

BISHOP GROSSETESTE UNIVERSITY

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

**WEDNESDAY 20 FEBRUARY 2019
10:00 AM IN ROOM 202**

Present:

Mr David Babb (Chair)
Mrs Jackie Croft
Mr Stephen Lawrence
AVM Gavin Mackay
Rev Canon Professor Peter Neil
Rt Rev'd Dr Nigel Peyton

In attendance:

Mr Jonathan Batty, Director of Marketing, Recruitment & Communications (item 10 only)
Mr Stephen Deville, Chief Operating Officer
Mr Craig Ferguson, Students' Union President 2018/19 (item 13 only)
Professor Scott Fleming, Deputy Vice-Chancellor
Ms Stephanie Gilluly, Registrar (Clerk)
Ms Suzanne Kane, Director of Estates & Facilities (items 7 and 8 only)
Mr Matthew Pitts, Governance, Compliance and Operations Manager (Minuting)
Ms Abigail Rogers, Students' Union Chief Executive Officer, (item 13 only)
Mr Barrie Shipley, Director of Finance

1. Welcome

1.1 The Chair welcomed members to the second FE&GP Committee meeting of the 2018/19 academic year.

2. Apologies

2.1 There were no apologies for absence received.

3. Declarations of Interest

3.1 There were no new declarations of interest received.

	Action

4. Minutes of the last meeting held on 7 November 2018

4.1 The minutes of the FE&GP Committee meeting held on 7 November 2018 were APPROVED as a true record of the meeting and the Chair was authorised to sign them.

5. From the part of FE&GP Committee, to give approval to the minutes of the joint FE&GP and Audit Committee meeting held on 7 November 2018

5.1 The minutes of the FE&GP Committee's joint meeting with the Audit Committee held on 7 November 2018 were APPROVED as a true record of the meeting and the Chair was authorised to sign them on the part of FE&GP.

6. Matters arising

6.1 Action table

Members NOTED the progress of actions set out in the action table of the aforementioned meeting produced by the Governance Office.

6.2 Action table – FE&GP and Audit joint meeting 7 November 2018

Members NOTED the progress of actions set out in the action table of the aforementioned meeting produced by the Governance Office.

6.3 Any other matters

There were no other matters arising.

7. Estates

7.1 Building works update

7.1.1 The Committee welcomed SK to the meeting. SK presented the building works update paper that monitored expenditure and commitment on capital estates projects and provided general estates information. The following points were HIGHLIGHTED:

- The LORIC project had been completed, with the exception of remedial works for minor defects.
- Members NOTED that Thornton Firkin had been appointed to work with BGU as Project Management and Cost Consultants on current capital projects.
- The Committee NOTED the extracts from the report completed by Salix Finance, a not-for-profit organisation that provides interest free loans for energy efficiency projects.
- Members NOTED the high-level status update on current and recent capital works projects.

- 7.1.2 Members AGREED that the Electric Vehicle (EV) charging points installed at LORIC would be run on an Energy Cost Recovery basis: this model charges users based on energy consumption with the aim of recovering energy costs to the business. Members commented that the other charging models appeared overly complex for users and for the University to administer. It was NOTED that, without high user fees, it would be unlikely the capital outlay would be recouped. Members NOTED that this could be reviewed in the future.
- 7.1.3 Members queried whether HMRC classed EV charging as a benefit-in-kind. BS NOTED the Chancellor had announced EV charging would not be classed as a taxable benefit; however, to date, this has not been confirmed through legislation.
- 7.1.4 SK confirmed the capital cost for installation of a charging point was approximately £2,000. Members NOTED the campus electrical infrastructure would require review before EV charging points could be installed.
- 7.1.5 Members NOTED that the break clause had been activated giving notice to the landlord of Lord Tennyson House, Rasen Lane, to terminate the lease agreement. The landlord was disappointed regarding the early termination but BGU have remained on good terms with them. BGU are working with the students currently occupying the accommodation to secure their tenancy for the following academic year or to assist them to seek alternative accommodation.
- 7.1.6 Members NOTED that Nomination Agreements have now been prepared, and the majority signed, for the provision of accommodation for the next three academic years, as agreed at the previous committee meeting. Landlords have provided access for inspection of all properties, which had been undertaken by the Accommodation Office, and all the legislative requirements have been met in respect of each of the houses. Members NOTED that the University had agreed with landlords for property keys to be issued on campus.

8. Health and Safety Update

- 8.1 SK presented this update. SK REPORTED the Health and Safety Officer (HSO), John Duff (JD), started in post in October 2018. SK advised that they had discussed the priorities for the HSO role with SD, and gaps and risks had been identified. SK advised members that overall BGU was doing things properly in the area of Health and Safety, however, it was prudent to enhance certain documentation to support processes. SK HIGHLIGHTED that JD was working closely with HR and that line managers were being trained to carry out Display Screen Equipment assessments, it was NOTED that this had reduced costs. SK advised that BG Lincoln and the Estates Team were the main areas of health and safety risk due to the nature of the work carried out by these teams.

8.2	Members commented that they felt reassured the Health and Safety Officer post was in place, and requested that their thanks be passed on to JD. It was NOTED that JD was working with Governance on the approval routes for policies on which they were working.	SK
8.3	The Committee thanked SK for her update. SK left the meeting.	
9.	Fundraising and Marketing	
9.1	SL presented the paper that requested support for an additional £5k of funding for the Disbursement Committee in the 2019/20 academic year. SL NOTED that the paper was written in the knowledge that the University was under financial pressure; however, he wished to highlight the significant value that could be added through the activities supported by the Disbursement Committee, such as recent trips to Thailand and Malaysia. SL REPORTED that JB had fed back that there was notable marketing value that had not been fully realised in the activities supported by the group. SL NOTED the proposal was subject to further development with assistance from the Deputy Vice-Chancellor, Director of Finance and Director of Marketing.	
9.2	SL HIGHLIGHTED the proposal to access match funding for the Foundation Fund, which was often seen as an attractive option for potential donors. SL NOTED that ideally the Disbursement Committee would like to encourage donors to set up regular gifts, however this can take more time to build the required relationships.	
9.3	BS HIGHLIGHTED that £15k was already committed in the budget to fund gown hire for matriculation. He advised that clarity was required on where the additional grant would be spent. SL responded that the suggested grant would not necessarily be committed to sports activities; it was recognised that other interest groups would also welcome additional funding. It was NOTED that £5k was a notional figure; however, it was suggested that additional funding would need to around this level to be able to demonstrate added value.	Disbursement Committee
9.4	Members AGREED that the University needed to make it easier to donate online to the Foundation Funding. It was AGREED that staff would look into whether its current payment systems could be utilised to accept donations online. The approach of other charities using suggested donations were noted. Members advised that BGU needed to be specific about beneficiaries all fundraising materials.	DoIT - BC
9.5	Members AGREED that the decision on the additional funding would be deferred until June when it considered the budget.	JB
9.5	Members AGREED that the decision on the additional funding would be deferred until June when it considered the budget.	FE&GP/ BS
10.	To receive an update on student recruitment	
10.1	Members welcomed JB to the meeting to present the paper showing the current state of affairs in recruitment.	
10.2	The Chair invited questions on the report. A member asked what the University's position was on unconditional offers, and whether there is a mechanism in place	

to determine whether the students in receipt of them go on to do as well as their colleagues who were accepted with conditions. JB explained that in contrast to competitors we do not make *conditional unconditional offers*, whereby a conditional offer is given in return for an applicant putting that institution as their first choice. JB reflected that unconditional offers were not a negative practice in themselves, and had a place within a widening participating strategy. SF added that it was important to effectively communicate the rationale and methodology behind making unconditional offers. It was NOTED that in future, through the Student Records System, it may be possible to track outcomes for those who were enrolled on the basis of unconditional offers.

10.3 PN NOTED that we are in a turbulent climate and that this recruitment cycle is particularly challenging. It was NOTED that applicant behaviours in the clearing process has become particularly unpredictable. It was NOTED that the sector was awaiting the outcome of the post 18 review; if this introduced lower fees it was anticipated that some students may defer to benefit from reductions.

10.4 Members thanked JB for the report. JB left the meeting.

11. Finance

11.1 To note and consider the mid-year financial update and summary variance notes

It was NOTED that members would receive a further update on the financial position for Q3 later in the cycle. The Chair commented that he was content to note the improvement in the deficit. BS NOTED that the original 2018/19 projections included fees from a significant number of firm accepted places, which had not come to fruition, and that Finance had worked hard to achieve the savings noted.

BS

11.2 To note the Annual TRAC Return

BS introduced this item. It was NOTED that this was the first time the report had been received by FE&GP Committee, previously it was received by Audit Committee. Members were advised that the return was an OFS requirement for all HEIs in receipt of grant funding from UK funding Councils. The TRAC report identified funding for overhead rates on research activities. It was NOTED that institutions should aim for 9.6% before tax to be considered sustainable, BS REPORTED the sector average was 8.9%, whilst smaller institutions posted figures of 10.1% on average. BS explained that in practice teaching in HEIs often subsidised research activity. BGU has lower income than some comparators in this area on account of its low proportion of international students that add a higher level of added value financially. It was noted that there are other income streams from non-teaching contracts such as the National Collaborative Outreach Project (NCOP); however, these do not produce surpluses.

11.3 To note the Annual TRAC-T Return

- 11.3.1 BS introduced this item. He explained that the non-OFS funded places, including international students, were extracted from the overall cost of teaching, £17m, to give a figure for OFS funded teaching; this amounted to £8.3m. This figure was divided across subjects, allocated against staff time to give a cost per student for each taught programme.
- 11.3.2 It was explained that certain programmes had relatively low costs, which brought down the overall average.
- 11.3.3 Members CONFIRMED they were content with the submission. SF HIGHLIGHTED that teaching activities did subsidise research activity, as such, it was important to ensure the added value of research was communicated effectively.

11.4 Pensions update

- 11.4.1 It was NOTED that the Teachers' Pension Scheme contribution was expected to rise by 7.2%, which amounted to an additional cost of approximately £350k to the University. It was REPORTED that the consultation on the changes closed on 12 February 2019. It was expected that there would be no additional funding for HEIs to meet this increased cost.
- 11.4.2 It was NOTED that the USS valuation had been agreed; there was a reported deficit of £7.5bn in the scheme, subsequently a Joint Expert Panel (JEP) agreed a revised investment strategy which projected reducing the deficit to £3.6bn. SD NOTED that contribution rates for the scheme were due to rise to 19.5% in April 2019, then 22.5% in 2020 and 24.5% in 2021. It was NOTED that employee contributions during this time were going to be reduced.
- 11.4.3 SD NOTED that the University had six remaining employees in the scheme, therefore there was a risk that the debt could crystalize, resulting in the University becoming liable for a significant cash payment. It was NOTED that there could be a cash-call for the scheme to lower contributions, there appeared to be some appetite for this within the sector.
- 11.4.4 Members NOTED the next valuation of LGPS was schedule for March 2019, SD advised the impact of the valuation would not be clear for six to 12 months.

11.5 To receive an update on the Limited Company

- 11.5.1 SD REPORTED the limited company was very close to its projected budget figures.
- 11.5.2 It was NOTED that the bar operation had been relocated to Refectory. It was acknowledged the move had proved controversial, and, in

hindsight, the communication of the change could have been handled more effectively. Following the change SD had been in discussion with the SU. As a result of the change, the Refectory had increased its opening hours, which was welcomed by students on certain programmes who are on site later in the day.

- 11.5.3 It was REPORTED that the SU had explained their concerns about their ability to generate income to support its activities. SD concluded the report on the limited company by reassuring members that there had been a significant improvement in BG Lincoln's cash position.

12. Change Management

- 12.1 It was AGREED that this item would be dealt with at the end of the agenda (see below).

13. Students Union

13.1 To receive and update from the Students' Union

- 13.1.1 Members welcomed the CF and AR to the meeting. CF REPORTED that it had been a busy time since the last update. CF NOTED he and the Vice-President were due to finish their apprenticeships with the SU at the end of March.
- 13.1.2 CF NOTED that the SU had now completed revisions to the byelaws, and that they were now considered to be fit for purpose.
- 13.1.3 CF informed members that relocation of the bar function to the Refectory was not welcomed by some members of the student body, however, he had subsequently met with SD to discuss the matter. CF advised the members that the former bar space was converted into a social study space within 72hr of the change, which was well received.
- 13.1.4 CF NOTED that the NUS had been invited to visit the SU to undertake a feasibility study for adding income generating facilities. CF explained the SU were looking into this as they have recently lost some streams of income such as the NUS cards, in which students were showing less interest due to difficulties with the Coop discount locally. Similarly, CF said the SU had lost income from hoodies following the University giving them away to applicants.
- 13.1.5 It was NOTED that the SU elections would be taking place in the coming weeks. CF told members the Vice-President had completed a lot of work on the communications plan for this. The members thanked CF for the update.

13.2 To note the SU year-end accounts 2017/18

- 13.2.1 AR introduced the annual accounts. It was NOTED that the surplus generated was larger than the budgeted figure; this was in part due to staff eligible to access the pension scheme had not done so.
- 13.2.2 AR NOTED that the SU was committed to retaining reserves of three months operating costs, plus 5%. With the current operating costs, it was projected that the SU could only run for a further 2 years without going below its reserves threshold. In response to members' queries, AR advised the meeting that the SU had already looked carefully at its costs, and there were no further savings that could be made; this was the reason the SU were urgently looking at ways of generating additional income.
- 13.2.3 Members responded, emphasising the importance of the SU in the overall student experience. Members NOTED that it was necessary to support the SU to find ways of making things run more easily and effectively. The Committee thanked CF and AR for their updates. AR and CF left the meeting.

SD

14. Employment

14.1 To receive the HR Workforce Report

- 14.1.1 SD introduced the report. Members agreed to take the paper as read. They commented that it was encouraging to see changes in certain figures, such as the reduction in average staff age and the numbers of staff holding doctorates.

14.2 Performance and appraisal process update

- 14.2.1 SD gave a verbal update. Members were advised that this had been put on hold following the departure of the former Director of People and Organisational Development.
- 14.2.2 SD REPORTED that the newly appointed Director of HR would be taking this forward when they started in post. It was NOTED that BGU were looking at how York St John operates its performance system. Members were advised that the existing MyHR system had performance functionality that may be utilised.
- 14.2.3 Members AGREED they would welcome more information in the Autumn on developments with the staff performance and appraisal processes.

DoHR

14.3 Gender pay gap

- 14.3.1 SD introduced this item. It was NOTED that it was a legal requirement to publish data for this area. Members were advised that best practice was

SD

followed in the production of the report. A few labelling errors would be corrected prior to publication.

14.3.2 It was NOTED that there was a pay gap that was slightly above the sector average in the mean. The mean gap had increased, whilst the median had decreased. Members were advised that the data was taken from March 2018. It was explained that the above sector average pay gap was partly attributable to several senior female staff members leaving the University in the 17/18 academic year. Additionally, the University does employ a significant number of females in lower pay quartile roles, such as in housekeeping and as student ambassadors. It was NOTED that some other institutions use external contractors for these functions, and therefore do not have a comparable proportion of employees in the lower quartiles.

14.3.3 Members advised this explanation for BGU's position must be more explicit within the report. It was AGREED that SD would make this change and then share the amendment with the members for consideration.

SD

14.4 Staff Survey

14.4.1 SD provided a verbal update on the Staff Survey. It was NOTED that the results had been received and were being looked at department level.

14.4.2 It was NOTED that the results were largely positive. It was HIGHLIGHTED that there was a need to enhance general communication, and awareness of the University strategy; this was partly attributable to staff turnover since the previous survey. It was NOTED that strategy workshops of the future development had recently been held with staff.

14.4.3 PN advised members they were welcome to attend Capita's presentation on the survey findings on 5 March 2019.

Governance
Office

14.4.4 SD NOTED that the further information would be brought to the Committee's June meeting. Members requested that the results were accompanied by an action plan to address any areas of concern.

DoHR/SD

14.5 Policies: Freedom of Speech

14.5.1 SG introduced the revisions to the Policy. It was NOTED that University had recently taken part in a Prevent project, which related to this policy.

14.5.2 It was NOTED that clarification on off-site activities had been added to the document, and that a facility for a panel to consider complex issues had been added. It was NOTED that guidance recently published by the Higher Education Policy Institute and the Equality and Human Right Commission on freedom of speech had been considered as part of the review of the Policy. SG advised members that the SU, and academics

<p>had been consulted on the revisions. SG outlined recommendations recently received from the University's solicitors.</p> <p>14.5.3 Members AGREED that they were content to recommend the document for approval by Council.</p>	<p>Governance Office</p>
<p>14.6 Legal Status change – TUPE</p>	
<p>14.6.1 SD REPORTED that the legal status change was expected to take place on 1 August 2019, at this time the staff would be transferred into the new legal entity. Members were advised that the University was required to give staff two months' notice of this change.</p>	
<p>14.6.2 It was CONFIRMED that there would be no implications for staff pensions or continuous service. It was NOTED that the change would be communicated through Staff Council and Portal notices. Members requested an update on this process at their next meeting.</p>	<p>SD</p>
<p>15. Agenda suggestions for future meetings</p>	
<p>15.1 Members AGREED the following items should be covered on its next agenda:</p>	
<ul style="list-style-type: none"> • An update on development of the Staff performance and appraisal process; 	<p>DoHR/SD</p>
<ul style="list-style-type: none"> • An update from the new Director of HR on the impressions of BGU since starting in post. 	<p>DoHR</p>
<p>16. Agenda management & review</p>	
<p>16.1 Members were invited to comment on the effectiveness and the success or otherwise of the meeting, noting any issues for the future. Members AGREED that the explanations and presentations given by staff were helpful and illuminating, and that the meeting had been managed well. The Committee requested that their thanks be passed on to staff who had submitted papers.</p>	<p>Governance</p>
<p>17. Any other business</p>	
<p>17.1 There was no other business to discuss.</p>	
<p><i>MP left the meeting at this point, minuting was resumed by SG.</i></p>	
<p>18. Key items for University Council</p>	
<p>18.1</p> <ul style="list-style-type: none"> • Gender Pay Report • Freedom of Speech Policy • Members requested that Change Management should be given sufficient discussion time at University Council. It was suggested that SG liaise 	<p>SG</p>

with the Chair of Council to enable this to be discussed as part of the morning session.

19. Date of next meeting

19.1 The next meeting of the FE&GP Committee would take place on Thursday 6 June 2019 at 10:00 am in Hardy Seminar Room 4. David Babb NOTED his apologies for the next meeting.

Signed  Date 6 June 2019

