

## FINANCE AND EMPLOYMENT COMMITTEE

## Minutes of meeting held on Wednesday 19 September 2018

**Present:** Mr N MacDonald (Chair)  
 Prof C Husbands  
 Lord Kerlake  
 Ms M Munn  
 Dr S Timothy  
 Mr M Conway (University Secretary and Clerk to the Board)

**In Attendance:** Mr R Calvert, Chief Operating Officer  
 Ms D Harry, Chief Finance and Planning Officer  
 Dr S Jackson, Interim Director of Human Resources + Organisational Development  
 Prof C Kinsella, Chair of the Audit and Risk Committee (observer)  
 Mr Simon Taylor Assistant Director of Finance  
 Mr P Sweeney, Governance Services (Minute Secretary)

**Apologies for absence:** Mr D Bradley and Prof J Patnick

Paper reference	Minute reference	
	FEC/18/56	<b>Declaration of Interests</b>
	56.1	There were no declarations of interest.
FEC/3/18/M FEC/3/18/M C	FEC/18/57	<b>Minutes of the meeting held on 10 July 2018</b>
	57.1	The minutes and the confidential minutes were <u>approved</u> as a correct record.
FEC/3/18/action	FEC/18/58	<b>Matters Arising/Action Tracker</b>
	58.1	The Committee <u>noted</u> the action tracker.
	FEC/18/59	<b>Other Urgent Business</b>
	59.1	There was no other urgent business.
	FEC/18/60	<b>Election of a Deputy Chair</b>
	60.1	Stephen Timothy was elected as Deputy Chair of the Committee to serve until the first meeting of the Committee in September 2019.
	FEC/18/61	<b>Campus Masterplan Phase 1: Funding</b>
	61.1	At its most recent meeting, the Board's Campus Masterplan Task and Finish Group had agreed the recommendations to be made to the Board at its meeting on 5 October 2018. The Board would be asked to approve: <ol style="list-style-type: none"> <li>I. the recommended route of 'Partial Refinancing - Bank Funding' and to delegate to the Task and Finish Group the</li> </ol>

authority to negotiate terms and conditions with the existing and potential funders, and

- II. the budget of £220m for Phase 1, noting that authorisation for spend will be made through project gateway approval by the Finance and Employment Committee.

FEC/4/18/7.2 Confidential	FEC/18/62	<b>Financial Monitoring: Provisional Outturn 2017/18 (Period 12)</b>
	62.1	The Committee <u>received</u> the provisional outturn report for 2017/18 which was subject to audit. The Chief Finance and Planning Officer reported that the outturn was as expected and in line with previous forecasts. In response to a query about PSOM related savings, the Chief Finance and Planning Officer explained that this was a timing issue rather than any significant slippage in the programme. The University remained confident that these benefits would be delivered.
FEC/4/18/7.3 Confidential	FEC/18/63	<b>Orders/Contracts above Approval Threshold Level</b>
	63.1	The Committee <u>noted</u> that a contract had been awarded to Pheonix Ltd for provision of Microsoft EES desktop and server incorporating Azure, Dynamics. The duration of the contract, and the University's financial commitment, was as stated in paper FEC/4/18/7.3.
	63.2	A contract for travel management services was planned to be awarded before the end of October 2018. Chair's Action would therefore be sought to approve the contract prior to the next meeting of the Committee on 13 November 2018.
FEC/4/18/7.4	FEC/18/64	<b>Investments Summary – 12 months to 31 July 2018</b>
	64.1	The Committee <u>received</u> the investment summary including the investment yield benchmarking (appendix 2) report. This showed that despite the continuing low level of interest rates, the University had continued to outperform the LIBOR benchmark for the 12 months to 31 July 2018.

FEC/4/18/7.5	FEC/18/65	<b>Investment Schedule as at 18 September 2018</b>
	65.1	The Committee <u>noted</u> the tabled paper.
FEC/4/18/7.6 Confidential	FEC/18/66	<b>Students' Union Financial Monitoring: Provisional Outturn 2017/18</b>
	66.1	The Committee <u>received</u> the report which indicated an operating loss of £18.2k, £14.2k worse than the budgeted deficit. The year-end surplus now stood at £0.09k, £29.3k below budget. The Chief Finance and Planning Officer reported that the Students' Union grant for 2019/20 was currently being considered in light of its performance against agreed targets. Proposals would be brought to the next meeting on 13 November 2018.
		<b>Action: Chief Finance and Planning Officer</b>
	66.2	In discussion, the Committee considered what might be hampering the financial performance. There appeared to be failures around targets with ambitious targets not being met. The commercial trading environment was also challenging. It was suggested that the Students' Union Grant working group should pick up this issue with the Students' Union Executive.
		<b>Action: Chief Finance and Planning Officer</b>
FEC/4/18/7.7 Confidential	FEC/18/67	<b>Bad Debts – Recommended Provision and Write-Offs at 31 July 2018</b>
	67.1	The Committee <u>received</u> the report which recommended the net write-off of debts that were considered to be irrecoverable against the previous year's position and an increase in provision for new bad debts in the year.
	67.2	The Committee commented on the write-off of a commercial debt in excess of £100k. This was a high figure in relation to everything else though it was not clear if this figure represented the value of the initial contract or the cost of the work actually completed by the University before the contract had been terminated. The Director of Financial Services agreed to follow-up with more information on this particular debt.
		<b>Action: Director, Financial Services</b>
	67.3	The Committee <u>approved</u> : <ul style="list-style-type: none"> <li>i the net write-off of debts of £518k that are considered to be irrecoverable against the prior year bad debt provision; and</li> <li>ii an increase of £447k in the provision for new bad debts in the year.</li> </ul>
FEC/4/18/8.1 Confidential	FEC/18/68	<b>Estate Developments</b>
	68.1	The Committee <u>received</u> the summary of estates major projects showing overall risk status and the estate capital plan schedule. It noted that Chair's Action had been taken by the Chair of the

Committee and Chair of the Board to approve the increase in funding for the National Centre of Excellence for Food Engineering.

- 68.2 The Committee noted that options for the Atrium Roof Development were currently being explored and that a proposal would come forward in due course.

**Action Director of Estates and Facilities**

- 68.3 The Chair requested that the format and presentation of the Capital Plan Finances report be reviewed to ensure it remained fit for purpose.

**Action Director of Estates and Facilities**

**FEC/18/69 Sheaf Street Tower Development**

- 69.1 The Committee received a Process and Decision Map for the Sheaf Street Tower 'Disposal'. Developer proposals were due to be submitted by 28 September 2018 and the map set out the route through to Committee and Board approval should the proposals prove acceptable. External advisers would be providing scrutiny and peer review of the developer submissions to inform the Project Team, FEC Task and Finish Group, and the Chair of the Board.

**FEC/18/70 Health Innovation Park**

- 70.1 The Committee received a progress report. A minute confidential to the Committee was recorded.

**FEC/18/71 Professional Services Operating Model (PSOM)**

- 71.1 The Chief Operating Officer provided an update on progress:
- I. The design of Student and Academic Services had now been completed and was due to go live on 1 January 2019. Recruitment for grades 4-6 would take place between October and December 2018.
  - II. Focus was now shifting to core central services with design decisions due to be agreed in the next few weeks.
  - III. Work on Business and Outward Engagement and Recruitment, Marketing and Communications was on-going.
  - IV. The overall programme remained on track in terms of timescales and expected benefits. The programme was due to be completed within the next 12 months. It was essential that momentum was maintained and PSOM completed so that benefits could start to be delivered.

- 71.2 The Committee discussed the approach taken to responding to staff concerns. The Chief Operating Officer outlined the thorough consultation programme in place which had already led to meaningful changes in Student and Academic Services. He believed that members of staff were able to see this and that dialogue with trade unions had been positive.

- 71.3 Meg Munn reported on the Board Panel she had chaired to consider the collective grievance brought by UNISON in relation to Student

and Academic Services. The Panel had seen clear evidence of the process being slowed down and engagement increased in light of reported concerns. The grievance had not been upheld.

FEC/18/72     **SHU Law Ltd**

72.1     The Committee received a verbal update.

- I.     The application for SHU Law to be registered with the Solicitors' Regulatory Authority had been submitted. Some issues remained outstanding, notably the need for an outsourcing agreement to be in place before a licence could be granted.
- II.    51-53 Broomgrove Road had been refurbished and the team had started to move into the building.
- III.   A case management software system was currently being sourced.
- IV.   SHU Law was due to launch in October 2018 and remained on track to meet this timescale.

FEC/18/73     **Governance Arrangements for Subsidiary Companies: Revision to FEC Terms of Reference**

73.1     A review of governance arrangements had concluded that University staff should serve as directors of subsidiary companies rather than members of the Board of Governors. The Finance and Employment Committee should maintain oversight of the companies. Annual meetings would run in their current form in 2018 before shifting to the new arrangements for 2019. A formal proposal, including the necessary revisions to the Committee's terms of reference would be presented in due course.

**Action: Clerk to the Board**

FEC/4/18/12    FEC/18/74     **Schedule of Meetings and Forward Planning Programme**

74 .1     The Committee received the forward programme and noted that the next meeting would be held from 3.30pm until 5.00pm on 13 November 2018.

74.2     The Chair asked for the programme of business to be reviewed to ensure it more accurately reflected the full remit of the Committee. At present the employment and people agenda was lacking.

**Action: Clerk to the Board and Director of Human Resources and Organisational Development**