

MINUTES

SUSTAINABILITY AND RESOURCES COMMITTEE, SR-25

Date: Weds 13 November 2024

Time: 1500

Location: CA 306 The Catalyst

Members		
Gemma Brierley	External Member	P(T)
Kevin Gould (Chair)	External Member	P
Marta Vizcaya Echano	Professional Support Staff Governor	P
Colin Hughes	External Member	P(T)
Ian Jenkinson	Co-opted Committee Member	P
Professor Martin Jones	Vice Chancellor	A
Kim Newell Chebator	External Member	A
Joseph Knight	Student Governor	P
In attendance		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Sally McGill	Chief Financial Officer & Deputy Chief Executive	IA
Professor Raheel Nawaz	Pro Vice Chancellor – Digital Transformation	IA

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

1 MEETING MANAGEMENT															
693	Apologies for absence were received from Kim Newell Chebator and Martin Jones.														
694	There were no new declarations of interest .														
695	<table> <tr> <th>Constitution</th><th>MEMBERSHIP</th></tr> <tr> <td>External Members</td><td>Gemma Brierley Kevin Gould (Chair) Colin Hughes Kim Newell Chebator</td></tr> <tr> <td>Student Governor</td><td>Joseph Knight (Vice-President, Students' Union)</td></tr> <tr> <td>Staff Governor</td><td>Dr Marta Vizcaya Echano (Professional Services Staff Governor)</td></tr> <tr> <td>Co-opted Members</td><td>Ian Jenkinson Vacancy</td></tr> <tr> <td>Vice Chancellor</td><td>Professor Martin Jones</td></tr> <tr> <td>In attendance</td><td>Ian Blachford, Chief Operating Officer & Clerk to the Board Sally McGill, Chief Financial Officer and Deputy Chief Executive Professor Raheel Nawaz, Pro Vice Chancellor – Digital Transformation</td></tr> </table>	Constitution	MEMBERSHIP	External Members	Gemma Brierley Kevin Gould (Chair) Colin Hughes Kim Newell Chebator	Student Governor	Joseph Knight (Vice-President, Students' Union)	Staff Governor	Dr Marta Vizcaya Echano (Professional Services Staff Governor)	Co-opted Members	Ian Jenkinson Vacancy	Vice Chancellor	Professor Martin Jones	In attendance	Ian Blachford, Chief Operating Officer & Clerk to the Board Sally McGill, Chief Financial Officer and Deputy Chief Executive Professor Raheel Nawaz, Pro Vice Chancellor – Digital Transformation
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696	The Minutes of the last meeting of the Committee , 12 June 2024 SR/24/01 were confirmed as a true and accurate record.														
697	Matters arising:														

	<ul style="list-style-type: none"> • Membership – to note that the vacancy for a Co-Opted member for the Sustainability and Resources Committee was being progressed. • Minute 2918 of the Board of Governors – to note that the Board had agreed to the proposed composition and membership of the Committee for the 2024-25 academic year. • Minute 683 – Target Operating Model – to note that the consultation process was still live and therefore there was no further substantive update at this time. • Minute 685 – Cost of Living Pay Award – to note the extraordinary meeting of the Board of Governors on 29th October 2024 and determined a way forward, which was now underway. • Minute 684 – Pensions Update – to note the extraordinary meeting of the Board of Governors on 29th October 2024 and determined a way forward, which was now underway.
698	The Overview of annual business 2024-25 SR/25/02 was noted.
699	The Terms of Reference for the Committee for 2024-25 SR/25/03 were approved for onward referral to the Board.
ESTATES AND INFRASTRUCTURE (E)	
E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
700	<p>The Estates Update Report SR/25/04 was introduced for discussion by Pro Vice Chancellor Digital Transformation, Professor Raheel Nawaz who provided an update on the proposed connection to the Stoke District Heat network and an update on the disposal of the Crime Scene House. He also updated the Committee on the status of the recently completed projects across the University campuses as follows:</p> <ul style="list-style-type: none"> • Creation of Simulation Facilities in Ashley 2 • Beacon Building alterations • Conversion of the former Cadman Library to Office Accommodation/Roofing Works • Woodlands Nursery • Upgrading of Local Extraction Ventilation (LEV) <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> • Ian Jenkinson raised concerns about the legal issues involving the contractor for the Woodlands Nursery project. He also emphasised the need to avoid similar snagging issues with the Student Village contract • Raheel Nawaz explained that while legal action was considered, it was not pursued. The threat of legal action effectively expedited the work as the contractors were slow in addressing defects within the agreed timescales. • Ian Blachford advised that the lessons learned from the project include ensuring that snagging is completed before a project can be signed off. A factor contributing to the project's delays was a dispute over the ownership of the snagging list which resulted from changes to the original plan and subsequent discussions about responsibility. Additionally, lessons have been learned relating to improved project management reporting. Detailed oversight is essential to ensure we are more proactive, prevent issues from drifting and ensure timely remedial actions. • Ian Jenkinson inquired whether the University has sufficient resources to complete the Student Village project within the agreed timescales. Sally McGill confirmed that an Assistant Director of Estates has been appointed, a role that was not in place for previous major projects, providing additional reassurance. • Kevin Gould noted that £100k extra was spent on safety measures two years after the project went live, and asked about the circumstances that led to this. Raheel Nawaz explained a dedicated project board for each project is now in place and that this now continues even after the building is occupied, and ensures detailed oversight. • Kevin Gould questioned whether appropriate Health and Safety personnel were involved initially. Ian Blachford responded that while there a mixture of issues that led to the project slipping, various Health and Safety issues emerged as the facility was being used and were mainly related to how the space was subsequently used, making them difficult to foresee earlier. <p>There were no further comments and the report was noted.</p>
701	<p>The Building Conditions Survey SR/25/05 was introduced for approval by Pro Vice Chancellor Digital Transformation Raheel Nawaz.</p> <ul style="list-style-type: none"> • The report outlines the plan to develop a prioritised investment strategy based on addressing the most urgent issues in the buildings that have the highest building utilisation and course bookings and considered against available resources whilst at the same time reviewing future academic portfolios. • The report provides early view of the proposed strategic approach including the methodology for prioritising work based on the percentage of course bookings and scheduled use. The proposed approach has been developed so that works packages can be flexed i.e. brought forward or deferred to reflect changing financial circumstances and to reflect any potential requirements coming out of the portfolio review. <p>Members and attendees commented as follows:</p>

	<ul style="list-style-type: none"> • Raheel Nawaz informed the Committee that he is seeking approval of the methodology used to determine where to upgrade the University's estate, and not approval for specific projects at this stage. • Ian Jenkinson expressed his satisfaction with the methodology but raised concerns about addressing all D-rated buildings within realistic time frames. He noted that based on his experience, projects extending beyond two years tend to drift, potentially rendering the buildings beyond reasonable repair. This point was noted. • Gemma Brierley raised the question of whether building assets should be included in the methodology, considering the potential return on investment. Raheel Nawaz responded that the four buildings currently excluded from the plan, Henrion, Dwight, Trent and the Performance Centre were being considered as part of the ongoing discussions around academic portfolio in DTIB. • Joseph Knight inquired about the potential impact of the plan on the student experience and potentially the NSS results and whether there was any flexibility to prioritise upgrades based on student feedback. Raheel Nawaz clarified that the focus of the investment is on structural and safety upgrades, including mechanical and electrical improvements, rather than aesthetic elements. <p>There were no further comments and the report was approved for onward referral to the Board. A further update would be provided at the next meeting, following the agreement of the methodology.</p>
702	<p>The Student Village Update SR/25/06 was introduced for discussion by Chief Financial Officer, Deputy Chief Executive, Sally McGill.</p> <ul style="list-style-type: none"> • The report provides an overview of the financial values for the project at financial close (4 July 2024). It also provides a progress update with details of the timeline for the programme which is being managed by SCL. At an operational level, the report provides a summary of the key partners. • A lessons learned document, with recommendations for future similar projects, is currently being compiled using feedback from the consortium members, the University's professional advisors and the University's project team. This will be on the agenda for the Board of Governors' meeting in November and will be shared with the Committee. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> • Ian Jenkinson asked if the liquidated damages due to the delay in the completion of Clarice Cliff Court fully covered the University's costs. Sally McGill confirmed that there was a loss of £20,000 as the University had decided not to charge students rent to alleviate any bad feeling. • Marta Vizcaya Echano inquired about the new legal implications of the Building Safety Act and whether it was specific to this type of project. Sally McGill explained that there had been a change in law in regarding building contracts. Previously, sign off would have been completed by Wilmot Dixon and the SPV. However, as we were the ultimate customer, the University now had to sign off on the contracts. This involved seeking advice and ensuring compliance with new legal requirements. The increased level of scrutiny included operational checks on fire alarms and fire escapes as well as a physical inspection of the building. • It was agreed that the Board would be provided with an update on the progress of the project. <p>There were no further comments and the report was noted.</p>
703	<p>The Digital Transformation Plan SR/25/07 was introduced for discussion by Pro Vice Chancellor Digital Transformation, Raheel Nawaz.</p> <p>The report provides an overview of three current prioritised projects as follows:</p> <ul style="list-style-type: none"> • Enterprise Service Management (ESM) Phase 2 – Hr&OD, Finance, Student Connect Following the successful launch in Digital Services and Estates and Commercial Services (June 2024), the second phase of implementation is now underway with Human Resources and Organisational Development. The project is also a stepping stone for creating a unified digital front-door for accessing professional services and will play a key role in enabling TOM. • Digital Front Doors – Phase 1 The Digital Front Doors project has been developed as part of the move to the Target Operating Model which will provide access to University Services via a 'front door' rather than multi-entry systems for queries. Phase 1 will deliver an ad hoc inelegant solution and is being absorbed in BAU. Hence no explicit expenditure. The project has completed an information gathering process to gain an understanding of the current (as-is) working practice across three areas: Students, Staff and Externals. These requirements are currently being evaluated and possible solutions are being discussed and agreed. • Enhanced UG/PG Recruitment Phase 2 – Marketing and Admissions The first phase of this project has delivered all its objectives with solutions are now being embedded as business as usual. Whilst benefits are on track and partially realised, a plan is in progress to evidence realisation which will be discussed with the Strategic Change Board in November 2024. The second phase will now focus on two projects: Phase 2A Customer Insights Journey, Marketing and Phase 2B Admissions. A business case will be developed for phase 2B and an update on progress will be provided in the next Committee meeting. <p>Member and attendees commented as follows:</p>

	<ul style="list-style-type: none"> Raheel Nawaz updated the Committee on the status of the projects as follows. The Enterprise Service Management (ESM) Phase 2 – Hr&OD, Finance, Student Connect this project is now completed. The Digital Front Doors – Phase 1 is on target for delivery in January 2025. The Enhanced UG/PG Recruitment Phase 2 – Marketing and Admissions project is also on target and within budget. <p>There were no further comments and the report was noted.</p>
704	<p>The Sustainability update: Carbon emissions scopes 1 & 2 SR/25/08 was introduced for discussion by Chief Financial Officer and Deputy Chief Executive, Sally McGill.</p> <ul style="list-style-type: none"> The paper highlighted that in 2023/24, scope 1 and 2 carbon emissions totalled 4,185 tCO2e (compared to 4,040 tCO2e in 2022/23) against a strategic KPI target of 3,623 tCO2e. This increase in emissions year on year of 145 tCO2e resulted from higher gas consumption in 2023/24. This was partly attributable to the decision to re-activate the Combined Heat and Power (CHP) unit in the Science Centre which burns gas but is also the back-up power supply for scientific equipment within the building. The University therefore missed its target by 562 tCO2e or 16%. Of those scope 1 and 2 emissions, 3,685 tCO2e came from externally purchased energy (electricity and gas). The rest of the emissions came from fleet emissions (Estates vehicles) and refrigerant (F-Gas/ Air con units) emissions. For 2024/25, the forecast scope 1 and 2 emissions are 3,961 tCO2e, of which 3,461 tCO2e relate to gas and electricity. The University KPI target for 2024/25 is 3,559 tCO2e. This forecast means missing the target by 11%. The University continues to focus on reducing energy consumption through managing energy consumption in individual buildings and is working on improving its Building Management System (BMS) in order to achieve this. The 2023/24 performance is disappointing and bigger steps are clearly needed in order to achieve the milestone targets to 2030. A full refresh of the Carbon reduction scopes 1 and 2 plan to 2030, including new proposed measures to reduce carbon emissions, will be presented to Sustainability and Resources Committee in March 2025, alongside the plan for campus improvements arising from the Estates Condition Survey. As previously reported, one of the steps within the carbon reduction plan is that the University should become an anchor customer for the Stoke District Heat Network (DHN). One point of note is that the low carbon solution part of the DHN would not be available until 2031, which is just outside of the University's target date for achieving a carbon net zero position for scopes 1 and 2. This will be addressed in the refresh of the University's carbon reduction plan. The Committee were informed of the University's next steps in order to join the DHN. In order to support the due diligence required, the University has appointed: <ul style="list-style-type: none"> Womble Bond – legal advisors QMPF – commercial advisors Ridge Consulting Engineers – technical advisors This is a complex project which will require a multi-disciplinary University team. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Sally McGill informed the Committee that due to the complex nature of the DHN project, advisors with expertise in the renewables field are being consulted for due diligence. This is to ensure thorough evaluation and to reassure the governors given the project's high risk but significant potential benefits for rejuvenating the estate. Gemma Brierley raised the importance of considering work on the estate through the lens of cost efficiency as well as carbon efficiency perspectives as these are closely related to sustainability. She also sought reassurance of on the toxic emissions of the DHN project. Sally McGill confirmed that experts have been engaged to conduct due diligence to determine the projects sustainability and alignment with the University's sustainable objectives. Raheel Nawaz added that the project is also linked to the Building conditions Survey plan. He emphasised that it would not be in the University's interests to invest heavily in buildings that will be fall in the scope of the DHN project in the future. Ian Jenkinson expressed the need for caution with this project. While he is supportive in principle, he noted that it is very ambitious, has experienced numerous delays and has shifted focus significantly – from hot rocks to an energy-from-waste facility. All agreed on the projects potential future benefits but emphasised that due is essential due to its ambitious nature. <p>There were no further comments and the report was noted.</p>
E3 FOR INFORMATION	
705	<p>*Estate statutory compliance update* SR/25/09</p> <p>There were no comments and the report was noted.</p>
FINANCIALS (F)	
F2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	

706	<p>The Update on Student Recruitment (and financial implications) 2024-25 (DISCUSSION) SR/25/10 was presented for discussion by Chief Financial Officer and Deputy Chief Executive, Sally McGill.</p> <ul style="list-style-type: none"> The report highlighted the financial impact of the University's predicted intakes and returning cohorts of full-time Undergraduate (UG) students and Postgraduate Taught (PGT) students for 2024/25 against the 2024/25 Budget and the actual outturn for 2023/24. All financial information takes into account allowances for early withdrawals from courses and discounts. The figures were compiled in October 2024 as part of the Period 3 Forecast. The 2024/25 predictions are estimated based on accepted offers and early enrolment, following completion of clearing for UG and PGT Home and international deposits and early enrolments for UG & PGT Overseas. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Kevin Gould asked about the factors that may have led to the reduction in postgraduate student numbers for both home and international intakes. Ian Blachford explained that although there were positive signs at the start of the international postgraduate recruitment funnel, the conversion rates did not match expectations. External pressures and narratives around studying in the UK and uncertainty around visa changes may have contributed to international recruitment, and there are separate challenges affecting domestic recruitment. Raheel Nawaz also highlighted that challenges have occurred with students from Punjab, which has adversely affected recruitment. Discussion ensued on the encouraging London figures with 40 more students than expected, reflecting positively on the new portfolio introduction where we offer the most successful courses from Stoke in London as well. Colin Hughes acknowledged the improvement in London's numbers, however it is still trading in deficit and requires ongoing attention from governors and executive. Marta Vizcaya Echano inquired if the report includes collaborative provisions in UK and internationally and stated this would be useful to show the separate data and income sources. Sally McGill confirmed that collaborative provision was not included but agreed that this could be added to the forecast figures paper. <p>There were no further comments and the report was approved for onward referral to the Board.</p>
707	<p>Draft Financial Statements for y/e 31 July 2024 (APPROVAL):</p> <ol style="list-style-type: none"> Draft Financial Outturn 2023/24 SR/25/11, including Annual Report & Draft Financial Statements to y/e 31 July 2024 SR/25/12 AppxA (<i>Sharepoint</i>) BDO External Audit Report including management letter points and letter of representation SR/25/13 <i>to follow (The Financial Statements were discussed and approved at Audit and Risk Committee on 30 October 2024 and will be presented for formal approval at Board of Governors on 26 Nov 2024.)</i> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Sally McGill informed the Committee that not all of the audit work was completed and that the Audit and Risk Committee would reconvene on 18 November once the outstanding work had been completed, in order to fulfil its function. The discussion focused on the risk areas and Sally McGill confirmed agreement with the adjustments which fell into three categories: <ol style="list-style-type: none"> The management overrides section had been completed and was documented within the audit report. There were no questions on his matter. Revenue recognition: the issue was primarily due to the incorrect treatment of the CECOS May intake, which had been the first time this had happened. The error had been corrected, serving as a learning point for the finance function. Minor areas that had now been resolved. <p>Members commented as follows:</p> <ul style="list-style-type: none"> Gemma Brierley asked about the liquidity risk posed by the Student Village as highlighted in the report and the plans to mitigate the risk. Sally McGill responded that the issue has now been addressed as the year end cash flow position now showed significant improvement. The analysis now indicates considerable headroom at the lowest point of cash point in April. She advised the Committee that the BDO report has been updated and will be reviewed at an additional meeting of the Audit and Risk Committee on 18 November before being referred to the Board of Governors. <p>The papers were approved pending approval at the meeting of the Audit and Risk Committee on 18 November, before being referred to the Board of Governors.</p>

708	<p>Management Accounts (period until 30 October 2024) (DISCUSSION) SR/25/14</p> <p><i>Due to the timing of the accounts, these will instead go straight to the Board of Governors meeting.</i></p> <ul style="list-style-type: none"> Kevin Gould questioned whether the Committee meeting timings are not being held at the right time. Ian Blachford responded that the timing issue was specific to this year's meeting, and external factors such as the roll out of the Target Operating Model had contributed to the problem. He assured the Committee that next year a buffer would be built in to avoid placing undue pressure on the Finance department.
F3 FOR INFORMATION	
709	<p>The Treasury management report SR/25/15 provides a summary of the University's investment performance for the period August 2023 to July 2024.</p> <ul style="list-style-type: none"> Performance of money market holdings and has improved throughout the period due to the Bank of England base rate increase. Interest receipts generated on the investments for the period were £3,046k against an original budget of £1,397k. The OfS continues to have a requirement to report if our liquidity is at risk of falling below 30 days anywhere within the next three months. Our liquidity days as of 31st July 2024 was 122 days, meaning there was nothing to report. <p>The report was noted.</p>
710	<p>Students' Union accounts 2023-24 SR/25/16</p> <ul style="list-style-type: none"> Sally McGill noted that the commercial activities of the Student's Union have significantly changed since the pandemic. Previously, they broke even or made a profit from their outlets such as bars, shops, cafés and the lettings business. However, they are now operating a deficit. Kevin Gould inquired about their pension arrangements for Student's Union employees. Sally McGill confirmed that no current employees are part of the final salary pension scheme. Discussion ensued on how the Student's Union could achieve financial viability without University subsidies. It was noted that the Target Operating Model addresses this issue, and we are collaborating with the Student's Union to improve the situation. The Student's Union is currently reviewing its operations, which involves plans to streamline their retail and catering facilities to maximise student footfall. A report on these measures will be available for the next meeting of the Sustainability and Resources Committee. <p>There were no further comments and the report was noted.</p>
HUMAN RESOURCES/EMPLOYMENT (H)	
H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
711	None
H3 FOR INFORMATION	
712	<p>*Review of organisational structures and staff capability* SR/25/17</p> <p>There were no comments and the report was noted.</p>
4 ADDITIONAL MATTERS	
713	<p>Any additional matters</p> <p>None</p>
714	<p>Items to be referred to Board of Governors BG135</p> <p>APPROVAL</p> <ol style="list-style-type: none"> Minute 699 – Committee Terms of Reference SR/25/03 Minute 707 - Draft Financial Outturn 2023/24 SR/25/11, including Annual Report & Draft Financial Statements to y/e 31 July 2024 SR/25/12 AppxA Minute 707 - BDO External Audit Report SR/25/13 <p>INFORMATION</p> <ol style="list-style-type: none"> Minute 701 – Building Conditions Survey SR-25-05 Minute 702 - Student Village Update SR-25-06

715	Next meeting: Wednesday 12 March 2025 (CA 306 Catalyst, Leek Rd)
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