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| **CONFIRMED MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2023** | | |
| PRESENT: | | |
| John Cowling (Chair) | Professor Sir Chris Husbands | |
| Carol Bernard | Giles Searby | |
| Gabrielle Berring |  | |
| IN ATTENDANCE: | | AGENDA ITEM |
| Michaela Boryslawskyj, University Secretary | | All |
| Simon Briggs, Director of Digital Transformation Services (DTS) | | Item 7 |
| Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations (DVCSO) | | From item 5 |
| Professor Sally Jackson, Chief People Officer/Pro Vice-Chancellor (Diversity & Inclusion) (CPO/PVCDI) | | All |
| Ryan Keyworth, Chief Finance Officer (CFO) | | All |
| Tracey Taylor, Committee Secretary | | All |
| Libby Wilson, Group Director, Strategy, Infrastructure and Change (GDSI&C) | | Items 6 & 7 |
| APOLOGIES: Janet Onyia | | |

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| Minute Ref | Item of Business | Paper Ref |
| FEC\_2023\_09\_28\_1 | DECLARATIONS OF INTEREST |  |
| 1.1 | The CFO and CPO/PVCDI declared an interest in item 9 in their capacity as Directors of SHU Law Limited. | |
| FEC\_2023\_09\_28\_2 | CHAIR’S BUSINESS |  |
| 2.1 | The Chair highlighted the informative article written by the DVCSO and GDSI&C on University planning: [Who needs a Plan? - AHUA](https://www.ahua.ac.uk/who-needs-a-plan/) | |
| 2.2 | On behalf of the Committee, the Chair congratulated the University on having received a Gold rating in the Teaching Excellence Framework (TEF). | |
| 2.3 | FEC noted that the Chair had attended the Senior Leadership Development Programme (SDLP) Conference in September and would be happy to share his thoughts with members outside of the meeting if this would be helpful. | |
| FEC\_2023\_09\_28\_3 | MINUTES OF THE PREVIOUS MEETINGS | FEC\_2023\_09\_28\_P3 |
| 3.1 | The Committee **approved** the minutes (including the confidential minutes) of the meetings held on 21 June 2023 as an accurate record. | |
| FEC\_2023\_09\_28\_4 | MATTERS ARISING AND ACTION TRACKER | FEC\_2023\_09\_28\_P4 |
| 4.1 | The following matters arising were noted:   * Health & Safety Management Review – the Chair confirmed that he had met with the Head of Health and Safety to discuss the report following the June meeting. It was noted that significant progress had been made over the summer to address the immediate actions from the various reviews and audits. An update would be presented at the November meeting, as part of the scheduled Annual Health and Safety Management Review; and * an update from Finance on energy purchasing following a query from the Chair at a previous meeting around energy purchase points. | |
| FEC\_2023\_09\_28\_5 | 2023/24 BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY (MTFS) | FEC\_2023\_09\_28\_P5 |
| 5.1 | The Chair highlighted that, whilst the development of the MTFS was progressing, the final version would not be available until the 16 November FEC meeting, though there would be an opportunity for some earlier discussion at the October Board Strategy Event.  The CFO reported that good progress was being made on closing the budgetary gap following lower than forecast recruitment for September 2023 entry but noted the remaining risks around returning students and January 2024 overseas postgraduate taught (PGT) students, given recent policy changes and Nigeria’s economic situation.  To mitigate the risk of the University breaching its banking covenants, Professional Services and Colleges had been asked to generate efficiency savings and the position would be reviewed at the Executive Leadership Team (ELT) Team meeting the following day.  The implications of the 2023/24 position on the MTFS were noted; all associated scenarios required increases in cash generation in varying degrees to address the University’s strategic priorities, achieve its climate action objectives and complete the Campus Plan as intended. Increasing cash generation would require a significant shift in University operations which would be the focus of next week’s University Executive Board (UEB) Strategic Options Review. | |
| 5.2 | A confidential minute was recorded. | |
| 5.3 | The Vice-Chancellor commented that a number of HEIs were experiencing similar recruitment issues, with optimism evidenced in both growth and costs. | |
| 5.4 | A confidential minute was recorded. | |
|  | **Action: CFO to provide benchmarking data on competitor performance to facilitate discussions at the Board Strategy Day.** | |
| FEC\_2023\_09\_28\_6 | ESTATES DEVELOPMENT REVIEW | FEC\_2023\_09\_28\_P6 |
| 6.1 | The GDSI&C outlined progress with live projects since the last report, noting that Howard Street (Blocks A-D) was on track for completion ahead of the 2024/25 academic year. FEC also noted that UEB had approved the budgets for the following pipeline projects:   * Aspect Court mechanical infrastructure at a value of £1m; * works to relocate the Students’ Union costed at £1.2m; * Professional Services Workplace Phase 2 (Brian Nicholson and Furnival Works), at £450k; and * feasibility, design and costing work to inform a finalised budget for the Adsetts Library Phase 1 project (to be presented to UEB and FEC) | |
| 6.2 | Members were reminded of the three original phases of the Campus Plan, noting that the University had been exploring alternative options for Phase 2 over the last few months in response to the known space limitations of the initially identified site for Block E and the fact that requirements for Health in particular continued to evolve with the shift to a simulated learning environment. Added to this, there was an acknowledged need for additional teaching space at City (and the associated maintenance costs). | |
| 6.3 | It was noted that UEB had considered a range of scenarios at its meeting on 19 September 2023 and was recommending Option 2 which sought to consolidate the Collegiate Campus whilst improving the attractiveness of the University’s Health offer. A confidential minute was recorded. | |
| 6.4 | FEC discussed the cash implications of the various budget approvals and Phase 2 plans. The GDSI&C advised that the capital expenditure approved by UEB (as outlined above) made good strategic sense, particularly in relation to the move of the Students’ Union to the student facing area around the Atrium and provision of block teaching for apprenticeships.  In response to a member’s query on whether hybrid working had been factored into the plans, the GDSI&C noted that there was a reduction in space overall, with much less dedicated office space in the Howard Street development. The move from Oneleven to Furnival Works and Brian Nicholson also represented a significant shift and a more structured approach to who used what space, how and at what time. | |
| 6.5 | A confidential minute was recorded. | |
| 6.6 | **Resolution:** to **approve** the feasibility study work on the proposed approach for Phase 2 of the Campus Plan (Option 2), noting that more detailed proposals would be presented to FEC and to the Board for approval, pending further development of the MTFS once the final enrolment data for September 2023 entry was known. | |
| FEC\_2023\_09\_28\_7 | TECHNOLOGY STRATEGY REPORT | FEC\_2023\_09\_28\_P7 |
| 7.1 | FEC received an update on a range of projects including:   * the upgrade of the virtual learning environment to ‘Blackboard Ultra’ (a phased implementation designed to align to the curriculum redevelopment work); * the SITS Development programme, to bring together student and curriculum management priorities into a single programme encompassing the statutory changes required by HESA. It was noted that the first full Data Futures submission had been met, with the final submission scheduled for 27 October, and sign off by the Vice-Chancellor on 3 November 2023. Risks to meeting these deadlines were being reported through the University Risk Register; * multi-year CRM development; work to identify the most economic delivery route via a Tribal/in-house solution had led to a reduction in project cost; * projects focused around developments to applications and data to support the Online Project; and * a number of pipeline projects including a new research award management system, automation and work to the Student App.   Members commented on the wide range of ongoing and planned work, noting the need for effective governance and efficiency of process within change programmes. The GDSI&C confirmed that rigour of process from project to programme to portfolio was a key area of focus for the Technology and Data Strategy Infrastructure Board (TDSIB) in terms of real time planning and a joined-up approach. The DVCSO noted improvement in resourcing in DTS, with better retention coupled with successful recruitment.  In response to a query on whether there was sufficient flexibility to produce the efficiencies required to support the MTFS, it was noted that the Directors of Transformation and DTS were working closely on this. Members also noted the importance of prioritising student experience alongside efficiency; it was reported that redeveloping the current student app was key to enhancing the student experience and the attractiveness of the University to students. | |
| 7.2 | Members were briefed on progress with the Integration and Modern Data Architecture Project, noting that UEB had supported the procurement of a Managed Service Provider from the options outlined in the Business Case. It was noted that the overall figure contained in the Business Case was inflated by the inclusion of some internal resource and running costs and that, once commercial negotiations were further progressed and costs updated, a refined proposal would be presented to the Committee.  In response to a member’s query on how to mitigate the risk of reliance on a third party beyond the contract period, the Director of DTS confirmed that it was critical to build internal skills to support development going forward. | |
| 7.3 | The Director of DTS delivered a presentation on cyber security (as seen by the Audit and Risk Committee), highlights of which included:   * the growing business of cyber crime; * work to remain ahead of the sector and mitigate risks including the 24/7 monitoring of networks; and * collaboration with other universities through UCISA and JISC | |
|  | **Action: GDSI&C to investigate any potential vulnerability with UCAS systems.** | |
| FEC\_2023\_09\_28\_8 | PEOPLE PLAN REPORT |  |
| 8.1 | The CPO/PVCDI reported that the Hallam branch of UCU had voted to call off a final period of strike action this week though industrial action was still taking place in pockets across the sector. UCU continued to express dissatisfaction with both the 2022/23 and 2023/24 pay awards and had balloted members on further action in relation to the 2023/24 award. If UCU secured a mandate for industrial action, it would be valid for at least six months, from November 2023 at the earliest.  It was reiterated that the University’s decision to deduct 100% of pay from those who had participated in the marking and assessment boycott was in line with UCEA advice and relevant employment legislation, and that all pay withheld from staff had been directed to the Hardship Fund. It was also noted that the number of people participating in strike action had declined during 2023. | |
| 8.2 | Members were reminded that, in response to wavering support for the national pay bargaining framework, UCEA had consulted with HEIs in June 2022 on a new approach to national pay bargaining which provided greater flexibility for individual institutions within the framework. The University had expressed its support for this approach. It was noted that UCEA would develop their proposals for the 2024/25 award during Autumn 2023 prior to consultation with the sector, having used the findings of the Universities UK (UUK) review of HE finances to inform their proposals around national pay bargaining. | |
| 8.3 | The CPO/PVCDI invited any questions/comments regarding the HEPI article on the changing profile and work experiences of HE staff which had recently been circulated to members. | |
| 8.4 | Members were briefed on the number of general redundancies, Associate Lecturer redundancies and settlement agreements over the 2022/23 financial year. This information was presented annually to the Remuneration Committee members, as context in consideration of high-level severance payments, who had recommended that FEC receive a high-level, year on year comparison in view of its remit. It was noted that this would take the form of an annual report with effect from September 2024. The CPO/PVCDI also updated the Committee on dispute casework for the same period. | |
| 8.5 | **Senior Leadership Development Programme (SLDP) Update:**  FEC was updated on the positive outputs of the SLDP including the SLDP Conference on 12 September 2023 where participants shared their experiences with several members of the Board. | |
|  | **Action: Committee Secretary to share the CPO/PVCDI’s presentation slides to members for comment/questions.** | |
| FEC\_2023\_09\_28\_9 | PROPOSAL TO DISSOLVE SHU LAW LIMITED | FEC\_2023\_09\_28\_P9 |
| 9.1 | The University Secretary outlined the rationale behind the proposal to disestablish and dissolve SHU Law Limited (SHU Law), a wholly-owned subsidiary of the University following a review by the Pro-Vice Chancellor for Business and Enterprise in December 2022, The review had recommended that the clinical practice provision offered to students would best be provided by other means due to the significant regulatory requirements, including the need for specific posts, and the administration of the subsidiary. Operating this activity via a Law Clinic offered the opportunity for greater synergy under a more integrated approach within the new Institute of Justice. The Committee was assured that both existing and new students would continue to receive appropriate experience of live casework through SHU Law during the transition period to the Law Clinic. | |
| 9.2 | **Resolution:** to **approve** the proposal, on the assurance that students would continue to benefit from clinical legal practice. | |
| FEC\_2023\_09\_28\_10 | **PROVISIONAL FINANCIAL OUTTURN FOR 2022/23** | FEC\_2023\_09\_28\_P10 |
| 10.1 | The Committee noted that, despite the loss of income from lower than anticipated student numbers, in-year cost savings and a net benefit from high interest rates, had returned a result which complied with all bank covenants. | |
| FEC\_2023\_09\_28\_11 | **BAD DEBTS PROVISION** | FEC\_2023\_09\_28\_P11 |
| 11.1 | FEC considered the proposed year end bad debt provision for 31 July 2023, noting that the majority of the recommended increase in provision related to higher levels of former Home and International students’ debt (which was 100% provided for). An increase in provision for current Nigerian students was proposed due to the ongoing economic issues in country.  In response to a member’s question, the CFO reported that students with debt were prevented from graduating/re-enrolling though significant work, in conjunction with the Students’ Union, was undertaken to help students as much as possible.  The manual nature of the debt recovery processes and the need for automation was discussed, noting this would compete for investment with other priorities as outlined in the Technology Report.  It was noted that University was looking to diversity its recruitment base away to move away from reliance on specific international markets. Whilst the position was somewhat mitigated by the taking of deposits from overseas students, Home students, particularly mature students, also contributed to aged debt. | |
| 11.2 | **Resolution:** to **approve**:   1. the net write-off of debts of £298k, that were considered to be irrecoverable, against the prior year bad debt provision; and 2. an increase of £1,944k in the provision for new bad debts in the year. | |
| FEC\_2023\_09\_28\_12 | **ORDERS AND CONTRACTS ABOVE THRESHOLD LEVEL** | FEC\_2023\_09\_28\_P12 |
| 12.1 | The Committee noted the following contracts had been awarded since the previous meeting:   1. Online Programme Management Service - £102,000,000 2. Microsoft Azure (EES) - £4,284,000 3. Furniture for Blocks A-D - £1,900,000 4. AV For Blocks A-D - £1,900,000 5. Adobe - £1,400,000 6. Advanced e5 Extension - £1,184,424 | |
| 12.2 | A confidential minute was recorded. | |
| 12.3 | Resolution: to **approve** the following contracts:   * Occupational Health Services for Students - £3,200,000 * Extension of the Blackboard Contract - £3,772,900 | |
| FEC\_2023\_09\_28\_13 | **COMMITTEE EFFECTIVENESS REVIEW AND REVISED TERMS OF REFERENCE** | FEC\_2023\_09\_28\_P13 |
| 13.1 | The University Secretary highlighted the positive responses to the Committee effectiveness survey, noting the consistently high scores. Members were invited to comment on any areas where additional benchmarking data would be beneficial.  The key changes to the Committee Terms of Reference were noted as follows:   * to add delegated authority for the dissolution of University subsidiaries (for avoidance of doubt); * changes in line with the Financial Regulations and expenditure approval thresholds; and * changes to reflect the current membership.   It was reported that the current membership presented a risk in terms of the quoracy arrangements until a further Independent member could be appointed. Members were asked to provide early notice of apologies, especially for the November in-person meetings to consider the Annual Financial Return in advance of Board sign off. | |
| 13.2 | **Resolution:** to **recommend** the revised Committee Terms of Reference to the Board for approval. | |
| FEC\_2023\_09\_28\_14 | **BI-** **ANNUAL PENSIONS UPDATE** | FEC\_2023\_09\_28\_P14 |
| 14.1 | FEC received the bi-annual Pensions Update and noted the supplementary information on the TPS investigation provided by the Head of Pensions Development and Payroll in response to a member’s query. | |
| FEC\_2023\_09\_28\_15 | **INVESTMENTS SUMMARY** | FEC\_2023\_09\_28\_P15 |
| 15.1 | Members noted the cash investment summary. | |
| FEC\_2023\_09\_28\_16 | **STUDENTS’ UNION (SU) FINANCIAL MONITORING** | FEC\_2023\_09\_28\_P16 |
| 16.1 | The Committee received an update on the financial performance of the SU as at Period 12 (end July 2023). | |
| FEC\_2023\_09\_28\_17 | ANNUAL CYCLE OF BUSINESS 2023/24 | FEC\_2023\_09\_28\_P17 |
| 17.1 | FEC noted the forward cycle of Committee business for the 2023/24 academic year. | |
| FEC\_2023\_09\_28\_18 | ANY URGENT BUSINESS |  |
| 18.1 | There was no other business. | |
| FEC\_2023\_09-28\_19 | DATE OF THE NEXT MEETINGS |  |
| 19.1 | * Thursday,16 November 2023, 13.30-14.30 - joint meeting with the Audit and Risk Committee to consider the Annual Financial Return. * Thursday, 16 November 2023, 15.00-18.00 – to consider FEC business outside of the joint meeting.   It was advised that both the above meetings would take place on campus. | |