

CONFIRMED MINUTES OF THE EXTRAORDINARY MEETING HELD ON 23 APRIL 2020

PRESENT:

Neil MacDonald (Chair)	Dr Julie Morrissy
David Bradley	Meg Munn
Prof Sir Chris Husbands	Dr Stephen Timothy
Lord Kerslake	

IN ATTENDANCE:

Michaela Boryslawskyj, University Secretary and Clerk to the Board
 Richard Calvert, DVC Strategy and Operations
 Deborah Harry, Chief Finance and Planning Officer
 Dr Sally Jackson, Chief People Officer
 Prof Chris Kinsella, Chair of the Audit and Risk Committee (Observer)
 Pete Sweeney, Governance and Sector Regulations Adviser (Minute Secretary)

Opening Comments	Minute Ref FEC/20/22
-------------------------	-----------------------------

22.1 The Chair welcomed members to the extraordinary meeting of the Committee which had been convened to provide an update on financial planning and sustainability in the wake of the COVID-19 pandemic. The figures and scenarios that would be reported at the meeting were changing on a daily basis which is why they had not been presented to members beforehand.

Agenda item 2	Declaration of Interest	Minute Ref FEC/20/23
Paper Ref		

23.1 There were no declarations of interest.

Agenda item 3	Financial Planning and Sustainability	Minute Ref FEC/20/24
Paper Ref		

24.1 The Chief Finance and Planning Officer provided an update on the 2019/20 financial position using the Period 6 forecast as a base. The report covered the following:

- I. Best and worst case scenarios for impact on income and expenditure;
- II. Cash flow considerations;
- III. Spending guidance issued: staff recruitment; procurement, Estates Plan, Non-Pay and investment in developing online services;
- IV. Pensions valuation potential impact;
- V. Insurance status

24.2 In discussion, members commented on the University's use of the Government's Furlough scheme. The following points were made in response to comments and questions raised:

- I. There were strict rules in place around Furlough which limited the extent to which it could be used for staff in higher education;
- II. The majority of staff members were still working and the University required them to keep doing so. The academic workforce was teaching online and professional services were still busy on core activities including corporate services, recruitment and student support. The position was being reviewed regularly and use of the scheme may increase, but not substantially so;
- III. Institutional behaviour over this period would impact on the culture going forward. The current industrial relations environment was challenging given the recent UCU action and findings from the Staff Engagement Survey around concerns over bullying and harassment. Any action needed to be seen as reasonable and supportive to the work

staff were being asked to do in difficult circumstances. Whilst prudence was important, the University was not looking to save small amounts of money at the risk of staff goodwill.

24.3 In discussion of the current and future Estates programme, the Committee expressed its support for progressing with the Atrium Roof and Refurbishment project and reaffirmed the decision taken previously to approve the budget. The University was encouraged to take advantage of the shutdown to make progress with the work. The following points were made in response to comments and questions on other key issues impacting on the 2019/20 financial position:

- I. Vacant posts were being reviewed on a weekly basis to ensure that the decision to freeze new recruitment did not impact on academic delivery;
 - II. Investment would continue in marketing, student recruitment and developing online services. The Digital Technology Strategy had not been interrupted and would continue. Work previously undertaken to strengthen the resilience of the network had paid dividends in sustaining the transition to online working;
 - III. The University had been proactive in contacting both banks to discuss risks to covenants.
-

24.4 The Chief Finance and Planning Officer provided an update on potential scenarios for 2020/21 based on the figures reported in the December 2019 OfS forecast. The current position was very dynamic and changing continuously. As such, the model presented provided a stress test on a range of outcomes that enabled figures to be varied and assumptions discussed to see where changes might lead to difficulties.

24.5 In discussion, the following points were made in response to comments and questions from members:

- I. Home undergraduate recruitment and retention was the biggest area of uncertainty. The position with recruitment would become clearer after the UCAS deadline on 18 June but retention figures would not be known until the end of September (assuming normal start dates for 2020/21);
 - II. A lean year in 2020/21 would impact on budgets for three years. There would likely be an element of 'bounce-back' in future years to mitigate this, but the underlying issues of flat cap tuition fees and rising staff costs remained;
 - III. Whilst the investment in the digital strategy had stood up well to the move to online teaching, further investment may be required to provide a higher level of equipment to students to address the digital divide. This investment would also involve purchasing licences for online teaching tools and developing staff skills and confidence to operate these in a consistent way to maintain a high-quality teaching offer;
 - IV. Scenarios around staff costs were being reviewed on a weekly basis with a range of measures being considered. Workforce planning was also being reviewed to ensure the workforce was as agile and flexible as possible;
 - V. The approach to how staff spaces were occupied was also being considered to ensure that the campus was not reoccupied after lockdown in a way that reinforced previous inefficient ways of working. This meant that some aspects of the Estates Plan may be reviewed in order to dispose of lower quality parts of the estate sooner than previously anticipated. The underlying case for new buildings that provided modern and flexible teaching and learning facilities remained strong however.
-

24.6 The Committee expressed confidence that the executive was focussing on the right areas going forward. It noted the operational need to deliver a successful online assessment process and encouraged leaders to keep influencing the Government and policy makers around support for the sector.

Agenda item 4	Budget 2020/21 and OfS Five-Year Forecast Timetable	Minute Ref FEC/20/24
Paper Ref		

- 25.1 The Chief Finance and Planning Officer reported that previously the University Budget and Five Year Forecast had been brought to the Committee and then onto the Board in July. It did not appear to be a good use of time to do this in summer 2020 given that the OfS submission deadline was not until December 2020 and the environment would continue to be highly uncertain. The Committee agreed that it would receive a one year budget in July 2020 with the five year forecast being brought forward in the Autumn in good time for audit sign-off of the going concern statement in the accounts, and submission to OfS.

Agenda item 5	Next Meeting	Minute Ref FEC/20/25
Paper Ref		

- 26.1 The Chair reported that the next scheduled meeting had been moved to 2 June 2020. At that meeting, the Committee would receive updates on: financial planning and sustainability; the conversations with the banks on covenants; the approach to staffing and thinking around the reconfiguration of estates and digital strategies.
-