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| **CONFIRMED MINUTES OF THE MEETING HELD ON 6 MARCH 2024** |
| PRESENT: |
| John Cowling (Chair)  | Professor Liz Mossop |
| Carol Bernard (from item 4) | Giles Searby |
| Gabrielle Berring | Janet Onyia |
| IN ATTENDANCE: | AGENDA ITEM |
| Michaela Boryslawskyj, University Secretary | All |
| Richard Calvert, Deputy Vice-Chancellor, Strategy and Operations (DVCSO) | To item 9 |
| Professor Sally Jackson, Chief People Officer/Pro Vice-Chancellor (Diversity & Inclusion) (CPO/PVCDI) | All |
| Ryan Keyworth, Chief Finance Officer (CFO) | All  |
| Tim Smith, Chair Designate | All |
| Tracey Taylor, Committee Secretary | All  |
| Libby Wilson, Group Director, Strategy, Infrastructure and Change (GDSI&C) | Items 6 and 7 |
| APOLOGIES: There were no apologies |

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| Minute Ref | Item of Business | Paper Ref  |
| FEC\_2024\_03\_06\_1 | DECLARATIONS OF INTEREST |  |
| 1.1 | The CFO and CPO/PVCDI declared an interest in item 4 as Directors of SHU Law Ltd. |
| FEC\_2024\_03\_06\_2 | CHAIR’S BUSINESS  |  |
| 2.1 | The Chair Designate was welcomed to the meeting.  |
| 2.2 | The Chair reported that the following matters had been approved under Chair’s action since the previous meeting:* the software contract for the Integration and Modern Data Architecture Project to secure favourable pricing before the December 2023 deadline;
* the contract award to Sheffield Occupational Health Services given the timescales around mobilisation; and
* approval of the Barclays Bank Covenant Change.
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| 2.3 | It was noted that the Chair has recently attended a Finance and Procurement Team meeting and recommended the benefits of such visits to Directorates within the Committee’s remit.  |
| FEC\_2024\_03\_06\_3 | MINUTES OF THE PREVIOUS MEETINGS | FEC\_2024\_03\_06\_P3 |
| 3.1  | The Committee **approved** the minutes (including the confidential minutes) of the meetings held on 16 November 2023 as an accurate record. |
| FEC\_2024\_03\_06\_4 | MATTERS ARISING AND ACTION TRACKER  | FEC\_2024\_03\_06\_P4 |
| 4.1 | The following matters arising were noted.* the Committee’s agreement that the briefing on the Academic Career Framework would lend itself to a pre-dinner presentation to the Board of Governors (the Board); and
* an update from the University Secretary on the de-registration and dissolution of SHU Law Ltd. Companies House had been notified of the Company’s change in status to dormant with effect from 29 February 2024 and deregistration with the SRA was complete. An application for dissolution would follow in three months’ time and the Committee would be notified once dissolution was achieved (usually circa two months post application). It was noted that student requirements continued to be met through the Hallam Legal Advice Centre and checks in relation to a limited number of cases involving regulated activity were being undertaken to ensure satisfactory arrangements were in place.
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| FEC\_2024\_03\_06\_5 | MEDIUM-TERM FINANCIAL STRATEGY (MTFS) |  |
| 5.1 | Members were briefed by the CFO on the Period 6 covenant compliant position (Paper FEC\_2024\_03\_06\_P13) and outlined the action required to deliver additional non-pay savings. A confidential minute was recorded.The Committee expressed its appreciation and support for the Executive Team’s proactive financial management and significant efforts to keep FEC and the Board appraised of developments.  |
| 5.2 | The CFO presented an update on the MTFS including:* the importance of increasing net cash generation to ensure sufficient headroom against the net debt covenant, given the predicted fall in interest rates. A confidential minute was recorded.
* the challenging nature of the financial targets to 2026/27 and the cash position going into 2024/25, combined with the additional running costs of the Howard Street development alongside the existing estate and pay award and pension assumptions; and
* a confidential minute was recorded.

It was noted that more detailed options would be presented to the Board at the end of March including efficiency savings and service levels in Professional Services, the potential to accelerate system-led developments, a review of decision-making processes to ensure agility around portfolio decisions and proposals around the terms and conditions of employment offer. In response to a query on whether the workforce change programme assumptions were included within the MTFS forecast, the CFO confirmed this was the case with the exception of some savings yet to be confirmed from the academic restructure. Members highlighted that the Board would benefit from receiving information on the impact of the income generation and/or cost reduction choices available to the University, together with a more detailed explanation of the rationale for the cost base reduction trajectory. FEC agreed that further information could be circulated to the Committee for consideration/comment outside of the meeting cycle to facilitate agile decision-making. |
| FEC\_2024\_03\_06\_6 | ESTATES DEVELOPMENT REPORT | FEC\_2024\_03\_06\_P6 |
| 6.1 | The GDSI&C presented the proposed approach for revising the Campus Plan to align with the MTFS including the managed approach to the Hallam Alliance. FEC considered the developments which the University was committed to delivering over the next two years, including:* works (on a reduced scale) to consolidate occupancy at Collegiate over 2024/25 and 2025/26 to improve the accommodation for Health. A confidential minute was recorded.
* works to Adsetts Library to facilitate the move of the Departments of Law & Criminology (DLC) and Psychology, Sociology & Politics (PSP) collections from Collegiate to City Campus in 2024;
* the relocation of the Employability Service to Owen level 2 in summer 2024 to enable the Students’ Union to vacate the Hubs building;
* the Students’ Union relocation to the Careers Connect building around November 2024; and
* the fit-out costs of the new London Campus building.
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| 6.2 | FEC considered the key areas which represented a departure from the approach to the draft Campus Plan presented to the Committee in September, including:* the deferral of major refurbishment works to Stoddart due to available capital; a confidential minute was recorded.
* the deferral of works to the Owen façade following the outcome of a feasibility exercise which had returned a significantly higher cost than anticipated. Work to better understand the life of the current façade with careful management was ongoing and future proposals for the building would be presented at a subsequent meeting;
* the reduced budget for improvements at Collegiate Campus as outlined above;
* retention of Surrey and Howard Buildings for the medium to long term; and
* the removal of the Cantor contingency provision, as well as some minor aesthetic works across both Collegiate and City Campus, and the deferral of refurbishment works to the Harmer building.
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| 6.3 | A confidential minute was recorded. |
| 6.4 | The Committee received an update on progress with the Howard Street Development. Due to the exceptionally bad weather over the winter, there was a risk that several buildings would not be available for the start of the 2024/25 academic year. Rather than drive towards occupation in September, which may lead to quality issues and poor end user experience, a phased approach had been agreed by UEB. Block B/C would be available for the Institute of Technology and general teaching from the start of Semester One. Teaching in Blocks A and D would commence in Semester Two, meaning that DLC and PSP would remain at Collegiate for most of Semester One so as not to disrupt students part way through the term.It was also noted that options in relation to the catering strategy for the new buildings were being explored. A confidential minute was recorded. |
| 6.5 | FEC agreed that the proposals for developing the Campus Plan were sensible and in line with the MTFS.In response to a member’s question on the provision for the London Campus, it was reported that, due to the fit-out nature of the works, greater budgetary control could be exercised. Given the delay in relation to Blocks A and D, members queried the scopeto enhance their external appearance pending occupation. The GDSI&C noted that the University was keen to activate these buildings at the earliest opportunity and ways to populate work, event and research spaces would be identified in advance of undergraduate (UG) teaching commencing in Semester Two.Members commented that it would be helpful to consider further detail on how additional income could be generated by disposals and the envisaged University property portfolio, with underpinning assumptions, at various stages of the life of the Campus Plan.  |
|  | **Actions: GDSI&C*** To provide for the May meeting:
	+ a detailed breakdown of the proposed projects/costs, including a revised running order of building refurbishments, between now and 2040;
	+ a confidential minute was recorded;
	+ a visual representation of the University property portfolio at various stages of the Campus Plan.
* Future proposals for the Owen building to be presented at a subsequent meeting.
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| 6.6 | **Resolution:** to **approve** the above approach in further developing the Campus Plan. |
| FEC\_2024\_03\_06\_7 |  INTEGRATION AND MODERN DATA ARCHITECTURE PROJECT | FEC\_2024\_03\_06\_P7 |
| 7.1 | FEC received an update on progress to date, noting that the software contact (approved under Chair’s action) was now in place. The University was seeking Committee approval of the overall project budget and to contract with the Managed Service Provider (MSP). It was highlighted that the project was a key strand of the Technology Strategy and would make a significant difference across the University in terms of further technology development and efficiencies.  |
| 7.2 | **Resolution:** to **approve** the total cost to deliver the project of £2.1m over the 5-year contract period and to award the MSP contract, as recommended by UEB.  |
| FEC\_2024\_03\_06\_8 | PROCUREMENT MATTERS |  |
| 8.1 | **Revised insurance procurement strategy**: the CFO outlined a proposed change in the approach to procuring renewal terms from an increasingly hard insurance market, noting that the most competitive and cost-effective way was a broker-led tender. Whilst UEB had delegated authority to approve the annual insurance renewal, due to the intention to contract for a period of 3 years with an option to extend for a further 2 years, and the overall contract value of £7.5m, the University’s governance arrangements required approval from FEC and the Board.  |
| 8.2 | **Resolution:** to **recommend** the following proposals to the Board of Governors. 1. To **approve** a broker-led tender; and
2. to **delegate** authority to the CFO to award insurance contracts within the scope of this report up to a maximum of 5 years and a value of £7.5m.
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| 8.3 | **Orders and Contracts Above Threshold:** to notethe award of contracts valued above £500k since the previous meeting.1. Hybrid (contract extension) - £1,000,000
2. Sheffield Occupational Health Services (SOHS) - £3,200,000 (FEC Chair’s action)
3. Virtual Learning Environment – TET (Blackboard) - £3,700,000
4. Studiosity (variation) – additional £186,000 totalling £972,000
5. BlueSnap – Payment Services (online project) - £3,000,000 (Board Chair’s action)
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| FEC\_2024\_03\_06\_9 | EQUALITY, EQUITY, DIVERSITY AND INCLUSION (EEDI) MATTERS | FEC\_2024\_03\_06\_P9 |
| 9.1 | **EEDI Framework:** the Committee considered the draft Framework, which covered both students and staff and set the direction and priorities for EEDI work around the University’s vision, aims and equality objectives. Highlights included: * the continued aspiration for a culture of inclusion;
* a refreshed set of equality objectives; and
* the extensive consultation across the University in developing the Framework;

Members **endorsed** the Framework for approval by the Board, noting the next steps to develop delivery plans and associated KPIs. FEC commented that evidence of staff and student engagement with the Framework in future papers would be helpful in monitoring its success.  |
| 9.2 | **Annual EEDI Report 2022/23:** the CPO/PVCD&I presented highlights of the report, particularly:* an overview of progress towards the University’s vision of ‘Sheffield Hallam: A Culture of Inclusion’;
* achievements against all five Equality Objectives including:
* the creation of a new EEDI team to provide operational and strategic oversight of staff and student EEDI;
* a range of Students’ Union successes; and
* inclusive Curriculum Principles embedded through portfolio redevelopment; and
* areas for further development.

The Vice-Chancellor affirmed the University’s commitment to the EEDI agenda and members expressed their appreciation of the efforts to maintain EEDI at the forefront of the University’s priorities.The Chair suggested that Governors may benefit from a briefing with the new EEDI team. |
| 9.3 | **Resolution:** to **recommend** theEEDI Report to the Board of Governors. |
| FEC\_2024\_03\_06\_10 | **PEOPLE PLAN REPORT** | FEC\_2024\_03\_06\_P10 |
| 10.1 | **Senior Staff Group (SSG) pay review process:****Resolution:** to **approve** the removal of the non-consolidated bonus element of the SSG pay review process, as recommended by the Remuneration Committee. |
| 10.2 | **UKVI visit preparations:** the Committee congratulated HROD on the results of the mock audit of staff UKVI compliance which had been commissioned in response to the changes in compliance and enforcement actions announced by the Home Office. The audit had concluded that the University’s systems, processes, and procedures in this area demonstrated the highest levels of compliance and an example of best practice.  |
| 10.3 | **Pulse Survey outcomes:** the CPO/PVCDI reported on the highlights of the most recent staff survey which had focused on Performance and Development Reviews (PDRs) and line management, particularly:* the response rate of 40% (1652 employees);
* emerging themes from the free text questions including concerns about the current financial situation, the restrictions on staff recruitment, the volume of change initiatives and positives around effective line management;
* the dissemination of the high-level survey results with the Executive Leadership Team (ELT) and senior leaders and with staff generally through a Transforming Lives session; and
* analysis of the outcomes to further enhance the PDR process.
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| 10.4 | **Industrial action and pay award negotiations:** a confidential minute was recorded. UCU was consulting members on balloting for industrial action; the ballot was due to close on 14 April and, if secured, the mandate would run until October. However, Unison had failed to secure a mandate for industrial action over the 2023/24 pay dispute in its recent ballot. Members were appraised of the UEB decision to participate in the UCEA 2024/25 national pay negotiations.  |
| 10.5 | **Academic workforce change programmes:** FEC received an update on the Voluntary Severance Scheme (VSS), which had closed on Thursday 22 February 2024. A confidential minute was recorded. Some staff had already left the University and others were transitioning out of the workforce to minimise disruption to teaching and maintain the student experience.  |
| 10.6 | A confidential minute was recorded.  |
| 10.7 | Members commented on the importance of ensuring appropriate training and development was in place for individuals in new leadership roles, noting that coaching and mentoring would also be offered. The CPO/PVCDI also confirmed that support for HROD colleagues was available. MB noted that a communication to the Board providing an update on the College change proposals would be circulated shortly. |
| FEC\_2024\_03\_06\_11 | **REVISIONS TO THE ANNUAL BUSINESS CYCLE**  | FEC\_2024\_03\_06\_P11 |
| 11.1 | The University Secretary presented proposals in relation to Committee reporting in response to Board feedback on rationalising the Committee cycles of business. Key changes included: * to replace the regular Estates Development and Digital Reports with bi-annual reports in November and May which would provide for:
* an annual sign-off of projects for the coming year in the forward capital plan in May (facilitated by the introduction of a project/approval tracker); and
* an annual update on the Hallam Alliance in the November Estates Report.
* to reduce the frequency of the pensions and investment updates to annual (in September and November respectively).

Members were assured that ad hoc papers would be presented in addition to the above as and when approvals were required, or significant developments occurred. |
| 11.2 | **Resolution:** to **approve** the proposals, noting a preference for succinct papers alongside the proposed changes. |
| FEC\_2024\_03\_06\_12 | **PENSIONS UPDATE**  | FEC\_2024\_03\_06\_P12 |
| 12.1 | FEC received a comprehensive update on the University’s pension arrangements. |
| FEC\_2024\_03\_06\_13 | **FINANCIAL MONITORING UPDATE**  | FEC\_2024\_03\_06\_P13 |
| 13.1 | This item had been covered in detail under item 5.  |
| FEC\_2024\_03\_06\_14 | **STUDENTS’ UNION (SU) FINANCIAL MONITORING** | FEC\_2024\_03\_06\_P14 |
| 14.1 | The Committee received an update on the financial performance of the SU as at Period 6 (end January 2024). |
| FEC\_2r024\_03\_06\_15 | **ANY URGENT BUSINESS** |  |
| 15.1 | The Chair and members recorded their appreciation to the University Secretary for her contribution to the Committee. |
| FEC\_2024\_03\_06\_16 | DATE OF THE NEXT MEETINGS |  |
| 16.1 | Wednesday,1 May 2024, 15.00-18.00  |