

EMPLOYMENT AND FINANCE COMMITTEE

15 June 2020 - via Microsoft Teams (including videolink)

CONFIRMED SUMMARY MINUTES

Contact Susan O'Donnell, susan.odonnell@northumbria.ac.uk, Secretary to the Board of Governors, with any queries about these Summary Minutes.

Present: C Apsey, H Fairfoul, Dr S Fancey, Dr G Hillier (Chair), S Pelham, N Pope, C Sayers, Professor A Wathey [absent during EF19/96-98]
 Observers: R Blackman-Woods, L Brown, C Shaw
 Apologies: A Serfontein, Professor P Francis, E Kabengele [C Shaw attending]
 Secretary: S F O'Donnell, R Elliott (Assistant Secretary)
 In attendance: S Corbett [IT Strategy], A Dunlop, J Embley, Professor G McHale [REF 2021], Professor G Marston [EF19/96, EF19/103, EF19/108], D Monnery, S Newitt

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

<p>1.</p>	<p><u>Vice-Chancellor's Horizon Scanning</u> [Oral Report] The Committee considered an update from the Vice-Chancellor and Chief Executive on the latest national and sector developments in the Covid-19 crisis. Immediate focus was on maintaining the right level of organisational agility and on recruiting and welcoming students for 2020/21, where potential deferrals remained the greatest risk. Elements of UUK's proposed sector support package were still being discussed with the Treasury; the student recruitment number allocated for Northumbria was reasonable. UUK and DfE had published principles for emerging from lockdown; OfS was working more collaboratively, with a central focus on financial sustainability. A decision on the status of EU students post 2020 was expected shortly and discussions on the longer-term place of overseas students in the sector funding model were beginning as part of a move to longer term planning by the Government. The involvement of Universities in regional economic recovery work was increasingly being seen as significant by relevant stakeholders. The Committee noted that it was likely that OfS would publish guidelines to ensure a consistent approach to deferral across the sector. Work was in progress to determine arrangements for which staff groups would return to campus in September, with support staff likely to remain working from home for the majority of the time. Any changes to social distancing restrictions would be factored into restart planning activities and guidance for the use of face coverings on campus would be produced. In line with communications to date, clear messages would be provided to staff as soon as revised guidance was produced.</p>
<p>2.</p>	<p><u>People</u> <u>2i Health, Safety and Wellbeing Report Q3 2019/20</u> [EF19/96] The Committee considered the Health, Safety and Wellbeing update for February to April 2020, and the draft annual review of the Health and Safety Policy which was presented for endorsement ahead of Board approval. There was a significant reduction in sickness absence, which could have been connected to people, already working from home, not formally reporting themselves as ill, which had been observed as a trend across the sector. The Committee commended the report and emphasised the importance of reporting sickness properly. While it was acknowledged that the Policy must include legal requirements, which needed a degree of formality, it was thought that the tone of the Health and Safety Policy could better reflect the shared responsibility inherent in a successful approach to health and safety, similar to the improved collaborative style of staff communications during the Covid-19 period. This would better reflect the joint-working approach already taken by the University and Trade Unions. The Policy would be amended prior to submission to the Board of Governors for approval.</p> <p><u>2ii Culture and People Update in Light of Covid-19</u> [EF19/97] The Committee considered recent developments in the organisational culture and intended next steps. Communications to staff around use of annual leave and arrangements for longer-term working from home had been well-received, as had video messages from University Executive members. The</p>

Committee commended the continuing work and agreed that the developing approach demonstrated a more caring and supportive tone than previously. A Staff Governor noted that with the vast majority of staff felt supported by their line manager. The challenge would be to maintain the positive progress over the longer term; a summary of what had changed and how to preserve it would be brought to a future Board meeting, following completion of a forthcoming pulse survey.

2iii Equality and Diversity Annual Report 2018/19 [EF19/98]

The Committee considered the annual report, which was a requirement under the Public Sector Equality Duty of the Equality Act 2010, and which would be presented to Board of Governors on 29 June 2020. Developments included an institutional Athena Swan Bronze Award and a number of Departmental awards, and initiatives to tackle hate crime, promote inclusivity in sport and support students with mental health issues. A new approach to internal promotions, building on the REF work and which should help address the gender pay gap, was being developed. **The Committee commended the report and the Athena Swan awards, noted that flexible working introduced in response to Covid-19 should support progress on equality, diversity and inclusion issues, and explored the University's response to the Black Lives Matter movement in the context of its overall commitment to tackling all forms of inequality and related Wider Participation priorities. Work by the Students' Union on decolonising the curriculum was endorsed, and the value of continuing to support the Black Leaders Project emphasised; continued work was also required to improve the access and outcomes of young white males from disadvantaged backgrounds.**

2iv REF 2021 Staffing Update [Presentation]

The Committee considered progress on REF staffing; it was likely that the target number of staff submitted to the REF would be achieved. The impact of Covid-19 was limited, with a small number of overseas appointments unsure if they would be able to take up their posts. The quality of submissions appeared likely to show an improved profile compared to the 2014 REF. **The Committee commended the work, which represented a significant achievement, and expressed its thanks to Professor McHale, who would leave the University in July to take up a post elsewhere, for this and his wider contribution to the achievements of the University over recent years.**

3. Core Financial Performance and Planning

3i Monthly Finance Report P9 2019/20 and Q3 2019/20 Reforecast [EF19/99]

The Committee considered the University's financial position and performance at Period 9, including an updated reforecast and an oral update from the Finance Director on Period 10 which reinforced the assessment. Because of the fast-moving Covid-19 situation, the forecast continued to change, but not materially, and the 2019/20 outturn was expected to remain ahead of budget with the cash position remaining strong. The impact of Educational Analytics was beginning to be visible in the improved withdrawal rate. **The Committee noted the update and confirmed its view that robust financial management and planning had placed the University in as sound a position as was possible.**

3ii 2020/21 Planning, Budget and Financial Forecast [EF19/100]

The Committee considered a draft budget for 2020/21 that built on work considered at its 20 April and 18 May meetings. The submission deadline had been changed by OfS to December hence the five-year forecasts would be produced for consideration and approval in the Autumn. The draft budget showed a drop in income but nevertheless a positive cash position that provided short term headroom for investment to support recruitment. Contingency planning for a more significant loss of income was in progress. **The Committee confirmed that the proposed budget included a central contingency provision, and the local budgets allocated to Faculties and Services were set at the upper level of projected outturns. Work on cost controls and to explore more significant future changes, including the potential for shared "back office" services, was continuing. The Committee emphasised the value of continuing to maintain and update the planning scenarios and endorsed the budget for approval by Board of Governors on 29 June 2020.**

3iii External Financing Update [EF19/101]

The Committee considered arrangements to safeguard the University's liquidity position and noted the arrangements being put in place in respect of an application to the Bank of England's Covid Corporate Financing Facility. **The Committee noted the update.**

3iv Student Recruitment Update [EF19/102 and presentation]

The Committee considered an update as at 08 June 2020. The applications position remained positive, and firm acceptances were improving. Deferrals were still a major risk but could be mitigated to some extent as lockdown was lifted. The position would not solidify until Confirmation and Clearing in mid-August; the University was continuing to take a pro-active approach in its communications with applicants and returning students. It would be important to ensure that recruitment to (e.g.) London and Degree Apprenticeships did not constrain core undergraduate recruitment within the Government's student number cap. **The Committee confirmed that all possible support was being given to applicants and returning students from disadvantaged backgrounds. It was acknowledged that international recruitment was likely to be see a significant reduction but that the Semester Two intakes could help mitigate this.**

4. Policy/Regulation/Projects

4i Estate Update [EF19/103]

The Committee considered an update on the approach to Estates planning in the light of Covid-19. While the overall ambition remained unchanged, some elements (e.g. Coach Lane) would need to be reconsidered given recent and expected changes to teaching delivery and ways of working, potential Government support to health sciences and the regional property market. All campus spaces were being reviewed to support small group face to face teaching from September and work was under way to ensure that usage of lab and studio space was maximised. Some research labs were already re-opened for funded projects. **The Committee noted the update and the possible impact of small group teaching on staff workloads, although expected changes to the Government's social distancing requirements may alleviate this to an extent. It was acknowledged that social distancing at 2m could also impact on lab capacity although active management of space utilisation may mitigate this.**

4ii Financial Regulations and Policy Review [EF19/104]

The Committee considered updates to the revised Financial Regulations following discussion at the 02 March meeting. **The Committee approved the Regulations, subject to amending the second sentence of section 1.1 as follows "The [Board of Governors](#) ('the Board') sets Northumbria's Vision and Strategy and is responsible to The Office for Students (OfS) for the University's use of *all funds including public funds.*"**

4iii BACS Mandate [EF19/105]

The Committee approved the Barclays Bacstel-IP and Secure-IP Service User Application and Amendment forms for the University and the Nursery.

4iv Philanthropic Priorities: 2020-23 [EF19/106]

The Committee considered the proposed targeting of fundraising activity on specific projects, including widening participation, integrated health and social care and a new Gallery. A University Executive coordination group would oversee the activity, with an identified Executive lead for each project to provide senior capacity. **The Committee endorsed the proposal ahead of consideration by Board of Governors on 29 June 2020.**

4v Annual Report on Outsourcing of Catering, Student Accommodation Management and Facilities Management Services [EF19/107]

The Committee considered the performance of the contracts for the above services; all had performed well during the Covid-19 crisis phase and had engaged effectively with students. Contract extensions to ensure that two of the three contracts were co-terminous had been approved so that a larger integrated contract, to maximise efficiencies and secure improvements to the student experience, could be put out to tender in two years' time. However, further work over the Summer period was required to determine whether the Catering contract should be included in this approach. **The Committee endorsed the proposed approach and requested that, as part of the work to improve the timetabling of major contract approvals/renewals, it be notified of the tendering process activities and timetable at least eighteen months before the contract end dates. The Committee also requested that the tender process include ethical considerations such as the pay and conditions of contractors' staff, if not already included. A Committee discussion on the wider catering offer was required in the Autumn, aligned with their review of the outcomes of related work currently underway regarding the extension to the current contract.**

<p><u>4vi IT Strategy – Critical Path Update</u> [Presentation] The Committee considered an update on the critical path for the IT Strategy in the light of Covid-19, following the related discussion at its 18 May 2020 meeting. The Covid-19 recovery work was aligned to the IT Strategy and the Covid-19 Education Plan, accelerating flexibility and choice and moving away from the static desktop estate, enabling academic staff for remote teaching and providing students with anytime/anywhere access to resources and support. Specialist applications would be moved to the Cloud to remove reliance on office-based computers. The Committee endorsed the proposed approach and noted that its alignment with the University Strategy be maintained as the latter was reviewed in response to Covid-19. The necessity of moving to a Cloud-based approach for flexibility, efficiency, security and competitiveness was emphasised, as was the requirement for similarly secure and flexible network infrastructure. The Committee recommended that this transition be accelerated and received assurance that related costs and contingency were reflected in the draft budget. The need for staff and students to be given the right support, training and coaching to enable them to work effectively in the new environment was emphasised.</p> <p><u>4vii Studentship Extension Scheme</u> [EF19/108] The Committee approved the extension scheme to support final-year University-funded PGR students during the COVID-19 pandemic.</p> <p><u>4viii Contracts and Legal Claims Update</u> [EF19/109] <i>(NB: remainder of item is Legally Privileged and included in Reserved Business Minutes)</i> The Committee noted the likely need to approve an extension to a Student Accommodation contract outside of the normal Committee cycle, ahead of the current 31 August 2020 contract expiry date.</p> <p><u>4ix Students’ Union Financial Performance – April 2020</u> [EF19/110] The Committee noted the report.</p>
<p>5. <u>Any Other Business</u> Given that this meeting was the Committee Chair’s final meeting as Chair of Employment and Finance Committee prior to his final term of office expiring in July 2020, the Chair of the Board, on behalf of the Committee, thanked the Committee Chair for his many years of support and for the stability he had provided in a period of major change. This had helped deliver significant improvements in the University’s financial position and workforce management.</p>

Richard Elliott
Assistant Secretary to Employment and Finance Committee
June 2020