

BISHOP GROSSETESTE UNIVERSITY

**MINUTES OF THE MEETING OF THE
FINANCE, EMPLOYMENT & GENERAL PURPOSES COMMITTEE****TUESDAY 24 FEBRUARY 2015
2:00 PM IN ROOM 202, SKINNER BUILDING**

Present

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

In attendance

Dr Anne Craven, Registrar and Secretary
Mrs Katie Skilton, Clerk to University Council
Professor Jayne Mitchell, Deputy Vice Chancellor
Mr Stephen Deville, Director of Resources
Mr Fred Robson, Head of Estates
Ms Alison Smith, Head of HR (for item 8 only)

Action**1. Welcome**

The Chair welcomed members to the meeting which included the new Registrar and Secretary, Dr Anne Craven.

2. Apologies

Apologies were received from Professor Mark Thompson.

3. Declarations of interest

There were no declarations of interest.

4. Minutes of the last meeting held 28 October 2014

The minutes of the last meeting held on 10 June 2014 were APPROVED as a true record of the meeting, subject to the amendment of a typo on page 4, 'ENDORESED', and the Chair was authorised to sign them.

5. 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.

6. Finance

(i) Mid-year financial update and summary variance notes

The Committee RECEIVED the mid-year financial update and summary variance notes, introduced by the Director of Resources. The following points were NOTED in discussion:

- The Head of Finance had left the institution and the Director of Resources had taken over preparation of the accounts in the interim. The Chair thanked Mr Deville for ensuring, at short notice, that the accounts had been prepared in time for the meeting.
- The mid-year update indicated an improved financial position of circa £1.1million. These savings were largely due to delays in the appointment of staff members, notably in the area of research, aligned to the strategy and the general day to day business of the University.
- The gain was reported to be temporary, however, with further expenses aligned to the strategy predicted to arise within the current and the subsequent financial years.
- The school transport budget spend was improving with an estimate from the department of £420k - £450k at year end, compared to last year's annual spend of £650k. Work would continue in this area to further reduce costs.

The Finance, Employment and General Purposed Committee APPROVED the mid-year financial update and summary variance notes.

(ii) Financial KPI range

The Committee RECEIVED the paper produced and presented by the Director of Resources. Members discussed the financial key performance indicators, which would form part of BGU's planning framework for developing business plans in 2015/16 and NOTED the following:

- The Risk Register had been discussed at SLT prior to presentation to Audit Committee on 5 March 2015.
- The guidance on the Planning Framework had been reviewed by SLT and CLT.
- The Committee requested a glossary of acronyms to be made available for Council members.
- The first part of the paper presented an overview of business planning for 2015/16, with the second part focusing on the financial KPI range. The second part had been presented to the Committee at the last meeting in October but was brought back for further discussion.
- Linking strategy and performance reviews for staff was essential.
- It would be beneficial to have indicative budgets and business plans for the next few financial years.
- The Deputy Vice Chancellor and the Director of Resources would consider the most appropriate way to benchmark the number of academic staff against similar institutions for presentation to the Council.

Secretary

DoR

DVC / DoR

(iii) Limited Company update

Managing Director's report and revised year-end forecast

The Committee RECEIVED the BG (Lincoln) Limited Managing Director's report and the revised year-end forecast. The following points were NOTED in discussion:

- The papers received by the Committee had been presented to the Limited Company Board on 10 February 2015.
- A discussion had taken place during the Board meeting regarding the current financial status as the company had not achieved its budget for the second year. The Board concluded that the key issue for consideration was whether the company could meet its long term goal of break-even by 2016/17. Following some remodelling, the Managing Director remained reasonably confident that this was achievable.

(iv) Limited Company Loan Agreement

Members NOTED that the Directors were currently awaiting approval of the loan agreement from the HMRC.

The Committee NOTED the intention to draw down the additional loan funding in the current academic year in order to support BG (Lincoln) Ltd. cash flow. This decision had been previously agreed by the Council. The Committee also NOTED the intention to revise the 2015/16 and 2016/17 budget forecasts to reflect this decision.

It was REPORTED that the draw-down at the end of the financial year would be required in June, which was slightly earlier than originally forecast. The Managing Director intended to calculate the total amount required to take the company to 2016/17 and secure this in one go. It was estimated this amount would be up to £150k.

It was also REPORTED that as part of the business planning process, the company would submit a request to the University for non-commercial activity to be subsidised.

The Committee AGREED in principle to draw down up to £150k to take the company through to the 2016/17 financial year. The exact figure would be subject to the Director of Enterprise's calculations and HMRC's approval of the Loan Agreement. This would be REPORTED to the University Council at the next meeting in March.

University
Council

(v) Treasury Management Policy

The Committee RECEIVED the updated Treasury Management Policy which was presented as a result of the discussion at the previous meeting about the way the University invests its funds.

The Director of Resources invited the Committee to discuss the placing of deposits, given that alternative short term investments were available which would yield greater returns on University cash balances than the current University bankers.

The potential erosion of cash value was NOTED, as interest rates did not keep pace with inflation, though the potential to minimise the impact of this risk by achieving better returns on investments being made by the University was REPORTED.

The following points were NOTED in discussion:

- More detail was required in paragraph 5.
- The Director of Resources should also be responsible for the responsibility and authorisation of the policy in addition to the Head of Finance. Paragraph 3 would be amended to reflect this.
- The Director of Resources would require permission of the Council to open various bank accounts in order to secure a better interest rate.

DoR

DoR

- Any investment would be made for the short term and the University would probably be required to draw the funds back out within the next few years in support of the strategy.
- It would be inadvisable at present to invest in the equities market due to the length of time the University would be able to invest the funds.

The Committee APPROVED the updated Treasury Management Policy subject to the amendments noted above.

7. Students' Union Byelaws and Constitution

The Committee RECEIVED the new BGSU Constitution and the amended Byelaws.

It was NOTED that the Students' Union had achieved charitable status separate from the University which meant that, in future, the Committee would not be invited to 'approve' the Constitution. The University's responsibility would still be to review and monitor it, however, and provide advice as appropriate.

The Committee queried whether the term 'exemption' in paragraph 7.1 of the bye-laws was correct or whether this should read 'exception'. The Deputy Vice Chancellor would seek clarification of this point from the Students' Union following the meeting.

Subject to this clarification, the Committee RECOMMENDED that both the Bye-laws and constitution be presented, for approval, to the University Council at its next meeting on 17th March.

DVC

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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 points were NOTED in discussion:

- The report related to the first academic period between August 2014 and the end of December 2014.
- Staff costs would be reported in the mid-year update to the Audit Committee.
- The high percentage of casual and fixed term contracts – within those, there were 22 fixed term contracts, of which 6 represented people who had left the institution, 7 had been drafted to cover maternity leave and 9 related to short term funding for projects and secondments.

- The higher than average percentage of staff over 50 years, when compared with the sector. It was REPORTED that a high percentage (66%) of these staff members were from the department of Teacher Development (TD). Members queried whether there was a requirement for succession planning within this department. It was REPORTED that succession planning would form part of the strategy, though it was estimated that the retirement of staff members from within TD would be staggered. The workforce planning proposal would be monitored by FE&GP Committee. Succession planning would be included as an agenda item for the next meeting in June.
- Further consideration was required to determine whether to set a target for the academic staff : student ratio.
- The Committee would continue to monitor the growth of the academic staff base and the reaching of an appropriate level of staff with doctoral level academic qualifications (PhD) and experience.

Next
meeting

DoR / DVC
/ HoHR

(ii) Appraisal update

The Committee RECEIVED and NOTED the update on the on-going review and development of staff. The following points were NOTED in discussion:

- The overall completion rate had improved since last reporting in November and now stood at 77%.
- The HR department was still waiting for a number of forms to be sent through so the actual number of appraisals conducted was higher than that reported.
- Further appraisal training sessions had been organised for the next cycle of appraisals which would commence in April.
- Performance reviews should be tied into the overall strategy and should be part of the whole review process. It should also feature in the line manager's KPIs.

HoHR

9. Estates – Building works update

The Committee RECEIVED and NOTED the building works update, presented by the Head of Estates. The following points were NOTED in discussion:

- The plans for the development of Constance Stewart Hall (CSH) had been taken to the University Council during the last cycle of meetings. They had been well received and would be presented during staff council the following day.
- A review had taken place with academic colleagues to refine the layout of the classrooms within CSH.

- The Head of Estates would work on the Estates Management Record submission following the meeting, which would require slight adjustment in terms of the categorisation of space. An external consultant had been engaged to assist with future forecasting of likely required space. A model had been developed although further discussion was required regarding the assumptions within this model.

11. Student recruitment update

Members RECEIVED the paper outlining the recruitment statistics following the 15 January 2015 UCAS deadline, presented by the Secretary.

It was REPORTED that the main focus for the University now rested on conversion. Events such as applicant days were key to encouraging students to make the University their firm choice.

The following points were NOTED in discussion:

- Applications to BGU had increased 6.43% against the previous year, whilst BGU's competitors had reported a decrease of 2.35%.
- The increase in applications processed was partially attributed to the introduction of the paperless processing system which reduced processing time, though it was NOTED that processing time had improved across the sector.
- The University no longer interviewed applicants for SCEI courses; these interviews were replaced by the applicant open days noted above.
- New courses were proving to be popular with applicants.
- The move towards the removal of the Student Number Control (SNC) meant that the University would be entering uncharted territory in September.

12. Agenda suggestions

- Succession planning
- Performance review update

13. Any other business

There was no other business to discuss.

Key items for the University Council

- Mid-year accounts;
- BG (Lincoln) Limited loan agreement;
- Students' Union Byelaws and Constitution
- Riseholme Road

14. Date of next meeting

The next meeting of the Finance, Employment & General Purposes Committee would take place Tuesday 9 June at 2:00 pm.

Signed *J. Ball* Date *9/6/15*