|  |
| --- |
| **CONFIRMED MINUTES OF THE MEETING HELD ON 21 JUNE 2023** |
| PRESENT: |
| John Cowling (Chair)  | Meg Munn |
| Gabrielle Berring | Janet Onyia |
| Professor Sir Chris Husbands |  |
| IN ATTENDANCE: | AGENDA ITEM |
| Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations (DVCSO) | All |
| Tracey Hulme, Director of Human Resources and Organisational Development (HROD)  | All |
| Ryan Keyworth, Chief Finance Officer (CFO) | All |
| Clair Marlow, Head of Legal Services and Deputy University Secretary  | All |
| Tracey Taylor, Committee Secretary | All  |
| Libby Wilson, Group Director, Infrastructure and Change (GDI&C) | Items 6 and 7 |
| APOLOGIES: Carol Bernard, Lord Kerslake, Giles Searby |

|  |  |  |
| --- | --- | --- |
| Minute Ref | Item of Business | Paper Ref  |
| FEC/2023-05-03/1 | DECLARATIONS OF INTEREST |  |
| 1.1 | There were no declarations of interest. |
| FEC/2023-05-03/2 | CHAIR’S BUSINESS  |  |
| 2.1 | The Chair welcomed the Director of HROD to the meeting who was deputising for the Chief People Officer/Deputy Vice-Chancellor (Diversity and Inclusion).It was noted that the usual digital deep dive had been postponed to allow for a progress update on the Online Project. |
| FEC/2023-05-03/3 | MINUTES OF THE PREVIOUS MEETINGS | FEC/2023-05-03/P3 |
| 3.1  | The Committee **approved** the minutes (including the confidential minutes) of the meetings held on 3 May 2023 as an accurate record. |
| FEC/2023-05-03/4 | MATTERS ARISING AND ACTION TRACKER  | FEC/2023-05-03/P4 |
| 4.1 | The following matters arising were noted:* The briefing for Finance and Employment Committee (FEC) members on the University’s academic career framework was to be extended to the Board of Governors (the Board) and Co-opted members.
* Actions relating to health and safety would be discussed under item 9. All other items were covered elsewhere on the agenda or in progress.
 |
| 4.2 | **Action:** Committee Secretary to liaise with Governance colleagues to schedule the above briefing |
| FEC/2023-06-21/5 | FINANCIAL MATTERS  |  |
|  | **2023/24 University Budget** | FEC/2023-06-21/P5.1 |
| 5.1 | The Chair reminded members that the Board had approved the 2023/24 Budget, subject to further scrutiny by FEC. The CFO noted that the changes since the Budget was presented to the Board were contained in Appendix 3 of the paper, none of which were material. It was noted that covenant compliance had improved for 2024/25, largely due to the rephasing of capital expenditure.Members were reminded of work undertaken to improve the budget position since the Board Away Day on 7 February 2023 with some targeted income increases accompanied by significant expenditure management, including the Voluntary Severance Scheme (VSS) and non-pay constraint. The Committee was pleased to note that this had been achieved with a strong level of engagement across the Institution. It was reported that risks remained in relation to undergraduate recruitment targets which may impact on covenant compliance, however, it was anticipated that a positive performance during Confirmation and Clearing would achieve the budget target.The CFO updated FEC on progress with developing the University’s Medium Term Finance Strategy (MTFS) which would see some far-reaching decisions to mitigate the challenging financial position and would be presented to FEC and the Board in the autumn. |
| 5.2 | On behalf of FEC, the Chair thanked the Executive and University colleagues for their considerable efforts in balancing the budget, noting that it was reassuring to see the improved position for 2024/25 and future years.The Vice-Chancellor noted the decline in undergraduate applications across much of the sector and the challenging external context, not least the national picture in Teacher Training and Health subject areas.Members commented that Governors would benefit from enhanced understanding of the challenges, and appropriate mitigations, for the sector in relation to student retention. |
| 5.3 | **Resolution:** to **recommend** the 2023/24 Budget to the Board. |
|  | **Students’ Union (SU) 2023/24 Budget and KPI Review** | FEC/2023-06-21/P5.2 |
| 5.4 | The CFO reported that the University had been working closely with the SU over the last few months on its budget and KPI performance. Due to the inefficient fabric of the HUBS building, it was recommended that the core SU Grant be supplemented with a University contribution to energy costs (noting that the University’s subsidy would fall in proportion to any reduction in energy prices and vice versa).In response to a member’s query, the CFO would report back on the extent to which the University was locked into an agreement with its energy supplier. |
|  | **Action:** CFO to confirm the next energy purchase point. |
| 5.5 | **Resolution:** to **approve** the SU 2023/24 Budget and Grant Award as recommended by the University Executive Board (UEB). |
| FEC/2023-06-21/6 | TECHNOLOGY STRATEGY REPORT  | FEC/2023-06-21/P6 |
| 6.1 | LW presented an update on current and future projects within the Technology Strategy and the intended approach for the next financial year 2023/24, together with an update on the Online Project.FEC noted the underspend against the 2022/23 budget allocation of £3m which was primarily due to delays in spend caused by limited external supplier resource.The Committee considered project closure reports for CheckIn+ and the Raisers Edge migration and upgrade which covered scope, cost, completion and outcomes and benefit. It was noted that the spend on both projects was considerably under budget and that they had completed with all objectives met. Members agreed with the recommendation to continue this approach with future projects, noting that the summaries were very useful, including in terms of lessons learned.The GDI&C outlined the four live applications projects within the current oversight of the Technology Data Strategy and Implementation Board (TSIB), several of which stretched across multiple years.FEC noted progress with the SITS Development programme in responding to the statutory changes required by HESA (HESA Data Futures); the May HESA reporting deadline had been successfully met and work was now focused on the next submission deadline in August 2023. The previously discussed sector-wide risks in meeting the August deadline were being reported through the Corporate Risk Register to the Audit and Risk Committee (ARC)It was reported that the non-UCAS admissions work was also progressing and that a contract was now in place to deliver a new Online Application Form (if successful, the development of a new Online Portal would be considered). |
| 6.2 | In relation to the risk relating to supplier performance and availability, members sought assurance on the level of confidence that issues were being resolved by Tribal and whether any provision in respect of delays had been written into supplier agreements. The GDI&C noted that the University worked with Tribal on a number of fronts with different contractual arrangements and the University had previously monitored, and would continue to monitor, performance against contracts. Tribal in particular had recognised that fulfilment of resource allocation had not been satisfactory and were now collaborating on mutually beneficial timing and sequencing. |
| 6.3 | FEC noted that the autumn update would report on the portfolio of projects for 2023/4, following further scrutiny by TDSIB; this would include support for the Online Project and other income generation work as well as some back-end efficiency work. It was also noted that a business case for the foundational integration project (which was fundamental to delivering other projects) would be considered by the TDSIB later in June. The risk to meeting business need on a lower than usual Technology Budget and the importance of delivering the right mix of projects to meet need were noted. |
| 6.4 | Members were briefed on the 18-month procurement process for an Online Programme Management Service including Pre-Market Consultations culminating in the launch of an Invitation to Negotiate in November 2022. A confidential minute was recorded. |
| 6.5 | At its meeting 15 June, UEB approved the recommendation to proceed with the Online Project and preferred bidder, subject to final negotiations (which were progressing well) prior to seeking approval for award contract from the Board in July. A confidential minute was recorded. |
| 6.6 | The Chair reminded members that a briefing on the Online Project was taking place for all Governors on 6 July. |
| FEC/2023-06-21/7 | ESTATES DEVELOPMENT REPORT | FEC/2023-06-21/P7 |
| 7.1 | FEC received an update on key estates developments since the previous meeting, including:* the Howard Street development which remained on track for completion ahead of the 2024/25 academic year. A confidential minute was recorded.
* the extension of the Campus Works Partner Contract by 12 months to 30 November 2024;
* UEB approval of the procurement approach for Asbestos Surveying and Asbestos Removal services on expiry of the current framework in early 2024.
* next steps and further work on alternative options for Phase 2 of the Campus Plan for presentation to FEC and the Board early Autumn. A confidential minute was recorded.
* the appointment of BDP as design consultant and Mace for consultant project management and quantity surveying services for the Brent Cross fit-out scheme. A confidential minute was recorded.
 |
| 7.2 | Members discussed potential options relating to Phase 2 of the Campus Plan. A confidential minute was recorded. |
|  | **Action**: Committee Secretary to remove the actions relating Collegiate and Stoddard on the action tracker since these formed part of wider estates planning. |
| FEC/2023-06-21/8 | HUMAN RESOURCE AND ORGANISATIONAL DEVELOPMENT (HROD) MATTERS  |  |
|  | **People Plan Report** | FEC/2023-06-21/P8.1 |
| 8.1 | The Director of HROD presented the People Plan Report, noting key elements as follows:**VSS update**: noted the success of the VSS which had progressed smoothly, particularly given that the scheme had been deliberately restricted. A confidential minute was recorded. |
| 8.2 | Members asked whether lessons learned from this exercise were being recorded and it was reported that discussions were taking place in this regard both within HROD and more widely across the University. |
| 8.3 | **Industrial action update**: it was reported that participation in the current industrial action at Hallam was relatively low (a confidential minute was recorded) and that special arrangements provided for within the Student Regulations had been used to ensure any outstanding progression issues were resolved. Continuing discussions around the national pay negotiations were focused on the narrative of sector finances; UCEA had offered to work with trade unions on enhanced understanding of the sector’s financial position and the impact of further pay negotiations/industrial action. |
| 8.4 | **Changes to the bottom of the current National Pay Spine**: in response to the challenging and competitive recruitment market and increases in the National Living Wage (NLW) and Real Living Wage (RLW), it was reported that UEB had approved the following adjustments to the grade boundaries and spinal points (SPs) used for these staff, with effect from 1 August 2023:* Deletion of SP 7, 8, 9 and 10.
* Creation of a new Grade 2 which would cover SP 11.
* Creation of a new Grade 3 made up of SPs 12 and 13.
* Deletion of 3 SPs from the current Grade 4 meaning the new Grade 4 would become SPs 14, 15 and 16.

It was noted that these changes were likely to ensure that the lowest pay point would remain higher than the NLW and RLW rates based on current pay modelling and would begin to address the recruitment challenges at Grade 4 with a higher entry salary. |
| 8.5 | **Senior Leadership Development Programme (SDLP) update:** noted that the SDLP Conference was taking place on 12 September and that thoughts on how best to engage Governors in reviewing SDLP outputs were welcomed. Equally, if cohorts had any specific feedback for Governors this would be fed back to the Board. |
|  | **Action:** Deputy University Secretary to flag this to the Board and Committee Secretary to coordinate any feedback. |
|   | **Annual Pay Gap Benchmarking Report** | FEC/2023-06-21/P8.2 |
| 8.6 | The Director of HROD presented the highlights from the annual sector benchmarking exercise which compared the University’s gender pay gap with 157 other institutions for March 2022 and, more specifically, against 19 comparators based on their location and type of provision. It was noted that whilst the sector had seen improvement this was generally at a relatively slow pace. Key aspects included:* a lower mean, but higher median pay gap compared with the sector and the comparator group; the variation across the sector could partly be explained by a number of universities had outsourced services, for example, catering, cleaning, and security services;
* the higher percentage of female employees than male employees in all quartiles; 68.6% of female employees were in the lower quartile (including roles in services such as catering and cleaning), compared with 50.3% in the upper quartile;
* the University’s mean ethnicity pay gap for 2021 was slightly higher than the sector at 6.0% (in favour of white employees) whereas the median pay gap was slightly lower at 1.1%; and
* the largest intersectionality pay gap was between females from minority ethnic groups and white male employees.

It was noted that the annual review of the University’s comprehensive action plan would take place shortly. |
| 8.7 | Members questioned what action the University was taking in terms of year-on-year improvement to address the issues presented in the report and whether the pandemic and resulting change in work behaviours had impacted on the data for certain groups. Members also asked whether the University was creating an environment which enabled women to return to work from maternity leave at the same grade and if so, what factors had contributed to this. |
| FEC/2023-06-21/9 | HEALTH AND SAFETY MANAGEMENT REPORT | FEC/2023-06-21/P9 |
| 9.1 | FEC received the Health and Safety Management Report which provided an assessment of health and safety performance following a six-month review period. It was noted that UEB was keen to work through a more detailed response (including timescales) with the Head of Health and Safety in relation to the key findings for presentation to the Committee at its September meeting.The VC reported that UEB had considered the report and, as a result, had put in some direct measures for the Head of Health and Safety to escalate. It was noted that a summary of the report was being shared with ARC as part of the Corporate Risk Register discussions.The Committee confirmed that it was happy with the above proposals and the Chair noted that a meeting with the Head of Health and Safety would be useful in the interim. |
|  | **Action**: DVCSO and University Secretary to work with the Head of Health and Safety to produce a more detailed response to the report in advance of the September 2023 FEC meeting. |
| FEC/2023-05-03/10 | **INVESTMENTS SUMMARY** | FEC/2023-05-03/P10 |
| 10.1 | FEC received a summary of the University’s cash investment performance. |
| FEC/2023-05-03/11 | STUDENTS’ UNION (SU) FINANCIAL MONITORING | FEC/2023-05-03/P11 |
| 11.1 | The Committee noted an update on the SU’s financial performance as at Period 10. |
| FEC/2023-05-03/12 | ANNUAL CYCLE OF BUSINESS 2022/23 | FEC/2023-05-03/P12 |
| 12.1 | FEC received the forward cycle of Committee business for the 2023/24 academic year. |
| FEC/2023-05-03/13 | ANY URGENT BUSINESS |  |
| 13.1 | There was no other business.  |
| FEC/2122-09-20/14 | DATE OF THE NEXT MEETING |  |
| 14.1 | Thursday, 28 September 2023, 15.00-18.00 |