

CONFIRMED MINUTES OF THE MEETING HELD ON 28 FEBRUARY 2022

PRESENT (via Zoom):

Chris Kenny (Chair)	Professor Chris Husbands, Vice-Chancellor
Gabrielle Berring	Lord Kerslake
John Cowling	Giles Searby
Katy Gaunt	

IN ATTENDANCE:	AGENDA ITEM
Michaela Boryslawskyj, University Secretary and Clerk to the Board	All
Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations	All
Deborah Harry, Chief Finance and Planning Officer	All
Dr Sally Jackson, Chief People Officer	All
Dan Ladbury, Group Director of Estates and Facilities	Items 9 and 10
Simon Taylor, Director of Finance	All
Tracey Taylor, Committee Secretary	All
Libby Wilson, Director of Transformation	Item 11

APOLOGIES: Meg Munn

Opening Remarks	Minute Ref FEC/2/22/1
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1.1 The Chair welcomed members to the meeting, noting that Simon Taylor would be a regular attendee in his capacity Interim Chief Finance Officer from 4 March 2022.

1.2 The Vice-Chancellor briefed the Committee on the government’s response to the Augar Review which included a mixture of policy decisions and a series of consultations. The decision to freeze fees for a further 2 years, though expected, would impact on the sector representing long term attrition in the unit of resource. By 2025 the fee would be effectively the same as in 2012 which would mean a fall of nearly 25% in real terms.

It was noted that, from 2023, the interest rate charged on new student loans would be capped to align with RPI, however, new borrowers would see a reduced repayment threshold to £25k and an extended repayment period from 30 to 40 years. The combined effect would be to reduce the amount of unpaid student loan, but the revised repayment terms would disproportionately impact some already disadvantaged groups of students. Highly paid white males would gain from the changes whereas women and less well-paid graduates would lose out.

The Finance and Employment Committee (FEC) noted that the government had also issued various consultations on minimum entry requirements to access student loans, reducing the fee cap on foundation years and the introduction of student number controls for ‘low value’ courses. The University would be responding to all consultations, the deadline for which was 6 May 2022. It was highlighted that some important elements of the Augar Review, such as the recommendation to reinstate maintenance support for students, were noticeably absent from the response.

The committee were advised that the response outcomes had broadly been anticipated and had informed the University’s Transforming Lives Strategy and Future Strategy Programme (FSP). Immediate next steps included a discussion at tomorrow’s Board Officers’ meeting and discussions at the next University Leadership Team (ULT) meeting, culminating in a detailed analysis for presentation to the Board meeting at the end of March.

In response to a query on the impact of minimum entry requirements on those accessing HE later in life, the Vice-Chancellor confirmed that the change would not apply to mature students (of an age yet to be defined). It was noted that, sector-wide, this would impact on a relatively small number of applicants who entered HE with lower than two E grades at A-level.

Agenda item Paper Ref	2 Declarations of Interest	Minute Ref	FEC/2/22/2
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2.1 There were no declarations of interests.

Agenda item Paper Ref	3 Minutes of the Meeting held on 26 January 2022	Minute Ref	FEC/2/22/3
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3.1 The Committee approved the minutes (including the confidential minutes) of the FEC meeting and the joint Audit and Risk Committee/FEC meeting on 26 January 2022 as an accurate record.

Agenda item Paper Ref	4 Matters Arising and Action Tracker	Minute Ref	FEC/2/22/4
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4.1 There were no matters arising not covered elsewhere on the agenda.

Agenda item Paper Ref	5 People Plan	Minute Ref	FEC/2/22/5
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5.1 The Chief People Officer (CPO) briefed members on the following matters.

UCU industrial action in relation to the Universities Superannuation Scheme (USS) and the Four Fights campaign on pay, casualisation, equality, and workload (the University being most impacted by the fair pay element). Action had commenced in December 2021 with a three-day strike and strike action/action short of a strike would continue at intervals until 5 May 2022. It was reported that mitigations implemented by the University, including the redeployment of staff and use of associate lecturers, where appropriate, had minimised the impact on the student experience and that there was no evidence of an increase in student complaints. It was highlighted that any deductions from salaries due to strike action would be donated to the student hardship fund.

In response to a question on the cold weather payment made to all staff in January 2022, the CPO confirmed that this was a goodwill gesture for this year only in recognition of the additional costs staff had incurred working from home.

5.2 **The Gender Equality Plan (GEP)** which was a requirement for the University to participate in Horizon Europe (the EU's key funding programme for research and innovation). The Plan was linked to the University's success in Athena Swan and the HR Excellence in Research award and had been shared with the EDI Committee prior to its approval by ULT. It was noted that the plan would be published externally later that week.

5.3 **The new Senior Leadership Development Programme** which would be mandatory for the circa 85 senior staff at the University and had been designed with reference to the University's Values and EDI objectives, the Hallam Deal and the FSP. Through its three key objectives, the programme aimed to support transformational cultural change and comprised workshops, action learning sets, coaching, external briefings and an individual project which would be presented to a panel including Governors in the style of 'Dragons Den'.

The Committee agreed that this was a positive initiative and asked if this would build on the earlier external review. The CPO assured members that this would be the case through the consultant's continued involvement.

5.4 The CPO summarised the comprehensive update on Pensions (agenda item 15) including the following elements:

- progress with the Teachers' Pension Scheme (TPS) investigation;

- the triennial actuarial funding valuation of the Local Government Pension Scheme (LGPS) due at the end of March 2022 to determine the cash contributions payable by employers;
- an update on the consultations relating to the LGPS, USS and TPS;
- the impact of the McCloud judgement on the LGPS and TPS; and
- general pensions activity within the HE sector including the development of a longer-term pensions strategy.

5.5 A confidential minute was recorded.

Agenda item 6 Paper Ref FEC/2/22/6 Confidential	Annual Equality, Diversity and Inclusion (EDI) Report 2021	Minute Ref FEC/2/22/6
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6.1 Members received a briefing from the CPO on the EDI Report for 2020/21 (the final report relating to the 2017-2020 EDI Objectives), particularly:

- the EDI governance and reporting structure;
- the role of EDI champions and the range of EDI Networks in place;
- the focus on creating an inclusive environment for staff and students supported by Inclusive Hallam Champions and Events, inclusive recruitment and the Protect and Respect and Report and Support initiatives,
- the achievement of University of Sanctuary status in June 2021; the University was commended for its excellent provision for students of sanctuary backgrounds;
- the challenge of increasing diversity amongst University staff and the introduction of Leading into the Future (LiTF), an in-house leadership development programme for aspiring leaders from minoritised communities;
- the individual workstreams focussed on the different protected characteristics;
- feedback from the University's Race Equality Charter application;
- initiatives to reduce the degree awarding gap;
- work to eradicate gender disparities supported by the Gender Equality Steering Group and the Departmental Athena Swan Champions Network; and
- progress in the Research Excellence Framework (REF) - female staff comprised 47% of the University's REF 2021 submission compared with 41% in 2014.

6.2 Analysis from the 2021 Professor and Associate Professor progression processes showed that women and BAME colleagues were under-represented. Members noted that the success criteria had been expanded to include teaching and learning and professional practice, as well as research which had improved the position for female applicants. The CPO outlined a proposal to collect additional information on applicants' personal/family circumstance to inform further analysis on under-representation. It was acknowledged that, whilst disclosure was not an issue for some individuals, further work was required to reassure applicants that any such disclosure was secure.

6.3 Members concurred that this was an impressive programme of work and noted that the University had a joined-up approach with Sheffield City Council networks and continued to liaise with the University of Sheffield in this regard.

Having considered the data on hate crime at the University, the Committee was reassured that it was not an outlier in the sector.

In response to a member's query on whether allyship type programmes to promote the equality objectives were used, the CPO reported that this type of activity had been used in the past and would perhaps be better badged as sponsorship/stewardship.

Agenda item Paper Ref	7 Strategic Potential Opportunity	Minute Ref	FEC/2/22/7
7.1 The Deputy Vice-Chancellor (Strategy and Operations) (DVCSO) updated the Committee on the status of the Strategic Opportunity (the Opportunity).			
7.2 A confidential minute was recorded.			
Agenda item Paper Ref	8 Financial Monitoring Report	Minute Ref	FEC/2/22/8
Confidential			
8.1 Members noted the Financial Report for Period 6 (to end January 2022), particularly the favourable Period 6 forecast against budget. It was reported that income was higher than forecast, largely due to a significant increase in international recruitment though this had impacted on increased expenditure due to associated costs. In response to a query on the current underspend on staff training and development, the CPO confirmed that all staff should have a Development Plan in place, but it was difficult for HROD to quantify this without a learning management system.			
Members agreed to take the following two items out of order.			
Agenda item Paper Ref	12 Students' Union (SU) KPIs and Grant Approval	Minute Ref	FEC/2/22/9
Confidential			
9.1 The Chief Finance and Planning Officer (CFPO) briefed the Committee on the process developed with the SU to provide assurance on how they were delivering Value for Money (VFM) from the University Grant. It was noted that a small number of KPIs had been identified around student satisfaction and levels of student engagement with the SU and its performance against these targets would be reviewed at least bi-annually by the CFPO and the Dean of Academic Strategy which would inform the grant setting process. The Committee acknowledged the work undertaken by the CFPO and other University colleagues in further developing the relationship between the two organisations.			
9.2 Members considered the basis of the grant for 2022/23 to 2024/25, noting that whilst this was set for 3 years, the University was at liberty to review the grant annually if appropriate. FEC approved the grant of £2,458k per annum, which would be linked to the UK undergraduate fee.			
Agenda item Paper Ref	14.1 Investments Summary	Minute Ref	FEC/2/22/10
FEC/2/22/14.1			
10.1 FEC noted the cash investment summary as at 31 January 2022. In response to members' queries about exposure to Russian investments, the CFPO reported that no investments/deposits were held with Russian parties. Furthermore, following an initial review, the University could confirm that there were no creditors with Russian addresses and no direct/indirect funding was received from Russian interests. It was also noted that the University's Investment Policy and Donations Framework would in any case prohibit such activity.			
10.2 A confidential minute was recorded.			
Agenda item Paper Ref	9 Head Post Office (HPO) Lease	Minute Ref	FEC/2/22/11
Confidential			
11.1 The Chief Finance and Planning Officer outlined the rationale for ULT's proposal not to exercise the option to purchase the HPO lease. A confidential minute was recorded.			

11.2 The Group Director of Estates and Facilities outlined the background to the HPO lease for the benefit of new members, including that the building had been repurposed to provide specialist teaching accommodation for Art and Design.

11.3 A confidential minute was recorded.

11.4 Noting the requirement for dilapidations to be managed at the end of the lease period, members queried whether any onerous dilapidation requirements existed. It was reported that a condition survey had been undertaken by the University at the point of occupation and that condition is being managed such that any dilapidations liabilities were likely to be relatively low.

11.5 A confidential minute was recorded.

11.6 A query on any regulatory consequences on holding surplus cash was raised. Having highlighted significant investment in the Estate over the next 10 years, coupled with potential investment required around digital infrastructure, the Group Director of Estates and Facilities reported that the absence of a sizeable contingency could delay the Campus Plan and create lost opportunities. This was particularly important in light of volatile material costs and the potential impact of the Russia/Ukraine situation, The DVCSO also highlighted that the evolution of the FSP and strategic growth in health may benefit from further capital investment.

The Committee **approved** the proposal to not exercise the option to purchase the HPO Lease on the basis that increased availability of cash for additional campus developments over the next 10 years was likely to generate greater financial benefits than the cash benefit of exercising the option.

Agenda item 10
Paper Ref FEC/2/22/10
Confidential

Options for Estates Disposals

Minute Ref FEC/2/22/12

12.1 The Group Director of Estates and Facilities outlined current thinking around the University's Estate to improve the quality, condition, performance and sustainability of the Estate by moving towards a reduced footprint that could be used more intensively and provide an enhanced experience for students. In support of this, the accelerated Campus Plan set out proposals to release the highest liability assets from the University's estate portfolio either through demolition or disposal through sale.

12.2 A confidential minute was recorded.

12.3 FEC agreed that a tour of the Estate would be beneficial, particularly for the new members, and the University Secretary would progress this with the Group Director of Estates and Facilities.

Action: University Secretary/Group Director of Estates and Facilities.

Agenda item 13
Paper Ref FEC/2/22/13.1
Confidential

Estates Development Report

Minute Ref FEC/2/22/13

13.1 The Committee received an update on key estates developments since the last meeting including:

- enabling works on the Science Park site including the relocation of the Yorkshire Water sewer which remained a risk though close monitoring was in place to mitigate the impact; and
- an assessment of Net Zero Carbon interventions required to the estate comprising the Accelerated Campus Masterplan.

The Group Director of Estates and Facilities reported that material supply and availability presented the most significant risk to the capital programme. This was resulting in cost pressure on all capital works' budgets and the University was working closely with its Alliance partners to mitigate this as far as possible.

Agenda item	11	Digital Technology Roadmap Report	Minute	FEC/2/22/14
Paper Ref	FEC/2/22/9		Ref	
Confidential				

14.1 The Director of Transformation presented the new format report, key elements of which included:

- the need to ensure the necessary technical architecture/infrastructure was in place to provide resilience and flexibility to respond swiftly to changing demands;
- key developments since the last report including major projects such as
 - 96 applications moved to the cloud to support on and off campus working/studying;
 - Significant progress on the Microsoft Dynamics CRM solution for prospective student recruitment; and
 - work with the Teaching and Learning Leadership Team on the future digital and physical needs in line with FSP work around an online portfolio;
- key risks including resource and cyber security; and
- an overview of the refreshed Technology Strategy vision and key areas of consideration.

The University was developing its digital priorities for next 2-3 years to align with the requirements of the FSP and the broader priorities stemming from the University's business plan. The updated Technology Strategy roadmap would be presented to the Committee for consideration in June 2022.

It was likely that a key focus area would be a targeted integration project in response to the increased demand for data reporting and analytics. The impact of the project on the overall workplan was under consideration though it was recognised that updating the University's integration capability was a key enabler to further digital transformation.

In response to a Governor's observation on the University's complex digital infrastructure and the need to create efficiencies, the Director of Transformation responded it would be difficult to simplify processes without first addressing the integration issue, but that resource was currently tied up in managing the complexities. This could be resolved by the introduction of less bespoke systems in a phased, controlled way through good architectural decision-making and solution design.

It was noted that the University was working on a new enhanced digital web presence and improved ways to obtain feedback from staff and students. Members suggested that it would be helpful to consider metrics on the digital experience for staff and students to provide assurance to the Committee on the University's performance in this area.

14.2 A confidential minute was recorded.

14.3 A further query on whether the University had an issue with ageing legacy systems with limited knowledge in the sector was raised, and it was noted that whilst the experience was not available in-house, the expertise of external contractors was available.

14.4 FEC endorsed the approach outlined in Paper FEC/2/22/11, noting that it was important to raise the profile of digital at senior level committees. Members agreed that the Committee would benefit from regular briefings in this area to enable the digital strand to be further developed on the FEC agenda.

Agenda item	14.2	Students' Union Financial Monitoring	Minute Ref	FEC/2/22/15
Paper Ref	FEC/2/22/14.2			
	Confidential			
<p>15.1 The Committee received the financial monitoring report for the Students' Union for Period 6 which showed an operating surplus.</p>				
Agenda Item	14.3	Orders and Contracts above Threshold Level	Minute Ref	FEC/2/22/16
Paper Ref	FEC/2/22/14.3			
	Confidential			
<p>16.1 Members received an update on orders and contracts since the previous meeting. It was noted that the following contracts, previously approved by the Board of Governors on 7 December 2021 (minute reference BG/7/21/16), were proceeding to 'Invitation to Tender':</p> <p>(1) a single supplier as Campus Works Partner; and</p> <p>2) the services of a single supplier as Project and Programme Support Partner.</p>				
Agenda Item	15	Pensions Update	Minute Ref	FEC/2/22/17
Paper Ref	FEC/2/22/15			
	Confidential			
<p>17.1 This item had been covered earlier under the CPO's People Plan report.</p>				
Agenda Item	16	Annual Business Cycle 2021/22	Minute Ref	FEC/2/22/18
Paper Ref	FEC/2/22/16			
<p>18.1 The forward schedule of business for the remainder of the 2021/22 academic year was received.</p>				
Agenda Item	17	Other Urgent Business	Minute Ref	FEC/2/22/19
<p>19.1 The Chair noted that this was CFPO's last Committee meeting and thanked her for her valuable contribution to the work of the Committee and excellent financial stewardship of the University, especially, but far from exclusively, in managing the consequences of the pandemic and securing the very successful private placement transaction.</p>				
Agenda Item	18	Date of Next Meeting	Minute Ref	FEC/2/22/20
<p>20.1 Wednesday 4 May 2022, 15.00-18.00 via Zoom.</p>				