

MINUTES

SUSTAINABILITY AND RESOURCES COMMITTEE, SR-16

Date: Tues 02 November 2021

Time: 1500

Location: University House boardroom

Notes:

1. This Agenda is divided into three headings: Estates; Financials; and Human Resources / Employment. Each of these headings has a section 2 (For Discussion and/or Approval) and a section 3 (For Information).
2. Items marked with an asterisk (starred items) are for information only or regarded as noncontentious. Starred items will not be discussed and will be assumed to have been noted or approved unless a request to unstar a named item is received from a Board member in advance, or at the commencement, of the meeting.
3. Items classified as Confidential, and their subsequent minutes (highlighted here in blue), will be redacted before publication of the agenda and minutes on the University's public website.

Members		
Professor Liz Barnes	Vice Chancellor	P
Tony Evans	External Member	L
Hannah Gibbard	Professional Support Staff Representative	P
Mike Herbert	Co-opted Committee Member	A
Colin Hughes	External Member	P (T)
Jonathan Vardon (Chair)	External Member	P
Anthony Wallace	Student Governor	P
In attendance		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Alan Charters	Project Manager, Catalyst building (<i>item 405 only</i>)	IA
Professor Martin Jones	Deputy Vice Chancellor	IA
Sally McGill	Chief Financial Officer	IA
Andrew Proctor	Pro Vice Chancellor – Digital	IA
Lauren Rooke	Assistant Clerk to the Board of Governors (<i>minutes</i>)	IA

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

1 MEETING MANAGEMENT											
396	Apologies for absence were received from Mike Herbert.										
397	There were no new Declarations of interest .										
398	The following Membership of the Committee for 2021/22 was noted: <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Constitution</td> <td style="width: 50%;">MEMBERSHIP</td> </tr> <tr> <td>External Members</td> <td>Tony Evans</td> </tr> <tr> <td></td> <td>Colin Hughes</td> </tr> <tr> <td></td> <td>Jonathan Vardon (Chair)</td> </tr> <tr> <td></td> <td>VACANCY</td> </tr> </table>	Constitution	MEMBERSHIP	External Members	Tony Evans		Colin Hughes		Jonathan Vardon (Chair)		VACANCY
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	<p>Student Governor Anthony Wallace (Vice-President, Students' Union)</p> <p>Staff Governor Hannah Gibbard (Professional Services Staff Governor)</p> <p>Co-opted Member Mike Herbert</p> <p>Vice Chancellor Professor Liz Barnes</p> <p>In attendance Ian Blachford, Chief Operating Officer & Clerk to the Board Professor Martin Jones, Deputy Vice Chancellor Sally McGill, Chief Financial Officer and Deputy Chief Executive Andrew Proctor, Pro Vice Chancellor – Digital</p>
399	The Minutes of the last meeting of the Committee , 18 May 2021 SR/16/01 were signed as a true and accurate record.
400	<p>Matters arising:</p> <ul style="list-style-type: none"> • Minute 345 (SR-14a) – Pensions – it was noted that following the receipt of consultation responses from the unions, this item had been discussed at the Board of Governors meeting on 30 June 2021 and approval given to the proposal with amendments. An update had been provided to the Board of Governors at their meeting on 22 September 2021, regarding discussions with UCU and UNISON. UCU had indicated that they will ballot members on industrial action, but this has not yet taken place. Therefore, there was no further update since the Board meeting. • Minute 384 – OfS draft grant budget – it was noted that following the update at the May 2021 meeting, confirmed grant allocation letters had been received and the total recurrent teaching grant funding to be provided by the OfS for the year 2021-22 (as notified in August) would be £7,841,357, an overall increase of £276,274 compared to 2020-21. An increase in funding for student access and success of £322,841 had been off-set by a reduction in support for high-cost subjects of £46,567. • Financial scenario-planning – it was noted that following discussion at the September 2021 Board meeting, an item on this was planned for the Committee meeting in February 2022, when a clearer picture would be available around student number planning.
401	The *Overview of annual business 2021-22* SR/16/02 was noted.
402	The Terms of Reference for the Committee for 2021-22 SR/16/03 were approved, with the Committee agreeing to refer these to the Board of Governors for formal approval.
ESTATES AND INFRASTRUCTURE (E)	
E2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
403	<p>The Committee considered the Estates overview SR/16/04, introduced by the Pro Vice Chancellor – Digital, who noted the following main points:</p> <ul style="list-style-type: none"> • The report updated on progress on various projects, broadly summarised as follows: • Health Innovation Centre, Blackheath Lane, Stafford <ul style="list-style-type: none"> ○ Building watertight as of 30 August 2021; first fix had started on power and data; cladding and masonry 90% complete. ○ Construction had fallen 8 weeks behind the original completion date due to shortages of materials (an industry-wide problem) coupled with the impact of workers having to self-isolate. ○ The revised completion date was now 29 November, with no impact on planned course delivery in Semester 2, and the project remained on budget. • New Nursery and Forest School <ul style="list-style-type: none"> ○ Building watertight with advanced work on 1st and 2nd internal fixes. ○ Despite being vulnerable to supply problems, the project remained on budget and on programme with an anticipated go-live date of late January 2022. The nursery team was preparing for recruitment to expand staffing to allow the expected additional admissions to be accepted. • Blackstone Recladding and Cadman roof improvement works <ul style="list-style-type: none"> ○ Following the approval of the new strategic approach in the Estates Masterplan, this project had been paused and re-evaluated. ○ A proposal for a reduced scheme was being developed, that would seek to address current poor working conditions whilst avoiding expensive external works - a business case outlining more detail would be brought to a future Board of Governors for discussion / approval (including the potential mothballing of Blackstone). • Student Village

	<ul style="list-style-type: none"> ○ Extensive consultation with stakeholders had taken place and design of the scheme had progressed well, reaching approximately RIBA Stage 2 with the current focus on refining project financials, working closely with input from JLL and QMPF. ○ An item on RIBA Stage 2 approval appeared elsewhere on the agenda. ● London Digital Institute Expansion <ul style="list-style-type: none"> ○ The project had progressed well with some minor setbacks, mainly due to global procurement issues. There were some delays in supplies with deliveries not expected until early November but mitigations had been put in place. ○ All teaching delivery was scheduled to commence on Monday 4 October as planned in the new units. ● Squires View <ul style="list-style-type: none"> ○ Progress in completing the purchase had proved very frustrating, with an extremely slow response from the Council despite continued chasing and interventions at Chief Executive level. ● Disposal of Ex-Sports Field off Newcastle Road, Cotes Heath (Eccleshall, Stafford) <ul style="list-style-type: none"> ○ Consideration was being given to an option to dispose of the site with its current status, with a long-term overage clause should the site be subsequently sold on for development. ○ Avison Young had been commissioned to carry out a revised land valuation to allow an informed decision to be made. ● Sale of land at Lichfield College for coach park <ul style="list-style-type: none"> ○ Initial planning on withdrawing the University's presence at Lichfield had been paused pending resolution of legal issues on the deeds. Now this appeared to have been resolved, work could recommence once the sale of the car park had been completed. (A paper outlining the proposed withdrawal would be brought to a future Board of Governors' meeting for approval.) ● Estates Masterplan <ul style="list-style-type: none"> ○ It had been agreed at the Board of Governors meeting in June 2021 that the future Estates Masterplan should focus all new developments on the Leek Road side of the campus with a view to migrating the campus within 5 to 10 years subject to available funding. ○ A revised plan based on this objective was currently being worked up for wider consultation and publication with a separate options paper on the agenda on prioritisation and project sequencing. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> ● Hannah Gibbard asked for clarification on library provision, and this was provided by Andrew Proctor. ● Jonathan Vardon asked for a target timescale for completion on projects such as Squires View, where the council was involved. It was noted that the progress had been slow but now momentum hopefully had been achieved.
404	<p>The Committee received for discussion a paper on the Estates masterplan – sequencing options SR/16/05, presented by the Pro Vice Chancellor – Digital. The following main points were noted:</p> <ul style="list-style-type: none"> ● The paper set out a number of options for discussion on the preferred initial sequencing of projects on the Estates Masterplan and aimed to initiate a strategic discussion to decide on prioritisation. (It was not intended to be a discussion on any of the detailed exercise in terms of scoping, consulting, designing etc of buildings, which would follow on.) ● A number of assumptions had been made i.e., the car park would be the first project and the professional services hub would be a later choice which, coupled with fixed dates on student accommodation, quickly focused the decision on the three following sequences i) The Manufactory ii) The Bertarelli / Simmersion (either or both) and the Flagship Digital as set out in the paper. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> ● Hannah Gibbard asked about the impact of and the likely timescale for work on the proposed new multi-storey car park. It was clarified that this was a key project in terms of enabling other builds/developments but would be dependent upon the acquisition of Squires View. ● Liz Barnes highlighted that the external landscape, both within the sector and more broadly politically, would be key factors for the availability of funding, the scale, and the focus of development. ● Martin Jones echoed this, nothing that it would be important to look at how other institutions were proceeding with estates projects and with what focus. ● Colin Hughes asked for clarification on student satisfaction with the Cadman building and it was confirmed that whilst its facilities were adequate, it was not sector-leading. (During the pandemic, most feedback had been around access to on-campus facilities rather than facilities themselves.) ● Anthony Wallace underlined the importance, regardless of the sequencing option chosen, of ensuring sufficient student facilities were retained on-site, especially when safe, reliable, external options locally were relatively limited. ● Jonathan Vardon highlighted the importance of assessing the impact of facilities and buildings on key drivers such as recruitment and retention. It was agreed that Dwight and Henrion were falling short both in terms of sustainability and attraction of students.

- Discussion focused on priorities, with Members agreeing that the decision was not clear cut. It was agreed that business cases be developed for the Manufactory and Flagship for the next meeting in March 2022, so that the Committee could make a more informed decision and any potential funding avenues could be quickly and efficiently leveraged, once available.

The Committee agreed that outline business cases for the Manufactory and the Flagship Digital building be developed for the next meeting in March 2022

405 The Committee received for approval the update on the **Catalyst building project** SR/16/06, introduced by the Project Director – Catalyst and the Deputy Vice Chancellor, who noted the following main points:

- VINCI was presently 18 weeks in delay [last report was 14.4 weeks]. Extensions of Time (EoT) for 18 weeks in total had been awarded (please see detailed table at the end of the report) making the Practical Completion date 8 November 2021 [last report was 24 September 2021].
- The Director of Digital & Technical Services updated the Project Board on a regular basis with progress and the Board was satisfied by progress made and direction of travel. The full scope of additional workstreams was progressing to support the digital project.
- All key packages for the project had been purchased.
- VINCI was reporting an anticipated completion date of 8 November 2021 [last report was 8 October 2021] against a revised Contract Completion date of 8 November 2021 [last report was 24 September 2021]. The concrete frame, envelope works, and roofing works were finished. On-going works included finalisation of internal partitions, 2nd & 3rd fix mechanical and electrical, general and specialist finishes along with testing and commissioning. The Project Team had VINCI's detailed programme for finishing by 8 November and pressure was being applied to senior management to achieve this date.
- Notwithstanding what VINCI were reporting, the Project Director anticipated the completion would not be achieved until late November. However, the mitigation for this was to commence furniture installation and other client direct works on 9 November 2021, creating an overlap in activities to ensure the building was ready for semester 2 teaching.
- On Monday 4 October a RIDDOR incident occurred on the Catalyst site involving one person injured by a piece of the metal stair balustrade they were installing. The injured person (IP) had been taken to hospital for an operation on a broken leg and was recovering at home. A RIDDOR report had been made to the HSE and VINCI was in the process of investigating.
- The Project Director, Project Team and stakeholder teams were working with the University in respect of a detailed 3-month occupation plan, to ensure the building came effectively in to use by January 2022.
- In order to obtain the best technical AV solution for the building, reflecting VFM, the final design & equipment decisions had held over until summer of 2020. The selection of larger AV screens coupled with an overall enhanced AV content to provide the digital 'WOW' and layout changes had impacted on the heating, cooling, electrical and data designs and caused increases in the builders' work in connection with these services. Furthermore, design co-ordination challenges had arisen due to the late integration of the AV design into a near completed M&E and raised floor installation. Whilst the teams had worked well together to overcome these challenges, the time impact was 9.2 weeks delay and contingency expenditure of circa £1.965k including the delay cost. The total contingency had now been expended and the project was currently showing a £424k overspend.
- Budget position at 21 September 2021: the forecast spend was currently £42,565,606, apportioned as detailed below.

Item	Amount	Comment
Fees & surveys etc.	£3,299,460	Committed to date
Demolition, Enabling etc.	£1,404,514	Completed.
Main Contract inc. approved variations	£34,354,102	Current forecast Final Account
Approved Client risk items	£0	
Furniture & Wayfinding	£1,252,176	Mainly based on POs with Portsdown and Rivermeade
Digital Project	£2,255,354	Committed to date
Contingency	£0	
Total Forecast Spend	£42,565,606	
Current Budget	£42,141,772	
Additional Funding Request	£423,834	

- A contingency spend overview was included within the report.
- There were changes to the final forecast position, arising from an adjustment to the Main Contract as a result of the agreed variations and increases to the Digital Project forecast. The above construction costs were based on the current position with VINCI and continued to be monitored by the Project Team.

	<ul style="list-style-type: none"> The forecast spend, as shown in the table above, was currently £423,834 over the current budget of £42,141,772 and therefore additional funding of £423,834 was required to meet the shortfall. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Alan Charters highlighted that even at a (theoretical) final spend of £45m, the Catalyst would continue to represent a good-value build when compared to other benchmark HEI new-build projects. Martin Jones noted that a “lessons learnt” audit would be undertaken in the new year, following completion and the overspend aspects would be picked up as part of the internal audit plan for 2022-2023. Colin Hughes and Jonathan Vardon highlighted the visual impact of the building, even in its current unfinished state, and its value to the University as a flagship build. Martin Jones noted the Committee’s thanks to Alan Charters for his work as Project Director. <p>The additional Catalyst building budget, as detailed above, was approved by the Committee.</p>
406	<p>The Committee received for discussion the Annual report on external funds for estates/resources SR/16/07, introduced by the Pro Vice Chancellor – Digital. The following main points were noted:</p> <ul style="list-style-type: none"> The report updated Committee members on the external funding received in relation to Estates projects, together with other potential bids in the pipeline. As previously reported, the University had secured a total of £10.1m in external funding grants towards capital projects including: <ul style="list-style-type: none"> The Catalyst Samiac Smart Technology Hub Health Innovation Centre Sampid A further £500k grant had been secured from the LEP to help deliver the new Collaboratory, opened in the summer of 2021. In addition to the above, a capital bid for £2.5m had been submitted to the OfS for specialist teaching facilities based at Staffordshire University: London in relation to high-cost subjects of strategic importance, namely computing and IT. OfS expected to announce the outcome of this bidding round at the end of October 2021, and it was anticipated that further capital bids would be submitted to the OfS against future Estates Masterplan projects. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> A brief discussion focused on the importance of external funding for estates projects and likely trends in the sector.
407	<p>The Committee received for discussion the Sustainability update (incl carbon reduction plan) SR/16/08, introduced by the Chief Financial Officer and Deputy Chief Executive, who noted the following principal points:</p> <ul style="list-style-type: none"> The update focused on the potential for carbon reduction within the University’s built environment, outlining potential ways to reduce Scope 1 and 2 carbon (and other greenhouse gas) emissions. The University had commissioned MACE to verify the current position and to model the impact of future potential changes (a companion piece to overall Estates Masterplan work). The report set out the conclusions from MACE’s work and compared five decarbonisation scenarios to the target reduction pathway. There was little difference in the overall emissions for the estate masterplan in 2031 between designing to a ‘Good Performance’ energy level (75 kWh/m2 /yr) and designing to a ‘High Performance’ energy level (Scenarios B & C). Scenarios A-C assumed no gas would be included in new buildings across the estate, the primary driver for meeting the target until 2031. However, the ‘flatlining’ of emissions reduction suggested that beyond 2031 the decreasing target may not continue to be met. This meant that whilst the University could beat the Science Based Target by 41%, it would not be at a Carbon Net Zero position for the Stoke-on-Trent Campus in 2030 without using an element of off-setting. As estimated by MACE, the cost of the proposed new builds (adjusted for the increased performances as set out below) and the retrofits would total £228m to 2030. Whilst this was an estimate at this stage, and subject to potential future changes in both construction costs and available technologies, this was consistent with the potential capital which could be available to the University to 2030. The report set out the technical next steps to be undertaken, but the key University actions were to: <ol style="list-style-type: none"> Complete the prioritisation exercise on the Masterplan and synthesise it with the advice contained within this report Consider the extent to which a better performance could be achieved, for example by reducing the required footprint Set annual targets for improvements in performance and monitor these as required The report from MACE was included as an appendix.

	<p>Members and attendees commented as follows:</p> <ul style="list-style-type: none">Members discussed the importance of this area and of continuing to embed sustainability throughout the institution.
408	<p>The Committee received an update on the future of University Business villages (Stafford and Lichfield) SR/16/09, presented by the Pro Vice Chancellor – Digital. The following main points were noted:</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
409	<p>The Committee received a paper for discussion on the position with the Lichfield campus SR/16/10, introduced by the Pro Vice Chancellor – Digital. The following main points were noted:</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
410	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

415	<p>The Committee received for approval the Draft Financial Statements for y/e 31 July 2021, presented by the Chief Financial Officer, comprising the following:</p> <ul style="list-style-type: none"> i. Draft 2020/21 Annual Review and Financial Statements SR/16/16 (<i>available separately on SharePoint</i>) ii. Draft KPMG audit management letter and Letter of Representation SR/16/17 (<i>available separately on SharePoint</i>) <p><i>The Financial Statements were discussed and approved at Audit and Risk Committee on 26 October 2021 and will be presented for formal approval at Board of Governors on 23 Nov 2021.</i></p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> • Members commended the progress made in income diversification areas such as apprenticeships (with it being emphasized that the police force contracts had represented a step change) and asked for clarification on whether there was scope to push for higher apprenticeships numbers. Sally McGill confirmed that in contribution terms, apprenticeships provided “high-quality” income but that some courses would not be of net benefit given the fees that could be charged, the possibility of having to take external space elsewhere if required, and the potential requirement to cannibalise the University’s current offer. As new contracts became available for tender, all opportunities were being assessed by the University’s team. • Sally McGill highlighted that the draft Annual Review was still being finalised and was subject to amends. <p>The Committee approved the Annual Review and Financial Statements for y/e 31 July 2021, and the KPMG audit management letter (and Letter of Rep) for onward approval by the Board of Governors.</p>
416	<p>The Committee received for approval the Credit control policy update SR/16/18, introduced by the Chief Financial Officer & Deputy Chief Executive, who noted the following main points:</p> <ul style="list-style-type: none"> • The Credit Control Policy relating to the collection of debt from students, sponsors and commercial customers was reviewed on an annual basis in readiness for the new academic year. This paper outlined the proposed changes to the policy for academic year 2021/22: firstly, updates to the instalment payment dates for Home and EU undergraduate/postgraduate, international students and distance learning students for 2021/21, and secondly, a proposed change to the policy in relation to students whose fees were paid by a sponsor. (This second change would ensure that students would not be left with unplanned debt if the sponsor failed to pay fees.) <p>The Committee approved the changes to the Credit Control policy.</p>
F3 FOR INFORMATION	
417	The Committee received for information the *Management accounts to 30 Sept 2021 (month 2)* SR/16/19.
418	The Committee received for information the report on International tax compliance SR/16/20, which provided an update on the position in resolving historic taxation issues with several overseas countries.
419	The Committee received for information the *Treasury management report* SR/16/21.
420	The Committee received for information the Students’ Union accounts 2020-21 SR/16/22, introduced by the Chief Financial Officer & Deputy Chief Executive, who was also a trustee of the Students’ Union. (It was noted that the pensions deficit for the now-closed scheme was being paid off each year.)
HUMAN RESOURCES/EMPLOYMENT (H)	
H2 FOR DISCUSSION AND/OR APPROVAL (marked below accordingly)	
421	<p>The Committee received for discussion the Cultural development programme update (Staff Make Staffs) SR/16/23, introduced by the Chief Operating Officer, who noted the following main points:</p> <ul style="list-style-type: none"> • The ‘Staff Make Staffs’ culture change programme continued to progress against the business plan, despite the impact of COVID19. • All School and Services had identified changes in their culture they would now work towards before a re-survey in December 2022. These local-level action plans were supported by members of the Staff Make Staffs Steering Group and cultural champions appointed from across the University. Reports of progress against these action plans was reported formally each quarter to Strategic Change Board and Senior Leadership Team, via the Staff Make Staffs Steering Group. These were RAG-rated so that any areas where a lack of traction or progress was being achieved could be highlighted, and additional support can be provided. (As a consequence of the School realignment during September 2021, a number of the local level action plans are being revisited by new teams to ensure they are fit for purpose.) • At a University level we had identified four key themes from the feedback which would be the focus of the next 12 months and would be embedded in the developing ‘People Strategy’.

	<ul style="list-style-type: none"> Progress against these four themes had recently been shared across the University via an all-staff email, attached to the report. The Audit and Risk Committee at their meeting on 26 October 2021 received a report from RSM, the current internal auditors. This report confirmed that the project was well managed and on track as per the updates provided to Governors. <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> Liz Barnes highlighted that this project had been set up prior to the pandemic but had proved extremely valuable over the past 18 months, demonstrating that staff had felt engaged and focusing minds on this agenda. Colin Hughes noted the importance of refreshing the format to keep the momentum alive and retain interest and Ian Blachford agreed, that actions were underway.
H3 FOR INFORMATION	
422	The Committee received for information the *Review of organisational structures and staff capability* SR/16/24.
423	The Committee received for information the *Cost of Living pay award* SR/16/25, introduced by the Chief Operating Officer, who noted that UNISON had now written to confirm that they were planning a disaggregated ballot on the University. The University had responded.
4 ADDITIONAL MATTERS	
424	<p>How have we made a positive impact on our students today?</p> <p>It was agreed that the discussions around the appropriate estates sequencing were key to the continued success of the University, and that the focus on carbon reduction was crucial not just for the University but for the wider community.</p>
425	There were no additional matters .
426	<p>Items to be referred to Audit and Risk Committee:</p> <p>NONE</p>
427	<p>Items to be referred to Board of Governors:</p> <p>Approval</p> <ul style="list-style-type: none"> a) Minute 402 - Committee Terms of Reference 2021-22 b) Minute 415 – i) Annual Review and Financial Statements 2020-21; ii) Draft KPMG audit management letter and Letter of Representation <p>Information</p> <ul style="list-style-type: none"> c) Minute 414 - Student enrolment and financial implications d) Minute 420 - Students' Union accounts 2020-21
428	Next meeting: Tuesday 8 March 2022 (Catalyst building, Leek Road)