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| **CONFIRMED MINUTES OF THE MEETING HELD ON 14 NOVEMBER 2022** | | |
| PRESENT: | | |
| Meg Munn (Chair) | Professor Sir Chris Husbands | |
| Gabrielle Berring | Lord Kerslake (from item 5) | |
| John Cowling | Giles Searby | |
| IN ATTENDANCE: | | AGENDA ITEM |
| Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations (DVCSO) | | Items 1 - 9 |
| Dr Sally Jackson, Chief People Officer, Pro Vice-Chancellor (Diversity & Inclusion) | | All |
| Clair Marlow, Head of Legal Services and Deputy University Secretary | | All |
| Simon Taylor, Interim Chief Finance Officer (CFO) | | All |
| Tracey Taylor, Committee Secretary | | All |
| Libby Wilson, Group Director, Infrastructure and Change | | Items 7 and 8 |
| APOLOGIES: Katy Gaunt | | |

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| Minute Ref | Item of Business | Paper Ref |
| FEC/2022-09-20/1 | DECLARATIONS OF INTEREST |  |
| 1.1 | There were no declarations of interest. | |
| FEC/2022-09-20/2 | CHAIR’S BUSINESS |  |
| 2.1 | Members were reminded that John Cowling would be taking on the role of Committee Chair with effect from January 2023.  *Post meeting note: the appointment of Giles Searby as Deputy Chair of the Finance and Employment Committee (FEC) was approved by Chair’s action.* | |
| FEC/2022-09-20/3 | MINUTES OF THE PREVIOUS MEETING | FEC/2022-09-20/P3 |
| 3.1 | The Committee approved the minutes (including the confidential minutes) of the meeting held on 20 September 2022 as an accurate record. | |
| FEC/2022-09-20/4 | MATTERS ARISING AND ACTION TRACKER | FEC/2022-09-20/P4 |
| 4.1 | The following matters arising were noted:   * a timescale of June 2023 had been agreed for the deferred briefing on reward and recognition; * that Giles Searby was meeting with Finance colleagues later this month for a briefing on the University’s debt collection process;   Following earlier discussions on the appetite for a further briefing on pension developments, members agreed on the benefits of extending this to all Governors (to be scheduled in the first part of 2023). | |
|  | **Action:** Minute Secretary to liaise with the Head of Pensions Development and Payroll on a future pensions briefing. | |
| FEC/2022-09-20/5 | FINANCIAL MATTERS |  |
|  | **Office for Students (OfS) Draft 5-Year Financial Forecast** | FEC/2022-09-20/P5.1 |
| 5.1 | The CFO presented the draft 5-Year Financial Forecast, highlighting the key changes since the July meeting which included a more cautious provision for Home undergraduate (UG) and Home postgraduate (PG) income (partly compensated by a further increase in International PG numbers) and the inflationary impact on both pay and non-pay costs.  It was reported that the most significant change to the balance sheet since the July 2022 Forecast related to pension provision; the balance sheet liability was significantly reduced in all future years, largely due to a more favourable Local Government Pension Scheme (LGPS) actuarial valuation.  Members noted that the Forecast was fully compliant with banking convenants and in line with OfS requirements.  The changes resulted in limited headroom which presented challenges, particularly in 2023/24 and 2024/25. The Committee was assured that the University was working on a range of mitigating actions (not yet reflected in the Forecast) to ensure that moving towards 2023/24, the University was facing an improved position.  It was reported that, whilst the Online Project and Brent Cross campus were provided for in the Forecast, the overall contribution was relatively small and, due to the expected commencement of operations, were only included in the later years of the 5-year period. | |
| 5.2 | A confidential minute was recorded. | |
| 5.3 | Regarding a query on non-pay savings, the CFO confirmed that the University was looking at maximising estate utilisation to reduce energy consumption in response to the significantly increasing energy costs.  It was noted that only minimal changes had been made to capital expenditure since July. The Campus Plan would be revisited as part of the 2023/4 planning process and the outcomes would be fed into the long-term financial model to ensure that sufficient cash was available in future years. | |
| 5.4 | The Committee **resolved** to recommend the draft Financial Forecast to the Board of Governors (the Board) for approval and onward submission to the OfS, noting that if any significant changes were made prior to the November Board meeting, these would be flagged accordingly. | |
|  | **Students’ Union (SU) Financial Statements** | FEC/2022-09-20/P5.2 |
| 5.5 | The audited SU Financial Statements for the year ending 31 July 2022 (as approved by SU’s Board of Trustees at its meeting on 7 November 2022) were noted. A confidential minute was recorded. | |
| FEC/2022-09-20/6 | UPDATE ON BRENT CROSS TOWN |  |
| 6.1 | Following the public announcement, members were briefed by the DVCSO on the current position, including a good range of coverage and positive feedback from the local area, Brent Cross and the University all-staff sessions. The Committee congratulated the Executive on their management of the project to date and on the successful handling of the public announcement which had been almost universally well received.  It was noted that a draft work programme for the design and delivery phase (Phase 2) had been developed with input from external consultants to inform the key milestones for portfolio and academic delivery development. The Board Task and Finish Group (T&FG) would continue to oversee the project throughout Phase 2. FEC members were asked to reflect on the role/focus of FEC as the project transitioned to Business as Usual. A confidential minute was recorded. | |
|  | **Action:** The DVCSO would liaise with the incoming FEC Chair on the role/focus of FEC going forward. | |
| FEC/2022-09-20/7 | ESTATES MATTERS | FEC/2022-09-20/P7 |
|  | **Hallam Alliance Update** | FEC/2022-09-20/P7.1 |
| 7.1 | The Committee received an update from the Group Director, Infrastructure and Change on progress made by the Hallam Alliance in support of the Campus Plan delivery.  The following key points were noted:  Phase 1 (Howard Street – Blocks A-D): ongoing work with completion envisaged at this stage to be within agreed tolerance levels;  Phase 2 (Block E development): moved into RIBA Stage 1, noting the key requirement to understand the demand arising from the health and wellbeing agenda and how we responded to this in terms of balancing on-campus provision and user of wider city facilities. | |
| 7.2 | A confidential minute was recorded. | |
| 7.3 | Alongside the significant Alliance work on Phases 1 and 2, a third strand was well underway to ensure that, as the University moved to a smaller, higher-quality campus, it was understood how best to maximise the use of the high-quality space and to manage the relationship between space and practice.    It was reported that the Alliance had added value to the delivery of the Campus Plan in the face of supply chain and inflationary cost pressures and members were assured the Alliance was effectively delivering on projects.  In response to a question on transparency on the management of subcontractors, the Group Director, Infrastructure and Change gave assurance that the Alliance had greater visibility in this area compared with a non-Alliance model.  Members queried the monitoring of health and safety relating to Alliance projects and the extent of University oversight. It was noted that the University’s expectations in this important area were clarified with new partners as part of the extensive mobilisation programme into the model. Further information would be provided to the Committee post meeting. | |
|  | **Action:** Group Director, Infrastructure and Change to report back on the exact arrangements around responsibility for health and safety on Alliance projects. | |
|  | **Estates Development Report** | FEC/2022-09-20/P7.2 |
| 7.4 | The FEC noted the key estate developments since the September meeting, including the link to the Climate Action work. The extent to which project budget/cashflow relied on timing of disposals within the Campus Plan was raised; it was noted that whilst there were some interdependencies, and acknowledging the importance of gaining maximum receipts from disposals, an element of flexibility had been built into the Plan.  Members agreed that it was important for the University, in the face of inflationary cost increases, to resist cost engineering strategies which may ultimately cause longer-term problems for the Estate and stressed that any significant budget issues should be brought to FEC for discussion. Members also encouraged radical thinking around the design of post Covid office space with effective provision for both in-person and virtual meetings/activities. The Group Director, Infrastructure and Change noted the challenges involved with the mix of retained and new estate but that lessons learned over the past few months would inform this work. It was noted that working patterns/behaviours were still transitioning post Covid but that this provided some opportunity to trial alternative arrangements. | |
| FEC/2022-09-20/8 | DIGITAL TRANSFORMATION REPORT | FEC/2022-09-20/8 |
| 8.1 | Members considered the update on activities associated with the major application groups, the key priorities for the Technology Strategy and the status of the associated projects including significant risks and the current (on track) budget position. It was noted that some projects were being closed pending the integration project at which point they would be reintroduced to the programme. Key focus areas included:   * further development of the CRM to create a stronger reporting function;. * work to align SITS with Future Strategy Programme (FSP) growth plans, such as recruitment processes to support an increase in international student numbers; and * work to simplify classroom learning software availability, initially through conversations with Academic Heads of Departments.   In response to a query at the September meeting, the report highlighted that the lessons learned log for each project/programme fed into a central ‘portfolio lessons learned’ repository which was available for review by Project Managers ahead of key milestones. Lessons learned were also reviewed by theme at each Programme and Project Management Community of Practice with a view to enhancing practice.  In response to the current challenges with recruitment and retention, the Group Director, Infrastructure and Change reported that a set of proposals for investment in senior technical roles had been designed and that consultation with staff would be taking place over the next 2 weeks.  The creation of a Cyber Essentials compliant network and policy environment was noted, which would be used in areas such as Research Centres areas such as Research Centres that require certification for contractual compliance, pending institutional accreditation. | |
| 8.2 | FEC noted a detailed presentation on the main University systems that supported student learning as a forerunner to the planned briefing on the student digital experience scheduled for the March 2023 meeting.  Members welcomed the inclusion of the staff and student experience in the report, together with an opportunity to physically interact with staff and student users of the systems outside of the regular meeting cycle. It was suggested that the inclusion of user feedback data (including applicants) in future reports would be helpful to assure FEC that the University was keeping up with technological developments.  Members were invited to consider the format of the report, particularly the project detail, and it was agreed that an overview to assure the Committee that effective monitoring of budgets and progress with projects was sufficient for future reports. | |
|  | **Action:** Committee Secretary/Group Director, Infrastructure and Change to arrange a bespoke session for FEC members as detailed above. | |
| FEC/2022-09-20/9 | PEOPLE PLAN REPORT |  |
| 9.1 | **Update on pay award negotiations and industrial action**: The Chief People Officer, Pro Vice-Chancellor (Diversity & Inclusion) (CPO/PVCDI) reminded members that the 3% pay award (9% for lower grades) had been implemented on UCEA’s recommendation and that a one-off all-staff payment had also been awarded, to be paid in this month’s salary.  It was reported that UCU had secured a national mandate for strike action and action short of a strike (ASOS). Strike action had been confirmed for 24, 25 and 30 November and a period of continuous ASOS, to include a boycott on marking and assessment, would start on 23 November through to April. Unison had announced an intention to re-ballot its members though GMB and Unite had not announced any plans as yet.  In terms of the University’s response, a weekly action group led by the Director of HROD had been convened and discussions with UCU were taking place locally in an effort to maintain a good relationship.  UCEA had announced a proposal to commence pay negotiations over an 18-month period and, given the potential issues with financial sustainability in the sector, would be consulting with employers on flexibility within the national framework. The Committee recognised the difficulties on all sides, due to the pressures on staff from the cost-of-living crisis alongside the increasing financial pressures on universities. | |
|  | **Recruitment and Retention** | FEC/2022-09-20/P10 |
| 9.2 | The CPO/PVCDI presented an overview of the challenges in relation to recruitment and retention faced by the University, the HE sector and the global labour market generally, including difficulties in filling specialist roles, uncertainties created by the impact of Covid-19, higher than usual levels of turnover and changes in aspirations relating to work life balance and more flexible ways of working.  Steps the University was taking to address the situation included:   * + a review of the pay framework, though recognising that the University could not compete on pay alone;   + the appointment of an external HE specialist, SUMs, to review the University’s end-to-end recruitment process. SUMs would produce a report of recommendations, priorities and best practice by the end of November, following meetings and a workshop with key stakeholders;   + work to develop Employee Value Propositions (EVP’s) with key stakeholders to ensure that the website showcased the benefits of working for the University, a review of the ‘further details’ packs and the planned use of video adverts, talking heads and social media to promote and advertise roles; * the promotion of flexible and hybrid working as part of the employment offer, together with guidance for managers and staff on flexible working models. * redirection of HROD staff to provide support where needed and additional resource to manage the complexities in the administration of recruiting international staff; and * work with the PVC for Research and Innovation to ensure that the University was able to reward and attract high performing Professors through the SSG pay framework.   The delay in taking up references was debated in detail, noting the proposed change in process to appoint staff subject to the receipt of satisfactory references before the end of their probation period. Members discussed how this might impact on the person coming into post and the content of current reference requests. It was suggested that it may be worth investing in resource to undertake phone references to speed up the process.  FEC agreed that the current level of vacancies felt unsustainable to which the CPO/PVCDI responded that new resource had been allocated to work on Associate Lecturer and research recruitment exclusively. It was noted that the University aimed to hold employees to their notice period wherever possible.  It was agreed that a discussion on where the University should position itself against its competitors would be revisited at a future meeting. | |
|  | **Action:** CPO/PVCDI to produce a detailed paper for the March meeting on work to attract research staff. | |
| 9.3 | **Leadership and Management Essentials:** members were briefed on theflexible and modular programme targeted at Grade 7 and above, which set standards around line management at the University. Almost 400 managers had participated in the combination of in person and virtual workshops. | |
| 9.4 | **Senior Leadership Development Programme:** the CPO/PVCDI updated FEC on the designed programme which was designed for SSG(80 staff). By summer 2023 the programme encouraging inclusive leadership and the constructive challenge of unacceptable behaviours would see 6 cohorts since its inception in April 2022 (the intention was to run a single cohort annually from 2023/24). The University would also be offering a supervisory programme aimed at lower grades which should help to improve the pay gap.  In response to a member’s query on feedback from the first cohort, the CPO/PVCDI reported that feedback was being collated to inform future cohorts. HROD colleagues were also having conversations with Line Managers re development opportunities with the aim of improving retention.  Members expressed their support for the above leadership programmes as a more cost-effective approach to external programmes, noting that they should bring significant benefit to the University. | |
| 9.5 | **Protect and Respect:** members were reminded of the University’s Protect and Respect programme which was aprecursor to the Report and Support tool. The programme comprised 3 modules – a general introduction, active bystander and responding to reports. The lower take up by academics was noted, together with ongoing work to address this. | |
| FEC/2022-09-20/10 | PAY GAP REPORT | FEC/2022-09-20/P10 |
| 10.1 | The CPO/PVCDI presented the highlights of the University’s sixth annual Pay Gap Report, noting.:   * there had been virtually no movement in the gender pay gap since the previous year; * a significant reduction in the bonus pay gap primarily due to the one-off payment made to all staff; * an increase in the ethnicity pay gap, largely due to a significant increase in the number of staff from ethnic minority backgrounds in the lowest two pay quartiles, though a steady increase in the upper quartiles demonstrated progress being made; * an increase in the disability pay gap (which remained narrower than 2020) and ongoing work with the Disability Steering Group to improve this; * a reduction in the sexual orientation gap, noting that this was the least reliable dataset due to a higher rate of non-disclosure.   The Chair highlighted the University’s desire to increase research capacity and members noted the following range of programmes available:   * ASPIRE – a coaching programme led by the CPO/PVCDI and high-performing Professors; * Leading into the Future – aimed at grades 7, 8 and 9 across all protected characteristics; and * Aurora leadership development programme which aimed to take positive action to address the under-representation of females in leadership positions in the sector.   It was also noted that Professorial appointments were reviewed as part of Academic Framework. | |
| 10.2 | In response to a query at the September meeting, the Committee received data on retirements for 2021/22 and 2022/23, noting that this would feed into the briefing on Pensions discussed earlier. The data would be made available in a paper to members post meeting. | |
|  | **Action:** CPO/PVCDI to arrange a paper on retirement data to be circulated. | |
| 10.3 | FEC resolved to **recommend** the Report to the Board of Governors for approval, together with the proposal to share the report with Trade Unions at an earlier stage and to publish within the calendar year. | |
| FEC/2022-09-20/11 | HEALTH AND SAFETY ANNUAL REPORT | FEC/2022-09-20/P11 |
| 11.1 | The Committee considered the Annual Health and Safety Management Review Report for 2021/22 and Health and Safety Objectives for 2022/23. It was reported that the new Head of Health and Safety had joined the University that day following the former postholder’s retirement. | |
| 11.2 | In response to a member’s query on the low response rate to the self-assessment survey on health and safety management, it was reported that this would be followed up with those teams who had yet to respond and via the internal audit programme for higher risk areas. FEC debated the merit in including a health and safety metric as an all-staff KPI; the Chief People Officer suggested this would not be appropriate as part of the PDR process. The introduction of a regular performance report by area feeding into the Health and Safety Committee/Executive Leadership Team was discussed as an alternative. It was agreed that the Head of Legal Services/Deputy University Secretary would pick this up with the Head of Health and Safety. | |
| 11.3 | The Chair suggested that an introductory report from the Head of Health and Safety around 6 months into the post would be beneficial to the Committee. | |
|  | **Action:** Head of Legal Services/Deputy University Secretary to discuss the above with the new Head of Health and Safety. | |
| FEC/2022-09-20/12 | ANNUAL DONATIONS REPORT AND REGISTER | FEC/2022-09-20/P12 |
| 12.1 | Members noted the annual update from the Development and Alumni Relations Office to provide assurance to FEC on compliance with the University’s Donations Framework approved by the Committee in November 2021. | |
| FEC/2022-09-20/13 | STUDENTS’ UNION (SU) FINANCIAL MONITORING | FEC/2022-09-20/P13 |
| 13.1 | The Committee received an update on the financial performance of SU as at period 2 (end September 2022), noting the surplus position. | |
| FEC/2022-09-20/14 | **INVESTMENTS SUMMARY** | FEC/2022-09-20/P14 |
| 14.1 | FEC received the cash investment summary as at 31 October 2022. | |
| FEC/2022-09-20/15 | ORDERS AND CONTRACTS ABOVE THRESHOLD LEVEL | FEC/2022-09-20/P15 |
| 15.1 | The Committee noted approval under Chair’s action to award the contracts for the Campus Works Partner and Project and Programme Support Partner. | |
| FEC/2022-09-20/16 | ANNUAL CYCLE OF BUSINESS 2022/23 | FEC/2022-09-20/P16 |
| 16.1 | FEC received the forward cycle of Committee business for the 2022/3 academic year. | |
| FEC/2022-09-20/17 | ANY URGENT BUSINESS |  |
| 17.1 | The Vice-Chancellor expressed his gratitude to the Chair for their excellent contribution to the work of the Committee, particularly their efforts in elevating the People strand of the FEC’s remit, and to the University generally. | |
| FEC/2122-09-20/18 | DATE OF THE NEXT MEETINGS |  |
| 18.1 | Wednesday, 1 March 2023, 15.00-18.00 | |