOM) had reached an important milestone with the launch of Student and Academic Services and Faculty Services on 2 January 2019. The new Internal Communications service also launched in January 2019 and affected staff had moved into the new Strategic Insight and Data Service which would officially launch in March 2019. The Chief Operating Officer (COO) tabled an overview of the work that would take place from now until the completion of the PSOM programme in July 2019, including key milestones for individual areas of work. This work would not stop at implementation and the PSOM model would be used to continue to deliver service improvement.

7.2 In response to comments and questions, the COO reported that:

- I. The programme was on track to be completed by summer 2019.
- II. It was also on track with delivering cost benefits which would be fully realised by 2020/21.
- III. The overall reduction in staff numbers would be confirmed before summer 2019 at the point when the organisational structure was completed. It was on course to exceed the figure stated in the business case.

The COO added that inherent pay inflation within the current pay system would erode some of the financial benefits delivered by PSOM. This was something that was being considered outside of the PSOM programme. A report on pension and pay issues would be brought to a future meeting for discussion.

**Action: Chief Finance and Planning Officer**

FEC/19/08 **Campus Masterplan Phase 1**

8.1 The Committee received an oral report from the Board's Campus Masterplan Task and Finish Group. The most recent meeting on 15 February 2019 had focussed on the outstanding points in the facility agreements, which were subject to further negotiation with Santander and Barclays to reach a resolution which was acceptable to the University. The Director of Financial Services summarised the potential costs and risks to the University arising from some of the clauses within the facility agreements. These related to potential events and their impact on borrowing and the University. It was agreed that the Director of Financial Services would continue to negotiate the University's position in line with advice provided by the Committee.

**Action: Director of Financial Services**

FEC  
1/19/7.2  
Confidential

FEC/19/09 **Estates Developments**

9.1 The Committee received the summary of estates major projects showing overall risk status (Appendix 1) and the revised estate capital plan schedule (Appendix 2). The reporting format had been revised following discussion at the previous meeting in November 2018 and subsequent discussion with the Chair of the Committee.

9.2 It had been decided that none of the proposals submitted by bidders for the Sheaf Street Tower development would be progressed. The University retained the option to invite further proposals during Phase 3 of the Campus Masterplan project when more funding may be available. Agreement had been reached with the Homes and Community Agency for how the land could be used. In response to a question about potential developments without a conference facility, the Director of Estates and Facilities explained that the residential market in Sheffield was not strong enough to pursue such an option at the present time.

FEC  
1/19/7.3  
Confidential

FEC/19/10 **Atrium Roof and Refurbishment - Stage 2 Approval**

- 10.1 The Committee agreed progression of the project to the next stage of development (RIBA Stage 4). Overall costs would be presented to the next meeting on 22 May 2019. Members asked also for further details of the impact on the University during the building process.

**Action: Director of Estates and Facilities**

FEC/19/11 **Health Innovation Park**

- 11.1 Professor Rob Copeland would commence the role of Director of the Advanced Wellbeing Research Centre (AWRC) in April 2019 following his recruitment from an international panel of applicants. At its meeting on 5 March 2019, the Board would receive a report on the AWRC which would include an update on progress, an overview of the risks associated and a discussion of business planning. The AWRC business plan would be presented to the FEC at a future meeting.

**Action: PVC Health and Wellbeing**

- 11.2 The University would not be purchasing land around the AWRC within the Olympic Legacy Park. A report on the University's relationship with Legacy Park Limited would be presented for discussion at a future meeting.

**Action: Chief Finance and Planning Officer**

FEC  
1/19  
Tabled

FEC/19/12 **Financial Performance Report - Period 6.**

- 12.1 The Committee received the tabled report. The income forecast had not changed significantly but there had been significant movements on expenditure forecasts. These movements had been due to a reduction in re-financing costs, movement within pension scheme costs and the shift into next year of the Science Park disposal. Overall the Operating Surplus was forecast to be £3.8m favourable to budget and, after taking into account non-operating items, the Reported Deficit for the year was forecast to be £15.2m, which was £4.9m favourable to budget.
- 12.2 In response to comments and questions, the Chief Finance and Planning Officer explained that the reduction in financial contribution from Sheffield Business School was a reflection of a very competitive UG student market which was affecting recruitment in some courses.

FEC  
1/19/8.1  
Confidential

FEC/19/13 **Students' Union Financial Monitoring (Period 5)**

- 13.1 The Committee received the report on the financial performance of the Students' Union as at period 5 (end of December 2018).

FEC  
1/19/8.2

FEC/19/14 **Orders/Contracts above Threshold Level**

- 14.1 The Committee noted that contracts had been awarded for
- I. the supply of occupational health services for students on health, social care and teaching courses
  - II. the supply of a human resources and payroll services IT system
- Details of the successful tenders and the duration and values of the contracts were stated in paper FEC/1/19/8.2

FEC  
1/19/8.3

FEC/19/15 **Investments Summary - 6 Months to 31 January 2019**

- 15.1 The Committee noted the report.

FEC  
1/19/9

FEC/19/16 **Forward Programme of Business**

- 16.1 The Committee noted the forward programme.

**Next Meeting**

22 May 2019