

BISHOP GROSSETESTE UNIVERSITY

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

THURSDAY 2 JUNE 2016

ROOM 102, SKINNER BUILDING, 2.00PM

Present

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

In attendance

Mr Stephen Deville, Director of Resources
Professor Jayne Mitchell, Deputy Vice Chancellor
Mrs Alison Coton, Head of Human Resources (for item 8 only)
Mr Fred Robson, Head of Estates
Mr Barrie Shipley, Head of Finance
Ms Abi Rogers, SU Manager (for item 7 only)
Mr Matthew Pitts, Governance, Compliance & Operations Manager
Mrs Natalie Pickles, Governance Officer & PA to University Council

1 Welcome

The Chair welcomed everyone to the meeting.

2 Apologies

Apologies for absence had been received from Professor Mark Thompson and Dr Anne Craven.

3 Declarations of Interest

There were none to declare.

4 Minutes of Previous Meeting held on 24 February 2016

The minutes of the previous meeting held on 24 February 2016 were APPROVED as a true record of the meeting and were authorised for signature by the Chair.

5 Matters Arising

(i) Action Points

Members RECEIVED the update on progress against the action points. It was NOTED that David Babb had volunteered to assist and provide support with item 8(ii), the report on Salary Benchmarking with the Sector.

(ii) Any Other Matters

There were no other matters to discuss.

6 Finance

(i) To approve the budget / financial forecast and to recommend submission to Council for their approval

The Head of Finance presented the updated financial forecasts and 16/17 budget, noting the following:-

- Projected outturn for 16/17 showed a small deficit and a break even position for the two years thereafter.
- The latest planning assumptions had been used around student numbers but these were still challenging fully to establish.
- Assumptions had been made in terms of requirements for capital investments. Towards 2018/20 there could be some impact on the cash reserves where potentially BGU may need to look at some kind of borrowing.

The DVC noted that it was inaccurate on Page 9 under "Borrowing and Liquidity" that there was "no income from research grants" as HEFCE had provided BGU with QR funding. It was agreed that this would be amended by the Head of Finance.

Barrie Shipley

The members enquired about the high proportion of professional staff relative to academic staff in the forecast documents. A long discussion followed. The key points commented on were as follows:

- The institution would be very close to reaching its critical mass in respect of support staff required; future forecasts for support staff growth were low in reflection of this.
- Some of the support staff posts listed in the forecasts were in vulnerable and critically fragile areas where it was essential that the roles were filled, such as the Placements & Partnerships Office, and Recruitment & Admissions. Additionally, the posts were not all new and additional posts; some were to fill positions that had previously been carried out by individuals on temporary contracts.
- In terms of reaching critical mass numbers for support staff, compared with other institutions of a similar size, BGU was still relatively high in support staff head count.

- It was observed that in some institutions many of the activities undertaken by in-house staff at BGU were out-sourced, with the result that comparisons were not always on the same footing.
- It was AGREED that it would be helpful to FE&GP if the Committee could see a longer term view (rather than seeing each year a number of additional posts). It would be better to see a 5 year plan to give an indication of what the intended 'critical mass' looked like.
- The new Head of Planning would be looking into this issue next year and FE&GP and Council would continue to monitor this closely.

The updated financial forecasts and 2016/17 budget were APPROVED for submission to Council.

(ii) To note the Land Revaluation Report

The Head of Finance presented this report which provided a revaluation of the land for FRS102 purposes.

FE&GP APPROVED the land valuation figure to be included in the accounts for 15/16.

(iii) Limited Company

a. Update

The Head of Resources presented this item and noted the key updates from the Limited Company report:

- Financial performance showed a mixed picture. However, overall, year-on-year, this was improving. Whilst the company was not hitting the budgeted income targets, control of expenditure and cost savings meant that the year was expected to end very close to budget.
- It was noted that Refectory & Curiositea were making a loss. The Operations Manager of the Limited Company was looking at the different offers that those businesses have and who the target audiences were. It was hoped that the refreshed offer from Curiositea would address the level of loss, and that better reporting of allocation of staff could show a more complete picture.

b. SU Bar

Discussions were taking place regarding the SU Bar and it was envisaged that the Bar would continue to be run by BG (Lincoln) Ltd in liaison with the Student Union Executive and Trustees for the next academic year. It was felt that a planned reduced deficit of around £20k was an acceptable figure to be borne by the University, and the plan was to reduce this further still to a break-even point the year after. Financial performance of the bar will be monitored throughout the year and reported back to the FE&GP Committee. It was confirmed that HMRC were still refusing to accept that any borrowings would be a commercially based loan.

(iv) To review the Treasury Policy

The Head of Finance reported that there were no changes to the Treasury Policy, which was previously approved by FE&GP in 2015. However, the Counterparty List Limits in the Annex had been amended to a £6m exposure for Barclays, Lloyds and HBOS.

FE&GP APPROVED the amendments in the Annex of the Treasury Policy and RECOMMENDED it for approval by Council.

(v) To receive and consider a report on Fundraising

The Events Manager, Hannah Clipsham, was present for this item and reported the key items from the paper to FE&GP.

A useful meeting had taken place between the Events Manager, the Head of Resources, University Registrar and Secretary, and Council member and Chair of the University's Disbursement Committee, Stephen Lawrence, where it had been agreed there were opportunities for BGU in this area. Evidence suggested monies could be gained from trusts and foundations in particular, and also legacies.

Stephen Lawrence recommended that BGU's first step towards this would be an "advancement campaign", which in order to be successful would need the endorsement and involvement of Council.

FE+GP AGREED that a more formalised paper should come to FE&GP sometime within the next academic year, which would be a proposal or plan for fundraising.

Steve
Deville/
Anne
Craven

7 Students Union**(i) To note the S.U. Strategic plan to 2020**

The Student Union Manager, Abi Rogers (AR), was present for this item.

AR reported that at the close of the previous academic year the Students' Union had surveyed the S.U. membership to find out about strategic areas that most mattered to students. Following this, a Strategy Day had been held where key themes were identified to take forward to focus groups. The outcome of these formed the basis of the draft Strategy which was now being presented to FE&GP for note. Behind the draft Strategy, an Action Plan had also been drawn up detailing how the S.U. was going to achieve the Strategy and what the intended order of priority was.

(ii) To note and consider an update from the S.U.

Nothing further presented.

(iii) To note the S.U. draft Budget 2016/17

The draft budget was presented to FE&GP.

In response to a query from FE&GP, the S.U. Manager confirmed that Sponsorship was not budgeted for at all as the S.U. did not want to rely on this for income; however, they did plan actively to pursue this.

FE&GP noted that it would be useful to see the budget against *actual* figures next year. The S.U. Manager confirmed she would action this.

Abi
Rogers

8 Human Resources**(i) To Receive and discuss the HR staffing report**

The Head of Human Resources (HoHR) Alison Coton was present for this item.

There was a further discussion by FE&GP regarding the academic to support staff ratio. FE+GP members referred to the benchmarking data provided for other universities for this area. Key points from the discussion were as follows:-

- The benchmarking data did not provide information about whether the other Universities were outsourcing support staff. Additionally, the chart was based on FTE numbers, whereas the BGU data within the BGU HR report was based on headcount.
- The benchmarking data did not detail visiting tutors, which at BGU, these roles counted for nearly £500k of expenditure.
- In the last round of budget setting, BGU had had a tight grip on the numbers of staff budgeted for so that some of any imbalances could be redressed.
- It was intended that this would be the final year in which BGU would be substantially increasing support staff provision as part of the programme to professionalise Support. Once new courses were validated, the academic positions would be recruited to.
- It would be useful to undertake an analysis of the existing support staff.

It was AGREED that any imbalances regarding this ratio needed to be looked at closely. A visit to Newman University, which was of a similar size to BGU, was planned for the following week, and it was AGREED that the DoR, the HoHR, and VC would try and initiate a discussion with Newman to obtain advice on their strategy in this respect.

Steve
Deville/
Alison
Coton /
Peter
Neil

It was AGREED that it would be useful to have a visual representation of the academic and support staff ratio that included future projections, and that this should also include information on staff to student ratios.

Alison
Coton

(ii) To receive a brief verbal update on Salary Benchmarking with the Sector

The HoHR reported that they would be looking at this in relation to all staff, but primarily support staff, where salaries were falling behind the rest of the sector. Once two years' worth of survey data were available, a meeting would be arranged with the Chair of FE&GP and an agreement made about a modelling

and costing of what a new strategy/pay structure might look like.

It was also NOTED that there had been very high-level findings of satisfaction from the staff survey which had been really positive, and staff had been briefed on these. The completion rate for the staff survey was 88% which was a high figure for the sector.

More work was planned for academic / support staff to look more closely at the findings. An interim report would be presented to Council on 28th June 2016.

It was NOTED also that the previous staff survey had resulted in negative feedback on performance reviews but that this had now been reversed; the relevant indicator had positively increased by 23%.

The VC thanked the Head of HR for HR's work on the survey.

The DoR informed FE&GP members that there had been a final offer made to Unions in the pay negotiations of 1.1% (up from the 1% initial offer) which had been rejected by all Unions. There was therefore a threat of strike action, but this would have a fairly minimal impact on BGU; however, FE&GP would be kept informed of the situation.

9 Estates

(i) To receive an update on Estates Development

The Head of Estates (HoE) presented the Estates update and highlighted the key points as follows:

Phase 2 works for Constance Stewart Hall had now been submitted for planning approval. It was hoped that the submission would not need to go to a formal Planning Committee meeting, and that approval would be given by delegated authority by the planning officers. It was noted that this would normally occur if fewer than four objections were received; the University expected at most one objection to the scheme. The planning decision was expected by the end of July. Potential financial risk was highlighted to FE&GP concerning placing an order for steel for the project prior to receiving planning permission; this would be to enable timescales for delivery to be met. FE&GP APPROVED the Purchase Approval Form (PAF) for the expenditure. It was agreed that this risk would be taken as should planning permission not be given, the cost of the steel would be small relative to the whole scheme costs (£3m), and the risk of the steel work having to be put up at the start of the new academic year would potentially have a larger negative impact.

- A bid had been submitted to the European Structural Investment Fund (ESIF) for the Lincolnshire Open Research and Innovation Centre (LORIC). The bid was successful in the first stage and BGU was now required to submit planning for the LORIC, which involved purchase of certain offices for refurbishment. Some initial costs in the region of approximately £10k would be incurred prior to confirmation of the outcome of the bid, which was a

small financial risk to the institution should the bid be unsuccessful. FE&GP APPROVED this approach and the expenditure up front.

The DVC left the meeting at this point.

(ii) To receive an update on the Land Purchase

The DoR reported that nothing further had moved in respect of this but that he would be monitoring the situation.

(iii) Estates Strategy

FE&GP was presented with a revised Estates Strategy outlining how the campus could be developed to meet the needs of the University in line with the agreed five year strategy.

The following points were highlighted and commented on by FE&GP:

- The Strategy did not go into specifics of what particular purposes individual spaces would be used for, but rather highlighted areas of the current campus that could be developed or regenerated to make better use of the space that was available. The intention of the document was to facilitate a more strategic approach to be taken to the development of the campus.
- The Strategy did not report on student accommodation, but rather focused on office and teaching space. This was because BGU had decided to look externally for the provision of accommodation and was working with external developers in this.
- There was some concern regarding the scale of buildings proposed which included 4 or 5 storey developments. The Head of Estates confirmed that they had been very conscious about this in terms of the overall campus. It was AGREED that an amendment would be made to item 3 to include a design statement.

FE& GP AGREED the Estates Strategy was an excellent report and APPROVED it for RECOMMENDATION to Council, subject to the minor amendments agreed above.

Fred
Robson

10 To receive an update on Student Recruitment

Andy Carr, Student Admissions Manager, presented this Agenda item and highlighted the key points to note:-

Postgraduate

- PGCE was a challenge with the new allocation model.
- There was an opportunity to introduce new subjects not included before planning numbers of secondary students.
- Primary applications had been turned around to offers within eight days rather than the three weeks it had taken in previous years, which had allowed BGU to match the competition very well.

Undergraduate

- Numbers of primary education applications had dropped, but there was confidence that all places would be filled.
- Combined degree honours programmes were at a similar position as last year due to the diligent recruitment work that had been completed.
- A large amount of conversion work had been done by the team.

The Vice Chancellor reported that because of the new allocation model BGU had effectively lost 100 potential students in the area of primary education.

It was also NOTED that Team Enterprise now had 26 offers and 11 firm acceptances.

FE&GP AGREED that this was work in progress and that they would be able to see the finalised situation by September/October 2016.

11 To receive and consider Agenda suggestions for the next meeting

- Accounts
- Staff Survey Update
- International – it was AGREED to propose this for a lunchtime slot at a full council meeting sometime in the future

FE&GP /
GCOM

12 Any Other Business


The Vice Chancellor reported that very positive feedback had been received from HEFCE following the HEFCE Assurance Review. Additionally the Further Education aspect of the Ofsted inspection now rated BGU with all 2's ('Good'), which also was very positive news.

13 To recommend key items for University Council

- Budget/Financial Forecasts
- Treasury Policy
- Staffing issues around Academic : Support staff ratio

14 Date of next meeting

The next meeting of the FE&GP Committee would take place on Thursday 3rd November at 10.00am to 1.00pm, followed by a joint lunch meeting with Audit Committee from 1.00pm to 2.00pm, venue TBC.

Signed  Date 3/11/16