

CONFIRMED MINUTES OF THE MEETING HELD ON 19 MAY 2021
PRESENT (via Zoom):

Meg Munn (Chair)	Lord Kerslake
David Bradley	Neil Macdonald
Professor Chris Husbands, Vice-Chancellor	Julie Morrissy (Item 6 onwards)
Chris Kenny	

IN ATTENDANCE:	AGENDA ITEM
Michaela Boryslawskyj, University Secretary and Clerk to the Board	All
Richard Calvert, Deputy Vice-Chancellor (DVC), Strategy and Operations	To item 7
Deborah Harry, Chief Finance and Planning Officer	All
Sally Jackson, Chief People Officer	All
Dan Lally, Head of Business Engagement and Growth	Item 5
Linda Mason, Director of Strategy, Planning and Insight	Item 5
Simon Taylor, Director of Finance	Item 5
Toby Ward, Head of Estates and Workplace Development	Item 6
Sharon Taylor, Head of HROD – Resourcing and Reward	Item 7
Kelly Cookson, HROD Manager – Resourcing and Reward	Item 7
Richard Hughes, HROD Manager - Cultural Development and Wellbeing	Item 7.4
Elizabeth Wilson, Director of Transformation	Item 7.4
Tracey Taylor, Committee Secretary	All

APOLOGIES: There were no apologies.

Agenda item 2 Paper Ref	Declarations of Interest	Minute Ref FEC/3/21/1
1.1 Julie Morrissy had previously declared a potential interest in relation to item 5, Potential Opportunity: Strategic Business Case, and would consequently join the meeting from Item 6 onwards.		
Agenda item 3 Paper Ref FEC/2/21/M	Minutes of Meeting held on 10 February 2021	Minute Ref FEC/3/21/2
2.1 The Committee <u>approved</u> the minutes as an accurate record.		
Agenda item 4 Paper Ref FEC/3/21/4	Matters Arising and Action Tracker	Minute Ref FEC/3/21/3
3.1 There were no matters arising due for this meeting. Members noted one minor change to the Action Tracker to reflect that the pensions update would be presented to the July meeting. The Chair highlighted that additional context would be added to the Tracker in future for ease of reference.		
Agenda item 5 Paper Ref FEC/3/21/5 Confidential	Potential Opportunity: Strategic Business Case	Minute Ref FEC/3/21/4
5.1-5.4 A minute confidential to the Committee was recorded.		
5.5 The Committee affirmed its <u>recommendation</u> of the scheme proposal to be presented to the Board of Governors, together with the draft Heads of Terms, in June for consideration. The draft Heads of Terms, once agreed, would be shared with the Committee via email and Should the Committee wish to discuss any exceptional changes to the draft Heads of Terms prior to the June Board meeting, it was agreed that an extraordinary meeting of the		

Committee would be convened to consider (a date for which would be provisionally scheduled).

Julie Morrissy joined the meeting at this point.

Agenda item 6.1

Paper Ref FEC/3/21/6.1

Estates Development Report

Minute Ref FEC/3/21/5

6.1 The Chair welcomed the Head of Estates and Workplace Development, who presented the key elements of the Estates capital programme including:

- works to the Atrium - the roof had been replaced and work on internal finishes and fire compartmentation was progressing. The project was currently on budget with completion programmed for end December 2021, though the aim to bring completion forward as far as possible given the return of students to campus in the autumn term was noted;
- Furnival works – noted the challenging nature of the scheme and contrast with the delivery of the Alliance projects. Whilst handover was forecast by the end of June, this was subject to the resolution of some site issues including the project overrun; and
- demolition of the Science Park - the demolition had gone smoothly and a large volume of retained material would be recycled into the new development.

Members received an update on the Hallam Alliance and agreed to defer any detailed discussion until the July meeting when the Director of Estates and Facilities would be present.

Agenda item 6.2

Paper Ref FEC/2/21/6.2

Confidential

Update on the Campus Plan

Minute Ref FEC/3/21/6

6.2 The Committee reviewed a progress update on the Campus Plan, focussing on the next key steps in the Howard Street development. The DVC, Strategy and Operations reported that the University had recently entered the planning approval period for the development which was now out to public consultation. It was noted that opportunities to accelerate the Campus Plan, as well as re-working the various phases, had been considered in the context of enhanced space utilisation and the University's financial position; discussions had concluded that the Howard Street development should proceed as planned.

6.3 A minute confidential to the Committee was recorded.

6.4 In considering the proposal for a further draw-down of funds to facilitate design, planning and enabling works to Blocks A-D of the development, members raised the following matters:

- the recent correspondence from the Secretary of State for Education to universities regarding fire strategies. The DVC, Strategy and Operations confirmed that this related to student residential blocks which were not in the University's ownership, however the Committee was assured that considerable work on fire safety across the University's estate had been undertaken over the past few months
- scheme cost pressures including ground works and utilities and flexible workplace provision; the Head of Estates and Workplace Development confirmed that work with the Alliance partners had resulted in a large number of small cost reductions to bring the project back on budget;
- the likelihood of planning issues; it was reported that dialogue with local planners had been largely positive to date and that a full planning submission was anticipated early June.
- the establishment of the new Refinancing For Transforming Lives Task and Finish Group; it was noted that terms of reference were in place and the first meeting of the Group would be scheduled as soon as greater clarity on costs was available.

- 6.5 The Committee approved the further drawn down of £520k from the agreed budget as outlined above, noting that any proposal for further stages relating to the construction of Blocks A-D would be subject to separate approval and the satisfactory securing of finances.

Agenda item 7.1

Paper Ref FEC/2/21/7.1

People Plan Report

Minute Ref FEC/3/21/7

- 7.1 The Chief People Officer briefed the Committee on work undertaken following disclosures referencing 119 universities on the Everyone's Invited website, an online movement committed to eradicating rape culture. There were only two references to Sheffield Hallam and it was noted that both references to the University did not relate to on-campus incidents. Following the subsequent OfS publication of a Statement of Expectations to prevent and address harassment and sexual misconduct, it was reported that the University's Personal Relationships Policy had been reviewed the previous year and that a review of all associated policies was currently taking place. The Chief People Office emphasised the culture of respect and inclusion at the core of the Hallam Deal initiative, underpinned by the Hallam values. It was noted that a clear and robust policy for staff and students to demonstrate the University's zero tolerance for harassment and sexual misconduct was in development, together with work to ensure services and procedures were accessible. Training for students, staff and governors to include awareness raising, prevention of incidents, consent, reporting and receiving/handling disclosures was also being developed. HROD and Student Support were working together to produce combined staff and student data which would be presented, along with a fuller account of the ongoing work in this important area, to the Board in July. The Committee received a summary of the sexual misconduct casework over the last three years, noting the low number of cases, but that work to build confidence to report could be beneficial given the number of anonymous reports made.

- 7.2 Members commented that the casework data was reassuring and queried to what extent the University would be looking to flag up any reports of historical complaints. The Chief People Officer responded that this had not been specifically considered but that driving a more honest and transparent culture may encourage people to report earlier incidents. In view of the numerous settings in which incidents could occur, members were briefed on discussions with networks and partners across the city and noted that both Sheffield Students' Unions were working together with the local MP with the aim of making Sheffield safer for students.

Agenda item 7.2

Paper Ref FEC/3/21/7.2

BAME Equal Merit Pilot

Minute Ref FEC/3/21/8

- 7.3 Following the receipt of legal advice on the Equal Merit proposals, the Committee endorsed the ULT recommendation that the University adopt the Equal Merit Principle at the interview stage of recruitment and not at shortlisting, due to concerns about the potential disadvantages for minoritised groups. Members were, however, keen that the legal advice did not prevent the University from revisiting this in future and the Chief People Office affirmed the University's ambitious agenda in this area. The HROD Manager – Resourcing and Reward reported this would be supplemented by positive action to increase representation in the workforce and embed the equal merit principle in recruitment activity, including improved application processes, interview panel constitution and work on an advertising strategy from a diversity perspective. The Committee discussed the varying perceptions on the use of BAME and agreed that alternative terminology would be beneficial. The importance of any move towards blind shortlisting to be aligned with the University's objectives was also mooted. It was noted that a review of the application form/process to ensure people were able present themselves as positively as possible,

together with work on a range of advertising mediums to encourage BAME applications was underway. It was agreed to revisit this matter in 12 months' time.

Agenda item 7.3

Paper Ref FEC/3/21/7.3

Confidential

National Minimum Wage

Minute Ref FEC/3/21/9

- 7.3 Members noted the decision taken by ULT to address the impact of the increase in the National Minimum Wage on the University's pay scales. Since all staff continued to receive the National Living Wage (NLW), spinal points 2,3 and 4 (which were below the NLW) would no longer form part of the pay framework with effect from 1 April 2021.

Agenda item 7.4

Paper Ref Verbal Report

Initial Feedback on the Staff Engagement Survey

Minute Ref FEC/3/21/10

- 7.4 The HROD Manager for Cultural Development and Wellbeing presented the initial findings from the third Pulse Survey (April 2021). Key points included:
- the focus on future ways of working and specific questions on the experience of working on and off campus;
 - the high proportion of staff who expressed a wish to continue with hybrid working;
 - the response rate which, while lower than the April 2020 survey, compared favourably with that of the previous survey in October 2020;
 - the highest scoring questions including regular contact with line managers and support with caring responsibilities; and
 - the considerable number of free comments available for more detailed analysis.

In response to a member's query on responses by different staff categories, it was noted that the academic scores continued to be lower than professional services staff, but that academic scores were higher compared with previous surveys.

The Director of Transformation highlighted the University's aspiration to build on the positives around increased trust and flexibility, create a better work/life balance, improve inclusion and bring about increased environmental benefits. The immediate priority was to facilitate the safe return of staff to campus from June, prepare workspaces to support hybrid working and adopt a flexible approach to space utilisation as a precursor for the longer term objectives aligned with the ambitions of the Future Strategy Programme (FSP) and staff sentiment.

Agenda item 8.1

Paper Ref FEC/3/21/8.1

Financial Performance Report: Period 9

Minute Ref FEC/3/21/11

- 8.1 The Chief Finance and Planning Officer presented the highlights of the University's financial performance for Period 9 (to end April 2021) particularly,
- the improved financial position largely due to a positive January recruitment cycle for international students;
 - the reduction in pay as a percentage of income;
 - an increase in bad debt provision due to some student sanctions having been removed during Covid; and
 - the Financial Operating Model which indicated slightly more favourable delivery costs compared to budget.

Agenda item 8.2

Paper Ref FEC/3/21/8.2

Confidential

Budget 2021/22; Initial Assumptions and Risks

Minute Ref FEC/3/21/12

- 8.2 It was reported that the OfS had again extended the deadline for the annual Financial Return to March 2022, meaning that the draft forecast would be considered by the Board in July and revisited in Autumn 2021 to take account of September 2021 recruitment data,

ahead of submission to the OfS. It was not yet clear if the OfS would be requesting an interim return in October 2021 as per the previous year.

The Chief Finance and Planning Officer provided a comprehensive briefing on the key underlying assumptions for the 2021/22 budget and the 5 year forecast, including

- the 18-year old demographic and the corresponding forecast of a continual increase in student numbers;
- a Home undergraduate tuition fee of £9,250 throughout the forecast period;
- OfS funding assumptions for teaching and capital grant in line with recent consultations;
- increasing staff costs and pension contributions;
- the updated Campus Plan to include the Howard Street Development and the Strategic Business Case; and
- reflection of benefits arising from the FSP.

Risks were identified as the early inclusion of additional income and cost savings arising from the work on the FSP, continuing Covid-related risks and the current uncertainty over additional borrowing requirements. The Committee considered the above risks, particularly the uncertainty of borrowing requirements in the context of the July Committee and Board meetings and the benefits of having early sight of any significant issues. It was reported that, despite the medium-term issues identified above, the 2021/22 budget was reasonably straightforward given the certainty on tuition fee and pay negotiations. Members noted that scenario modelling had been undertaken in the event funding for the Howard Street development was not forthcoming.

In relation to the proposed capital funding changes, members queried what sort of schemes were likely to attract capital funding; it was reported that whilst there had been no call for bids as yet, successful schemes were likely to follow the priorities identified which in the teaching grant consultation in line with government strategic priorities.

Agenda item	8.3	Students' Union Financial Monitoring:	Minute Ref	FEC/3/21/13
Paper Ref	FEC/2/21/8.3	Period 9		
	Confidential			

- 8.3 Members received an update on the financial performance for the Students' Union (SU) to 30 April 2021. The overall surplus above budget was noted; despite the pandemic substantially affecting commercial operations this had been partly compensated by savings from reduced face-to-face activities. It was reported that the accounts for the period depicted an operating deficit due to the recently completed restructure and costs relating to the closure of the SU's commercial outlets.

Agenda item	8.4	Students' Union 2021/22 Budget and Grant	Minute Ref	FEC/3/21/14
Paper Ref	FEC/2/21/8.4	Proposal		
	Confidential			

- 8.4 The Chief Finance and Planning Officer outlined the proposal for the 2021/22 SU Grant (to remain at the same level as the previous year due to the flat undergraduate tuition fee), noting ULT's support at its meeting on 27 April 2021. The following key aspects were noted:
- the increase in SUSS pension contributions in line with the deficit recovery plan;
 - the future of the HUBS building and the SU's wish to be more dispersed which aligned with the Future Strategy Programme and work on the campus masterplan; and
 - work with the Students' Union of Sheffield University and local providers to provide social events for students following the closure of the SU's catering outlets.

- 8.5 The Committee recommended the SU budget and grant award of £2,458k for the academic year 2021/22 to the Board of Governors for approval, noting the need for this annual exercise to be based on the specific circumstances prevailing at the time.

Agenda item	8.5	Orders and Contracts above Threshold Level	Minute Ref	FEC/3/21/15
Paper Ref	FEC/3/21/8.5			
	Confidential			
8.6 The Committee reviewed the report on orders and contracts and resolved to <u>approve</u> the award of the Manned Guarding contract for an initial 2-year contract period (with an option to extend for two further periods, subject to contract review).				
Agenda Item	8.6	Report from the Financing Campus Plan Working Group	Minute Ref	FEC/3/21/16
Paper Ref	FEC/3/21/8.6			
	Confidential			
8.7 The Committee received a progress report from the above Task and Finish Group, noting that the Santander Facility Agreement and associated documentation had been signed off under Chair's action on 15 April 2021 which concluded the work of the Group.				
Agenda Item	9	Investment Summary	Minute Ref	FEC/3/21/17
Paper Ref	FEC/3/21/9			
	Confidential			
9 Members noted the report from the Chief Finance and Planning Officer.				
Agenda Item	10	OfS Consultations on Recurrent and Capital Funding	Minute Ref	FEC/3/21/18
Paper Ref	FEC/3/21/10			
10.1 The Committee received the report on the recent OfS consultations on recurrent and capital funding, together with the University's responses.				
Agenda Item	11	Annual Business Cycle 2020/21	Minute Ref	FEC/3/21/19
Paper Ref	FEC/3/21/11			
11.1 Members received the forward cycle of business for the July meeting.				
Agenda Item	12	Other Urgent Business	Minute Ref	FEC/3/21/20
12.1 There was no other business.				
Agenda Item	13	Date of Next Meeting	Minute Ref	FEC/3/21/21
13.1 7 July 2021 at 1500				