

BISHOP GROSSETESTE UNIVERSITY

MINUTES OF THE MEETING OF THE
FINANCE, EMPLOYMENT & GENERAL PURPOSES COMMITTEE

TUESDAY 28 OCTOBER 2014
2:00 PM IN ROOM 202, SKINNER BUILDING

Present

Mr David Babb (Chair)
Dr Kevin Brown
Mr Stephen Lawrence
AVM Gavin Mackay
Rev. Professor Peter Neil

In attendance

Mr Andrew Carr, Admissions Manager (for item 10 only)
Mr Stephen Deville, Director of Resources
Mr Fred Robson, Head of Estates (for item 9 only)
Mrs Katie Skilton, Clerk to University Council
Ms Emma Smeaton, Governance Officer
Ms Alison Smith, Head of HR (for item 8 only)

Action

1. Welcome

The Chair welcomed members to the meeting which included new members Mr Stephen Lawrence and AVM Gavin Mackay.

2. Apologies

Apologies were received from Professor Mark Thompson. It was noted that Professor Jayne Mitchell would also normally be in attendance but was on annual leave.

3. Declarations of interest

There were no declarations of interest.

4. Membership & Terms of Reference

The Committee RECEIVED the Terms of Reference and NOTED that the Deputy Vice Chancellor (Strategy) had left the institution. The Deputy Vice Chancellor (Academic) would be added to the Terms of Reference but would be changed to the 'Deputy Vice Chancellor'. Members for 2014/15 were CONFIRMED as:

D Babb (Chair)
K Brown
S Lawrence
G Mackay
P Neil
M Thompson

Others attending would normally include: the Deputy Vice Chancellor, Director of Resources, Head of Estates, Head of Finance, Head of HR and the Clerk.

It was NOTED that Dr Jim Smith, who had been seconded to the FE&GP Committee from the Audit Committee for a year, had now returned back to the Audit Committee.

5. Minutes of the last meeting held 10 June 2014

The minutes of the last meeting held on 10 June 2014 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

6. Matters arising

(i) Action points

Members RECEIVED and NOTED the progress against the action points from the last meeting.

(ii) Any other matters

There were no other matters to discuss.

7. Finance

(i) Summary accounts and variances

The Head of Finance presented the summary accounts and variances to the Committee. The following was NOTED:

- The provision for bad debt had risen.

- There had been an additional spend on school placement transport taking the cost to around £600k. An exercise had been commissioned in the placement office to bring this cost down around £400k budget and the benefits of this should come into effect next year. The FE&GP Committee would continue to monitor this issue.
- £500k of HEFCE funding had been assumed in the budget and was due to be confirmed by HEFCE the following day.
- FRS17 pensions were now included in the accounts which altered the surplus by around £2k.
- Staff costs as a percentage of expenditure should be higher. The Committee would monitor this.

Future meeting

Future meeting

(ii) Draft audited financial statements

Members RECEIVED the audited financial statements presented by the Director of Resources. The following was NOTED:

- It had been the first audit conducted by Mazars who had committed a 3 day audit visit and 10 days for the accounts. The audit completion report would go to the next Audit Committee.
- The consolidation note on page 10 of the financial statements would be expanded and made clearer.

DoR

The Committee AGREED that next academic year the first Audit Committee and FE&GP Committee would be arranged to run back to back with the auditor bridging between the two regarding finances. The Committee NOTED that the accounts provided a healthy surplus and a healthy balance sheet. Following grammatical corrections a final version would be circulated to the Council for approval.

Clerk

University Council

(iii) Other draft audited accounts

BG (Lincoln) Limited

The BG (Lincoln) Limited accounts were RECEIVED:

- The £300k loss for the last academic year was NOTED which was slightly more than expected. Plans were in place to reduce this loss by half next year and by half again the following year, moving towards a surplus following increase in footfall arising from the strategy implementation.

- The Committee ENDORSED the proposal from the Directors to loan a further £250k to the Limited Company to cover the forecasted losses prior to moving into profit. This will make the total amount borrowed by the Ltd. Company £750K. This endorsement would be made to University Council at its next meeting in November.
- It was NOTED that the loan to the Limited Company was represented as a current liability because no loan agreement was in place. This was in the process of being drafted by the solicitor. It was proposed that the total loan of £750k to the Limited Company would not be charged with interest but after 4 years, a commercial interest rate would be applied. This agreement would be checked by HMRC to confirm that it would not affect the charitable status of the University and would be brought back to the Committee at its next meeting.
- Mouchel had contacted the Directors regarding the local government pension scheme. They'd requested that a liability agreement was put in place that would come into effect in the event of the Limited Company ceasing to employ eligible employees or running out of members. The Committee AGREED that the upon this event, the liability would be transferred to the University, as was the case before the TUPE transfer.

**University
Council**

**DoR/
Next
meeting**

BGSU

The Committee RECEIVED the Students' Union accounts NOTING that the process to become an unincorporated charity was still on-going. The increase in wages was highlighted due to the appointment of an additional administrator.

(iv) Draft Annual Monitoring Statement

Members RECEIVED and ENDORSED the draft Annual Monitoring Statement.

(v) HEFCE accounts direction annual letter

The Committee RECEIVED for information the HEFCE accounts direction annual letter.

(vi) New Financial Memorandum update

The new Financial Memorandum update was RECEIVED for information.

(vii) KPI range

The Director of Resources circulated a paper outlining the review of the financial KPI ranges following the discussion at the last meeting. It was AGREED that this would be revisited at the next meeting in February once the Academic Registrar was in post.

**Next
meeting**

8. Employment

(i) HR staffing report

The Committee RECEIVED the HR staffing report presented by the Head of HR who was in attendance for this item. The following was highlighted:

- The proportion of casual and fixed term staff had increased to 30%. This represented 24 fixed term and 86 casuals, the same period last year reported 21 fixed term and 48 casuals. The increase in casual staff was a result of recruiting a pool of 20 exam invigilators and 9 maths intervention tutors.
- The ratio of academic versus non-academic staff had continued to improve and more accurately reflected the time allocated to Visiting Tutors and Associate Tutors to deliver teaching.

Recruitment activity

- Additional posts emerging from the strategic review included; 3 Heads of School and 8 Senior Lecturer/AC posts (including 2 pending advert).
- 8 additional posts that had been identified in 2014/15 business plans.
- 10 replacement posts.
- All new post holders were expected to be in post by Easter, thus creating less of a surplus however, we would not be in deficit.

Leavers 2013/14

- Turnover was average for the sector, 36 in total, comprising of:
 - 4 redundancies;
 - 23 resignations;
 - 2 dismissals;
 - 5 retirements;
 - 2 end of fixed term contracts.

The Committee discussed the difficulty of recruiting appropriate staff which could be partially a result of less attractive salary packages.

It was AGREED that it would be suggested to the University Council that the Chair of the FE&GP Committee joined the Remuneration Committee.

**University
Council**

(ii) Appraisal update

The Head of HR gave an update on performance reviews and distributed a completion review sheet which showed the number of reviews received by HR. It was NOTED that more reviews had been completed but the paperwork had not been submitted and therefore not recorded. SCEI was the top performing department in terms of appraisal completion and TD the lowest with no appraisals recorded by HR. The Committee AGREED that continue to be monitored following an update at the next meeting.

**Next
meeting**

9. Estates & University Services

(i) Building works update

The Head of Estates attended to present the building works update paper. It was AGREED that the development plans for the old Constance Stewart Hall kitchen space would be displayed for Council members at their next pre-meeting lunch.

**University
Council**

An update on the issues presented to Council at its last meeting was provided by the Director of Resources:

LK2 Architects proposal

It was REPORTED that Lincoln City Council were keen to work with BGU and negotiations were on going but the timescales had been pulled back.

Cherry Tree Homes

The project was in for planning and had received objections and was awaiting the decision of the Planning Committee.

(ii) Annual Health & Safety Report

The Annual Health & Safety report was RECEIVED. The Committee NOTED their thanks to all involved.

10. Student recruitment update

Members RECEIVED the student recruitment update by the Admissions Manager who had attended to present the item. The Committee NOTED the decision to drop the interview hurdle for applicants, replacing with applicant days following offer letters being sent out.

11. Agenda suggestions

- Investment Policy
- Financial KPI range update
- Mid-year accounts
- Performance review update

12. Any other business

There was no other business to discuss.

13. Key items for the University Council

- Recommendation of the accounts;
- Recommendation of the loan facility to BG (Lincoln) Limited;
- Pensions liability;
- Recruitment of staff and salaries;
- The link between the Remuneration Committee and the FE&GP Committee;
- Student recruitment.

14. Date of next meeting

The next meeting of the Finance, Employment & General Purposes Committee would take place Tuesday 24 February at 2:00 pm.

Signed  Date 

