

MINUTES

SUSTAINABILITY AND RESOURCES COMMITTEE, SR-14

Date:	Tues 16 March 2021	Time:	1300
Location:	University House boardroom/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.

Members		
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
In attendance		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	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; AB = Absent; L = Late; IA = In Attendance (via Teams)

1 MEETING MANAGEMENT	
346	There were no apologies for absence .
347	There were no new declarations of interest .
348	The Minutes of the last meeting of the Committee , 3 November 2020 SR/14/01, were confirmed as a true and accurate record.
349	Matters arising: <ul style="list-style-type: none"> • Minute 321 – External funds for estates/resources – it was noted that the Estates overview report at item E2.1 would give an update on this.

	<ul style="list-style-type: none"> • Minute 326 - Draft Financial Statements and Annual Review 2019-20 – it was noted that these had been approved at the 24 November 2020 Board of Governors meeting. • Minute 333 – Cultural development programme (Staff make Staffs) – it was noted that the progress with this continued to be rolled out across the University as per the agreed timescale, with Schools and Services focusing on the delivery of their local level action plans and owners of the four cross-University themes now scoping these. • Minute 337 – Automated design update – it was noted that a Know Your Business session on benefits realisation from this was planned for a future Board of Governors meeting.
350	The Committee received for information the *Overview of annual Committee business 2020-21* SR/14/02.
ESTATES AND INFRASTRUCTURE (E)	
E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
351	<p>The Committee received for discussion the Estates overview, incl masterplan update & ongoing projects SR/14/03, presented by the Pro Vice Chancellor – Digital. The following main points were noted:</p> <ul style="list-style-type: none"> • The report updated on progress on various projects, broadly summarised as follows: • Health Innovation Centre, Blackheath Lane, Stafford <ul style="list-style-type: none"> ○ Construction started late September 2020. ○ Site mobilised and temporary works complete, ground works well progressed. ○ No major issues uncovered - project in budget and on programme for completion late October 2021. • New Nursery and Forest School <ul style="list-style-type: none"> ○ Construction commenced October 2020. ○ Site mobilised, traffic management measures in place, ground works progressing. ○ No major issues - project in budget and on programme for completion late November 2021. • Blackstone Recladding and Cadman roof improvement works <ul style="list-style-type: none"> ○ Planning application for cladding approved and external cladding/roof design complete. ○ Scope of project extended to include redesign of new internal layout. ○ Unfortunately bid for external funding to the Public Sector Decarbonization fund unsuccessful. ○ Anticipated start on site subject to approval late April/early May 2021. • Squires View <ul style="list-style-type: none"> ○ Progress with Council on acquisition has proved to be challenging and slow although advised that the City Council Cabinet has formally agreed sale. Progressing with legal conveyancing. • Disposal of Ex-Sports Field off Newcastle Road, Cotes Heath, Eccleshall, Stafford <ul style="list-style-type: none"> ○ Discussions with Council ongoing around next steps (following rejection of planning in principle). • Sale of land at Lichfield College for coach park <ul style="list-style-type: none"> ○ Sale agreed in principle with Lichfield District Council and legal teams were progressing with the sale. (South Staffs College had asked for a re-evaluation of the land to confirm that the sale price still represented current market value.) ○ South Staffs College was still working with its legal team to resolve an issue relating to partial refinancing of their share of the site which had legal implications for both the College and the University. (An investigation into this was underway.) • Estates Masterplan <ul style="list-style-type: none"> ○ Direction and sequencing of Estates Masterplan agreed at January 2020 Board of Governors away weekend and early projects (Nursery, Health Innovation Centre, Blackstone) had progressed as detailed above. ○ Advent of Covid-19 had prompted a need to pause and reflect and the plan was currently being updated and refreshed for further discussion at the April 2021 Board of Governors' meeting. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> • Mike Herbert noted his support for reconsidering the approach to the College Road aspect of the Stoke on Trent campus. Jonathan Vardon noted his support for a review/refocusing of the estates masterplan in view of the pandemic, as referenced in the report.
352	<p>The Committee received for discussion the Catalyst building – project update SR/14/04 presented by the Deputy Vice Chancellor. The following main points were noted:</p> <ul style="list-style-type: none"> • Key achievements since the last update on 3 November 2020 were as follows: <ul style="list-style-type: none"> ○ The design, procurement and construction processes have been continuing under the required COVID-19 restrictions and, despite using their best endeavours, VINCI are presently 12 weeks in delay [last report was 11 weeks]. ○ The Director of Digital & Technical Services updated the Project Board on a regular basis with progress surrounding the integrated digital project, and the Board was satisfied by the progress made and the direction of travel. The AV installation, furniture and wayfinding design and procurement was complete, with Executive and key stakeholders having been involved in these decisions.

- o VINCI Construction was reporting a changed anticipated completion date of 22 September 2021 [as at the last report it was 14/09/21] against a revised Contract Completion date of 20 Aug 2021 [last report was 23 July 2021]. The Project Team has VINCI's programme for 2021 which shows the building completion date as late September 2021. Pressure was being applied to senior management to achieve this date, at least.
- o The University, via their project manager MACE, was receiving reports from its H&S Advisor, Building Clerk of Works and M&E Clerk of Works.
- o Since the last report the Project Team, on behalf of the University, had instructed important changes, aligning alongside the Library the SCoLPP (Staffordshire Centre of Learning and Pedagogic Practice) area, other alterations for partitions at Level 3 and the services implications of the agreed AV / digital solution. This had impacted not only on the builders' workload but on the timeline, leading to a 4 - 5 week delay and contingency expenditure of circa £645k (including the delay cost). This figure reflected a ca. £205k reduction on VINCI's claim as a result of MACE challenge.
- o The commercial implications of three possible delay scenarios had been reported in the May 2020 Committee papers. The Catalyst Project Board considered the issues on a monthly basis and acted appropriately, however a realistic view prevailed and the University looked forward to the building being completed around late Sept 2021.
- o The Project Team's allowance for client direct completion works, post the VINCI contract, had always been a month to complete IT/AV installations and loose furniture followed by another month for 'operational moves and set up', meaning projected full completion by early December 2021. This presumed no further prolongation arising from COVID, no improvement in the contractor's production during the second half of the project, and no further impact to any further instructions or changes issued by the University. We had VINCI's realistic, revised programme for all the works to completion during 2021, providing a realistic monitoring tool.
- o Budget position at 1st March 2021: the approved budget was currently £42.14m, apportioned as detailed below:

Item	Amount	Comment
Fees & surveys etc.	£3,054,223	Committed
Demolition, Enabling etc.	£1,567,770	Committed
Main Contract inc. approved variations	£33,868,833	Committed
Approved Client risk items	£0	Released to Contingency
Furniture & Wayfinding	£1,066,920	Approved
Digital Project	£2,157,596	Approved
Contingency	£426,430	Future spend if approved
Total budget	£42,141,772	Frozen Budget

- o There were changes to the budget position arising from an adjustment to the Main Contract as a result of the agreed variations and increases to the Digital Project budget, all funded from the contingency. Further savings made throughout the project would feed into contingency. The above construction costs were based on the current position with VINCI and continued to be scrutinised by the Project Team, and were subject to any further cost reductions.

Members and attendees commented as follows:

- Martin Jones noted that the University was working on a cultural development project around the purpose and evolution of the Catalyst building with a company called Invisible Grail.
- Jonathan Vardon asked about the potential impact of a further delay to the completion date. Martin Jones clarified that no teaching in the building had been scheduled until the second week of January 2022, leaving a further contingency period of time.

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357 The Committee received for information the ***Accommodation internal audit report (incl UUK/Guild HE Code of Practice for the Management of Student Housing – Compliance Review)*** SR/14/09 (*referred from Audit and Risk Committee 26 Jan 2020 - reports available on SharePoint*), introduced by the Chief Operating Officer, who highlighted that this UUK/GuildHE compliance review was the last in the current cycle of three and that the overall report was rated as reasonable assurance.

FINANCIALS (F)

F2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)

358

[REDACTED]

359 The Committee received for discussion the **Sustainability framework update** SR/14/11, presented by the Chief Financial Officer & Deputy Chief Executive. The following main points were noted:

	<ul style="list-style-type: none"> Following much change in the external environment around sustainability over the past 12 months, the paper provided an update specifically on the Climate Commission for UK Higher and Further Education, and UUK's Climate Change Task and Finish Group. The Committee was asked to approve the signing by the Vice Chancellor of the Global Climate Letter for Universities and Colleges: Global Climate Letter for Universities and Colleges (sdgaccord.org). The paper also gave an overview of internal sustainability projects and an annual update on the first tranche of metrics, mostly relating to the estate, showing that the pandemic and subsequent lockdown had had a temporary positive effect on the metrics. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Colin Hughes noted his support for the overall approach and the signing of Global Climate Letter and asked about its requirements. Sally McGill clarified that we would be required to publish targets around emissions and to identify the sorts of activities being undertaken. Liz Barnes highlighted the importance of the sustainability agenda not just to our commitment as a civic university, but specifically to students, who showed significant appetite to engage on this. Jonathan Vardon echoed this, noting that globally, large multinationals in traditional energy sectors had to work harder to emphasise their commitment to sustainability in order to recruit recent graduates. Cathryn Hickey asked about the areas shown in red on the sustainability matrix (relating to impactable spend with local businesses/SMEs) and it was clarified that as it had been an exceptional year, the number of local contractors the University engaged with had gone down; this was likely to improve soon, not least because of upcoming work on the Catalyst (using bricks manufactured within 5 miles). <p>The Committee approved the proposal for the Vice Chancellor to sign the Global Climate Letter for Universities and Colleges.</p>
360	<p>The Committee received for approval the Bad debt write-offs SR/14/12, presented by the Chief Financial Officer & Deputy Chief Executive. The following main points were noted:</p> <div data-bbox="199 958 1492 1366" style="background-color: black; width: 100%; height: 180px; margin: 10px 0;"></div> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Colin Hughes highlighted the importance of due diligence around any contractual partnership arrangements. Liz Barnes confirmed that partnerships contracts had been made far more robust since the agreements in question had been initiated. Hannah Gibbard asked how about the prevalence of these write-offs. Sally McGill confirmed that bad debt write-off was common within most large businesses regardless of sector, but that the total for the University was likely to be lower in the future owing to more comprehensive due diligence and tighter contracts. However, a risk would always remain when partnerships went into teach-out earlier than expected. <p>The Committee approved the proposal for bad debt write-offs for referral to the Board of Governors for formal approval.</p>
F3 FOR INFORMATION	
361	<p>The Committee received for information the *Half-year management accounts to 31 Jan 2021* SR/14/13, introduced by the Chief Financial Officer & Deputy Chief Executive, who noted that a decrease in income, partially due to refunds on student accommodation, was shown, but that this was countered by substantial savings in non-pay such as travel and student costs.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Colin Hughes commended the work done on achieving the position and Liz Barnes echoed this, highlighting that the position was healthier than might have been expected.

	The Committee agreed to refer the *Half-year management accounts to 31 Jan 2021* to the Board of Governors for information.
362	The Committee received for information the *Treasury management report* SR/14/14, introduced by the Chief Financial Officer and Deputy Chief Executive.
363	<p>The Committee received for information the report on Emerging Government Policy and Implications SR/14/15, presented by the Chief Financial Officer & Deputy Chief Executive. The following main points were noted:</p> <ul style="list-style-type: none"> On 19 January 2021 the Secretary of State for Education had written to the Chair of the Office for Students (OfS) outlining guidance on allocations for teaching grants and other recurrent and capital funding administered by the OfS. Whilst subject to consultation, it was widely expected that these proposals would be confirmed in the forthcoming funding letter from the OfS, currently scheduled for May 2021. In advance of that, the University had been able to access some high-level modelling undertaken by Million+ on the first three bullet points, which showed that whilst most of the group's London members would see funding reduce by over £2m per institution, many providers outside of London (including Staffordshire) would see increases to their recurrent teaching grant. As shown in the attached paper, our net increase could be just over £250k, which reflected our strength in healthcare and digital courses. Further work would now be undertaken to look at how we could maximise our future project-based teaching capital funding allocation. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Jonathan Vardon commended the likely outcome of increased funding for HEIs outside London.
HUMAN RESOURCES/EMPLOYMENT (H)	
H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
364	<p>The Committee received for discussion the Human Resources and Organisational Development annual report 2019-20 SR/14/16 (<i>report available on SharePoint</i>), presented by the Chief Operating Officer. The following main points were noted:</p> <ul style="list-style-type: none"> The attached report highlighted the main developments in this area for the last academic year, 2019-2020, and signposted the headline areas of development for 2020-2021. We had delivered the core commitments made during that academic year, despite the significant disruption and additional workloads caused by the pandemic. The report also provided a summary of the pandemic leadership and support provided, to enable the university to continue to function throughout the period March 2020 onwards. Also included was a detailed breakdown of the workforce, as per previous years, which was the focus of an annual presentation to the Creating Connections Group, explaining the changes in our workforce profile and sector comparisons where appropriate. It also outlined our ambition to rebalance our staff profile away from professional support staff roles, through greater use of automation, and greater investment in those roles that contributed to academic delivery. This macro level analysis then translated to each of the Schools and Services, working with their HR Business Partners, to inform their workforce discussions. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Liz Barnes noted that discussion had taken place at the recent Human Resources (Corporate Services) Business Review around maximising benefit from the apprenticeships levy and building the workforce more widely. <p>The Committee agreed to refer the Human Resources and Organisational Development annual report 2019-20 to the Board of Governors for information.</p>
365	<p>The Committee received for discussion the Equality, Diversity and Inclusion annual report 2019-20 SR/14/17 (<i>report available on SharePoint</i>), presented by the Chief Operating Officer. The following main points were noted:</p> <ul style="list-style-type: none"> The report highlighted the main developments for the last academic year, 2019-2020, and signposted the headline areas of development, for 2020-2021. The report outlined the significant work that has taken place with the foundation-building of equality, diversity and inclusion compliance at the University, as well as the important work that took place in this area with the management of the pandemic. As governors were aware, during 2020-2021 we also undertook significant work in the preparation of our Race Equality Chartermark re-submission, involving a thorough analysis of the staff and student profile and lived experience from a race perspective. We shared with governors, as well as with staff, the findings from this, which had informed the development of an action plan to investigate and address inequalities believed to exist. (The University staff conference the following week would be focused on race inclusion.) Whilst our resubmission for the Chartermark had been unsuccessful, we remained committed to delivering improvements through our action plan. This was now being implemented during 2020-21 and would inform an overhaul to the report for next year such that Governors could see

	<p>the steps being taken to address any race inequalities. At this point, we would also consider a further re-submission to the RECM, when tangible advancement of this agenda could be proven.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Jonathan Vardon commended the report but noted that despite considerable work and focus, less progress was being made than would have been liked. Liz Barnes echoed this, noting that embedding the approach effectively across the institution was still a challenge. Colin Hughes asked about working with specialist external advisors. Ian Blachford noted that the University was currently working with AdvanceHE on staff training, and other parties were involved with the student experience and curriculum. Liz Barnes also noted that Martin Perfect, Head of Student & Graduate Employability, was leading a review from an employment and employability perspective. <p>The Committee agreed to refer the Equality, Diversity and Inclusion annual report 2019-20 to the Board of Governors for information.</p>
H3 FOR INFORMATION	
366	<p>The Committee received for information the *Review of organisational structures and staff capability* SR/14/18.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Cathryn Hickey asked for clarification on managed severance and reapplication processes within the Student & Academic Services restructure, and this was provided by Ian Blachford, who also clarified that Stella Jones-Devitt had left her previous role as Director of Learning & Teaching and been appointed to a part-time research role at SCoLPP.
367	<p>The Committee received for information the report on the *Cost of Living pay award* SR/14/19, introduced by the Chief Operating Officer.</p>
4 ADDITIONAL MATTERS	
368	<p>How have we made a positive impact on our students today?</p> <p>It was agreed that the continued commitment to sustainability, discussions around the estates masterplan and the annual reports relating to HR&OD and ED&I all impacted positively on the student experience.</p>
369	<p>There were no additional matters.</p>
370	<p>Items to be referred to Audit and Risk Committee:</p> <p>NONE</p>
371	<p>Items to be referred to Board of Governors:</p> <p>Approval</p> <p>a. Minute 360 – Bad debt write-offs</p> <p>Information</p> <p>b. Minute 358 - Student numbers and projected financial impact (in-year update)</p> <p>c. *Minute 361 - Management Accounts (to 31 Feb 2020)*</p> <p>d. *Minute 364 – Human Resources and Organisational Development Annual Report*</p> <p>e. *Minute 365 – Equality, Diversity and Inclusion Annual Report*</p>
372	<p>Next meeting: Tues 18 May 2021 (Boardroom, University House)</p>