

MINUTES

SUSTAINABILITY AND RESOURCES COMMITTEE

Date: Tues 05 Nov 2019

Time: 1300

Location: Boardroom, University House, Leek Road Campus

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	A
John Henderson (Deputy Chair)	External Member	P
Mike Herbert	External Member	P
Colin Hughes	External Member	P
Scott William-Smith	Vice President, Students' Union	P
Hannah Gibbard	Professional Support Staff Representative	P
Jonathan Vardon (Chair)	External Member	P
In attendance		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Alan Charters	Capital Projects – Director (<i>up to and incl item 235</i>)	IA
Professor Ieuan Ellis	Pro Vice Chancellor – Place & Engagement (<i>item 244</i>)	IA
Sally McGill	Chief Financial Officer	IA
Professor Martin Jones	Deputy Vice Chancellor	IA
Sue Reece	Pro Vice Chancellor – Student Experience	A
Lauren Rooke	Assistant Clerk to the Board of Governors (minutes)	IA
Adrian Rowlands	Director of Estates & Commercial Services (<i>item 235</i>)	IA

P = Present; T = via telephone; A = Apologies; IA = In Attendance

1 MEETING MANAGEMENT					
228	Apologies for Absence were received from Professor Liz Barnes and Sue Reece.				
229	There were no new Declarations of Interest .				
230	The committee noted the following Membership for 2019/20 : <table border="0"> <tr> <td>Constitution</td> <td>MEMBERSHIP</td> </tr> <tr> <td>External Members</td> <td>John Henderson Mike Herbert (Deputy Chair)</td> </tr> </table>	Constitution	MEMBERSHIP	External Members	John Henderson Mike Herbert (Deputy Chair)
Constitution	MEMBERSHIP				
External Members	John Henderson Mike Herbert (Deputy Chair)				

	Colin Hughes Jonathan Vardon (Chair)
Student Representative	Scott William-Smith (Vice-President, Students' Union)
Staff Representative	Hannah Gibbard (Professional Services Staff Rep)
Vice Chancellor	Professor Liz Barnes
In attendance	Ian Blachford, Chief Operating Officer & Clerk to the Board Professor Martin Jones, Deputy Vice Chancellor Sally McGill, Chief Financial Officer Andrew Proctor, Pro Vice Chancellor - Digital Sue Reece, Pro Vice Chancellor - Student Experience

231 **The Minutes of the last meeting of the Committee, 21 May 2019 SR/10/01** were signed as a true and accurate record.

232 **Matters arising:**

[Redacted]

- **Minute 189 – Public Interest Disclosure Update** – it was noted that this appeared elsewhere on the agenda (at H2.1).

233 The committee received and noted the **Schedule of Business for 2019 – 2020 SR/10/02**.

234 The committee received the **Committee Terms of Reference for 2019-20 SR/10/03**.
These were approved for onward approval by the Board of Governors.

ESTATES AND INFRASTRUCTURE (E)

E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)

235 The committee received and considered a paper on the **Catalyst Building - Contract Award SR/10/04**. The following main points were noted:

[Redacted]

[Redacted text block]

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
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236 The committee received and discussed the **Estates Update paper (Blackstone; Nursery; Blackheath Lane)** SR/10/05, introduced by the Deputy Vice Chancellor. The following main points were noted:

- [Redacted]
- [Redacted] the Blackheath Lane project (Stafford Centre of Excellence) including projected student number growth and ROI.


Members commented as follows:


- [Redacted]

237 The committee received and discussed an update on **Digital Institute London** SR/10/06, introduced by the Chief Operating Officer, who noted that the report covered the following main points:

- Summary of financial position
- Student recruitment activity for September 2020 intake (including progression agreement/liaison plan, open days, offer holder days etc)
- Industry connections and engagement
- Partnership engagement (both academic and industry partners)
- Facility hire
- Enquiries and conversion activity for September 2020 intake

Members commented as follows:

	<ul style="list-style-type: none"> Colin Hughes asked for early indicators on conversion rates for DIL. Ian Blachford confirmed that the conversion rate for eSports at Staffs was much higher than the University's standard rate, indicating that similar was likely to be true for DIL. Mike Herbert asked about the figure in the budget for this year and Ian Blachford confirmed that he would clarify this by email immediately following the meeting. Jonathan Vardon highlighted the challenges around DIL and ensuring its course portfolio remained relevant. Ian Blachford proposed that both this and the question of flexibility arounds student numbers be picked up in the DIL closure report. Scott William-Smith underlined the importance of learning from areas of good practice at DIL in order to attempt to replicate these at Stafford and Shrewsbury, the University's other satellite sites, and this was echoed by Colin Hughes.
E3 FOR INFORMATION	
238	<p>The committee received and noted the *Compliance/Maintenance Update* SR/10/07, which outlined the University's position in meeting the legislative requirements of statutory compliance throughout its estate, for information.</p> <p>There were no comments from members.</p>
239	<p>The committee received and noted the *RSM Internal Audit Report – Estates Management: Compliance* SR/10/08, referred from Audit and Risk Committee.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> Mike Herbert asked about the monitoring of audit actions and Ian Blachford confirmed that this was done via Audit and Risk Committee, which had already met this cycle. Ian also reminded the committee that Estates compliance was now a standing item within each annual Internal Audit Plan.
FINANCIALS (F)	
F2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
240	<p>The committee received the Student Numbers and Projected Financial Impact: In-Year Update SR/10/09, introduced by the Chief Financial Officer, who noted the following main points:</p> <ul style="list-style-type: none"> Recruitment had now closed for new admissions for 2019-20, and the paper provided an overview of the enrolment position across full-time and part-time on-campus undergraduate and postgraduate students (as well as figures for DIL). Appendix A provided an overview of the financial impact of student recruitment outcomes, comparing the actual intake (student FTE) and the budgeted intake (student FTE) and converting this into an estimated income variance. <p>Members commented as follows:</p> <ul style="list-style-type: none"> John Henderson underlined the need to ensure that the University's next strategy enabled it to remain relevant and agile within a fast-moving market, and to create growth in new areas. Ian Blachford confirmed that the Jan-Feb 2020 Strategic Weekend would reflect these themes. Mike Herbert asked for clarification on student growth demographics. Ian Blachford confirmed that 2021 was projected to be the final year of student demographic decline.
241	<p>The committee received the Financial Statements for y/e 31 July 2019, introduced by the Chief Financial Officer, comprising the following:</p> <p>i. Draft 2018/19 Annual Review and Financial Statements, including Letter of Representation SR/10/10 plus Appx A & B. The following main points were noted:</p> <ul style="list-style-type: none"> The cover sheet to the report included information on pension adjustments and exceptional items; movements between budgets, forecast and operating activities; bank covenant calculations; and a draft balance sheet and draft cashflow statement. <p>Members commented as follows:</p> <p></p>

	<p>ii. Draft KPMG audit highlights memorandum and management letter SR/10/11 and Appx A, introduced by the Chief Financial Officer, who noted that there had been no changes to accounting policy and no new disclosure requirements during the year.</p> <p>Members commented as follows:</p> <p>NONE</p> <p><i>It was also noted that the Financial Statements had been shared with Audit and Risk Committee on 29 Oct 2019 and would be presented for formal approval at Board of Governors on 20 Nov 2019.</i></p> <p>iii. OfS Accountability Return 2019 SR/10/12, introduced by the Chief Financial Officer, who noted that the return was made up of information already included within the draft Financial Statements and/or the HESA Return.</p> <p>Members commented as follows:</p> <p>NONE</p> <p>The committee approved these items and agreed that these would progress to the Board of Governors for approval.</p>
F3 FOR INFORMATION	
242	<p>The committee received and noted the *Students' Union Accounts (draft) 2018-19* SR/10/13, introduced by Scott William-Smith.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> • Jonathan Vardon asked for clarification on the movements shown in net cash (page 28) and Scott William-Smith confirmed that he would seek clarification on this and report back by email. <p>It was agreed that the Students' Union Accounts 2018-19 should be referred to the Board for noting.</p>
243	<p>The committee received the *Management Accounts (30 Sept 2019)* SR/10/14, introduced by the Chief Financial Officer, who noted the following main points:</p> <ul style="list-style-type: none"> • The year to date surplus was £1.1m ahead of budget. Capex and cash were positive to budget. • Student income position was to be published along with P3 forecast in the October Management Accounts. • Capital budget reflected the latest capital plan and had been increased to include slippage from 2018/19. • Opening cash budget had been amended to equal closing 2018/19 cash position meaning there was no carry forward impact. <p>There were no comments from Members.</p> <p>The committee agreed to refer the Management Accounts (30 Sept 2019) to the Board for noting.</p>
244	<p>A paper on the Financial impact of the termination and managed teach-out of Collaborative Academic Partnerships (CAPs) SR/10/15, introduced by the Pro Vice Chancellor – Place & Engagement, was received for information. The following main points were noted:</p> <ul style="list-style-type: none"> •  <p>Members commented as follows:</p> <ul style="list-style-type: none"> • John Henderson commended the significant work done by the Partnerships team over recent years.

	<ul style="list-style-type: none"> Jonathan Vardon asked whether the University had any plans to enter into partnerships in Israel, which was rapidly becoming a key area for developments in artificial intelligence and technology more broadly. Ieuan Ellis confirmed that no plans were currently in place for this. Colin Hughes asked about the basis on which decision around partnerships were made and Ieuan Ellis confirmed that a set of key principles was used. <p>It was agreed that the paper on the Financial Impact of CAPS should be referred to the Board for noting.</p>
HUMAN RESOURCES/EMPLOYMENT (H)	
H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
245	<p>The committee received a Public Interest Disclosure (December 2018) Report SR/10/16, introduced by the Chief Operating Officer, who noted the timeline and progression of the report (which was referred from Audit and Risk Committee) so far, and drew members' attention to the recommendations.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> Colin Hughes highlighted the importance of thorough investigation into any compliance issues, especially given the current regulatory environment.
H3 FOR INFORMATION	
246	<p>The committee received the *Review of Organisational Structures and Staff Capability* SR/10/17 for information, including updates on recruitment of senior roles and leavers.</p> <p>There were no comments from Members.</p>
247	<p>The committee received the *Cost of Living Pay Award Negotiations* SR/10/18, which provided an update on UCEA's recent negotiations with the unions, for information.</p> <p>There were no comments from Members.</p>
4 ADDITIONAL MATTERS	
248	<p>Have we made a positive impact on our students today?</p> <p>It was agreed that the several items discussed by the committee would all have significant student impact, including attaining best value for the Catalyst project build; progress on the three Estates projects; and learning from areas of best practice at DIL.</p>
249	There were no Additional matters .
250	<p>Items to be referred to Audit and Risk Committee:</p> <p>NONE</p>
251	<p>Items to be referred to Board of Governors:</p> <p>For approval</p> <ol style="list-style-type: none"> Minute 234 - Committee Terms of Reference Minute 235 - Catalyst Contract - Award Approval Minute 241 (i and ii) - Financial Statements for y/e 31 July 2019 (Draft Annual Review and Financial Statements 2018/19; KPMG audit highlights memorandum and management letter) Minute 241 (iii) - OfS Accountability Return 2018-19 <p>For information</p> <ol style="list-style-type: none"> Minute 236 - Estates Projects Update Minute 237 - DIL Update Minute 240 - Student Numbers and Projected Financial Impact: In-Year Update *Minute 242 - Students' Union Accounts 2018-19* *Minute 243 - Management Accounts (to 30 Sept 2019)* Minute 244 - Financial impact of Collaborative Academic Partnerships (CAPs)
252	Next meeting: Tuesday 17 March 2020 (Boardroom, University House)