|  |
| --- |
| **CONFIRMED MINUTES OF THE MEETING HELD ON 20 JUNE 2022** |
| PRESENT (via Zoom): |
| Meg Munn (Chair) Gabrielle Berring John CowlingKaty Gaunt  | Professor Chris Husbands, Vice-Chancellor Chris Kenny (from item 4)Lord Kerslake (items 7 to 12)Giles Searby |
| IN ATTENDANCE: | AGENDA ITEM |
| Michaela Boryslawskyj, University Secretary Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations (DVCSO)Dr Sally Jackson, Chief People Officer, Pro Vice-Chancellor (Diversity and Inclusion) (CPO/PVCDI)Clair Marlow, Head of Legal Services and Deputy University Secretary Janet Onyia, Governor Apprentice (Observer)Simon Taylor, Chief Finance OfficerTracey Taylor, Committee Secretary Libby Wilson, Director of Transformation | AllAllAllAllAll AllAllAllItems 7-9 |
| APOLOGIES: No apologies were received. |
|  |  | **Opening Remarks** | Minute Ref | FEC/4/22/1 |
| 1.1 | The Chair welcomed everyone to the meeting, particularly Janet Onyia, Governor Apprentice, who would be observing the meeting.  |
| Agenda itemPaper Ref | 2 | **Declarations of Interest** | Minute Ref | FEC/4/22/2 |
| 2.1 | There were no declarations of interests. |
| Agenda itemPaper Ref |  3FEC/3/22/M | **Minutes of the Meeting held on 4 May 2022** | Minute Ref | FEC/4/22/3 |
| 3.1 | The Committee approved the minutes (including the confidential minutes) of the FEC meeting held on 24 May 2022 as an accurate record.  |
| Agenda itemPaper Ref | 4FEC/4/22/4 | **Matters Arising and Action Tracker** | Minute Ref | FEC/4/22/4 |
| 4.1 | The Committee received an update from the DVCSO on progress with recruitment to the Group Director of Estates and Facilities post.  |
| 4.2 | A confidential minute was recorded. |
| 4.3 | Pending a permanent appointment, an interim internal arrangement was in place with the Director of Transformation overseeing the Estates elements and the Group Director for Student and Academic Services overseeing Facilities. It was highlighted that this arrangement was supported by an effective, experienced team below Director level coupled with oversight of construction work delivery by the Hallam Alliance. |
| Agenda itemPaper Ref | 5 | **Chair’s Business** | Minute Ref | FEC/4/22/5 |
| 5.1 | The Chair confirmed that they would be retiring from the Board of Governors (BofG) at the end of July 2023 and would complete their term as Chair of FEC at the end of December. Members were briefed by the University Secretary on the Governance and Nominations Committee’s proposals for Chair which were being recommended to the July meeting of the BofG. It was noted that a Deputy Chair would need to be in place for the September meeting given the current incumbent’s retirement on 31 July 2022.  |
| 5.2 | A confidential minute was recorded. |
| Agenda itemPaper Ref | 5 | **Strategic Opportunity**  | Minute Ref | FEC/4/22/6 |
| 6.1 | The Deputy Vice-Chancellor (Strategy and Operations) (DVCSO) updated the Committee on the status of the Strategic Opportunity (the Opportunity).  |
| 6.2 | A confidential minute was recorded. |
| Agenda itemPaper Ref | 7FEC/4/22/6 Confidential  | **Technology Strategy Roadmap** | Minute Ref | FEC/4/22/7 |
| 7.1 | The Chair highlighted the Committee’s appetite to bring the digital elements of its remit into focus in the same way as its historic approach to the physical Estate. The Director of Transformation presented an update on the delivery of the Technology Strategy including:* a reminder of purpose and aims of the Technology Strategy which recognised the interlocking nature of technological and cultural change;
* the key areas of focus and achievements over last 4 years – completion of the Cloud Project, the Prospective Student CRM system and major upgrades of the HR and Finance systems and the web platform;
* current and planned actions in relation to the major applications that underpinned the University’s operations using solutions prominent in the HE sector;
* a new 2-year programme on processes and systems focussed on student record and relationship management to underpin both the Future Strategy Programme (FSP) Portfolio Plan and the externally-driven changes in reporting student data to HESA.
* the outcome of the 2021 Pre-Market Consultation (PMC) for enterprise finance and people management solutions that no obvious ‘HE-ready’ enterprise solution was available on the market;
* the intention to undertake a PMC for the pre and post award phases of research management; and
* the focus in 2022/23 on upgrading the University’s integration capability, noting that the current point to point integration was increasingly outdated due to complex demands and Cloud based applications/services capability.
 |
| 7.2 | A confidential minute was recorded. |
| 7.3 | With reference to members’ questions, the following responses were noted.* The merits of developing a graduate programme for SHU graduates – the Director of Transformation confirmed that the University made use of graduate resource, including through the employment of a number of interns in Digital and Technology Services (DTS) each year. The University was also looking at developing its apprenticeship provision with digital suppliers to create a pipeline of future developers.
* Assurance around cost management – the Technology and Infrastructure Strategy Board met monthly to review risks, actual expenditure against budget and prioritisation of projects for the coming year and the longer term.
* The University’s ability to keep up with digital developments/transformation in the HE sector – positive feedback had been received from the annual staff surveys regarding the digital tools and resources required to do their job. From the student perspective, module evaluation surveys were also showing positive outcomes in relation to access to (specialist) learning materials and ease of locating the resources they needed. It was difficult to disentangle the impact of the pandemic and online learning from satisfaction on digital resources and services in this year’s National Student Survey (NSS) results should provide more meaningful data. The University also had the facility to deploy student focus groups to obtain further feedback.
* Progress with the Cloud migration project – whilst all applications identified in the first phase of the project had been transferred, enhanced integration capability was required before other key University systems could be fully migrated to the Cloud.
* Cyber security provision – consideration of cyber security was built into the development of all projects.
 |
| 7.4 | A confidential minute was recorded. |
| 7.5 | It was recognised the digital estate in most UK universities’ had evolved in a relatively unplanned way and that, whilst individual expectations changed faster than the University’s capacity to design systems in response, the University was positioned to guarantee robust systems which were future proofed as far as possible. The Director of Transformation offered to present a series of deep dives on the Technology Strategy should the Committee deem this beneficial. |
| Agenda ItemPaper Ref | 8FEC/4/22/8 Confidential | **Campus Plan Approval** | Minute Ref | FEC/4/22/8 |
| 8.1 | The DVCSO presented a proposal relating to the preparatory work for the second phase of Howard Street development. |
| 8.2  | A confidential minute was recorded. |
| 8.3 | The Committee considered the recommendation from the University Leadership Team (ULT) to drawdown the £4.8m provision to fund the design activities associated with Block E. |
| 8.4 | A confidential minute was recorded. |
| 8.5 | A confidential minute was recorded. |
| 8.6 | The Committee resolved to **recommend** the proposal to the Board for approval. |
| Agenda itemPaper Ref | 9FEC/4/22/9Confidential | **Estates Development Report** | Minute Ref | FEC/4/22/9 |
| 9.1 | The Committee received an update on key estates developments since the last meeting including:* progress with the enabling works on the Howard Street site including the rerouting of the sewer, noting that the Hallam Alliance had worked well to manage costs against current budget position.
* proposals to address the University’s net zero ambitions which had been reviewed by the FSP Board review and would be considered by the BofG in October;
* the procurement of a campus works partner outside the Alliance; and
* the positive progress with critical maintenance activities.

The Director of Transformation commented on the increasingly joined-up approach to the estate and digital infrastructure through FSP.  |
| Agenda itemPaper Ref | 10FEC/4/22/10Confidential | **Budget 2022/23 and Financial Forecast**  | Minute Ref | FEC/4/22/10 |
| 10.1 | The Interim Chief Finance Officer (ICFO) presented the 2022/23 Budget and 5-year Financial Forecast, noting that there had been no changes to the underlying assumptions presented to the Committee in May 2022. Key aspects included:* detailed budget preparation for years 1-3 of the Forecast including the approach to student number planning and financial target setting for departments and directorates;
* extrapolation of the Forecast to years 4 and 5 using agreed assumptions
* inclusion of the different FSP work strands/strategic projects and associated income within College budgets (excluding the FSP Online Project);
* the significant income growth over the Forecast period;
* increasing pay costs (as a percentage of income) attributed to inflation, pensions and the new posts in support of FSP;
* increases in non-pay costs including FSP investment and updated Campus Plan expenditure to account for inflation;
* the outcome of sensitivity analysis and the low risk of breaching existing financial covenants;
* the risk presented by the Home undergraduate market from Year 2 of the Forecast and the opportunity around international student fees. The ICFO would update the Committee on whether new CASs would be authorised by UKVI to accommodate the growth provision;
* the requirement for 3% efficiency saving across the University; and
* the small operating surplus in 2022/23 and 2023/24 which increased over the plan period and the strong balance sheet position.
 |
|  | University responses to members’ queries are noted below:* why were the various FSP elements separated out in the budget and what was the reporting structure? The ICFO confirmed the importance of tracking the various workstreams and that responsibility for delivering the FSP projects rested with the FSP Board/Steering Group (which included ULT members), coupled with approval of investment by the appropriate DVC. Whilst FSP Income was included within College budgets, expenditure related to the investment in, and delivery of, FSP related income growth was held within FSP Academic and FSP Professional Services budgets which allowed the Deputy Vice-Chancellors to ensure optimum resource allocation. Work with the Colleges on developing a more integrated approach to facilitate FSP monitoring was underway;
* the basis of the inflation assumptions and whether the expected spike in inflation should be factored in – the University had considered the numbers issued from National Statistics Agency and other government depts as well as the approach taken by other universities. The spike had been factored in to a certain extent, however the Finance Team continued to look at the varying impact of inflation on specific cost areas in advance of the opportunity to update the Forecast in October;
* whether the vacancy rate of 5% (coupled with the 3% efficiency target) posed a risk on the forecast student number growth over the period and the need for the Committee to receive assurance early on that recruitment targets were on track. It was reported that the 5% was higher than in previous years but difficulties in staff recruitment were likely to continue. The ICFO acknowledged that the 3% target combined with the new posts required for FSP developments was a challenge, but that the University was exploring this as part of the FSP organisational responsiveness workstream, an update on which would be presented to the BofG in July.
* the envisaged timeline to resolve the LGPS contribution issue – it was anticipated that the outcome would be known by the end of calendar year, but should further information be available before then, this would be reflected in the autumn update of the Forecast.
 |
| 10.2 | The Committee resolved to **recommend** the 2022/23 Budget to the BoFG for approval, noting that the Financial Forecast would be updated following September enrolment prior to submission to the OfS. |
| Agenda itemPaper Ref | 11FEC/4/22/11Confidential | **Financial Monitoring**  | Minute Ref | FEC/4/22/11 |
| 11.1 | The Committee noted the improved financial position for Period 9 as at 30 April 2022 due to a higher staff vacancy rate than originally anticipated. Members queried the proportionality of international recruitment and noted that work connected to FSP on attracting Home students to reverse the decline in market share was being undertaken including market analysis on subject area growth, marketing campaigns and advertising strategies.  |
| Agenda itemPaper Ref | 12FEC/4/22/12Confidential | **Ethical Investment Policy**  | Minute Ref | FEC/4/22/12 |
| 12.1 | The Committee noted that the University’s annual investments activity were in line with the University’s Ethical Investment Policy. |
| 12.2 | The ICFO briefed the Committee on the proposed revisions to the Policy relating to the specific types of investment the University may not consider holding on ethical grounds. Members commented on the absence of several areas of activity and **approved** the revisions, subject to consideration of further inclusions by the ICFO. |
|  | **Action: ICFO**  |
| Agenda itemPaper Ref | 13 | **People Plan** | Minute Ref | FEC/4/22/13 |
| 13.1 | The Chief People Officer (CPO), PVC (Diversity and Inclusion) briefed the Committee on the following key areas:**UCU industrial action** - noted the mandate for strike and action short of a strike until October 7 which was likely impact on the new students’ arrival in September. It was reported that UCU would be issuing a further ballot which could impact on induction and graduation towards the end of Semester 1.The Committee noted that only 41 universities had been subject to the UCU marking and assessment boycott and a growing number were entering into local agreements to resolve disputes. Members noted that the University was liaising with UCU with a view to reaching resolution on the 2021/22 pay round.  |
| 13.2 | The key findings of the latest **Staff Survey** **16-26 May**, the full detail of which would be shared with the Committee in September 2022:* a response rate of 54%;
* the three highest scoring questions (related to wellbeing support from Line Managers and team members)
* the three lowest scoring questions (referencing teamwork and collaboration across the University, its future direction and the importance of employee wellbeing)
* the general trend for academic staff to give lower scores; and
* ongoing analysis of the 6000+ comments made analysis on free comments ongoing, noting the significant increase in free text comments over time.

In response to a member’s question on how feedback, particularly on negative comments, would be provided to Colleges, it was reported that an overarching response would be issued via ‘We Are Hallam’ and future Transforming Lives sessions but that HR Business Partners would visit Directorates/academic departments to help with localised planning where needed.  |
| 13.3 | **Senior Leadership Development Programme** – noted that the first cohort launched on 25 with a fairly even split between academic and professional services staff and that feedback and lessons learned were being collated ahead of the next cohort. In addition, a number of specific sessions for 50 Senior Staff Group (SSG) colleagues had been jointly delivered by HROD and Eversheds. |
| 13.4 | **Leadership and Management Essentials** – noted the programme was predominantly aimed at grades 6 - 8 and covered a set of University standards/expectations. Initial feedback had been positive and a structured evaluation would be undertaken in the autumn. |
| Agenda itemPaper Ref | 14FEC/4/22/14Confidential | **Pay Gap Benchmarking**  | Minute Ref | FEC/4/22/14 |
| 14.1 | Members considered sector benchmarking data on the gender pay gap as requested by the BofG. Whilst pay gap reporting at SHU extended beyond the mandatory gender category, only the only available benchmarking data was by gender. The Committee noted that the University’s mean gender pay gap was lower than sector average but because the University employed a higher proportion of females in both the higher and lower quartiles, the median was higher than sector average. The bonus gap was also higher when compared with the rest of the sector. However, it was noted that very few staff are included in this calculation and therefore it is not an indicator of systemic issues that can be addressed by the University. The significant variation across the sector was noted which could, in part, be due to the outsourcing of services such as cleaning and catering. The Committee commended the approach taken by HROD to contact a number of other universities a lower pay gap and a report on this would be shared with FEC at its September meeting in addition to sharing with the Gender equality Steering Group, the Athena Swann Assessment Group and the EDI Committee. |
| Agenda itemPaper Ref | 15.1FEC/4/22/15.1 | **Investments Summary** | Minute Ref | FEC/4/22/15 |
| 15.1 | FEC noted the cash investment summary as at 31 May 2022. |
| Agenda ItemPaper Ref | 15.2FEC/4/22/15.2Confidential | **Orders and Contracts above Threshold Level** | Minute Ref | FEC/4/22/16 |
| 16.1 | Members noted that the BofG had on 8 February approved the Invitation to Tender for the Future Strategy Programme: Online project and that a costed proposal would be presented to the July Board meeting. In response to a question on the number of different providers for audio visual systems, the ICFO explained that procurement in this area was on a project-by-project basis since this allowed the University to go out to a rapidly evolving market rather than being tied to a single provider.  |
| Agenda itemPaper Ref | 15.3FEC/4/22/15.3Confidential | **Students’ Union (SU) Financial Monitoring** | Minute Ref | FEC/4/22/17 |
| 17.1 | The Committee noted the SU financial results for Period 9 which showed an improved surplus against budget. The ICFO confirmed that no major changes were anticipated prior to the year end. It was noted that the SU budget for 2022/23 would be circulated to the Committee for approval outside of the meeting cycle (noting that the SU Grant for 2022/23 to 2024/25 had already been approved in February 2022). |
| Agenda ItemPaper Ref | 16FEC/4/22/16 | **Interim Health, Safety and Wellbeing Report** | Minute Ref | FEC/4/22/18 |
| 18.1 | Members noted the interim Health, Safety and Wellbeing Report.  |
| Agenda ItemPaper Ref | 17FEC/4/22/17 | **Annual Business Cycle 2021/22** | Minute Ref | FEC/4/22/19 |
| 19.1 | The forward schedule of business for the 2022/23 academic year was received. |
| Agenda Item | 18 | **Other Urgent Business** | Minute Ref | FEC/4/22/20 |
| 20.1 | On behalf of the Committee, the Chair expressed their gratitude to Chris Kenny, who would be retiring from the BofG at the end of July 2022, for his excellent contribution.  |
| Agenda Item | 19 | **Date of Next Meeting** | Minute Ref | FEC/4/22/21 |
| 21.1 | Tuesday 20 September 2022, 9.30-12.30 (via Zoom). |

Meg Munn

Chair of the Finance and Employment Committee