

# MINUTES

## SUSTAINABILITY AND RESOURCES COMMITTEE, SR-13

**Date:** Tues 03 November 2020

**Time:** 1430

**Location:** Boardroom, University House/Online Teams meeting

*Notes:*

1. This Agenda is divided into three headings: Estates; Financials; and Human Resources / Employment. Each of these headings has a section 2 (For Discussion and/or Approval) and a section 3 (For Information).
2. Items marked with an asterisk (starred items) are for information only or regarded as noncontentious. Starred items will not be discussed and will be assumed to have been noted or approved unless a request to unstar a named item is received from a Board member in advance, or at the commencement, of the meeting.
3. Items classified as Confidential, and their subsequent minutes (highlighted here in blue), will be redacted before publication of the agenda and minutes on the University's public website.

<b>Members</b>		
Professor Liz Barnes	Vice Chancellor	P
Tuesday Forrest	Vice President, Students' Union	P
Hannah Gibbard	Professional Support Staff Representative	P
John Henderson	External Member	P
Mike Herbert	Co-opted Committee Member	P
Dr Cathryn Hickey (Deputy Chair)	External Member	P
Colin Hughes	External Member	P
Jonathan Vardon (Chair)	External Member	P
<b>In attendance</b>		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Professor Ieuan Ellis	Pro Vice Chancellor – Place & Engagement	IA
Professor Martin Jones	Deputy Vice Chancellor	IA
Sally McGill	Chief Financial Officer	IA
Andrew Proctor	Pro Vice Chancellor – Digital	IA
Lauren Rooke	Assistant Clerk to the Board of Governors (minutes)	IA

*P = Present (via Teams); A = Apologies; IA = In Attendance (via Teams)*

<b>1 MEETING MANAGEMENT</b>					
312	There were no <b>Apologies for Absence</b> .				
313	There were no new <b>Declarations of Interest</b> .				
314	The following <b>Membership of the Committee for 2020/21</b> was noted:  <table border="0"> <tr> <td><b>Constitution</b></td> <td><b>MEMBERSHIP</b></td> </tr> <tr> <td>External Members</td> <td>John Henderson Dr Cathryn Hickey (Deputy Chair)</td> </tr> </table>	<b>Constitution</b>	<b>MEMBERSHIP</b>	External Members	John Henderson Dr Cathryn Hickey (Deputy Chair)
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	<p>Colin Hughes Jonathan Vardon (Chair)</p> <p>Student Governor Tuesday Forrest (Vice-President, Students' Union)</p> <p>Staff Governor Hannah Gibbard (Professional Services Staff Governor)</p> <p>Co-opted Member Mike Herbert</p> <p>Vice Chancellor Professor Liz Barnes</p> <p>In attendance Ian Blachford, Chief Operating Officer &amp; Clerk to the Board Professor Ieuan Ellis, Pro Vice Chancellor – Place and Engagement Professor Martin Jones, Deputy Vice Chancellor Sally McGill, Chief Financial Officer Andrew Proctor, Pro Vice Chancellor - Digital</p>
315	The <b>Minutes of the last meeting of the Committee</b> , 19 May 2020 SR/13/01 were confirmed as a true and accurate record.
316	There were no <b>matters arising</b> .
317	The Committee noted the <b>*Overview of annual business for the Committee 2020-21*</b> SR/13/02.
318	<p>The Committee approved the <b>Terms of reference for the Committee for 2020-21</b> SR/13/03.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Jonathan Vardon asked about frequency of KPI reporting. Ian Blachford clarified that KPI reports were a standing item at Strategy and Performance Committee and then brought through to each Board meeting. Liz Barnes further noted that SLT reviewed KPI data regularly and highlighted that Executive was currently discussing a new approach to oversight and delivery of KPIs. (In relation to performance, if anything particularly unexpected or concerning was identified, it would be brought to the periodic Committee Chairs update calls.)</li> </ul>
<b>ESTATES AND INFRASTRUCTURE (E)</b>	
<b>E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)</b>	
319	<p>The Committee received for discussion the Estates overview, incl masterplan update &amp; ongoing projects SR/13/04, presented by the Pro Vice Chancellor – Digital. The following main points were noted:</p> <ul style="list-style-type: none"> <li>The report updated on progress of the Estates Masterplan approved in January 2020, with specific updates on the following: <ul style="list-style-type: none"> <li><b>Health Innovation Centre, Blackheath Lane, Stafford</b> <ul style="list-style-type: none"> <li>Planning application approved and acquisition of adjacent land completed</li> <li>Successful Government bid for capital funding of £2.9m</li> <li>Construction started late September 2020 with completion date of October 2021</li> </ul> </li> <li><b>New Nursery and Forest School</b> <ul style="list-style-type: none"> <li>Approval for revised budget given at Board of Governors meeting, 24 Sept 2020</li> <li>Planning permission received 28 September 2020</li> <li>Construction commenced October 2020 with completion date of November 2021</li> </ul> </li> <li><b>Blackstone Recladding and Cadman roof improvement works</b> <ul style="list-style-type: none"> <li>Planning application for cladding approved and external cladding/roof design complete</li> <li>Scope of project extended to include redesign of new internal layout with anticipated tender date late January 2021</li> </ul> </li> <li><b>Squires View</b> <ul style="list-style-type: none"> <li>Progress with Council on acquisition proved to be challenging and slow but anticipated completion date is late Autumn 2020</li> </ul> </li> <li><b>Disposal of Ex-Sports Field off Newcastle Road, Cotes Heath, Eccleshall, Stafford</b> <ul style="list-style-type: none"> <li>Application for 'planning in principle' for development (to increase land value before disposal) rejected by Council despite indications of support. (Currently in discussions with Council to understand change and determine next steps.)</li> </ul> </li> </ul> </li> </ul>

- The Board was asked to note the progress to date on the Estates Masterplan, noting the need for it to evolve further following the impact of Covid-19 and our 2030 strategy.

Members and attendees commented as follows:

- Liz Barnes drew attention to the Lichfield campus, with it being agreed that this would need to be actively considered in future masterplan discussions. Colin Hughes underlined that given current circumstances, the University would potentially need to consider a renewed and more radical approach to the Estates masterplan.
- Jonathan Vardon asked about potential other uses for the sports field off Newcastle Rd. Andrew Proctor noted that the planning consents only allowed for educational use and that there was no other use currently envisaged. (Mike Herbert highlighted that the land was greenbelt and there was currently unlikely to be any appetite from the council to revise this.)
- Jonathan Vardon asked about collaboration with other organisations in order to leverage learning from the current pandemic and its likely impact. Andrew Proctor highlighted the work underway on current and likely future student accommodation demand. Liz Barnes noted that the University was in discussion with the local primary care trust regarding a possible community-based Health and Wellbeing Centre. Projects such as the Digital Futures Institute and the Ceramics sector deal were also still in discussion – there were several potential opportunities for developing use of the estate and widening access.

- [REDACTED]
- Jonathan Vardon noted that it would be helpful to see an overview of original Estates projects timelines and costs against the current projections, and Andrew Proctor confirmed that he would incorporate this into future reports.

320

The Committee received for discussion the **Catalyst building – project update** SR/13/05, presented by the Deputy Vice Chancellor. The following main points were noted:

- Key achievements since June 2020 are as follows:
  - o Design, procurement and construction processes had continued under the required COVID-19 restrictions and, despite using their best endeavours, VINCI were presently 11 weeks in delay.
  - o The Director of Digital & Technical Services updated the Project Board on a regular basis with the scope, programme and interfaces surrounding the integrated digital project. The furniture and wayfinding stakeholder engagement was now finished, furniture was out to tender and the wayfinding final design was underway - both activities were due for completion mid-November and remained on programme.
  - o The Project Team continued the engagement with Digital Services and Estates (and other selected services) to work through any 'campus wide / business wide' requirements for Catalyst, which may have implications / benefits beyond the immediate building. Likewise, the Executive has initiated institutional-wide projects which will facilitate the proper operation of the building.
  - o VINCI Construction was reporting a changed anticipated completion date of 14<sup>th</sup> September 2021 against a revised Contract Completion date of 23<sup>rd</sup> July 2021.
  - o The Project Team on behalf of the University had instructed 3 important changes: swapping out a teaching room for a multi-faith/prayer room space, new substation and re-introducing evacuation lift(s). They were finalising changes to L3 south (library area), digital arrival and catering provision.
  - o SHMA was working closely with MACE and the Project Director in dealing with the contractual matters arising from COVID 19, weather and client changes.
  - o The Project Director and Project Team were exploring 3 'delay scenarios' and the commercial implications of the possible delays. The Catalyst Project Board would consider these issues on a monthly basis and act appropriately.

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Members and attendees commented as follows:

NONE

321 The Committee received for discussion an **Annual report on external funds for estates/resources** SR/13/06, presented by the Pro Vice Chancellor – Digital. The following main points were noted:

- The report summarised the external funding that the University had received in relation to Estates projects together with other potential bids in the pipeline.
- The University had secured a total of **£10.1m** in external funding grants towards capital projects including: -
  - The Catalyst
  - Samiac
  - Smart Technology Hub
  - Health Innovation centre
  - Sampid

• [REDACTED]

- Appendix A gave an overview of other funding bodies which had the potential to submit bids for financial support for Estates and infrastructure.

Members and attendees commented as follows:

• [REDACTED]

- Mike Herbert asked about potential collaborations with already-established local performing arts venues. Liz Barnes confirmed that there was currently no appetite for a model like that of Derby, whereby the University owned what had once been an independent theatre venue. (Martin Jones noted that Rob Marsden, Int Head of Dept. for Media and PA, sat on the boards of both the Mitchell and the Regent theatres.)
- Colin Hughes commended the University’s readiness to move on these kind of external funding applications.

322 The Committee received for discussion a paper on **Options for developing student accommodation on a commercial basis** SR/13/07, presented by the Chief Financial Officer. The following main points were noted:

- The University was looking to redevelop the on-campus residential student accommodation at Stoke-on-Trent in order to create an environmentally sustainable, low carbon ‘student village’ set in a biodiverse landscape) and was looking for approval on direction of travel.
- The report gave an overview of the current context and set out details of the outline proposal, strategic drivers, typical commercial model, financial and environmental sustainability, ongoing conditions for success, student involvement, potential sources of external funding, interaction with other accommodation in the city and next steps/proposed timetable.
- Advisors’ reports were provided on SharePoint as appendices.

Members and attendees commented as follows:

- Mike Herbert commended the paper and its timing, and asked about the likely required occupancy rates, given the proposed funding structure. Sally McGill clarified that ideally, we would avoid having to give occupancy rate guarantees, but that our project advisors had confirmed that given our large numbers of commuter students we were likely to need to agree required occupancy rates.
- Hannah Gibbard asked about comparable projects within the sector and Sally McGill clarified Durham, Royal Holloway and Kingston had all completed or were in the process of similar schemes.
- Jonathan Vardon asked how the University’s existing accommodation compared to others in the sector and it was agreed that the University’s accommodation offer was overall comparatively tired. Sally McGill noted that some HEIs had entered commercial partnerships with hotel chains that were now proving difficult to finance and maintain.
- Jonathan Vardon and Colin Hughes commended the report and the approach to the issue of student accommodation.
- Liz Barnes highlighted that consideration would need to be given to accommodation at the Stafford campus at the appropriate time.

**E3 FOR INFORMATION**



[REDACTED]

Members and attendees commented as follows:

- Ieuan Ellis highlighted that the University was currently well positioned in terms of overall completion rates. Jonathan Vardon commended the progress made.
- Liz Barnes commented on the positive feedback received from the interim Ofsted visit that took place on 21-22 October, which was a good indicator of the improvements achieved in the quality of the University’s apprenticeship provision.

326 The Committee received for approval the **Draft Financial Statements for y/e 31 July 2020** SR/13/11, presented by the Chief Financial Officer, comprising the following:

- i. **Draft 2019/20 Annual Review and Financial Statements** SR/13/11AppxA and further detail SR/13/11AppxB *(both available separately on SharePoint)*
  - o The cover sheet to the statements included an Executive summary giving overviews of the balance sheet position, cashflow, and bank covenants.
- ii. **Draft KPMG audit management letter and Letter of Representation** SR/13/12 *(available separately on SharePoint)*

*It was also noted that the Financial Statements were discussed and approved at Audit and Risk Committee on 27 October 2020 and would be presented for formal approval at Board of Governors on 24 Nov 2020.*

Members and attendees commented as follows:

NONE

The Financial Statements for y/e 31 July 2021 were approved for onward approval by Board of Governors.

327 The Committee received for approval the **Sustainability framework update and policies** SR/13/13, presented by the Chief Financial Officer. The following main points were noted:

- The Sustainability Strategy and Framework had been completely revamped with clearer objectives.
- The overall strategic goal remained to achieve a Carbon Net Zero position by 2030 (scope 1 and 2 emissions). At the same time the University would work to reduce its scope 3 emissions.
- The paper also set out the current thinking on target setting. (The required data was not yet available so the full set of targets would go to Sustainability and Resources Committee in March 2021.) The annual reporting would take place in the early part of the calendar year, based on the year-end reporting date of 31 July.
- Three policies were tabled for approval as appendix C: Corporate Social Responsibility Policy; Environmental Sustainability Policy; and Sustainable Procurement Policy.
- The paper also set out the University’ response to some external developments including the One Planet Pledge, the People and Planet League Table, potential NUS and OfS sustainability goal monitoring.
- The Committee of University Chairs (CUC) had recently produced a sustainability roadmap (appendix D) which although developed for FE, was also useful for HE. The University was somewhere between the second and third tiers of “established” and “leading”, and this was set to improve during 2020-21.

	<p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Colin Hughes commended the paper and noted that he was pleased to see that Kevin Gould, Chair of Audit and Risk Committee, was working with Executive on this theme.</li> <li>Martin Jones highlighted that the Sustainability Strategy showed how a key strand of the Academic Strategy – policy, place and society – was being lived within the University.</li> <li>Jonathan Vardon asked about the profile of other HEIs with regard to sustainability. Martin Jones noted that the University of York stood out – it was putting in place a progressive strategy and looking to collaborate regionally. Colin Hughes noted that within the sector, various awards were available, and these could be considered as potential measures of success.</li> <li>Jonathan Vardon asked about next steps. Sally McGill highlighted the CUC roadmap and noted the importance of making our position and priorities clear to stakeholders.</li> </ul> <p>The Sustainability Strategy, including three policies, was approved.</p>
328	<p>The Committee received for approval the <b>Credit Control policy update</b> SR/13/14, presented by the Chief Financial Officer, who noted the following main points:</p> <ul style="list-style-type: none"> <li>The proposed changes to the policy were the updating of tuition fee instalment dates, sanctions and international students' tuition fee instalments.</li> </ul> <p>Members and attendees commented as follows:</p> <p>NONE</p> <p>The updated Credit Control Policy was approved.</p>
<b>F3 FOR INFORMATION</b>	
329	The Committee received for information the <b>*Students' Union accounts 2019-20 (draft)*</b> SR/13/15.
330	<p>The Committee received for information the <b>*Management accounts to 30 Sept 2020 (month 2)*</b> SR/13/16.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Jonathan Vardon asked for clarification on the definitions relating to trade debtors and Sally McGill confirmed she would revert with further information via email.</li> </ul>
331	The Committee received for information the <b>*Treasury management report*</b> SR/13/17.
<b>HUMAN RESOURCES/EMPLOYMENT (H)</b>	
<b>H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)</b>	
332	<p>The Committee received for discussion the <b>Pensions update</b> SR/13/18, presented by the Chief Operating Officer, who noted the following:</p> <ul style="list-style-type: none"> <li>The Committee had previously been made aware of the Government consultation in 2019 regarding the Local Government Pension Scheme. The consultation response was due in Spring 2020, but this had been delayed due to the impact of the pandemic. The consultation was mainly on two broad areas of Local Government Pension Scheme regulations: <ul style="list-style-type: none"> <li>the ability for a scheduled body, such as the University, to have removed from it, the legal requirement to offer the LGPS to all eligible staff.</li> <li>the review and possible introduction of flexibilities on exit payments for those organisations who wished to cease LGPS membership for its staff.</li> </ul> </li> <li>The consultation response had now been published. The first aspect of the consultation had not been addressed - this was the more contentious aspect of the consultation and further information was awaited.</li> <li>The second aspect regarding exit payments had been shared - the regulations would be amended to reflect three options for an exiting employer: <ul style="list-style-type: none"> <li>As currently provided, calculate and recover an exit payment from the employer and make a clean break</li> <li>Agree a repayment schedule for an exit payment with employers who wish to leave the scheme but need to be able to spread the payment</li> <li>Agree a Deferred Debt Arrangement (DDA) with an employer to enable them to continue paying deficit contributions without any active members where the administering authority is confident that the employer would fully meet its obligations.</li> </ul> </li> <li>The third option signalled a significant shift in pension regulations, however, this must now be considered and enacted by each administering authority.</li> </ul>

	<p>[REDACTED]</p> <ul style="list-style-type: none"> <li>• In addition, the consultation also reported back on the proposed increased flexibilities for the LGPS to review the contributions between triennial valuations. This now included the ability for the LGPS to review the valuation (and thus contributions) where there had been a significant change to the liabilities of the employer, significant changes to the employers' covenant or where we may wish to invoke a review of our contributions.</li> <li>• A further update would be provided to the Sustainability and Resources Committee once more information was known from the LGPS.</li> </ul> <p>Members commented as follows:</p> <p>NONE</p>
333	<p>The Committee received for discussion the <b>Cultural development programme (Staff Make Staffs)</b> SR/13/19, presented by the Chief Operating Officer. The following main points were noted:</p> <ul style="list-style-type: none"> <li>• The 'Staff Make Staffs' culture change programme continued to progress against the business plan, despite the impact of COVID19. In fact, it was thought the move to a virtual platform for discussions had resulted in richer engagement and has provided a 'can do' attitude to identify and commit to making positive changes for the longer term.</li> <li>• All School and Services had identified cultural changes they would now work towards before a re-survey in approximately 12 months' time.</li> <li>• At a University level we had identified four key themes from the feedback which would be the focus of the next 12 months and embedded in the developing 'People Strategy': <ul style="list-style-type: none"> <li>○ An inclusive approach to planning our future</li> <li>○ An environment with innovation at its core</li> <li>○ Dissolving silos and building intra-team working</li> <li>○ Developing people, harnessing talent</li> </ul> </li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Jonathan Vardon asked about the proposed timetable. Ian Blachford confirmed that this was thought realistic in order to gauge the success of interventions and positive change, highlighting that it was important to maintain the momentum gained during the Covid-19 pandemic in terms of working agility.</li> <li>• Liz Barnes noted that communication seemed to have improved in all areas since initial lockdown and the restructuring to create UEB, and review SLT membership, had also contributed positively, in terms of devolving responsibility and encouraging greater ownership.</li> </ul>
334	<p>The Committee received for discussion the <b>People strategy</b> SR/13/20, presented by the Chief Operating Officer, who noted the following main points:</p> <ul style="list-style-type: none"> <li>• As the University continued to move forward with the development of its 'Towards 2030' Strategy, the People Strategy had been under active consideration as it became clearer what would be needed from our workforce in order to deliver the 'Towards 2030' Strategy. This had taken account of the changing external environment, the disruptor of COVID19, the Employee Engagement Survey findings and the most recent work on the 'Staff Make Staffs' culture development programme.</li> <li>• The current version of the draft People Strategy was included, prefaced by earlier slides already shown at the strategic events. The People Strategy was still under development and was shared for early feedback from the Sustainability and Resources Committee. Work would continue within the University on the socialisation of this draft before formal approval by the Board of Governors. Thus far, the strategy had been well received by University Executive Board and the 'Staff Make Staffs' Steering Group, and showcased at the recent Vice Chancellor Connects all-staff virtual event.</li> <li>• Of note within the People Strategy was the impact column, which elevated what would be an HROD Strategy to a more rounded People Strategy, reflecting upon the broader impact that we would have with our people.</li> </ul> <p>Members commented as follows:</p> <ul style="list-style-type: none"> <li>• Cathryn Hickey asked about the timescales and Ian Blachford clarified that the strategy was pitched as "towards" 2030 – it represented a direction rather than a deadline of 2030.</li> </ul>
<b>H3 FOR INFORMATION</b>	
335	<p>The Committee received for information the <b>*Review of organisational structures and staff capability*</b> SR/13/21, which gave an overview of recent School and Service organisational structure reviews and noted that that a new Executive Director of Academic and Strategic Planning would start in January 2021.</p>
336	<p>The Committee received for information the <b>*Cost of Living pay award*</b> SR/13/22, with the Chief Operating Officer noting that UCEA had outlined employers' final offer on pay (that there would be no uplift to the value of the</p>



	New JNCHES pay spine points for 2020-21, due to the severe risks to the sector's financial position resulting from Covid-19).
337	The Committee received for information the <b>Automated design update</b> SR/13/23, which noted that progress was on track for this project and that time and cost benefits were already being realised.
<b>4 ADDITIONAL MATTERS</b>	
338	<p><b>How have we made a positive impact on our students today?</b></p> <p>It was agreed that amongst the various key projects and developments that would positively impact on the student experience were the student accommodation review project (and compliance/maintenance report on current buildings), the work on environmental sustainability, the continued upward trajectory of the apprenticeships offer and the continued focus on retention.</p>
339	There were no <b>additional matters</b> .
340	<p><b>Items to be referred to Audit and Risk Committee:</b></p> <p>NONE</p>
341	<p><b>Items to be referred to Board of Governors:</b></p> <p><b>For information:</b></p> <ul style="list-style-type: none"> <li>a) <b>Minute 324</b> – Student enrolment for 2020/21 and financial implications</li> <li>b) <b>Minute 329</b> – *Draft Students Union Accounts 2019-20*</li> <li>c) <b>Minute 330</b> – *Management accounts to 30 Sept 2020 (month 2)*</li> </ul> <p><b>For approval:</b></p> <ul style="list-style-type: none"> <li>d) <b>Minute 318</b> – Committee Terms of Reference 2020-21</li> <li>e) <b>Minute 326</b> – Draft 2019/20 Annual Review and Financial Statements (including Draft KPMG audit management letter and Letter of Representation)</li> </ul>
342	<b>Next meeting:</b> Tues 16 March 2021 (Boardroom, University House)