

## MINUTES

### SUSTAINABILITY AND RESOURCES COMMITTEE, SR-27

**Date:** Wednesday 11 June 2025

**Time:** 1500

**Location:** CA 306, Catalyst building, Leek Rd

<b>Members</b>		
Gemma Brierley	External Member	P
Kevin Gould (Chair)	External Member	P
Ian Jenkinson	Co-opted Committee Member	P
Professor Martin Jones	Vice Chancellor	P
Kim Newell Chebator	External Member	P(T)
Jo Nixon	Staff Governor	A
Martin Pugh	External Member	P
Joseph Knight	Student Governor	P(T)
<b>In attendance</b>		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Jonathan Chapman	External Member	IA(T)
Sally McGill	Chief Financial Officer & Deputy Chief Executive	IA
Professor Raheel Nawaz	Pro Vice Chancellor – Digital Transformation	IA
Sue Boyce (minutes)	Assistant Clerk to the Board of Governors	IA

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

<b>1 MEETING MANAGEMENT</b>	
743	<b>Apologies for absence</b> were received from Jo Nixon. Jonathan Chapman joined the meeting to ensure continuity, as it has been proposed that he will assume the role of Committee Chair for the 2025-2026 academic cycle. This appointment is expected to be confirmed at the Board of Governors meeting.
744	<b>Declarations of interest</b> There were no new declarations of interest received.
745	The <b>Minutes of the last meeting of the Committee</b> , 12 March 2025 [SR 26] SR/27/01 were confirmed as a true and accurate record.
746	<b>Matters arising:</b> <ul style="list-style-type: none"> <li><b>Minute 724 - Sustainability Update</b> – At the March meeting, it was reported that the next steps were to refresh the Scopes 1 and 2 carbon reduction plan and present it alongside an integrated estates masterplan for the Stoke campus; and to incorporate carbon intensity into future costing exercises, including business plans for investment. Following changes within the Infrastructure team, including the secondment of Catherine Fleming into the role of Head of Facilities Management and Projects, the reporting deadline for these tasks has been deferred to the Autumn to allow the Infrastructure team to complete a thorough review of requirements.</li> <li><b>Minute 730</b> – The Board of Governors had discussed the approach for the development of the five-year financial plan. The five-year financial plan appears elsewhere on this agenda.</li> <li><b>Minute 733 – TRAC Submission</b>. The TRAC return had been submitted. However, as yet the benchmarking data had not been received and would therefore be covered at the next committee.</li> </ul>

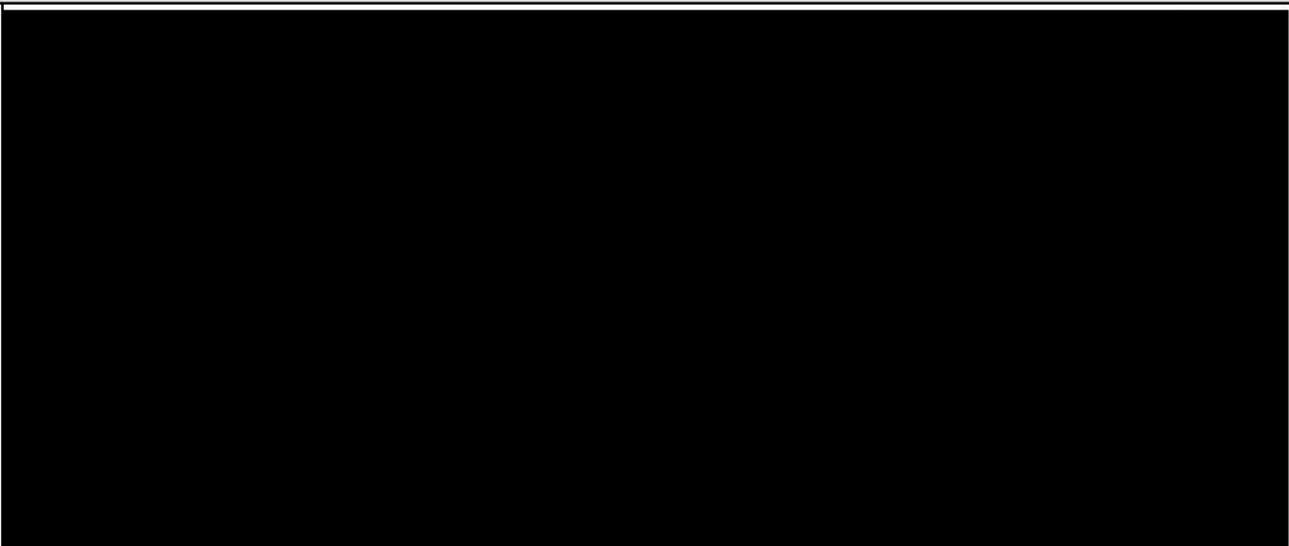
	<ul style="list-style-type: none"> <li>• <b>Composition</b> -To note that Colin Hughes has stepped down as the Chair of the Board of Governors with effect from 31 March 2025 and as a consequence Martin Pugh was confirmed as Chair to the Board of Governors from 1 April 2025. As such, Martin Pugh will now attend the Sustainability and Resources Committee.</li> <li>• <b>Composition</b> – Martin Jones extended his thanks to Kevin Gould for his significant contribution as Chair of the Committee as he prepared to step down at the Board of Governors meeting on 25 June. Martin Jones also thanked Joseph Knight for his contribution to the Committee as he will be stepping down as student governor at the end of June.</li> </ul>
747	The <b>Overview of annual business 2024-25 SR/27/02</b> was noted for information.
<b>ESTATES AND INFRASTRUCTURE (E)</b>	
<b>E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)</b>	
748	<p>The <b>Estates Overview SR/27/03</b> was introduced for discussion by Chief Financial Officer, Sally McGill who updated the Committee on the progress on the main 'live' projects summarised as follows:</p> <ul style="list-style-type: none"> <li>• <b>District Heat Network Due Diligence:</b> As part of the due diligence process, a counterfactual case will be developed to evaluate alternative heat and energy sources. This will help determine the financial, physical, and long-term impacts of these alternatives compared to the District Heat Network (DHN). The project is currently on hold, as SSE has not yet secured final financial approval or clarity regarding grant funding, which is expected by March 2027.</li> <li>• <b>Office Moves (Post TOM):</b> Started in February 2025 and will continue until the end of Summer. So far, the total number of staff relocations has been 276 individuals within 17 teams. The remaining areas to be relocated are the Business School and Student Life, together with Unitemps.</li> <li>• <b>Fire Remediation (Fire Doors) – Accommodation:</b> A review was conducted to better understand the project requirements and minimise associated costs and timelines. Due to the complexity of the work, Estates now proposes that the works commence after 16th June 2025, with completion scheduled for 29th August.</li> <li>• <b>Upgrading of Local Extraction Ventilation (LEV):</b> RIBA Design Stage 4 (technical design and tender preparation) has been completed for both Henrion and Dwight. Work at Henrion is scheduled to begin on 30th June 2025. The Dwight project is currently paused pending further clarity on the building's future. The Science Centre's RIBA Stage 4 reporting has been delayed due to issues with geospatial data capture and the absence of accurate "as-built" information. This report has been delivered and is under review.</li> <li>• <b>Project Achieving Final Certification:</b> Final certification was achieved for the Beacon Esports and Cadman Refurbishment projects in April and May, respectively.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Ian Jenkinson inquired about the counterfactual case being developed to evaluate alternative heat and energy sources for the District Heat Network (DHN) project. Sally McGill confirmed that whilst the project is currently on hold, pending SSE's clarification on financial approval for grant funding, the counterfactual case will be brought back to the Committee later in the year. Gemma Brierley inquired about the delays with the DHN and the scope 1 and 2 emissions KPI. It was noted that the delay of the DHN will impact in the delivery of the scope 1 and 2 KPI, which is being revisited and will be brought back to the committee.</li> <li>• Martin Jones highlighted the significant scale of the Office Moves project which involved relocating 276 across 17 teams. He thanked Ian Waterhouse for the successful delivery of this project and emphasised the cultural importance of locating new teams together.</li> <li>• Kevin Gould inquired about the LEV project and the Science Centre. Sally McGill confirmed that alternative solutions are being explored and there will be a delay to the project, it does not pose a risk to the overall project being completed.</li> </ul> <p>There were no further comments and the report was noted.</p>
749	<p>The <b>Estates Masterplan – Update on Buildings Condition Survey SR/27/04</b> was introduced for discussion by Sally McGill, Chief financial Officer and Deputy Chief Executive who highlighted the following:</p> <ul style="list-style-type: none"> <li>• As previously reported to the Committee, project was programmed to start on site in late December 2025 / early January 2026 and was due to complete in July 2026. Given the University's Draft Budget position for 2025-26, covered elsewhere on this agenda, this will need to be revised to fit with the approval process and the confirmation of the availability of the cash required to pay for it.</li> <li>• MACE have been appointed as consultant advisors via the Crown Commercial Services framework to take the project to RIBA design stage 3. (Development and testing of design concept).</li> <li>• Most recent budget costings indicate a total cost of approximately £9.5 million, which is £2 million more than originally anticipated. The budget will continue to be developed and monitored until the conclusion of RIBA design stage 3. The budget will be presented to the Board of Governors for approval in November 2025, and will be considered as part of the University's Strategic Financial Plan.</li> </ul> <p>Members and attendees commented as follows:</p>

	<ul style="list-style-type: none"> <li>• Ian Jenkinson noted the potential £2 million increase in the budget costings, which he highlighted was a significant increase on the previously reported position. Sally McGill confirmed that the detailed information about this variance will be available for scrutiny by the Board in November, when the final workplan and costings are provided for consideration.</li> </ul> <p>There were no further comments and the report was noted.</p>
750	<p>The <b>Transformation Board</b> Update was introduced for discussion SR/27/05 by Ian Blachford, Chief Operating Officer who highlighted:</p> <ul style="list-style-type: none"> <li>• The Transformation Board has been established as a key governance mechanism under the University's Target Operating Model (TOM). Its remit is to oversee the identification, design, delivery, and evaluation of all transformation projects on behalf of the University Executive Board (UEB).</li> <li>• The Board is currently overseeing six projects. Of these, five are rated Green and one is Amber.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Discussion ensued on the Customer Insight Journey project, which Ian Blachford confirmed had now been rated Green, having previously been rated Red then Amber. He confirmed that a viable way forward had been identified, although the project is now operating on a revised timeline.</li> <li>• It was confirmed that Phase Two of the Digital Front Doors project would not need to proceed. This decision reflects the substantial achievements delivered through Phase 1 of the project.</li> <li>• It was noted that the implementation of the Lifelong Learning Entitlement project would require significant reengineering of several business systems. However, this remains unclear and was dependent upon government policy. Martin Jones highlighted that LLE was discussed extensively by Strategy and Performance Committee.</li> <li>• Kim Newell Chebator inquired whether the current transformation programme includes projects previously overseen by Raheel Nawaz. Ian Blachford confirmed this was the case, noting that the scope now also includes projects formerly managed (pre TOM), by the Strategic Change Board which focussed on non digital initiatives. The newly established Transformation Board consolidates both of these functions overseeing active projects, supporting the development of business cases for UEB approval and managing benefits realisation. The Board works closely with UEB to ensure alignment.</li> <li>• Kim Newell Chebator emphasised the importance of maintaining a balanced approach to prioritisation, ensuring both immediate and future needs are addressed. Ian Blachford agreed and also highlighted that the TOM process had committed to exploring automation and insights from TOM Design and Build sessions which will inform the development of business cases for digital projects.</li> <li>• Discussion ensued on the new Change Advocate roles. Ian Blachford explained that the aim is to appoint to these roles across the functions to ensure all areas of the institution are represented. The initiative has been well received and with strong CPD support available, this is a springboard to career development. Applications will be reviewed by UEB on Monday to assess candidate quality and suitability. The next Transformation Board update to Sustainability and Resources Committee will include progress on this.</li> <li>• Martin Pugh asked whether the figures presented in the report as approved investment represented revenue or capex expenditure. It was agreed that future reports will include this information.</li> </ul> <p>There were no further comments and report was noted.</p>
751	<p>The <b>Student Village Update</b> SR/27/06 was introduced for discussion by Sally McGill, Chief Financial Officer and Deputy Chief Executive. The paper provides an update on progress and assurance around the Student Village to 30 April 2025 as follows:</p> <ul style="list-style-type: none"> <li>• Work is progressing well on site. Drees and Sommer, the independent assessors are of the opinion that "the new build construction works are on programme to the revised programme".</li> <li>• There are no major exceptions to date against the controls in the University Risk Register.</li> <li>• The project company, Staffordshire Campus Living LLP, has £2.5m cash on hand and remains liquid and able to make payments as they fall due. Some of the Aviva funding was drawn down in April 2025.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Sally McGill updated the Committee that Martin Pugh had replaced Colin Hughes on the LLP Board. She also noted that the LLP has recently undergone its audit and the findings will be referred to the Audit and Risk Committee for review.</li> <li>• Discussion ensued on the naming convention of the student village development. Sally McGill highlighted that a proposal had been made to name it The Woodlands, aligning with the existing Woodlands Nursery School, Nature Reserve and Hub and that this would be consistent with the theme across the site. This was agreed.</li> <li>• Sally McGill added that the guide to accounting entries had been included in the papers following a referral from the Audit and Risk Committee.</li> </ul> <p>There were no further comments and the report was noted.</p>

**E3 FOR INFORMATION**

752	<p>The <b>Estates: statutory compliance/maintenance report SR/27/07</b> was introduced for discussion by Sally McGill, Chief Financial Officer and Deputy Chief Executive.</p> <ul style="list-style-type: none"><li>• Performance Improvement: During the reporting period, 98% of compliance activities were completed, an improvement from 96% in the previous period.</li><li>• Overdue Compliance Activities: Out of 1396 activities, 21 were overdue. Of these, 16 have been completed post-reporting period, and 5 remain overdue. These have been risk assessed, and additional checks and controls have been implemented where necessary.</li><li>• Reduction in Outstanding Actions: Total outstanding actions have decreased from 3431 to 666, an 81% reduction. Overdue actions have reduced from 1134 to 537, a 53% reduction. All overdue actions have been reviewed, risk assessed, and control measures are in place until completion.</li><li>• Continuous Improvement: The team have identified how process can be digitised and improved by implementing a cloud-based compliance management system. A business case paper will be submitted to UEB in July.</li></ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"><li>• Sally McGill highlighted that the University is adequately managing health and safety risks related to building compliance. It completed 98% of 1,396 required checks, which shows it is meeting its legal responsibilities.</li><li>• Sally McGill added that the team is building on the stronger compliance monitoring put in place over the last three years.</li></ul> <p>There were no further comments and the report was noted.</p>
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**FINANCIALS (F)****F2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)**

753	 <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"><li>• Gemma Brierley noted the decline in the number of continuing students and asked whether an underlying trend could be identified. Sally McGill responded that the drop is particularly evident among undergraduate students in Nursing and Midwifery, where some students did not re-register after the summer. While this is a cause for concern and is being addressed by the relevant schools, and more generally the cost-of-living crisis is also being considered. However, no single cause has been identified.</li><li>• Discussion ensued on the student number forecasts. Martin Pugh advised that Strategy and Performance Committee had reviewed the remedial actions being taken by the Recovery Plan to attempt to address the shortfall in student numbers and will be presented to the Board meeting. The plan focuses on the four student recruitment income streams and is data-driven with targeted interventions identified to address specific challenges. While early indications suggest that gains can be achieved, it was noted that this work is taking place amid significant sector headwinds. The aim is to consolidate the current position, halt further decline and begin to recover lost ground.</li></ul> <p>There were no further comments and the report was noted.</p>
754	<p>The <b>Management accounts to 30th April 2025 (Period 9) SR/27/09</b> were introduced for review by Sally McGill, Chief Financial Officer and Deputy Chief Executive.</p>

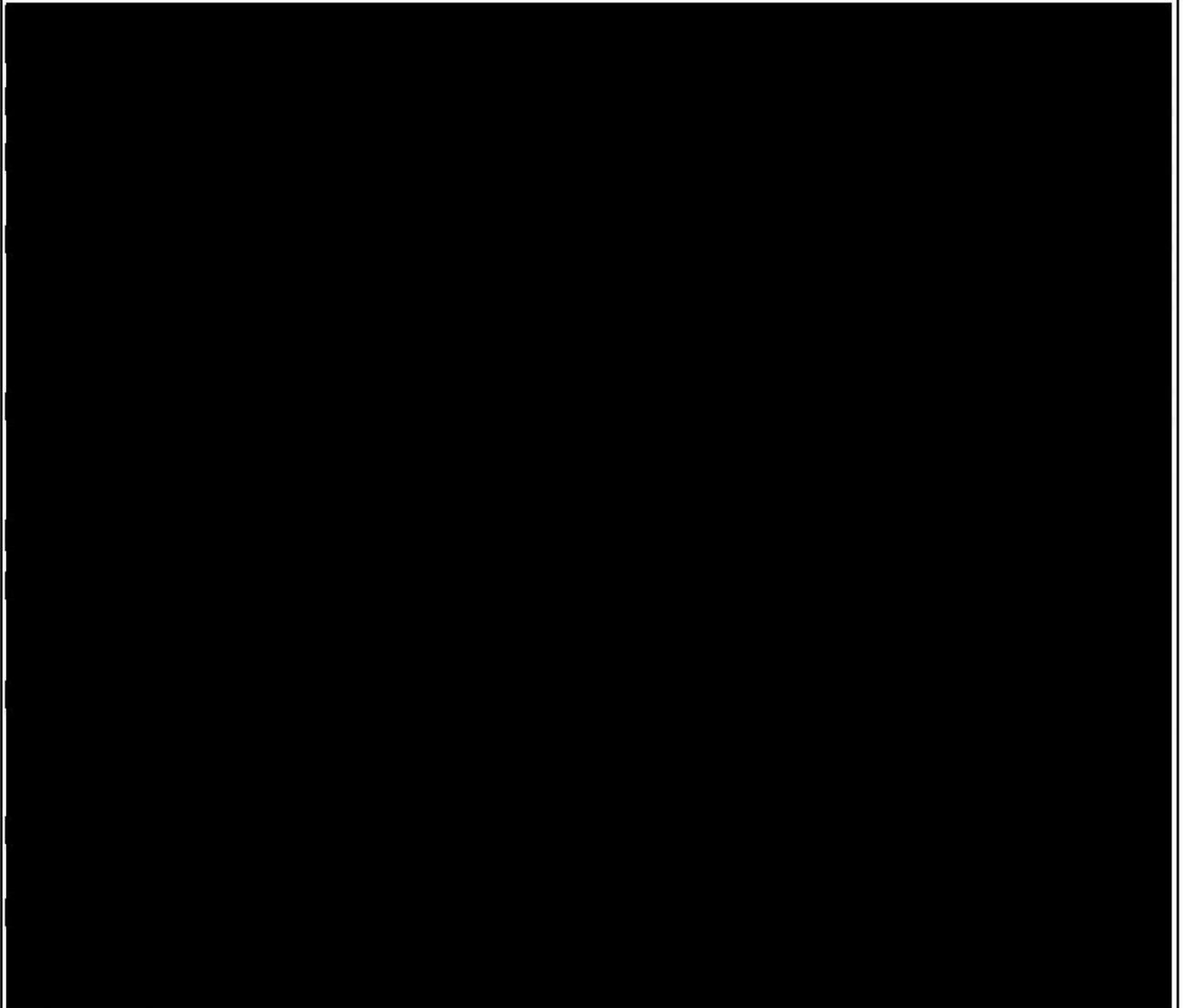
The P9 forecast outturn for the financial year 2024/25 shows total income of £151.0m (compared to a total budgeted income of £157.1m), and an operating surplus after exceptional items of £6.6m, or 4.3% of income, compared to a budgeted operating surplus of £7.9m or 5%.

Members and attendees commented as follows:

- Sally McGill updated the Committee that income has decreased by 9.6% percent but the organisation is still projecting an operating surplus of 4.6% before exceptional items. (following exit from the LGPS pension scheme). Liquidity remains strong, with 127 days of liquidity projected at year-end, significantly above the Office for Students (OfS minimum requirement of 30 days).
- Ian Jenkinson raised concerns about performance against targets in relation to degree apprenticeships, highlighting this as a key area for growth. Raheel Nawaz responded that the apprenticeship strategy and been scrutinised at length by Strategy and Performance Committee and highlighted in 2023/24, the University recruited 555 new apprentices. Following targeted interventions, the projected figure for 2024/25 starts has been boosted to 754. If fully materialised, this will be a 36% growth from the previous year. This growth was achieved despite the withdrawal of West Midlands police and reflects a strategic shift away from overreliance on policing towards a more diversified portfolio. Discussion ensued on the uncertainty surrounding Level 6 provision and the upcoming withdrawal of Level 7 funding in January. The University is working to maximise enrolment before the funding ends.
- Gemma Brierley commended the University for the effective cost management and maintaining financial stability despite the ongoing challenges in the sector. Martin Pugh praised the strong delivery achieved this year and acknowledged the challenges anticipated in the year ahead.
- Regarding Capital Expenditure (CapEx), he requested clarification on the variance between the budgeted figure of £23.7m and the actual spend of £11.2m for 2024 25. Sally McGill explained that the difference is due to building condition work and maintenance work being deferred. While no new projects have been cancelled, existing elements have been rescheduled for future delivery.

The Management accounts were reviewed for onward referral to the Board.

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<b>F3 FOR INFORMATION</b>	
757	<p>The Committee received the <b>Treasury Management Report to 30 April 2025 SR/27/12</b> for information and the following main points were noted:</p> <ul style="list-style-type: none"> <li>• This paper provides a summary of the University's investment performance for the period 1 August 2024 to 30 April 2025. Interest receipts generated on the investments for the period were £1,140k against an original budget of £319k.</li> <li>• 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 30 April was 111 days, meaning there was nothing to report.</li> </ul> <p>There are no further issues to report.</p> <p>There were no comments and the report was noted.</p>
758	<p>The Committee received the <b>Bad Debt Write Off Report SR/27/13</b> for information and the following main points were noted:</p> <ul style="list-style-type: none"> <li>• The paper sets out details of debtor balances totalling £626,909.24 to be written off within the accounts of the University, and a further £16,701.66 relating to University of Staffordshire Unitemps Limited – the University's employment agency. All these balances have previously been passed to the University's debt collection agent STA, who have attempted to collect each individual debt but have advised us that the debt is no longer recoverable or not economical to pursue.</li> </ul>

	<ul style="list-style-type: none"> <li>• In accordance with the current Financial Regulations the Chief Financial Officer can approve write offs if the balance is under £5,000, debts between £5,000 and £20,000 the Vice Chancellor can approve for write off and any write offs over £20,000 must be approved by the Board of Governors.</li> <li>• In this time period, there are no debts requiring Board approval, and therefore the Committee is asked to note these write-offs for information only.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Sally McGill highlighted that the greatest risk of bad debts arises from self-funded students who withdraw as they often dispute outstanding payments.</li> <li>• She advised that a detailed report on bad debts will be presented at an upcoming Board of Governors meeting. It was noted the University employs a debt recover agency to pursue overdue accounts once they reach a certain age threshold.</li> </ul> <p>There were no further comments and this will be presented at the next Sustainability &amp; Resources Committee. The report was noted.</p>
759	<p><b>The External Audit Planning Report [AR 134-12]</b> was cross referred from <b>Audit &amp; Risk Committee SR/27/14</b>. This was prepared by the auditors BDO in relation to the University and Group financial statements.</p> <p>There were no further comments and the report was noted.</p>
<b>HUMAN RESOURCES/EMPLOYMENT (H)</b>	
<b>H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)</b>	
760	<p>The <b>Target Operating Model Update including Internal Audit Report SR/27/15</b> was introduced for discussion by Ian Blachford, Chief Operating officer who highlighted the following:</p> <ul style="list-style-type: none"> <li>• KPMG recently undertook an internal audit of the Target Operating Model. The full report is attached as an appendix to this paper. The rating for the audit was 'significant assurance with minor improvements', which is a pleasing result given the scale and the speed of the change programme.</li> <li>• The review assessed the design of process and operating effectiveness of controls over the governance arrangements over the first 100-day of TOM transition as well as the engagement with staff during the TOM pre-implementation phase.</li> <li>• The University has now have moved to the transition stage into the new structures. This is supported by three phases of transition, each lasting circa 100 days. In each of these 100 day blocks, are actions for UEB to deliver, and for each school and service to deliver, so that all parts of the university are building stronger functions, in parallel. Work continues in earnest on the delivery of the actions outlined in the first 100 days plan. At the end of this phase, during May 2025, we will undertake an all staff briefing on the progress which has been made and outlining any carry over activity into the second phase.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Ian Blachford noted that KPMG's Soft Controls Framework involved holding focus groups to engage directly with staff providing valuable insights into the organisational culture. He highlighted that, despite three years of successive budget cuts and structural changes, the scope and aims of TOM had been positively received during the pre-implementation phase.</li> <li>• Kevin Gould commended the implementation of TOM, acknowledging the efforts of all involved and asked that their contributions be recognised.</li> </ul> <p>There were no further comments and the report was noted.</p>
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<b>H3 FOR INFORMATION</b>	
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763	<p>The Committee received the <b>Review of Organisational Structures and Staffing Capabilities*</b> SR/27/18 and the following updates were noted:</p> <ul style="list-style-type: none"> <li>• <b><u>Institute of Policing:</u></b> A redundancy consultation process in the Institute of Policing was launched on 1 May 2025 until 30 May 2025 with 32 staff being placed at risk of redundancy. In order to remain in budget, the IOP needs to reduce the total number of academic staff by 13.4 FTE. A reduction of two posts (1.80 FTE) has already been achieved by recent resignations of Lecturers, taking the required reduction of academic staff to 11.60 FTE. Members of staff directly affected and considered to be 'at risk' as a result of the proposal will have an opportunity to apply for Managed Severance. Where reductions still need to be achieved following the close of managed severance, a competitive selection process will be implemented. It is intended that new structure will be implemented on 1 August 2025.</li> <li>• <b><u>Appointments and Leavers - Senior Roles (Grade 10+)</u></b> <ul style="list-style-type: none"> <li>○ One appointment</li> <li>○ Three leavers</li> </ul> </li> </ul> <p>There were no comments and the report was noted.</p>
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<b>4 ADDITIONAL MATTERS</b>	
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764	<p><b>Any additional matters</b> None</p>
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765	<p><b>Items to be referred to Audit and Risk Committee</b></p> <p><b>INFORMATION</b></p> <ul style="list-style-type: none"> <li>• <b>Minute 751</b> - Staffordshire Campus Living LLP Audit Findings Report SR/26/06</li> </ul>
766	<p><b>Items to be referred to Board of Governors</b></p> <p><b>APPROVAL</b></p> <p>a) None</p> <p><b>INFORMATION</b></p> <p>b) <b>Minute 754</b> - The Management accounts to 30th April 2025 (Period 9) SR/27/09</p> <p>c) <b>Minute 761</b>- Pensions Update SR/27/16</p> <p>d) <b>Minute 762</b> – Pay Award SR/27/17</p>
767	<p><b>Next meeting:</b> 12 November 2025 CA 306 (The Catalyst)</p>