

# MINUTES

## SUSTAINABILITY AND RESOURCES COMMITTEE, SR-18

**Date:** Tues 14 June 2022

**Time:** 1300

**Location:** CA105/6, Catalyst building, Leek Rd

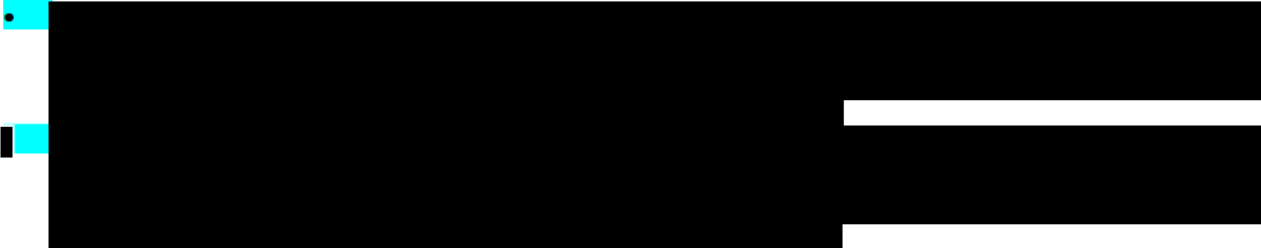
### Notes:

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		
Peter Baines	External Member	P (T)
Tony Evans	External Member	Ab
Hannah Gibbard	Professional Support Staff Governor	L
Mike Herbert	Co-opted Committee Member	P
Colin Hughes	External Member	P (T)
Ian Jenkinson	Co-opted Committee Member	P
Professor Martin Jones	Vice Chancellor	P
Jonathan Vardon (Chair)	External Member	P
Anthony Wallace	Student Governor	P
In attendance		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Professor Kevin Hetherington	Deputy Vice Chancellor	IA
Sally McGill	Chief Financial Officer & Deputy Chief Executive	IA
Lauren Rooke	Assistant Clerk to the Board of Governors ( <i>minutes</i> )	IA

P = Present (via Teams); A = Apologies; Ab = Absent; L = Late; IA = In Attendance (via Teams)

1 MEETING MANAGEMENT	
460	No <b>apologies for absence</b> were received. Tony Evans was absent. Hannah Gibbard joined from item 474. Peter Baines left after item 475.
461	There were no new <b>Declarations of interest</b> .
462	<b>The Minutes of the last meeting of the Committee</b> , 08 March 2022 SR/18/01, were signed as a true and accurate record.
463	<b>Matters arising:</b> <ul style="list-style-type: none"> <li>• <b>Minute 434 – Update on the Strategic Plan</b> – it was noted that this had been approved at the Board of Governors meeting on 6 April 2022 and had been further discussed at the Strategic Event on 28 April.</li> <li>• <b>Minute 440 - Cotes Heath disposal of land</b> – it was noted that following approval to proceed at the 6 April 2022 Board of Governors, plans had been developed for a planned HS2 railway station relatively local to Cotes</li> </ul>

	<p>Heath, which would impact on the proposed strategy for the site. The Vice Chancellor proposed pausing with the sale to reassess the situation following these updates (despite the likely long-term nature of any developments) and this was agreed by the Committee.</p> <ul style="list-style-type: none"> <li>• <b>Minute 441 – Accommodation strategy</b> – it was noted that this had been approved at the Board of Governors on 6 April 2022.</li> </ul>
464	The <b>*Overview of annual business 2021-22*</b> SR/18/02 was received for information.
<b>ESTATES AND INFRASTRUCTURE (E)</b>	
<b>E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)</b>	
465	<p>The Committee received for discussion the <b>Quarterly estate developments report</b> SR/18/03, introduced by the Chief Financial Officer &amp; Deputy Chief Executive. The report updated the Committee on the following projects:</p> <ul style="list-style-type: none"> <li>• Student Village design</li> <li>• Student Village hub building and bridge link</li> <li>• Car park at Squires View</li> <li>• Conversion of Cadman library to office accommodation</li> <li>• SUL expansion</li> <li>• Health Innovation Centre, Blackheath Lane</li> <li>• New nursery and forest school</li> <li>• Catalyst</li> <li>• Cotes Heath</li> <li>• Lichfield coach park</li> <li>• Estates masterplan</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• </li> <li>• Jonathan Vardon noted that the Board would appreciate the opportunity to tour the Forest School site and Ian Blachford confirmed that a date would be agreed.</li> </ul>
466	<p>The Committee received for discussion the <b>Catalyst building – project update</b> SR/18/04, presented by the Vice Chancellor, who outlined the following main points:</p> <ul style="list-style-type: none"> <li>• The Catalyst building had been formally handed over on the 22nd of November 2021, with occupation starting in January 2022 (Executive) and teaching commencing in the building on the 14th of February. Occupation had continued to increase as both staff and students became more familiar with the building and usage trends would be monitored to help inform future management strategies.</li> <li>• The Catalyst Operational Group was managing ongoing operational issues and ensuring the building was used to achieve its maximum potential.</li> <li>• A series of lessons learnt workshops had been held in April involving the University, the Contractor and the Design Team to identify learning outcomes that could be carried forward to future projects. These included around documentation, full integration of key personnel with the University's operation and processes, and the process around the building's audio-visual profile.</li> <li>• Looking forward the workshops identified several areas of learning for future projects. (It was highlighted that Audit and Risk Committee had referred across an advisory review – Value for Money Catalyst Project - carried out by the University's internal auditors, KPMG – this appeared elsewhere on the agenda.)</li> <li>• MACE was currently undertaking negotiations with VINCI on completing the final account and whilst such negotiations could often be challenging as contractors attempted to maximise their financial position, MACE had advised they were not anticipating any significant variation from the position reported to the last meeting by the Project Director.</li> </ul> <p>Members and attendees commented as follows:</p>


	<ul style="list-style-type: none"> <li>It was noted that the internal auditors' report on Value for Money: Catalyst Project Review appeared elsewhere on the agenda.</li> </ul>
467	<p>The Committee received for discussion an update on the position with <b>Car parking at Squires View</b> SR/18/05, introduced by the Chief Financial Officer and Deputy Chief Executive, who noted the following main points:</p> <ul style="list-style-type: none"> <li>Approval had been given at the March 2022 meeting to proceed with the design and procurement of a surface car park on the Squires View site.</li> <li>The project aimed to remove car parking from the centre of the campus to facilitate space for future projects and to create a green space at the heart of the Leek Road campus, adjacent to the nature reserve. Initially a surface car park would be built with the infrastructure to allow additional levels to be added at a future date to increase capacity if required.</li> <li>Following discussions with the City Council's planning team, early indications were that a full planning application may not be needed, due to a previous application still being potentially 'live'. A non-material amendment (NMA) to the original planning application would now be submitted with the amendment being for the parcel of land the Council were retaining for the location of the DHN site. The benefit was that considerably less work was required up front by the design team than would normally be required for a full planning application. Procurement was programmed to commence during the summer of 2022 and subject to final land acquisition and Board of Governors' approval for contract award, the project was due to start construction on site late autumn 2022 with an anticipated completion date summer 2023 ready for the new academic year.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>It was noted that Mike Herbert (via email prior to the meeting) had highlighted that it was sometimes simpler to submit a new planning application rather than use a previous one, as this ensured that the application was accurate and up to date.</li> <li>Jonathan Vardon asked whether using the previous planning application would have any effect on timelines or budget and Sally McGill clarified that the current proposal was based on those assumptions.</li> </ul>
<b>E3 FOR INFORMATION</b>	
468	<p>The <b>*Statutory compliance update*</b> SR/18/06, outlining the position with compliance across the University's estate, was received for information.</p>
469	<p>The paper on <b>Student Village project – accounting and taxation advice</b> SR/18/07 was introduced by the Chief Financial Officer &amp; Deputy Chief Executive, who noted the following main points:</p> <ul style="list-style-type: none"> <li>In December 2021, the University had tendered for accounting and taxation advisors for the student village design project, via the Higher Education framework for Taxation and Accountancy Services (Lot4).</li> <li>Of the five suppliers on this framework, only KPMG responded to the tender invitation. Since then, the Head of Procurement had contacted the non-respondent suppliers and Ernst Young had clarified that their previous resourcing issues were no longer an issue, and a meeting subsequently took place. Ernst Young's proposal was attached at Appendix A.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Jonathan Vardon highlighted the discrepancy between the two quotes provided and asked if there were any material differences. Sally McGill confirmed that the quotes were for comparative services.</li> </ul>
<b>FINANCIALS (F)</b>	
<b>F2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)</b>	
470	<p>The Committee received for discussion an update on the <b>Recruitment position 2022-23</b> SR/18/08, introduced by the Chief Financial Officer &amp; Deputy Chief Executive, who noted the following main points:</p> <ul style="list-style-type: none"> <li>The paper provided an update on potential intake for the academic year 2022-23 for on-campus full-time Undergraduate (UG) and Postgraduate (PG) programmes.</li> <li>The forecasting model projected the current application numbers through to intake, based on prior year patterns and whilst it used prudent assumptions around international conversion rates, particularly for PGT applications, it did reflect the increased and successful use of International Agents by the International Office.</li> <li>The Undergraduate FT forecast currently showed an improvement against 2021/22 of 163 students, amounting to an additional £0.9m of tuition fees.</li> <li>The Postgraduate full-time student intake forecast for Semester 1 shows an over-recruitment of 320 students against the latest intake forecast (P9) 2021/22, although it has to be noted that it contains an improvement in</li> </ul>

	<p>recruitment in Overseas PGT students of 361, offset by a forecasted reduction in recruitment in Home PGT intake of 41, resulting in additional gross student fees of £5.6m (excluding any awarded student discounts and agents' fees).</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Martin Jones highlighted that Kevin Hetherington was currently overseeing a key piece of work on international students and stress-testing potential higher levels of recruitment. The biggest uncertainty within increased international recruitment was around delays in the processing of visas, over which the University had no control, but a January enrolment date would help mitigate this (along with the usual late arrivals). This paper would shortly be presented to SLT.</li> <li>• Colin Hughes asked about assumptions around the overall increase in application rates for undergraduate courses and Sally McGill confirmed that the numbers provided were modelled on current applicants (and projected conversions). Kevin Hetherington highlighted that discussions at the Million+ conference he had recently attended had reinforced the sector's prediction that international student numbers were likely to increase significantly from September (especially if a trade deal was agreed between the UK and India, paving the way for higher recruitment from India).</li> <li>• Peter Baines asked about the relationship between these numbers and those given in the Strategic Plan, and Sally McGill agreed to provide clarification on this outside of the meeting (noting that these figures related to student recruitment cohorts and total student population size).</li> <li>• Ian Jenkinson asked for more information on the concept of a foundation college within the University. Kevin Hetherington clarified that this was common within the sector and was likely to involve setting aside some space within an existing building on campus, primarily for language teaching targeted at those planning to enrol for a 3-year course. This was often done via a contract with a private provider, and an income share agreement.</li> <li>• Jonathan Vardon noted that global focus appeared likely to move away, within the next few decades, from the "Western powerhouse" model towards a greater emphasis on India and Africa.</li> <li>• Jonathan Vardon asked about drivers for the recruitment variances shown on page 5 of the report. Kevin Hetherington confirmed that the 5-year business plans would help address these variances, agreeing that the University should not be losing market share in areas such as computing and psychology. As highlighted that the April Board of Governors meeting, the University was working to "shore up" these core areas and move towards a younger market, which would involve considerable work to rebrand the University as a more aspirational choice, rather than a back-up. This would be a priority for the new Executive Director of Student Recruitment &amp; Admissions (who had started the day before).</li> </ul> <p>The Committee agreed to refer the paper on Recruitment position 2022-23 to the Board of Governors for information.</p>
<b>F3 FOR INFORMATION</b>	
471	<p>The <b>*Management accounts to 30 April 2022*</b> SR/18/09 were received for information, showing the latest forecasted surplus, income and expenditure as well as the year-end cash position.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Peter Baines asked about the provision which had been released against the underperformance in tuition fee income. Sally McGill clarified that this was due to an inherited issue with calculations around targets which would shortly be phased out.</li> <li>• Members discussed continued likely cost of living increases, with it being highlighted that increasing commuting costs were a significant challenge for students on placements.</li> <li>• Ian Blachford noted that discussions had been taking place at SUL recently around ensuring that students were well-prepared for the jobs market. Furthermore, there was currently no London weighting for student bursaries/hardship fund, but this had now been addressed. Whilst the University could not cushion cost of living increases across the board, it could make targeted interventions to assist those most in need.</li> </ul> <p>The Committee agreed to refer the Management Accounts to 30 April 2022 to the Board of Governors for information.</p>
472	<p>The <b>*Treasury management report*</b> SR/18/10 was received for information, providing a summary of the University's investment performance for the period August 2021 to April 2022.</p>
473	<p>The <b>TRAC 2020-21 submission</b> (<i>referred from Audit &amp; Risk Committee 15 March 2022</i>) SR/18/11 was received for information, with Sally McGill giving an overview of the rationale behind the return and its categorisation and noting that as it did every year, Audit and Risk Committee had considered the return in detail and approved it prior to its submission. Kevin Hetherington highlighted the principle relevant points around teaching and resource allocation for the Committee.</p>

474	<p>The <b>Catalyst VfM report (internal audit)</b> (<i>referred from Audit &amp; Risk Committee 7 June 2022</i>) SR/18/12 was received for information, with the Chief Financial Officer &amp; Deputy Chief Executive noting that as this was an advisory review, no rating had been given by the auditors, however three high-priority and one medium-priority recommendations had been made. These related to areas already identified by the Catalyst Project Board, and Executive, as areas of learning, and the report was a significant tool for further self-reflection and process improvement going forward.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• It was noted that Mike Herbert (via email prior to the meeting) had commended management’s willingness to implement learning from the Catalyst build in future building projects and had highlighted that appropriate follow-up actions for the report’s findings was key. This was echoed by Jonathan Vardon and Ian Jenkinson, who also commended the report.</li> <li>• Ian Jenkinson underlined the importance of appropriately allocating resources (including relevant staff training) if BIM (Building Information Management) systems were implemented for future builds.</li> </ul>
475	<p>The <b>Data Quality - Apprenticeships report (internal audit)</b> (<i>referred from Audit &amp; Risk Committee 7 June 2022</i>) SR/18/13 was received for information, with the Chief Financial Officer &amp; Deputy Chief Executive highlighting that this served as another very useful piece of work and that management was broadly happy with the recommendations made ( six medium and one low priority).</p>
475	<p>The <b>Students’ Union – financial update 2021/22</b> SR/18/14 was received for information, with the Chief Financial Officer highlighting that the Students’ Union was predicting that it would achieve its surplus for 2021-22, despite challenges on footfall and therefore in turnover across trading services. The Vice-President of the Students’ Union commended the work of its Chief Executive Officer on this.</p>
476	<p>The <b>KPMG Financial benchmarking review</b> SR/18/15 was received for information, with the Chief Financial Officer &amp; Deputy Chief Executive highlighting that going forward, this data (which related to a subset of the sector – those audited by KPMG) would not be received, as KPMG were no longer the University’s external auditors.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Ian Jenkinson asked how this would be monitored now that the data would no longer be provided, and Sally McGill confirmed that the University could compile similar data internally if needed.</li> </ul>

**HUMAN RESOURCES/EMPLOYMENT (H)**

**H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)**

477	 <p>The Committee approved the proposal in the Additional Pensions Paper for a Tier 5 contribution level to the Defined contribution pension scheme, to be recommended to the Board for approval.</p>
478	<p>The Committee received for discussion the <b>Cultural development programme update</b> SR/18/-, introduced by the Chief Operating Officer, who noted the following main points:</p>

	<ul style="list-style-type: none"> <li>The 'Staff Make Staffs' culture change programme continued to progress against the business plan. All School and Services continued to work towards changes in their culture before a re-survey in December 2022. The delivery of local-level action plans was supported by members of the Staff Make Staffs Steering Group and cultural champions appointed from across the University, and RAG-rated reports of progress against these action plans continued to be reported formally each quarter to Strategic Change Board and Senior Leadership Team.</li> <li>The underpinning activities currently taking place to deliver against the four key themes identified from the feedback were detailed within the report. The Staff Make Staffs Communication Plan had been developed and the next phase of communications designed to showcase the work of the programme and its impact to date would be rolled out over the next few months.</li> </ul> <p>Members and attendees commented as follows:</p> <p>NONE</p>
<b>H3 FOR INFORMATION</b>	
479	The <b>*Review of organisational structures and staff capability*</b> SR/18/18 was received for information, providing a summary of current reviews in place across the University and senior appointments and leavers.
480	<p>The <b>*Cost of Living pay award*</b> SR/18/19 was received for information, with it being noted that early budget planning for the new academic year had allowed for a higher rate than currently proposed, so the prospective lift set out in the report was within budget.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Colin Hughes asked for clarification on the numbers. Ian Blachford confirmed that the incremental pay bill for the University was ca. 1.5% each year.</li> </ul>
<b>4 ADDITIONAL MATTERS</b>	
481	<p><b>How have we made a positive impact today?</b></p> <p>It was noted that most of the agenda was supporting the smooth running of the University rather than focused on the student experience directly.</p>
482	<p><b>Additional matters:</b></p> <p>a. Jonathan Vardon thanked Anthony Wallace, who would be stepping down as Vice-President of the Students' Union and therefore as a Student Governor, for his time as a member of the Committee.</p>
483	<p>Items to be referred to <b>Audit and Risk Committee:</b></p> <p><b>NONE</b></p>
484	<p>Items to be referred to <b>Board of Governors:</b></p> <p><b>For information</b></p> <p>a. Minute 470 - Recruitment position 2022-23</p> <p>b. Minute 471 - Management accounts to 30 April 2022</p> <p><b>For approval</b></p> <p>c. Minute 477 – Pensions and industrial action</p>
485	<b>Next meeting:</b> Tues 9 November 2022 (The Catalyst)