

UNIVERSITY BOARD OF DIRECTORS

CONFIRMED

Minutes of the meeting held on 15th June 2020 by MS Teams

Present: Mr G Donnelly (Chair), Miss F Aiken, Mr J Batty, Mrs E Bales, Ms K Brookes, Mr C Bush, Professor L Challis, Ms J Johnson, Mr I Looker, Professor J Mennell, Mr M Williams (from item 19:124), Mr P Yates

In attendance: Dr J Brown, University Secretary
Mr D Chesser, Chief Operating Officer / Deputy Vice Chancellor
Professor B Webster-Henderson, PVC (Health)
Professor R Trimble, DVC (Academic)
Mrs M Leek, PVC(PPC)
Mr D Prescott, UCSU Chief Executive, for item 19:129

19:122 Apologies for absence Verbal
Apologies were received from Revd Canon C Butland, Mrs J Stannard and Professor J Lee.

19:123 Governance Matters UB19/74
Received: A paper with recommendations from Nominations Committee

The Chair of the Board introduced the paper, which set out the processes undertaken by Nominations Committee to come to the recommendations to University Board of the Chair of University Board from 1 August 2021 and the Vice Chair from 1 August 2020. The recommendations were approved.

AGREED:

- To approve the appointment of Mr Martin Williams as the Chair of University Board from 1 August 2021.
- To approve the appointment of Mrs Jill Stannard as the Vice Chair of University Board from 1 August 2020.

19:124 Declaration of Interests Verbal
Mrs E Bales declared an interest in the pay award item and any pandemic planning impacts on staff.

19:125 Minutes of the previous meeting UB19/73a
The minutes and confidential minutes of the 19 May 2020 meeting were approved as an accurate record. UB19/73b

19:126 Matters Arising UB19/73c
No matters were raised.

19:127 Chair's Business Verbal
The Chair gave an update on his activities related to the University since the last meeting of the Board:

- Approval of two planning applications, with the Chair of FRC;
- Approval of a bid to the Leverhulme Trust;
- Attendance at a CUC webinar at which a UCAS representative gave an update to be referred to later in the meeting;
- Wrote to the Chancellor on his retirement thanking him for his service to the University;

- Interviewed the University Secretary as part of a process of the individual becoming a University of Cumbria employee from a long term secondment from Uniac.

19:128 Vice Chancellor's Report

UB19/75

- Received
- a) A report from the Vice Chancellor
 - b) Policy Overview
 - c) A Summary of the Vice Chancellor's activities and engagements

The Vice Chancellor spoke to her report noting that planning for the consequences of the pandemic was ongoing, with a number of interdependencies and unknowns making the work more challenging. She reported that VCE had met that morning to agree a set of design principles to work to in planning for 2020/21.

The Vice Chancellor set out that the 2019/20 financial implications of the pandemic were covered within other papers on the agenda, with work ongoing with respect to the impact of the pandemic on 2020/21 finances. The Task and Finish Group was explained to have been put in place to provide challenge and engagement with a range of representatives; the paper that went to PPCC, later on the agenda was to influence and inform thinking. The work to communicate and engage with staff was set out – including the Task and Finish Group, the Staff Survey and meetings with teams across the University.

The work being undertaken in Barrow was outlined, as set out in the report, noting that the submission of the Strategic Outline Business Case was possibly delayed in order to increase community involvement in the proposal.

It was noted that a further Memorandum of Understanding was to be signed with Lancaster University Management School.

With respect to Newton Rigg, the Vice Chancellor provided an overview of the position, noting that the University had convened a group to develop a Land Based Skills strategy for Cumbria. A question was asked regarding the ownership of the assets at Newton Rigg. It was confirmed that Askham Bryan College were the owners and that there were no longer any covenants in place. A Director noted that the approach was sensible, with it not being appropriate for the University to take the assets on.

The process for determining the new Chancellor was asked about, following the retirement of Dr John Sentamu. The Vice Chancellor confirmed that the next Archbishop of York should be the next Chancellor of the University, as set out in the Articles of Association. The access and visibility that this brings was noted. The Vice Chancellor confirmed that contact would be made with the incoming Archbishop in due course with respect to how he wished to engage with the University.

- AGREED:**
- To receive the report

19:129 Students' Union Matters

- Received
- a) A report from the Student Director
 - b) The Students' Union Annual Compliance Report

Verbal
UB19/76

The Student Director gave a verbal update, noting that it was good to see students receiving their grades. She noted that awareness campaigns were going well.

The Chief Executive of the Students' Union spoke to the Annual Compliance Report, which was a compilation of the responsibilities of the Union in one report. Of the matters covered, two remained in train all others had been met. The approval of the prior year accounts at the General meeting had not been completed. The General meeting was normally held around Easter but this was not possible due to the pandemic. The Accounts had, however, been made available to members within the period required. The other matter outstanding related to the budget. For this to be complete the level of the Block Grant was required, and a General meeting held.

The COO/DVC confirmed that the best estimate of the Block Grant for 2020/21 was that it would be reduced by 10% on the 2019/20 level. It was noted that this would be formally communicated to the Students' Union, and that there would be further communications if the Grant had to be reduced from this level. It was noted that the Grant was subject to Board approval which would be at the 9 July meeting as part of the process for approving the 2020/21 Budget.

AGREED: • To receive the report

19:130 Response to the Pandemic - Update

UB19/77

Received A report updating on academic and other matters in response to the pandemic and planning for 2020/21

The PVC(PPC) spoke to the report, setting out how the response had moved from the emergency phase into planning for a phased return to campuses. Work ongoing on the design principles was outlined with the top priority being the health, safety and wellbeing of students and staff. She noted that the work was being undertaken within government / PHE guidance and principles developed by UUK and UCEA.

The plan was that the 2020/21 academic year would start when previously planned in September, but with a blended approach to delivery.

The PVC(PPC) reported that staff were being surveyed to monitor how they were feeling / coping and to inform and guide planning for the next stages. The University Secretary gave an overview of the responses to the survey. A health and wellbeing campaign was being run, with a number of staff engaged with the different activities on offer.

A Director referred to the anxiety mentioned within the minutes of the April Academic Board meeting and noted the importance of maintaining support for staff through this period. The DVC(Academic) responded that the meeting had been at the start of the lock-down period, with more recent feedback being that a lot of the anxiety had reduced. However, the importance of supporting staff was agreed.

The practicalities of every student having a minimum of one scheduled event on campus a week was asked about. The DVC(Academic) confirmed that the University was looking to provide as close to normal operations as possible, with activities that were not able to be provided on-line provided on campuses. This was not an issue for local students; those in accommodation would be encouraged to attend, with more face

to face activity planned as the year progressed. The expectation for students to be in accommodations for only one face to face session a week was questioned. It was confirmed that this was the minimum – some programmes would require more face to face than this, however the aim was that all students would have access to some face to face delivery.

The accommodation offer was asked about. The Staff Director provided an overview of the position: students would come into accommodation a week before enrolment to form new households, with a week in isolation prior to term starting. Students would be able to be released from contracts if there was a further period of lock-down, and fees would continue as in 2019/20, including the 20% reduction to reflect the reduced experience. Whether students would be tested before going into their households was asked, with residential settings being an area of high infection risk. It was reported that the University did not have access to tests, but the communications to students would be clear regarding not attending if symptomatic. The point would, however be taken on board in case testing was possible. **Action:** Staff Director. The PVC(Health) noted that a meeting was set up with the local Public Health directors regarding contact tracing.

AGREED: • To receive the paper

19:131 Management Accounts

UB19/78

Received The Period 9 Management Accounts 2019-20

The COO/DVC spoke to the period 9 Management Accounts, setting out how the performance in the first half of the year had been strong enough to give confidence that the pay award for the year could be paid from January 2020 (rather than in month twelve, as budgeted). Since that time the pandemic had impacted on the University, with the impact on income as set out in the paper. Along-side the impact on income there had been a range of savings to mainly non-staff costs due to people not being on campus. The impact of the changes was that the budgeted surplus would drop from £1.8m to £0.9m. £1m of costs had been set aside for one-off restructuring costs, which were discounted from the covenant calculations. The COO/DVC reported that it was therefore forecast that the bank covenant would not be breached. It was noted that the income from the sales of properties in Lancaster were expected to fall into 2020/21.

The Chair of FRC provided an update from the perspective of the Committee, noting that the impact of the pandemic on 2019/20 had been contained from a financial perspective, with the covenant position tight but looking like it would not be breached. With respect to the restructuring budget he noted that it was important that excess staff costs were not carried into 2020/21.

The Vice Chancellor noted that work was ongoing with respect to reducing staff costs in the areas this was required, with planning operating with two strands based on the pre and post pandemic financial positions. All Directors had been set very clear financial envelopes to work within, with work ongoing to proactively manage to these budgets.

AGREED: • To receive the report

19:132 2020/21 Draft AOP

UB19/79

Received The draft AOP for 2020/21

The Vice Chancellor spoke to the paper, noting that the University was looking to deal with the her and now in 2020/21 while looking to the future.

AGREED: • To receive the report

19:133 Student Recruitment 2020/21

UB19/80

Received An update on the recruitment position for 2020/21

The Chair of the Board reported on a recent CUC webinar that had input from a contributor from UCAS. They had reported that a regular survey of applicants over a number of years had showed that many students only made their final decision as to whether to go to university at the last minute, hence the importance of the decline by default date, that had moved from mid-May to mid-June for 2020 due to the pandemic. The contributor also noted the importance of institutions helping and caring for prospective students through virtual events, and emphasised that the pandemic will have an impact on students into the longer term, with, for example, year 12 students having missed a number of months of contact time.

The COO/DVC noted that the move of the UCAS decline by default date meant that more students were undecided at this stage in the process than previously – updated data would be presented to the July meetings of FRC and the Board. However, the number of acceptances was encouraging, with ITT and healthcare numbers increasing. Other undergraduate courses were, however, still remaining below target. A range of local and regional campaigns were in place and applicants were communicated with to retain their interest in the University. Technology was being used to support activities such as Open Days. The COO/DVC reported that recruitment in April to the London campus was ahead of that predicted.

The benefits of marketing to local applicants at this time was noted, as was the opportunity to be the institution that supports students, for example in local schools.

AGREED: • To receive the report

19:134 2020/21 Budget Update

UB19/81

Received A progress update on setting and finalising the 2020/21 budget

The Chair noted that the budget update had been to FRC, with the Secretary's note at the start of the paper providing an overview of the discussion and requests for further information.

The COO/DVC spoke to the paper, starting by setting out the baseline for planning being meetings with each Director of Institute and Professional Service to understand the resources that they require and what they are able to deliver in the year. The estimated impact of the pandemic on income for 2020/21 was set out, with £6m thought to be reasonable. An overview of the elements of the reduction was provided.

The paper to PPCC, elsewhere on the agenda, had documented the initial thinking, with £1m of savings to come from non-pay budgets and £5m from staff costs. The Task and Finish Group had reviewed this proposal and a phased approach was now being considered, with non-staff related cost savings to be exhausted before reductions in staff costs were considered. As set out in the paper, with reductions to non-staff costs and a reduced planned cash surplus, the impact on staff costs would be minimised.

The approach had been discussed at FRC, who were supportive, but requested an outline forecast for 2021/22 in order to support decision making in relation to the proposal to reduce the planned cash surplus. The other requests from the Committee were detailed, as set out in the paper. The COO/DVC finished by providing an overview of the agreement with Denton Holme to the Board, noting that a full paper would be presented to the next meeting of FRC.

The Chair of FRC made three main observations – that the Committee was supportive of the approach to budgeting and recognised the need for flexibility; that the Committee had wished for more information regarding how the University would deal with volatility, and in particular what would happen if the income gap was higher than forecast; and the approach to staff versus non-staff costs savings. With respect to the latter point, he noted that the financial strategy included a percentage cash surplus target, however the Committee understood that reducing the planned cash surplus level for the year would mean that less would need to be taken out of staff costs, albeit with an increased risk. In order to determine whether the risk was appropriate the Committee wished to consider if the reduction would cause a short term sustainability issue, and that higher cash surplus would be achievable in 2021/22.

Comments from Directors were as follows:

- Whether the University was being sufficiently discriminating with the proposed 10% reduction in working hours across all staff, with recruitment resource needing to be prioritised in order to drive future business;
- A key unknown was the impact on residences when students considered the limitations on society;
- That future demand may increase as employment opportunities, particularly for entry level roles, become harder to obtain;
- That the Task and Finish Group had worked well with sensible suggestions with respect to the people agenda;
- The impact of the Trades Unions invoking the dispute process was asked about;
- The cash low point in the modelling was asked about – with it confirmed that the modelling referred to was if nothing was done to reduce the cost base;
- The losses in future years if three year undergraduate numbers were down in 2020/21, were noted.

In summary, the Board were supportive of the approach being taken.

AGREED: • To receive the report

19:135 Pay Award Recommendation

UB19/82

Received The pay award recommendation for review and approval

The paper was received, along with the recommendation from FRC. The proposal not to back-date the pay award to cover the period 1 August 2019 to 31 December 2019 was approved.

- AGREED:**
- To approve the proposal not to back-date the 2019/20 pay award to cover the period 1 August 2019 to 31 December 2019.

19:136 Estates Strategy Update

UB19/83

Received An update on current estates matters

The Chair of the Board noted that he and the Chair of FRC had taken Chairs action to approve two planning permission applications. The COO/DVC confirmed that, following approval, the applications had been submitted, with a planning meeting in August potentially reviewing them.

The COO/DVC went on to give an update on the disposal of Mill Hall.

- AGREED:**
- To receive the report

19:137 Pension Update

UB19/84

Received An update on implementation

The COO/DVC spoke to the paper, setting out the recommendation that Scottish Widows were appointed as the University's Defined Contribution Scheme provider. It was noted that FRC endorsed the recommendation, which had been reached following due process.

- AGREED:**
- The proposal to appoint Scottish Widows as the University's Defined Contribution Pension Scheme provider was approved.

19:138 UKVI

UB19/85

Received The outcome of the UKVI audit of March 2020

The DVC(Academic) spoke to the paper, which included the letter from the UKVI following their audit. The letter confirmed that the University retained its licence. The DVC(Academic) reported that the issue leading to the one minor breach had been resolved.

The team were thanked for their work and the positive outcome.

- AGREED:**
- To note the report

19:139 Academic Board Reporting

AB19/49a

Received The minutes of the meeting of Academic Board held on 15 April 2020

The DVC(Academic) gave an overview of the key matters discussed at the April meeting of Academic Board, which was the first to be held virtually and was three weeks after the lock-down had started.

The DVC(Academic) went on to report that the date for publication of the 2020 NSS results had moved to 15 July 2020 to enable the OfS to assess the impact of the pandemic on the results.

19:140 University Board Committees

Received The minutes from Nominations Committee 5 May 2020

NC19/05

The Chair of the Board reported that the primary business at the meeting had been in relation to the process to be undertaken for the appointment of the Chair and Vice Chair of the Board, as set out earlier in the meeting.

He went on to note that there would be minor changes to committee membership in 2020/21, these would be discussed in the one to one meetings that he would hold with Directors and would involve some succession planning.

19:141 Any Other Business

The Chair of the Board noted that Remuneration Committee was to follow the Board meeting, with the Committee receiving an update from the Vice Chancellor on the development of VCE. This would be reported to the Board at its next meeting.

The Chair reported that the 9 July Board meeting would start at 2pm, with a strategy session to be held in the morning.

It was confirmed that it should be assumed that all meetings would be virtual for the rest of the calendar year.

The Chair noted that this was Katie Brookes last meeting as the Student Director. She would, however, attend the 9 July meeting with the new Student Director, Molly McConnell.

19:142 Dates of Future Meetings:

Thursday 9 July 2020