



EMPLOYMENT AND FINANCE COMMITTEE

15 March 2021 - via Microsoft Teams (including videolink)

CONFIRMED SUMMARY MINUTES

Contact Georgina Bailes georgina.bailes@northumbria.ac.uk, Secretary to the Board of Governors, with any queries about these Summary Minutes.

Present: H Fairfoul (Chair), C Apsey, Dr R Blackman-Woods, Dr S Fancey, Professor A Wathey
 Apologies: N Pope, A Dunlop, S F O'Donnell
 Observers: L Brown, S Pelham, C Shaw
 Secretary: R Elliott
 In attendance: G Bailes, H Bower [EF20/69], J Embley, Professor P Francis, Professor G Marston [EF20/61 and EF20/70], D Monnery, S Newitt, E Pritchard [EF20/61]

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

1.	<p><u>Introduction</u> <u>Vice-Chancellor's Horizon Scanning</u> [Oral Report] The Committee considered an update from the Vice-Chancellor and Chief Executive on the latest local, national and sector developments. On-campus teaching had resumed on 10 March for the permitted cohorts of students, with as much face to face tuition being provided as was feasible under Government guidelines. The precise shape of the 2021/22 academic year was still hard to predict, but timetabling planning was taking a range of scenarios into account; a decision on graduation ceremonies would be taken in the near future, with postponement until September a likely outcome. Government policy developments were likely to be shaped by an underlying imperative to reduce the overall cost of the HE system given demographic changes and the increased participation rate. The Committee noted the update.</p>
2.	<p><u>People</u> <u>Health, Safety and Wellbeing Report Q2 2020/21</u> [EF20/61] The Committee considered an update on the period November 2020 to January 2021; during the reporting period three external audits were carried out by Imagile and no high risk items were raised. Discussions with other parties involved in remediating some fire-related building defects at a leased student accommodation were continuing; it had been confirmed the blocks remained safe to occupy based on the active fire protection systems in place and the ability to evacuate in a timely manner. During an audit by the University's external Medical Physics Expert in December 2020, procedural gaps were identified; there had been no chance of any harm occurring to any research participant. Since the report was circulated there had been a fire incident at a University-owned accommodation building; the building had been evacuated in a timely manner; TWFRAs were able to permit re-occupation within 45 minutes and commended the University's management of the incident; work was in progress to address the suspected cause of the fire. The Committee noted the update.</p> <p><u>People and Culture Update</u> [EF20/62] The Committee considered a digest of activity around continuing developments in the organisational culture as part of the response to Covid, with links provided to allow Committee to access further detail if required. Support for staff had initially focused on the impacts of lockdown, remote working and home schooling, and was now moving to support for return to campus, where the University remained at the most flexible end of the sector spectrum. The Committee noted that flexible working arrangements would be shaped to provide benefits to those staff who had no option but to work on campus as well as those able to work from home, and that arrangements for those staff who felt uncomfortable working on campus to be supported with alternative online work were currently in place for Semester Two 2020/21 and would be kept under review as the national situation developed. Flexible working could help make the University more attractive for staff recruitment and retention, but care was needed to ensure that the campus remained a lively and attractive place for both students and staff and a blended model of on-campus and remote working for most staff was a likely outcome.</p>

Structural Changes Update [EF20/63]

The Committee considered progress on organisational activity and structural reviews, which were now complete with the exception of Finance and Resources, where the scope of the review had been impacted by the transfer of the line management of Campus Services to the Chief Financial Officer and the development of the ERP project. A revised leadership structure had been approved by UE and was moving to implementation, following which the new leadership teams would identify any further reviews of activity on a team by team basis. **The Committee noted the update and that the lessons learned from each review were being used to improve the process for future reviews.**

Use of Consultants Update [EF20/64]

The Committee considered the current engagement of consultants, who were used to provide specialist skills on a short-term basis, and only where absolutely necessary. **The Committee noted that arrangements were in place to ensure Value for Money was obtained from each engagement.**

National Living Wage and Voluntary Living Wage Update [EF20/65]

The Committee considered an update on statutory changes to the National Living Wage and their implications for the University, and on considerations around the Voluntary Living Wage. The national increase in the National Living wage had resulted in the two remaining two pay points for Grade 1 being less than 1% different so it was proposed to adopt a single pay point at £9/hour (the higher of the two points). The Voluntary Living Wage continued to be kept under review, but its adoption was not recommended. **The Committee noted the report and endorsed the introduction of a single hourly rate at £9 for Grade 1. An elected Staff Governor suggested that adoption of the Voluntary Living Wage could be an appropriate means of recognising the vital contribution of staff at Grades 1 and 2, saying this would be in line with the majority of the sector.**

Gender Pay Report 2020 [EF20/66]

The Committee considered the annual Gender Pay reports for Northumbria University (NU) and Northumbria University Services Limited (NUSL); publication of the two separate reports was a statutory requirement. Northumbria University's mean and median gender pay gaps were below the sector average, and gender pay issues were taken into account in all pay decisions. **The Committee noted the report and that an equality analysis including for gender was carried out at every stage of the academic promotions process.**

Industrial Action Update [Oral Report]

The Committee noted that following discussions between University management and UCU, the planned industrial action due to begin on 10 March 2021 had been cancelled.

3. Core Financial Performance and Planning

Treasury Management Considerations [EF20/67]

The Committee considered a summary of the University's current treasury management arrangements and some potential options for the future. The size of the University's cash holdings at certain points of the year, combined with the limited number of counterparties and associated deposit limits, meant that technical breaches of the Treasury Management and Ethical Investment Policy were impossible to avoid. The University's funds needed to cover working capital and short-term liquidity and a cash "buffer", with balances above this combined level available for investment; options for this "excess" cash could include a level of increased investment risk to achieve a better return. **The Committee endorsed a more diverse but still relatively conservative approach, and agreed to receive more detailed proposals at a future meeting.**

Monthly Finance Report: P6 2020/21 [EF20/68]

The Committee considered the University's financial position and performance at Period 6 (31 January 2021); both the overall financial position and the cash position for 2020/21 were positive compared to budget. Period 7 information showed that the position continued to improve relative to budget for both operating surplus and cash, and at Q2 the annual forecast was also ahead of budget. No drawdown from the Government's Covid Corporate Finance Facility was required, in line with the experience of most of the rest of the sector. There continued to be no current requirement for the University to report an event to the OfS around short term threats to financial viability or cessation or suspension (actual or planned) of HE delivery. **The Committee noted the report and update.**

Student Recruitment Update March 2021 [EF20/69 and Presentation]

The Committee received an update on student recruitment for Semester 2 2020/21 and 2021/22. For 2021/22, Home recruitment via UCAS had recovered to expected levels and was slightly ahead of

	<p>2020/21 and other recruitment streams remained strong. Conversion events and outreach activity were closely aligned to the Government's roadmap out of Covid restrictions, seeking to give prospective students at least some opportunity to visit the campus; Planning for confirmation and clearing was in progress, taking into account a range of potential Covid scenarios and the possible implications of the approach to assessing A-Levels. The Committee noted the update, and that alternative arrangements for clearing would be in place if people felt unable to work on campus, or were prevented from doing so.</p>
4.	<p><u>Policy/Regulation/Projects</u> <u>Estates Masterplan Update</u> [Presentation] The Committee considered an update on the development of the Estates Masterplan, significant elements of which had been overtaken by Covid and emerging new ways of working among other factors, but the overall driver to relocate activity from Coach Lane to City Campus remained valid. It was planned to complete an Estates Development Strategy by the end of the 2020/21 academic year, and a new Estates Masterplan by the end of the 2021 calendar year. The Committee noted the update and that environmental sustainability and zero-carbon considerations were central to estates planning.</p> <p><u>Learning from the PulmoBiomed Ltd. Spinout Process</u> [EF20/70] The Committee considered the lessons from the spinout of PulmoBiomed Ltd, plans for future spinout projects and recommendations for the development of the University's IP Policy. A revised spinout process would be developed, including the establishment of a baseline set of information to be provided to the relevant decision makers, and arrangements to support agility while maintaining good governance. The University's default equity position should be revised from 50% to 40% to ensure that funding opportunities were not excluded. It was proposed to establish a formal body with delegated powers to oversee spinout and related activity. The Committee noted the report, endorsed the proposed 40% default equity position and endorsed the concept of a formal body with delegated powers to oversee such activity; detailed proposals would be brought to a future Committee meeting.</p> <p><u>HR/Finance system (ERP) programme update</u> [EF20/71] The Committee considered an update on the ERP programme including the procurement of a systems implementation partner. a two-part procurement process had resulted in the identification of Oracle Consulting as the preferred implementation partner. The Committee approved in principle that Oracle Consulting be appointed as the preferred supplier for provision of implementation services for the ERP project, with formal approval by Written Resolution on provision of the final Business Case and procurement documentation.</p> <p><u>Contracts and Legal Claims Update</u> [EF20/72] CONFIDENTIAL AND LEGALLY PRIVILEGED <i>(NB: this item is Legally Privileged and included in Reserved Business Minutes)</i></p> <p><u>Brexit Update*</u> [EF20/73] The Committee noted the update.</p> <p><u>Students' Union Financial Performance January 2021 (2020/21 P6)*</u> [EF20/74] The Committee noted the report.</p>

Richard Elliott
Assistant Secretary to Employment and Finance Committee
March 2021