

University of Central Lancashire

Unreserved Minutes of The Board Meeting Held On 22nd May 2020, Commencing At 10.00am.

Present (via video-conference):

David Taylor (Chair)

Andrea Adams	Sue Ion
Fiona Armstrong	Suntosh Kaur
Graham Baldwin	Lesley Lloyd
Nicky Danino	Ruth Lowry
Maria Darby-Walker	Anne McCarthy
Jim Edney	Bill McQueen
Ridwanah Gurjee	Lorraine Norris
Richard Hext	

Also in attendance (via video-conference):

Michael Ahern (Chief Information and Infrastructure Officer)
George Charles (Chief Finance Officer)
Ruth Connor (Chief Marketing Officer)
Ian Fisher (University Secretary and General Counsel and Clerk to the Board)
Ken Lee (Chief People Officer)
Lynne Livesey (Deputy Vice Chancellor)
Peter McMellon (assisting the Clerk to the Board)
Fiona Winters (Deputy Clerk to the Board)
Lisa Atty (PA – University Secretary and General Counsel)

UB825. Welcome and Apologies

The Chair welcomed all present to the meeting.

There were no apologies for absence.

UB826. Declaration of Interests

There were no declarations of interests other than those recorded under UB832 below.

UB827. Chair's Announcements

The Chair outlined how he proposed to conduct this first 'remote' meeting of the Board. Board members agreed with the suggested approach.

UB828. Reserved and Unreserved Minutes of the University Board Meeting held on 30th January 2020

Resolved: That the Reserved and Unreserved Minutes of the University Board Meeting held on 30th January 2020 were agreed as a true record and signed by the Chair.

UB829. Matters Arising from the University Board Meeting held on 30th January 2020

Reserved Minute

UB830. Vice-Chancellor's Report

Professor Baldwin presented his report. A copy of the report is set out in the Minute Book.

Professor Baldwin explained that, as a consequence of the ongoing unprecedented challenges, his Update included extended detail on several matters, many of which had been touched upon at the Board Forum event on 9th April 2020. He then drew attention to the following:

- External Factors – Covid 19 – the Vice Chancellor's Group is continuing to meet on a frequent basis. A feature of the current circumstances is the rapid rate of change of Government action and directions, and the consequent uncertainty when anticipating or responding to new developments. The prospects for future student recruitment are central to many considerations and this will be covered in detail in the Chief Finance officer's report (UB831 below). As previously explained, the timescale for production of the new Strategic Plan (and thus the revised Risk Register) has had to be adjusted. This will ensure that lessons learned from the Covid 19 experience are taken into account, but also this will allow the desired level of external consultation to take place. It is now likely that the new draft Plan will only be available in the Autumn 2020.
- Staff Welfare – A brief on-line survey of all staff has been conducted to gauge responses to the new working arrangements. Together with anecdotal evidence, the 1000+ responses to the on-line survey indicate that, by and large, staff are adapting well to the new working conditions, with a score of 4.8 (out of 7.0 maximum) satisfied that the University is responding appropriately to the challenges. However, there are widely differing reactions to the changes and the VCG is producing a video to be used to clarify for staff how the University intends dealing with issues which have been raised.

Reserved Minute

- Student Recruitment and Admissions – In commenting on this detailed section of his Update, Professor Baldwin advised that, for future agendas, and given the obvious importance of this aspect of work, a separate item/report would be more appropriate, with input and presentation by Mrs Connor.

Clearly, the potential shortfall in student recruitment – both overseas and home-based – is at the forefront of most of the ongoing considerations. The cancellation of A-Levels had prompted much wider use of unconditional offers in the sector, including by competing institutions in the region which had not previously made such use of unconditional offers. UCLan has complied with the Government's consequent moratorium (in place until 18 June 2020) on the use of unconditional offers. The Government has now introduced a new mechanism for controlling student numbers (based on 5% limit on growth) but it is far from certain that this will ensure the stabilisation of institutions.

Mr Fisher reported that a more worrying response to the impact of the Covid-19 pandemic on the HE sector was the proposal by the OfS to introduce a new (temporary) Condition of Registration. The proposed condition is purportedly aimed at preventing HE institutions from taking actions which, in the view of the OfS, would have "a material negative impact on the stability and/or integrity of the HE Sector". The aim being to protect the interests of students during the current recruitment and admissions process.

Mr Fisher then briefly summarised some of the concerns about the proposed new condition. Firstly, it is considered that, following the recent Government action, the condition is not necessary. It is also considered that, as drafted, the condition is much too wide and vague. Moreover, it is also proposed that the condition will have a retrospective effective date (11th March) and the OfS could seek to penalise institutions for conduct/activity undertaken well before the possibility of such a condition was even mentioned. In short, it is considered that the proposed condition is not necessary, that the terms and implementation arrangements are vague, too wide and grossly unfair and prejudicial. Clearly such a condition would also undermine the important constitutional principle of institutional independence.

The Board shared the concerns set out above and agreed that a robust response should be sent to the OfS, opposing the imposition of the proposed new condition. The Chair advised that, having already reviewed the draft response, he could confirm that this was suitably robust and picked up the points discussed and agreed upon by the Board. Accordingly, Mr Fisher agreed to include a reference to the Board's endorsement in the current draft before submission to the OfS and circulate a copy to Board Members.

Professor Baldwin then reported on further problems caused by the attempt by UCAS to alter (in mid-cycle) the current terms and conditions. Although universities have been invited to agree to the proposed changes, it seems likely that UCAS will adopt the changes regardless as to support or opposition.

Reserved Minute

- Cost Reductions – the drive to reduce Staff Costs is continuing, although reliance on remote communications has added to the challenge.
- Job Retention Scheme – There has been no furloughing of anyone directly employed by the University.
- UCLan Support for National Effort - The Sir Tom Finney Sports Centre has been extensively developed and is available for emergency use. There are arrangements in place for the facility to be converted back for sports use in due course. The media coverage of UCLan's contributions to the national effort has been very positive and thorough and has prompted much supportive and appreciative feedback, including that from Emma Hardy MP, Shadow Minister for Universities and FE.

The Board then discussed aspects of the Vice Chancellor's Report.

Mrs Lloyd noted that there is currently little incidence at UCLan of student withdrawal (before completion of studies) compared to elsewhere. However, the position will only become clear once the key date for acceptances (18 June 2020) has passed. Mrs Connor reported that there are fewer deferrals or offer rejections than in the previous year, but this may change as information on plans for courses delivery in 2020-21 is released.

Dr Armstrong felt that the University's contributions to the national effort were especially commendable, but also presented genuine PR opportunities. Mrs Connor confirmed that the current media coverage is unprecedented and that, furthermore, the perceptions of key stakeholders are enhanced by these aspects of the University's performance.

The Chair reported that he had sought to ensure that key partners and stakeholders had been made aware of the University's contribution to the national and local efforts to fight the pandemic.

In thanking Professor Baldwin for his Update report, the Chair also thanked Professor Baldwin and the Vice Chancellor's Group on behalf of the Board for their continuing efforts to deal with the unprecedented challenges.

Resolved: That

- (i) the Vice-Chancellor's Update Report be received, and
- (ii) the suggested robust response to the proposed new OfS condition be endorsed.

UB831. Chief Finance Officer's Update

Mr Charles presented the Chief Finance Officer's Update report, together with commentary. Copies of the Update report and the commentary are set out in the Minute Book.

Mr Charles advised that his Update had already been presented and reviewed in detail at the meeting of the Resources Committee on 28 April 2020. The supporting commentary has been updated to reflect the views expressed by Resources Committee and also in the light of subsequent developments.

Reserved Minute

- (i) *Other Priorities*

Mr Charles commented on other matters as follows:

- Financial Improvement Programme – the new Procurement2Pay facility is expected to go live in June 2020. UCLan will also be the first university to use Amazon catalogue for purchases. Mr Charles confirmed that appropriate controls will be in place for this usage.
- 2020/21 Budget - work continues on draft budget setting and a draft budget will be presented at the Resources Committee's meeting on 9 June 2020.
- Multi Year Planning Model - this is being used in the process for production of the new Strategic Plan, on OfS returns and for funding option purposes.
- Group position – there will be an opportunity to review the University's corporate structure and the risk profiles of its subsidiaries.
- Finance Services Restructure – Appointments have been made/offered to two senior positions in the new structure (Deputy Director of Finance and Procurement Director) and the full new structure should be operational from 1st August 2020.
- Financial Regulations – Other priorities have resulted in a delay to production of new Financial Regulations, but the aim now is to present an updated draft to the Resources Committee in June 2020.
- External Audit Planning – Particular areas of focus for KPMG will include 'going concern', fixed assets and LGPS Pension.
- Handelsbank – The University uses this organisation and a 'know your customers' request has now been received from the bank. It was agreed that all Board Members would co-operate to enable the Clerk to respond as appropriate to Handelsbank.

The Chair and Mr Edney confirmed that much of the detail now presented had been considered at length at the Resources Committee meeting on 28 April 2020.

Mr Edney reported that the Committee had been very reassured by the grasp on matters demonstrated by Mr Charles, the Vice Chancellor and the VCG. He confirmed that the scenario planning data was very useful and served to illustrate the degree of challenge likely to be facing the University in 2020-21. The year end outcome for the current year, however, is expected to be better than original target.

Mr Edney confirmed that, in noting that a draft budget for 2020-21 will be presented to Resources Committee in June 2020, the Committee also looked forward to proposals for mechanisms which will allow sufficient flexibility to allow timely responses as scenarios are replaced by firm forecasts.

In noting Mr Edney's comments on the 'Staff Cost as percentage of income' factor, Mr Charles confirmed that the lowering of the percentage represented a particularly tough and complex challenge. However, the VCG intended reviewing this factor along with all other contributory considerations once firmer data on the level of the 2020-21 financial challenge is available.

Mr Charles also noted how future reports on the financing options might be enhanced so as to provide risks and opportunities guidance.

In concurring with the positive views regarding the VCG's management of the current challenges, Mr Hext suggested that focus must remain on the financial challenges facing UCLan, with recognition that a 'second wave' (and the inevitable further impact on international recruitment) should be anticipated.

The Chair thanked Mr Charles for his Update, noting that there will be further updates at the meeting of the Resources Committee on 9 June 2020.

Resolved: That the Chief Finance Officer's Update report be noted.

UB832. Reserved Minute

UB833. International Update (including Cyprus)

Professor Baldwin provided an update on international operations, commenting on matters other than the student recruitment position reported in detail under his Vice Chancellor's Report (UB830 above). He confirmed that a full report covering all international plans and operations will be presented to the Board in due course.

Professor Baldwin reported that, for many of the University's overseas partners, moves back to campus delivery have commenced. This is obviously ahead of the position in the UK, but there may be benefits from observing the experience of operations in other countries in this regard. There has continued to be close and effective collaboration with overseas partners, where significantly expanded use of remote delivery has been shown to be effective. Similar approaches are likely to be adopted as UCLan's main campuses move back into operation.

Regarding the University's operations in Cyprus, where the impact of lockdown has been intense, again, remote delivery and operations have been proven to be effective. The Cyprus campus is now back in use, with suitable safety arrangements in place. There are undoubtedly challenges ahead in the recruitment of students, but support from the University's main Student Recruitment team is being directed to this end. The discussions which may culminate in a new partnership (and improved financing for operations) in Cyprus have now recommenced. However, the previously reported debt issue has not progressed.

Resolved: That the International Update be noted.

UB834. Committee Chairs' Updates

Audit and Risk Committee

Mrs Lowry (Chair of Audit and Risk Committee) reported on the matters covered by the Audit and Risk Committee at the meeting on 27th April 2020.

The Committee had been pleased to note that a high degree of 'business as usual' had been maintained despite the new challenges, and that this had included broad monitoring of the contents of the University Risk Register, albeit with the inevitable Covid dimensions now contributing to virtually all identified risks.

Reports from the first four completed audits by RSM (Internal Auditor) were examined and considered to be satisfactory. Similarly, there had been no issues or surprises in the External Audit (KPMG) plan for the audit of the 2019-20 accounts.

The Committee looks forward to receiving proposals for the governance of the deployment of its auditors (on additional services). It was also agreed that the sector benchmarking report produced by KPMG was of sufficient interest as to warrant distribution to the rest of the Board.

Resources Committee

Mr Edney (Chair of Resources Committee) reported on the matters covered by the Resources Committee at the meeting on 28th April 2020.

Reserved Minute

Resolved: That the Chairs' Updates be noted.

UB835. Safety, Health and Environment Annual Report

Mr Ahern presented the Safety, Health and Environment Annual Report. A copy of the report is set out in the Minute Book.

Mr Ahern drew attention to the progress in the implementation of the new Integrated Health, Safety and Environmental Management Systems and also to the University's attainment of the prestigious Occupational Health & Safety Management System ISO45001 accreditation. He advised that fire prevention work was ongoing, but, inevitably, most of the SHE Team's attention is directed towards ensuring a healthy and safe environment during the ongoing pandemic.

He concluded by confirming that there were no significant concerns to which the Board's attention needed to be drawn.

Resolved : That the Safety, Health and Environment Annual Report be noted.

UB836. Assurance Updates – Confirmation of Completed Returns

Mr Fisher presented his report on the University's compliance with OfS regulatory requirements. A copy of the report is set out in the Minute Book.

Mr Fisher drew attention to the adaptations to the compliance requirements which OfS had introduced in recognition of the Covid challenges.

The Board examined the report and also noted Mr Fisher's proposal for changes to existing governance arrangements which would see oversight of compliance obligations undertaken by a new 'Governance and Nominations Committee, with details of the proposed changes to be presented in due course.

Resolved : That the arrangements for compliance are satisfactory and the report be noted.

UB837. Masterplan Delivery Update

Mr Ahern presented the Masterplan Delivery Update report dated 21 May 2020. A copy of the report is set out in the Minute Book.

Mr Ahern drew attention to two areas of risk.

The risk to materials supply, and labour availability and safety, all threatened by the Covid pandemic, required thorough management and this was being achieved through weekly meetings of all the parties involved.

A second area of concern has arisen following the discovery of structural and location problems linked to the Victorian sewer in the path of the Masterplan development. Liaising with United Utilities on the sewer issue has proved to be anything but straightforward. Following their withdrawal of previously granted approval, United Utilities now require a new carrier drain to be installed. The extra work, the cost of which must be met by UCLan, will result in a five weeks delay.

With one exception, all contractors are continuing to be extremely co-operative, and it is still expected that both the Student Centre and the Highways element will be completed within budget for the 2020-21 academic year.

In response to Dr Ion's question, Mr Ahern outlined how, in due course and possibly many years into the future, issues arising from the dilapidated Victorian sewer would have to be tackled. In response to Mrs Lloyd's question, he commented further on the need to await until summer 2020 before any meaningful assessment of the Covid impact and the new drain requirement can be carried out. In response to a further point by Mrs Lloyd, Mr Ahern reported that there been some unexpected benefits from the lockdown, including availability of storage space for materials. as and to availability of labour confirmed that, as noted by the Resources Committee following their detailed review of the ongoing work, there are no immediate issues and delivery on time and within budget of the final elements is now anticipated.

The Chair advised that there was evidence of recognition that, in mobilising themselves to become operational again, suppliers need to adopt safe practices and systems.

The Board examined the Update report. The University's decision to appeal against ERDF funding clawback was noted. In general, all agreed that the rate of progress remained very impressive.

Resolved : That the Masterplan Update Report be noted.

UB838. Any Other Business

(i) Insurance Cover for Board Members

Mr Fisher advised the Board that Directors and Officers insurance cover (as previously approved by the Board) remains in place. He agreed to circulate details of the insurance cover along with a previous resolution of the Board relating to subsidiary companies.

(ii) Schedule of Future Board and Committees Meetings

Mr Fisher advised that draft meeting dates/times for 2020-21 and 2021-22 will shortly be circulated. As things stand, there is provision for both 'remote' meetings and for meetings on campus etc. He agreed with the Chair that, for the time being, the set times/dates/format should be checked and confirmed on a meeting by meeting basis.

(iii) Regeneration of the Local Economy

In concurring with Mrs McCarthy's suggestion that UCLan could and should be a key player in the post-Covid regeneration of the local economy, the Chair asked Professor Baldwin to consider further 'Board Forum' type events at which such proposals might be taken forward.

(iv) Post Covid Opportunities to 're-set'

In agreeing with Mrs Lloyd's identification of the need and opportunity to review a great many of traditional practices and views, the Chair recommended that similar 'Board Forum' treatment should also be given to this subject. The Chair pointed out that simple re-creation of many temporarily displaced or damaged practices was unlikely to represent the optimal way forward. For example, the University's traditional supply/procurement practices would benefit from being updated. He also pointed to the astonishing degree of change which was being achieved in China.

Dr Ion mentioned the Westinghouse Springfields Fuels Ltd pursuit of new 'clean energy' opportunities. Professor Baldwin advised on existing links between the University and Springfields. He recognised that such considerations needed to be addressed in the development of the new Strategic Plan.

(v) Video-conference meetings – 'Chat' facility

Mrs Lowry drew attention to the value of the exchanges (or 'chats') between Board Members which the video-conferencing facility offered.

It was agreed that such 'chats' can, indeed, be a source of useful additional information. It was noted that the content of 'chats' remains on the system, accessible to those invited to meetings.

UB839. Date and Time of Next Meeting

The next Board meeting will be on Thursday, 25th June 2020 on the arising of the Foundation Trustees' meeting which will commence at the revised time of 10.00 am.

**I M Fisher
Clerk to the Board**