



**EMPLOYMENT AND FINANCE COMMITTEE**

**9 November 2020 - via Microsoft Teams (including videolink)**

**CONFIRMED SUMMARY MINUTES**

**Contact Susan O'Donnell, [susan.odonnell@northumbria.ac.uk](mailto:susan.odonnell@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, N Pope, Professor A Wathey  
 Apologies: None  
 Observers: L Brown, C Shaw, S Pelham, K Ansell (AdvanceHE)  
 Secretary: S F O'Donnell, R Elliott (Assistant Secretary)  
 In attendance: A Dunlop, J Embley, Professor P Francis, Professor S Kyffin [EF20/33], D Monnery, S Newitt.

**MAIN ITEMS DISCUSSED/DECIDED ON AT THE MEETING**

<p>1.</p>	<p><b><u>Introduction</u></b>  <b><u>Vice-Chancellor's Horizon Scanning</u></b> [Oral Report]          The Committee considered an update from the Vice-Chancellor and Chief Executive on the latest local, national and sector developments. The short term focus remained on the response to Covid-19, where the recent outbreak at Northumbria was now under control, mirroring the national experience. Support to affected students had received positive feedback. There continued to be no evidence of transmission in teaching settings and the Director of Public Health considered that outbreaks at both Universities were isolated from trends in the general population of Newcastle. Government guidance on emergence from the second lockdown and arrangements for student travel at Christmas were expected imminently. Definitions of "essential" face to face teaching were being reassessed to take into account mental health, general wellbeing and public health issues as well as pedagogy. The practicalities of deploying rapid lateral flow testing of asymptomatic students to further improve campus safety were being worked through nationally. Brexit was still raising issues around EU student recruitment although short-term transitional arrangements were in place for 2021/22 intakes; Erasmus and research issues were also still unresolved. In the medium term, the Government's response to Augar was likely to emerge via a Further Education White Paper and possibly a Higher Education Green Paper. In the longer term, REF results in April 2022 would change the HE landscape, and positive developments around Covid vaccines and faster testing could enable some relaxation of restrictions; the economic impacts would continue to be felt for years, but did give Universities the opportunity to emphasise their role in local economic recovery. <b>The Committee noted the risk that some aspects of how the sector nationally responded to Covid had the potential for reputational damage. Full plans were in place to support students who were unable to return home at Christmas, including support from the Students' Union – support built on that normally in place for those international students who remained in the UK over the break. The Committee noted that arrangements were being developed to ensure that those staff who worked to support students during the Christmas closure period were able to take an equivalent break at another time.</b></p>
<p>2.</p>	<p><b><u>People</u></b>  <b><u>People and Culture Update</u></b> [EF20/26]          The Committee considered continuing developments in the organisational culture as part of the response to Covid, including arrangements for those staff who needed to be on campus because of difficulties in working remotely; it was confirmed that no-one was forced to be on campus unwillingly. Discussions with Trade Unions and regular staff communications also continued. Details of the scheme to recognise the outstanding efforts of staff during the pandemic and the cyber incident were being finalised. <b>The Committee noted that care was being taken to ensure as far as possible that no one who had contributed to the Covid and cyber responses was missed from the recognition scheme, and commended the progress that had been made on Athena Swan and race equality even during the response to Covid.</b></p>

**Transforming the Academic Staff Base 2019/20** [EF20/27]

The Committee considered a summary of initiatives relating to academic staff that had previously been provided to Academic Board. The University's merit-based promotion scheme was based on the development of staff and did not have any quotas or limits; it would be phased in during 2020/21, subject to formal consultation with UCU. **The Committee noted that the revised promotion scheme included an annual review of data and the updated CVs of academic staff, and meant that staff did not have to apply specifically for promotion, which would assist those who were less confident and allow a promotion path to be tied into PDAs.**

**Proposed Changes to the Articles of Government** [EF20/28]

The Committee considered proposed amendments to the Articles of Government relating to the suspension and dismissal of staff, and the option of these being considered as part of a wider review of the University's constitutional documents in Spring 2021 in line with the Governance Effectiveness Review currently underway, or earlier if desired. The proposals would bring the relevant Articles into line with developments in practice since they were last approved and were currently being discussed with Trade Unions. **The Committee noted the proposals, noted that on average there were very few cases in any given year and agreed that the proposals could most effectively be considered as part of the overall review of the Instrument and Articles following April 2021.**

**Update on Organisational Reviews** [Oral Report]

The Committee received an update on organisational reviews that had been paused at the start of lockdown in March, but which were now being progressed. Although earnings protection changes had been introduced, they had not yet been publicised, and all current reviews would be progressed under the previous arrangements. **The Committee noted the update.**

**3. Core Financial Performance and Planning**

**Student Recruitment Update November 2020** [EF20/29 and Presentation]

The Committee received an update on student recruitment for 2020/21 and on the emerging picture for 2021/22. The position for 2020/21 continued to be positive and within budget tolerances although work was still required to consolidate Semester Two intakes; 2021/22 application figures reflected the Covid-related delays within state schools in supporting their students with the application process, and required continued focus. "Bite size" open days were being well received and initial signs of recovery were emerging with regards the application figures. **The Committee noted the update.**

**P2 Finance Report 2020/21** [EF20/30]

The Committee received the first finance update of the 2020/21 academic year. Performance was positive against a budget set to be manageable in the context of Covid, an assessment which was supported by initial P3 analysis. There were caveats around Semester Two recruitment, national pressure for refunds and the likely longer-term impacts of Covid. The financial position remained outside any of the OfS reporting requirements. **The Committee noted the update and that the position could be impacted by higher levels of withdrawals, but there was no evidence of higher rates as yet. The learning analytics system and telecentre would assist in supporting retention and progression.**

**USS Pensions Consultation October 2020** [EF20/31]

The Committee considered the University's recent response to the Trustee's consultation on the technical provisions associated with the 31 March 2020 valuation of the Scheme, following discussions with the Chair of the Board and the Chairs of Employment and Finance Committee and Audit Committee. The proposals were significant for Northumbria and for the sector as a whole given the large deficit in the Scheme, which the Trustee was indicating would require a major increase in contributions and/or benefits reform. This could impact membership of the Scheme and had the potential to split the sector between those heavily exposed and those less so. **The Committee noted the position and its potential adverse impacts particularly in light of the generally lower number of Scheme members within most post-92 institutions and the possibility of Section 75 liabilities. The Committee noted the need to consider and seek to mitigate the risks to the institution and asked for there to be a dedicated pensions workshop with Governors to take place in the next few months.**

**Annual Report and Financial Statements – Progress Update** [Oral Report]

**The Committee noted that the Annual Report and Financial Statements, which would normally be considered at this point in the cycle, would be submitted to the meeting now arranged for 7 December 2020.**

4.	<p><b><u>Policy/Regulation/Projects</u></b>  <b><u>Treasury Management Annual Report</u></b> [EF20/32]  <b>The Committee noted the report.</b></p> <p><b><u>IC3 Strength in Places Bid</u></b> [EF20/33]  <i>*Dr Stuart Fancey declared an interest in this item as a member of the Programme Board for Strength in Places. He confirmed the Programme Board does not review submitted bids and that any input into this item would be confined to information already in the publicly available guidance.</i>  The Committee considered the University's proposed bid to the IC3 Strength in Places Programme, which had been notified to Committee at its 22 September 2020 meeting. The project was a good example of translating research into impact, would generate both direct and indirect financial returns and would support the refresh of parts of the Estate. It was also likely to generate growth in other related areas, and enhance the University's academic standing and wider reputation, making Northumbria a national leader in the area of digital construction. <b>The Committee noted that the bid would enable important positioning for Northumbria around economic reconstruction in the North East and built upon an existing strength of the University. If the bid was unsuccessful, the work would continue through alternative routes. The Committee approved the submission of the bid.</b></p> <p><b><u>Major Contracts Performance Summary</u></b> [EF20/34]  The Committee considered the annual update report on major contracts, both income and expenditure related. It summarised the significant progress made in the quality of contract management and noted that further work was required to embed the approach fully across the University. <b>The Committee noted the report.</b></p> <p><b><u>Contracts and Legal Claims Update</u></b> [EF20/35] <b>CONFIDENTIAL AND LEGALLY PRIVILEGED</b>  <i>(NB: this item is Legally Privileged and included in Reserved Business Minutes)</i></p> <p><b><u>Students' Union Financial Performance</u></b> [EF20/36 and EF20/37]  <b>The Committee noted the reports.</b></p>
5.	<p><b><u>Meeting Record, Reporting and Context</u></b>  <b><u>Committee Agenda Plan</u></b> [EF20/47]  <b>The Committee noted that an additional meeting would be held on 7 December 2020 to consider the Annual Report and Financial Statements.</b></p>

Richard Elliott  
Assistant Secretary to Employment and Finance Committee  
November 2020