



EMPLOYMENT AND FINANCE COMMITTEE

20 September 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, D Pearson, Professor A Wathey
 Apologies: Dr S Fancey, N Pope, A Dunlop, Professor T Lawson
 Observers: L Brown, S Pelham, G Smith [until EF21/16]
 Secretary: G Bailes, R Elliott (Assistant Secretary)
 In attendance: H Bower [EF21/12], J Dunn [EF21/05] J Embley, Professor D Ford [EF21/17], Professor G Marston [EF21/02, EF21/03 and EF21/14 – EF21/17] D Monnery, S Newitt, E Pritchard [EF21/02 and EF21/03]

MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING

1.	<p><u>Introduction</u> <u>Vice-Chancellor’s Horizon Scanning</u> [Oral Report] The Vice-Chancellor and Chief Executive presented on sector wide matters and the implications of these for the University. Key developments were generally grouped into the ongoing impacts of the Covid pandemic, where 2021/22 appeared likely to be a much more normal year, and the Government’s emerging HE reform programme, where the views of the new Secretary of State for Education were awaited and short consultations on the Lifelong Learning Entitlement and on elements of the Augar recommendations were expected. There was the potential nationally for some industrial relations issues relating to the USS. The Committee noted the update.</p>
2.	<p><u>People</u> <u>Health and Safety Policy and Operating Arrangements</u> [EF21/02] The Committee considered the updated Health and Safety Policy and Operating Arrangements for 2021/22. The Policy combined two previous documents to improve usability and remove repetition and the potential for contradiction. Following previous feedback from the Committee, its style had been changed to be more user-friendly and supportive. The Committee noted that communication of the launch of the Policy would also signpost to support for staff and students who might be anxious about the return to campus. The Committee suggested some minor improvements to the Working from Home section, and subject to these endorsed the Policy for approval by Board of Governors on 4 October 2021.</p> <p><u>Health, Safety and Wellbeing Report Q4 2020/21</u> [EF21/03] The Committee noted the Health, Safety and Wellbeing Report May 2021 to July 2021. All buildings continued to be Covid secure; restrictions had been lifted with effect from 10 September. The RoSPA Gold award had been maintained and second place achieved in the RoSPA competitive Education and Training sector category. the cost of sickness absence was at its lowest since summer 2017, with the absence impacts of remote working still emerging but appearing positive. The Committee suggested that it would be useful to clarify the respective Health, Safety and Wellbeing roles of Audit Committee and Employment and Finance Committee, along with the role of the Health, Safety and Wellbeing Management Group, to maintain required levels of assurance while avoiding duplication. The Committee received assurance that Trinity Square remained safe to occupy, and congratulated Emrys Pritchard on his recent MBE.</p> <p><u>People and Culture Update</u> [EF21/04] The Committee considered continuing developments to the organisational culture as part of the response to Covid and in the longer term. Planning for return to campus at the start of the academic year was in line with Government and sector guidance, and was supported by Public Health England and the Students’ Union; there were still some concerns being discussed with Trade Unions. The Unacceptable Behaviours policy and portal approved by Committee in June 2021 and which had been in operation since then would be formally launched shortly; the nature and timing of staff engagement surveys for 2021/22 was under discussion. The Committee commended the range of activity and noted that it would be useful if Governors could be made aware of the programme of events,</p>

including those being organised by the Students' Union, to allow potential participation. It was also agreed that the Students' Union and HR would share their plans regarding themed action days so that both could collaborate on such activities.

Call Recording Policy [EF21/05]

The Committee considered the updated Call Recording Policy and Data Privacy Impact Assessment, which needed to reflect new requirements following the roll out of Gamma telephony software across additional professional services. Properly structured and governed use of call recordings could provide qualitative and quantitative data to support the development of the Multi-Channel Contact Centre Project and the Transforming Professional Services Project. **The Committee suggested that guidelines that regulated where recordings were retained for more than six months should be noted in the Policy, and subject to that approved the Policy.**

Mercer Master Trust Annual Report 2019/20 [EF21/06]

The Committee considered the Mercer Master Trust – Annual Review 2020, which provided assurance that both Northumbria University and Northumbria University Services Limited (NUSL) employees have their pension funds in a scheme which was well managed. The level of engagement remained low but had improved since the previous year following additional promotional efforts. **The Committee noted that Mercer had been engaged to provide pensions information to all staff, which should help drive further improvements in engagement, and urged regular communications to members over higher and matched contributions, nominating beneficiaries, etc. The Committee approved continued participation in the Scheme.**

Pensions Update [EF21/07]

The Committee considered an update on the July USS consultation, in which Northumbria had made clear that the provision for Limited Participation Institutions (LPIs) to move outside of the pari passu arrangements was an important factor in acceptance. Further proposals relating to the implementation of a recovery plan were now subject to consultation; the University proposed a response which was broadly supportive. UCU appeared to oppose the proposals but no formal alternative had been put forward. **The Committee approved the proposed response to the consultation, and noted that the engagement of Mercer noted above would include a review of the University's pensions strategy.**

3. Core Financial Performance and Planning

Finance Monthly Report: P12 2020/21 [EF21/08]

The Committee considered the University's financial position and performance at Period 12 (31 July 2021); both the overall financial position and the cash position for 2020/21 were positive compared to budget and would flow through to the Annual Report and Financial Statements subject to some adjustments, the most significant of which was likely to be to the pensions liability, which would have no cash impact. **The Committee noted the report and congratulated management on the healthy position.**

International Tax Exposure and Tax Risk Management Strategy [EF21/09]

The Committee considered an initial assessment of the University's areas of international tax risk, and a proposed approach to monitoring and mitigating these risks, including establishing a framework agreement to call down specialist advice when required. **The Committee noted that the completed risk assessment would inform financial planning and projections, and supported the use of the framework agreement.**

Treasury Options Update [EF21/10]

The Committee considered a proposal to open a new investment fund account following Committee's agreement at the 7 June 2021 meeting that the University should identify suitable AAA-rated funds to utilise; the proposed fund fulfilled the University's treasury management strategic objectives and met the criteria of the Treasury Management and Ethical Investment Policy. Work would continue to explore further options for investment, with a report to the Committee planned for the New Year. Work to transition the University's loan portfolio from LIBOR to SONIA was at an advanced stage and would require Committee endorsement by Written Resolution prior to the Board of Governors meeting on 4 October. **The Committee approved the opening of the account and noted the requirement for a Written Resolution.**

Banking Mandate Amendment [EF21/12]

The Committee endorsed the addition of Josh Collingwood, Financial Accountant, to the signatory list for each the University's banking mandates.

	<p><u>Student Recruitment Semester 1 - Implications</u> [EF21/12 and Presentation] The Committee received an update on student recruitment for semester 1 2021/22 and plans for semester 2 and 2022/23. Recruitment for semester one had generally progressed well, with quality maintained; international recruitment appeared to have been particularly successful. Preparations for the January and September 2022 cycles were now in progress. The Committee noted the update and noted the work in progress to address those areas of recruitment that had performed less well.</p>
4.	<p><u>Policy/Regulation/Projects</u> <u>Approach to Estates Strategy Development</u> [EF21/13] The Committee considered an outline of the Estates Strategy item planned for the 5 October Board/UE awayday. The Strategy would seek to match the physical estate to the objectives of the University Strategy including driving income diversification in the context of new ways of working and the dynamics of the local property market. The Committee noted the report.</p> <p><u>Carbon Management Strategy</u> [EF21/14] The Committee considered the Carbon Management Strategy, which set out a broad direction of travel towards an 80% reduction in carbon compared to 2015 by 2030, and zero carbon by 2040. The Carbon Management Strategy was closely related to the Estates Strategy and the two would be integrated so that more efficient buildings would have carbon as well as financial benefits. The Committee emphasised that there should also be close links to the IT Strategy and its carbon impacts, and noted that it would be useful to build in more detail about how the student body could contribute to the delivery of the Strategy’s ambitions. Partnership working within the City would also be key. The Committee endorsed the Strategy for consideration by Board of Governors on 4 October.</p> <p><u>Spinout and Equity Committee</u> [EF21/15] The Committee considered proposals that Financial Regulations be amended so that authority for the disposal of Intellectual Property assets — up to set limits — sat with University Executive rather than Employment and Finance Committee, and that a Spinout and Equity Committee be established to oversee this process and manage shareholdings held by the University in spinout companies. The proposals arose from the lessons learned from the spinout of PulmoBiomed Ltd, which was overseen by a delegated sub group of the Committee. The Committee noted that the Spinout and Equity Committee would only meet as required, and would be supported by initiatives led by Professor Louise Bracken, PVC (Research) to ensure that research staff understood concepts around IPR protection and commercialisation. Employment and Finance Committee approved the necessary amendments to Financial Regulations and the establishment of the Spinout and Equity Committee, and noted that it would need to provide a member of the new Committee.</p> <p><u>Investment in an Early-Stage Venture Capital Fund</u> [EF21/16] The Committee considered a recommendation that the University invest £1.25m in a regional early-stage venture capital fund, committing to c. £178k p.a. for each of the next seven years. This level of investment would match the relative involvement of regional Universities in the Northern Accelerator fund. The venture capital fund would exploit IP created in North East universities; participation would place Northumbria alongside the research-intensive institutions as a regional investor in research and innovation, contributing to the economic life of the region. The Committee approved the investment.</p> <p><u>National OSCE Centre Bid</u> [EF21/17] The Committee considered, subject to final contractual details, the plan for a Nursing Midwifery Council (NMC) OSCE Testing Centre, with an estimated contract value of between £4-£5.6M per annum for an initial three year period with the option of a further 24 month extension. The Committee had been informed of the bid submission, in partnership with Newcastle-upon-Tyne Hospitals and Newcastle City Council, by circulation on 28 June 2021, and the University had now been awarded the intention to contract by the NMC. The Committee approved the contract in principle, noting that the final contract document was expected to be received following the NMC’s internal meeting on 28 September 2021, and final approval would need to be given via Written Resolution.</p> <p><u>Microsoft Enterprise Agreement</u> [EF21/18] The Committee considered the renewal of Northumbria’s Microsoft Enterprise Agreement following the appointment of Phoenix Software Solutions as its certified Microsoft Partner, reported to Committee on 7 June 2021. The Committee approved the renewal of the Microsoft Enterprise Agreement for</p>

	<p>a three-year term, and of Microsoft Cloud Services for a five-year term.</p> <p><u>Contracts and Legal Claims Update</u> [EF21/19] CONFIDENTIAL AND LEGALLY PRIVILEGED <i>(NB: this item is Legally Privileged and included in Reserved Business Minutes)</i></p> <p><u>Students' Union Finance Report – July 2021*</u> [EF21/20] The Committee noted the report.</p>
5.	<p><u>Meeting Record, Reporting and Context</u></p> <p><u>Committee Membership and Terms of Reference 2021/22</u> [EF21/27] The Committee considered its terms of reference for 2021/22. The Committee noted that that the Terms of Reference of both Audit Committee and Employment and Finance Committee required review to ensure that their respective responsibilities for Health and Safety were properly expressed. The Committee also noted that the way its quorum was defined needed to be amended for clarity.</p>

Richard Elliott
Assistant Secretary to Employment and Finance Committee
September 2021