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| **CONFIRMED MINUTES OF THE MEETING HELD ON 4 MAY 2022** | | | | | |
| PRESENT (via Zoom): | | | | | |
| Meg Munn (Chair)  Gabrielle Berring  John Cowling  Professor Chris Husbands, Vice-Chancellor | | | Chris Kenny  Lord Kerslake (From item 7)  Giles Searby | | |
| IN ATTENDANCE: | | | | | AGENDA ITEM |
| Michaela Boryslawskyj, University Secretary  Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations  Dr Sally Jackson, Chief People Officer  Dan Ladbury, Group Director of Estates and Facilities  Simon Taylor, Chief Finance Officer  Tracey Taylor, Committee Secretary  Toby Ward, Head of Estates and Workplace Development | | | | | All  All  All  Items 6 and 7  All  All  Item 7 |
| APOLOGIES: Apologies were received from Katy Gaunt. | | | | | |
|  |  | **Opening Remarks** | | Minute Ref | FEC/3/22/1 |
| 1.1 | The Chair welcomed members to the meeting. | | | | |
| Agenda item  Paper Ref | 2 | **Declarations of Interest** | | Minute Ref | FEC/3/22/2 |
| 2.1 | There were no declarations of interests. | | | | |
| Agenda item  Paper Ref | 3  FEC/2/22/M | **Minutes of the Meeting held on 28 February 2022** | | Minute Ref | FEC/3/22/3 |
| 3.1 | The Committee approved the minutes (including the confidential minutes) of the FEC meeting held on 28 February 2022 as an accurate record. | | | | |
| Agenda item  Paper Ref | 4  FEC/3/22/4 | **Matters Arising and Action Tracker** | | Minute Ref | FEC/3/22/4 |
| 4.1 | There were no matters arising not covered elsewhere on the agenda. | | | | |
| Agenda item  Paper Ref | 5 | **Chair’s Business** | | Minute Ref | FEC/3/22/5 |
| 5.1 | It was noted that the delegated authority from the Board of Governors (BofG) to the Chief Finance and Planning Officer relating to the ‘Nest’ Death in Service scheme had passed to the Interim Chief Finance Officer (ICFO) with effect from 5 March 2022. The Committee Terms of Reference had been updated accordingly. | | | | |
| Agenda item  Paper Ref | 6 | **Strategic Opportunity** | | Minute Ref | FEC/3/22/6 |
| 6.1 | The Deputy Vice-Chancellor (Strategy and Operations) (DVCSO) updated the Committee on the status of the Strategic Opportunity. A confidential minute was recorded. | | | | |
| Agenda item  Paper Ref | 7  FEC/3/22/6 Confidential | **Estates Disposal** | | Minute Ref | FEC/3/22/7 |
| 7.1 | The Group Director of Estates and Facilities presented a proposal relating to disposal of a property. A confidential minute was recorded. | | | | |
| 7.2 | It was noted that the University Leadership Team (ULT) was supportive of the disposal, particularly in view of recent interest in the site and its unsuitability for University related activity. It was reported that the disposal was in accordance with the Campus Plan.  The Committee confirmed its support for the proposal and **recommended** the disposal to the BofG for approval. | | | | |
| 7.3 | The Chair congratulated the Group Director of Estates and Facilities and his Team who had won “Team of the Year” at the AUDE Awards in April 2022 and had been “Commended” in the “University Impact Initiative Award” for developing the Hallam Alliance and the wider benefits it brought to the University. On behalf of members, the Chair also thanked the Group Director of Estates and Facilities for his excellent contribution to the Committee and the management of the University’s Estate. | | | | |
| Agenda item  Paper Ref | 8  FEC/3/22/8  Confidential | **Budget 2022/23 and Forecast Initial Assumptions** | | Minute Ref | FEC/3/22/8 |
| 8.1 | The ICFO presented the initial assumptions underpinning the approach to budget setting for 2022/23 and the 5-year Financial Forecast including:   * the return of the pre-Covid submission deadline for the 2022 Annual Financial Return (encompassing future forecasts) of 1 January 2023; * the approach to incorporating FSP related items and other future strategic opportunities into the forecast; * the impact of the FSPPortfolioReview in the short-term on resourcing at a College/ Department level and College budget-setting based on current performance with some adjustments. * the organisational responsiveness strand of the FSP (as presented to the BofG in March) and the need to deliver the growth identified more efficiently than the current delivery model. As the associated workstreams progressed, more clearly defined financial targets would be incorporated to support the University's overall financial position (further detail would be presented to the Committee in June); * other factors affecting student number planning including the improving 18-year-old demographic and forecast growth in international students; and * the financial impact of the static Home undergraduate tuition fee over the forecast period and the relatively static level of OfS funding. | | | | |
| 8.2 | A confidential minute was recorded. | | | | |
| 8.3 | Members queried the potential impact of student loan changes on Home student recruitment and whether this may adversely affect the University compared with other institutions. The ICFO confirmed that further detail on the key risks and opportunities would be presented to FEC in June as part of the Budget. It was noted that there were varying opinions on whether the student loan changes would significantly impact on domestic student numbers but that modelling and regular analysis were taking place. Home student projections would be determined by monitoring the demographic upturn as closely as possible with any adjustments made once further information was available.  In response to a member’s query on how the strategic opportunity and other workstreams fed into the budget assumptions, the ICFO reported on the complexity of the various workstreams operating at different paces though this was coordinated by the FSP Board. It was noted that a summary of the different FSP work strands and strategic projects and associated income would be available to the Committee in June. | | | | |
| 8.4 | A confidential minute was recorded. | | | | |
| 8.5 | It was questioned whether sensitivity analysis in the event of a recruitment shortfall had been undertaken and sought assurance that number planning was not reverse engineered against the University’s cost base. It was reported that sensitivity analysis was carried out and that this would be explored further at the June meeting to include the key risks and mitigations identified. The ICFO provided assurance on the rigorous number planning process to ensure that College forecasts were realistic and achievable.  Members queried whether there was an optimism bias in the figures and expressed the view that the likely level of inflation was not currently reflected in the figures. | | | | |
| 8.6 | The Committee considered the underlying assumptions in relation to cost including:   * pension assumptions including the proposed increase in employer contributions relating to the Teachers’ Pension Scheme contributions; and * the LGPS scheme revaluation of a 1.5 percentage point increase over next 3 years which had not yet been factored into the budget. | | | | |
| 8.7 | A confidential minute was recorded. | | | | |
| 8.8 | Members noted that it would be helpful for the Committee to be made aware of any specific programmes being developed by the Colleges to tackle the increasing cost base. The Vice-Chancellor confirmed that initial modelling had been undertaken but there was still work to do and the FSP Board was exploring an institutional approach to reviewing costs across the University. | | | | |
| 8.9 | A confidential minute was recorded. | | | | |
| Agenda item  Paper Ref | 9  FEC/3/22/9  Confidential | **Financial Monitoring** | | Minute Ref | FEC/3/22/9 |
| 9.1 | Members were briefed on the University’s current financial position, noting that work on Period 9 (to 30 April 2022) was underway. It was reported that staffing costs were more favourable than originally forecast, but that provision for higher utility costs would need to be made. | | | | |
| Agenda item  Paper Ref | 10 | **People Plan** | | Minute Ref | FEC/3/22/10 |
| 10.1 | The Chief People Officer (CPO) briefed members on the following matters.  **Changes to the National Living Wage (NLW)** – the increase in the NLW to £9.50 from 1 April 2022 meant that it exceeded the bottom two points of the University’s pay framework (spinal points 5 and 6). For the base salary rate to remain compliant, the following action had been approved by ULT although, in practice, all employees on these spinal points received above the NLW given the University’s Real Living Wage (RLW) supplement.   * From 1 April 2022, the grade boundary between grades 2 and 3 was redrawn with the effect that any staff currently on spinal point 5 would automatically be moved to spinal point 7 whilst any staff on spinal points 6 or 7 would be moved to spinal point 8. Spinal points 5 and 6 would no longer form part of the pay framework; and * any new starters to a grade 2 role would automatically be placed on spinal point 7.   It was noted that the Trade Unions had endorsed the above approach and that the University would continue to contribute to the UCEA consultations on a longer-term solution, however, should this not be resolved as part of national pay bargaining, the University would need to conduct a review at a local level which could result in further changes. Any structural change would require formal agreement by JNC.  In response to a query from members, it was noted that the outsourcing of services affected the gender pay gap and therefore made comparisons across universities difficult. | | | | |
| 10.2 | **Staff Survey** – noted the approach to staff engagement surveys over the next 12 months which would see a series of pulse surveys around planned subject areas to build on the approach taken over the past two years. The advantages of pulse surveys over a more in-depth survey included a shorter lead-in time, less resource/time intensive and real-time data collection. It was reported that the first survey would start on 16 May and would cover wellbeing and cooperation/working across the University and that it was planned to run further surveys on different themes in October 2022 and January and April 2023. It was noted that a separate pulse survey on hybrid working for specific groups of Professional Services staff was currently underway and would be repeated in July 2022. The Committee endorsed the above approach, noting that it would consider the results from survey in due course. | | | | |
| 10.3 | **UCU industrial action** – it was noted that, following the recent ballot on further action, SHU was one of a relatively small number of HEIs where members (16% of the SHU workforce) had voted in favour of further action; 39 universities had voted for strike action and 41 had voted for action short of a strike. The mandate at SHU would last for 6 months into the autumn term with 10 further days of strike action and a boycott of marking and assessment. It was also noted that UCU had proposed a relatively high percentage rise in the opening of the 2022/23 pay award negotiations.  Members queried the impact of a marking and assessment boycott and the CPO confirmed that the June Assessment Boards could be affected. It was reported that a weekly group continued to meet to manage the response to industrial action, which sought to mitigate any impact on students as far as possible. A further update would be provided at the June meeting. | | | | |
| 10.4 | A confidential minute was recorded. | | | | |
| 10.5 | It was noted that the CPO was attending a meeting with UCEA tomorrow which would consider the approach to pay deductions from those taking part in industrial action. | | | | |
| 10.6 | **Apprenticeship pay update** – the Committee was briefed on a decision taken by ULT to apply grade differentiation to apprenticeship pay given the rise in the National Living Wage (NLW) and national insurance contributions. It was noted that the current rates pay rates were not sustainable with regard to progression and were out of kilter with the market. The new pay framework provided for 6 pay grades with the first pay rate being in line with the Real Living Wage (RLW) and a subsequent 3% uplift between rates and would be subject to an annual review with consideration given to the cost of living and RLW increases. | | | | |
| Agenda item  Paper Ref | 11.1  FEC/3/22/11.1  Confidential | **Estates Development Report** | | Minute Ref | FEC/3/22/11 |
| 11.1 | A confidential minute was recorded. | | | | |
| 11.2 | The Committee received an update on key estates developments since the last meeting. A confidential minute was recorded. | | | | |
| Agenda Item  Paper Ref | 11.2  FEC/3/22/11.2Confidential | **Hallam Alliance Update** | | Minute Ref | FEC/3/22/12 |
| 11.3 | Members received an update on the progress made by the Hallam Alliance in support of the University’s Campus Plan. | | | | |
| Agenda item  Paper Ref | 12.1  FEC/3/22/12.1 | **Investments Summary** | | Minute Ref | FEC/3/22/13 |
| 12.1 | FEC noted the cash investment summary as at 31 March 2022. | | | | |
| Agenda Item  Paper Ref | 12.2  FEC/3/22/12.2  Confidential | **Orders and Contracts above Threshold Level** | | Minute Ref | FEC/3/22/14 |
| 12.2 | Members received an update on orders and contracts since the previous meeting. It was highlighted that Chair’s approval was likely to be sought in advance of the June meeting for the release of the Invitation to Tender for the Future Strategy Programme: Online project. | | | | |
| Agenda item  Paper Ref | 12.3  FEC/3/22/12.3  Confidential | **Students’ Union Financial Monitoring** | | Minute Ref | FEC/3/22/15 |
| 12.3 | The Student’s Union financial performance as at period 8 (end March 2022) was noted. | | | | |
| Agenda Item  Paper Ref | 13  FEC/3/22/13 | **Annual Business Cycle 2021/22** | | Minute Ref | FEC/3/22/16 |
| 13.1 | The Committee received the forward schedule of business for the remainder of the 2021/22 academic year, noting that the 2022/23 schedule would be presented at the June meeting. | | | | |
| Agenda Item | 14 | **Other Urgent Business** | | Minute Ref | FEC/3/22/17 |
| 14.1 | There was no other business. | | | | |
| Agenda Item | 15 | **Date of Next Meeting** | | Minute Ref | FEC/3/22/18 |
| 15.1 | Monday 20 June 2022, 14.30-17.30 via Zoom. | | | | |