



**EMPLOYMENT AND FINANCE COMMITTEE**

**15 November 2021 - via Microsoft Teams (including videolink)**

**CONFIRMED SUMMARY MINUTES**

**Contact Georgina Bailes [georgina.bailes@northumbria.ac.uk](mailto: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, D Pearson, Professor A Wathey  
 Apologies: N Pope  
 Observers: L Brown, S Pelham, G Smith  
 Secretary: G Bailes, R Elliott (Assistant Secretary)  
 In attendance: A Dunlop, J Embley, Professor T Lawson, Professor G Marston [EF21/33] D Monnery, S Newitt, E Pritchard [EF21/33]

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

<b>1.</b>	<p><b><u>Introduction</u></b>  <b><u>Vice-Chancellor’s Horizon Scanning</u></b> [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, which was in a relatively stable phase with 86% of over 9,000 students responding to surveys reporting double vaccination, and the Government’s HE reform programme. The new Secretary of State for Education was taking a more collaborative approach to the same policy agenda, emphasising in particular collaboration between HE and FE. The majority of key decisions, including over headline fee levels, were still awaited with further information expected by the end of November. There had been no mandate for industrial action at Northumbria or at Newcastle. <b>The Committee commended the work of the Students’ Union in driving vaccination rates, and noted that pensions was likely to remain a high profile issue.</b></p>
<b>2.</b>	<p><b><u>People</u></b>  <b><u>Health, Safety and Wellbeing Annual Report 2020/21</u></b> [EF21/33]          The Committee noted the Health, Safety and Wellbeing Annual Report for 2020/21, which summarised the quarterly reports provided across 2020/21. Work to remedy the fire safety issues at Trinity Square would continue for some months, and the building continued to be confirmed as safe to occupy by TWFRS; no student complaints had been received. Wellbeing developments would include work on the new Student Minds University Mental Health Charter Programme to support the mental health of staff and students. The University had received the Better Health at Work Bronze Award in recognition of wellbeing activity in 2020/21. <b>The Committee requested that further information on the Mental Health Charter Programme be brought to a future meeting, and noted that work to reduce further short term sickness absence rates would continue to be supportive of staff.</b></p> <p><b><u>People and Culture Update</u></b> [EF21/34]          The Committee considered continuing developments to the organisational culture as part of the response to Covid and in the longer term. Levels of response to the current staff survey were encouraging, and the results would be presented to the next meeting of the Committee. Work to review and re-set expectations and support the development and promotion of academic staff would now address more junior academic grades following completion of the review of more senior grades. Opportunities to make new staff appointments would be increased via an academic staff Voluntary Severance Scheme, and recruitment campaign in February 2022. <b>The Committee noted that new academic staff appointments would be aligned to the University Strategy and would seek a combination of high-quality research contribution and inspirational teaching. The severance scheme was covered by the existing Cost of Change budget, and REF-related funding and RGCI generated by new staff could provide a positive return on investment.</b></p> <p><b><u>Future Reward Framework</u></b> [Oral Report]          The Committee was advised of planned work to build on the senior staff reward scheme to introduce links between performance and reward at all levels; detailed proposals would be brought to a future meeting only following further consideration by Remuneration Committee. <b>The Committee noted that</b></p>

there would be full trade union consultation on any proposals.

**Transformation of the Academic Staff Base** [EF21/36]

The Committee noted a summary of progress to date in this area and the challenges faced; the visualisations provided were helpful and the Committee requested that periodic updates be provided.

**Pensions Update** [Oral Report]

The Committee considered an update on pensions issues. Information and options support sessions for USS members were being provided by Mercers; it was possible that the UCRSS defined contribution scheme could be opened to staff at grade six and above, in which case Committee endorsement and Board approval would be required. **The Committee requested that Mercers' material would be shared with Trade Unions, and that updates would be provided if members appeared to be leaving USS in any significant numbers.**

**3. Core Financial Performance and Planning**

**Draft Annual Report and Financial Statements 2020/21** [EF21/37]

The Committee considered the draft Annual Report and Financial Statements (ARFS) 2020/21 from a performance perspective, with Audit Committee on 8 November having addressed conformance issues. Performance in 2020/21 had been positive with a strong cash position supporting investment in the Strategy in 2021/22. Some minor changes to wording would be finalised before the ARFS was presented to Board. Work was still continuing to resolve some information flows at London Campus; changes to the accounts were not expected but both Committees would be kept up to date with any developments prior to Board of Governors on 29 November. **The Committee noted that the informal discussion with Audit Committee and KPMG had been valuable, and would be repeated as a joint session in future. It was suggested that the narrative include specific commentary on planned estates investments that had been delayed by the pandemic. The Committee commended University Executive and all colleagues on the results achieved, and endorsed the ARFS for submission to Board of Governors subject to satisfactory resolution of the London issues.**

**Finance Monthly Report: P2 2021/22** [EF21/38]

The Committee considered the University's financial position and performance at Period 2 (30 September 2021) with oral updates relating to Period 3 indicating a further strengthened position. Some delayed recruitment to research and KE projects had generated staff cost savings, and Semester One recruitment had been on target. **The Committee noted the report and that some internal processes required review to ensure that recruitment to research and KE projects could be expedited. The need to ensure that budget holders were not over-cautious in setting staff and capital investment estimates was emphasised.**

**Treasury Management Annual Report** [EF21/39]

The Committee considered the implementation of treasury management policies in the year and the mitigation of related risks. The recurrent breach of counterparty limits had again occurred; following previous approval by Committee a new counterparty was being set up to address this issue. The new product to be used differed slightly from that approved by Committee but did not require further formal approval. **The Committee approved the report.**

**Annual Report on Outsourced Contracts** [EF21/40]

The Committee considered the performance of the three major outsourced contracts for Catering, Student Accommodation Management and Facilities Management, which had been instrumental in enabling continued safe operation of the campus during pandemic restrictions. It was proposed to align and extend the existing contracts to an end date of July 2024, with package taken to market in January 2023; this would require future Committee approval. **The Committee noted that information on the employment practices of the contractors would be sought and asked that consideration be given to incorporating this into future annual reports. The Committee suggested that Audit Committee scrutinise the contracts before the planned market testing in 2023, potentially via an Internal Audit review. The Committee noted that the Procurement Team was already negotiating with the contractors to secure improved terms for the extension periods. Subject to the outcome of these negotiations, the Committee endorsed the proposed approach to the future development of these contracts and services.**

	<p><b><u>Material Contract Performance Monitoring Report</u></b> [EF21/41]  The Committee considered the management of material income contracts and the development of commercial capabilities across the institution in response to the need to drive diversification and growth of profitable income streams. This work was particularly significant for Degree Apprenticeship and Distance Learning contracts. <b>The Committee noted the report.</b></p> <p><b><u>Student Recruitment Semester 1 - Implications</u></b> [EF21/42 and Presentation]  The Committee received an update on student recruitment for semesters 1 and 2 2021/22 and plans for 2022/23. Work was in progress to accelerate applications for 2022/23, which were as usual at this point in the cycle behind the sector and competitors; this was likely to be a result of the early deadline for medicine-related programmes, but would be kept under close scrutiny. <b>The Committee noted the update and noted the work in progress to address those areas of recruitment that raised concerns. A report to a future meeting on longer-term financial projections for the Amsterdam Campus was requested.</b></p>
4.	<p><b><u>Policy/Regulation/Projects</u></b>  <b><u>Estates Governance</u></b> [EF21/43]  The Committee considered proposals to refresh governance arrangements for the Estates Strategy and Masterplan in response to discussions at the recent Board/UE Awayday. Proposals included an Estates Strategic Advisory Group which would have Board of Governors / Employment and Finance Committee representation but would not be a formal subgroup of the Board or Employment and Finance Committee with any delegated authority. It would be supported by an Estates Management and Operations Group. <b>The Committee noted that the membership of the proposed Estates Strategic Advisory Group would be determined as part of an overall review of Governor representation on such groups, and endorsed the proposed approach.</b></p> <p><b><u>Costing and Pricing Governance</u></b> [EF21/44]  The Committee considered arrangements that had been put in place since a previous discussion in March 2020 to ensure that CPD and KE projects generated an appropriate level of contribution, including a revised Pricing Policy. <b>The Committee approved the Pricing Policy.</b></p> <p><b><u>Venture North/Northstar Progress Report</u></b> [EF21/45]  <b>Following its approval in principle of the project at the 20 September meeting, the Committee approved the letter required as confirmation of the investment being made and the specific investment as an exemption from the Treasury Management and Ethical Investment Policy, which did not cover investment in private equity funds.</b></p> <p><b><u>Contracts and Legal Claims Update</u></b> [EF21/46] <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 P2 2020/21*</u></b> [EF21/47]  The Committee noted the report.</p>
5.	<p><b><u>Meeting Record, Reporting and Context</u></b>  <b><u>Committee Terms of Reference 2021/22</u></b> [EF21/54]  The Committee considered its updated terms of reference for 2021/22, which now set out its responsibility for Health, Safety and Wellbeing more accurately, and differentiated its role from that of Audit Committee. The Committee's quorum was also clarified. <b>The Committee endorsed the updated Terms of Reference for submission to Board of Governors on 29 November 2021.</b></p>

Richard Elliott  
Assistant Secretary to Employment and Finance Committee  
November 2021