



## Minutes Meeting of Council

**Date:** 27 April 2020

**Present:** Mr Pedder, Pro-Chancellor (in the Chair);  
Mrs Hope and Mr Mayson, Pro-Chancellors;  
Professor Lamberts, President & Vice-Chancellor;  
Mr Sutcliffe, Treasurer;  
Mr Belton, Professor Brazier, Ms Brownlie, Dr Forrest, Ms Hague,  
Professor Layden,  
Professor Maltby, Professor Morgan, Dr Nicholls (items 1-8 and 15-23),  
Professor Petley, Mr Sly, Professor Valentine, Mr Verity, Mr Wray

**Secretary:** Dr Tony Strike

**In attendance:** Mr Carling; Mrs Jones; Mr Swinn; Mr Borland (items 1-9 and 15-23);  
Ms Sullivan (items 8-14 and AoB); Ms Ditchburn (Pinsent Masons) (item 9.0);  
Mr Taylor (DLA Piper) (item 9.1-9.2)

**Apologies:** Mr Bagley

### Welcome

The Chair welcomed Members to the meeting, which was being held virtually due to the Covid-19 pandemic (see also Minute 14.4, below). Particular welcome was given to Mrs Brownlie, recently appointed to Class (3) membership, who was attending her first meeting of the Council.

### 1. Declaration of Conflicts of Interest

1.1 Council noted the following:

1. A potential conflict of interest had been raised under item 9. Mr Sly would leave the meeting for the relevant part of that discussion and decision-making.
2. As previously noted with respect to USS, certain members were potentially conflicted on the USS Consultation response (item 15a) due to their individual memberships of the scheme.

### 2. Minutes of the Previous Meeting

(Meeting held on 24 February 2020)

2.1 The Minutes were approved as an accurate record.

### 3. Matters Arising on the Minutes

3.1 Council received and noted the matters arising on the Minutes. Particular attention was drawn to the following:

- (a) Audit: On 4 April, Council approved by email a recommendation from the Audit Committee to extend the contracts of the existing internal and external auditors, thereby postponing the procurement process for both contracts, and approved a consequent waiver of the Council Regulations with respect to limits of the period

of auditor appointments. These extensions fell within the external time limits set by external regulatory requirements.

- (b) Vision and Strategy: Following the pause in the final development and approvals process for the new University Vision and Strategy, the Council Away Day, scheduled to 23 June, to consider implementation had also been postponed. A new date would be identified in the next academic session, with a likely focus on post-COVID recovery plans.

#### **4. Health and Safety Update**

- 4.1 Council received and endorsed the update, which focused on the University's response to the threat from Covid-19 and actions taken (see also Minute 6.1, below), including assessing the provision of equipment for staff working from home and conducting risk assessments in relation to working practices and wider wellbeing. It was reported that Estates Committee had discussed the mitigations in place to manage the risk of legionella disease due to the number of empty buildings and noted the importance of clarity over who would control access to buildings when the current restrictions were eased.

#### **5. Category C Matters**

- 5.1 Council considered Category C business, which are covered in Minutes 15-24, below.

#### **6. COVID-19**

##### **6.1 Update Report on COVID-19 response**

- 6.1.1 Council noted updates on a range of matters relating to the University's response to the Covid-19 pandemic, which were contained in the written report under item 7. It was noted that the University was not aware of any staff or student fatalities as a result of Covid-19 but a number of staff and students were or had been self-isolating; the majority of students had returned home. The following points were noted:
  - (a) Establishment of a Covid-19 Management Group: Co-chaired by the Executive Director of Academic Services and Director of Infrastructure, the Group was co-ordinating the internal management response, supported by five sub-groups covering Learning & Teaching, Research & Infrastructure, Student Support, Student Recruitment and HR.
  - (b) Liaison with Russell Group, UUK and Department for Education: The University was supporting the development of the case from the HE Sector for government policy and resources, including through direct contact with the Universities Minister, senior figures in sector organisations (such as UniversitiesUK (UUK), Russell Group and UKCISA) and the University Secretary's role in AHUA regarding the national UUK COVID response. In parallel, the University was ensuring that it understood and responded to the temporary OfS regulatory requirements (see Minutes 14.1 and 14.2, below).
  - (c) Council, Senate and UEB: As far as possible, meetings had been moved on-line, and through normal operations, reserved or delegated powers, decisions have been made at pace (See also Minute 14.4, below).
  - (d) Intake Scenarios: Alternative student number intake scenarios were informing modelling of income to consider the possible impact of Covid-19 on University finances (see Minute 6.2, below). With respect to Home UG admissions, the OfS had announced a moratorium on unconditional offers from 23 March, and now extended to 4 May. The University was taking steps

to recover the overall position, focusing on enhancing quality in line with agreed strategy, and to secure the 2020 entry cohort. There were significant concerns in the sector about the impact of Covid-19 on international student recruitment; a QS survey in March suggested two-thirds would defer for a year but that in the longer-term the vast majority remained keen to study abroad, although there was significant variation across different countries.

- (e) UUK Proposals: UUK had submitted to government a proposed package of measures as a way to achieve stability across the sector. The Government was keen to avoid a situation in which stronger providers sought to compensate for under-recruitment of overseas students by increasing their intake of home students, which would pose an immediate threat to a number of other institutions. The two principal provisions in the package were to introduce a form of student number control at institutional level, based on forecast intake with a 5% margin, and a doubling of QR funding for 2020-21 to support research intensive institutions, although this would not offset all of the potential income shortfall.

The University was supportive of the proposals, which sought to balance the interests of different parts of the sector, provided that government viewed the package as whole. It was noted that the proposals had received a mixed reception across different areas of the Government, and there was also a risk that no decision would be made until September when the student recruitment position was clearer. The University continued to support lobbying activities whilst monitoring the situation in order to respond accordingly.

- (f) Student Support: The majority of students on managed study abroad and exchange programmes had returned home and the University was supporting those remaining abroad, who were advised to register with the local embassy and follow FCO travel advice. Student Support Services continued to be available online. The University had introduced a 'Safety Net' policy to ensure that final year students suffered no detriment to their final degree classification, whilst also ensuring that academic quality and standards were maintained. The policy had been well received by students. Quality and Scrutiny Committee and Learning and Teaching Committee would report to Senate in June to enable the provision of the necessary assurances to Council, including a focus on existing students, their outcomes, progression and graduation. Further work was taking place to strengthen online learning and teaching provision of teaching to enable students to commence or continue their studies if disruption to on-campus activities continued into 2020/21.
- (g) Research: There were a number of new research-funding opportunities available through UKRI and other funders relating to Covid-19 and the University was encouraging applications. The pause in on-campus activity was affecting PGR students, who were being encouraged to continue with their research on a remote basis. UKRI had announced that UKRI-funded students would have a costed extension if they were in their final year; the University was considering how best to support PGR students on University studentships. It was also noted that the REF had been paused temporarily and further information was awaited. Activities with priority university partners continued to take place through virtual platforms where possible.
- (h) Human Resources: The University was encouraging staff to undertake their normal duties as far as possible while working from home, but with a flexible approach to support staff to manage work around other commitments. An additional two days leave had been given around Easter to recognise the efforts of staff in responding positively to the crisis. The majority of the

University's c.8000 staff were now working from home but the University had submitted a list of critical workers to the authorities to enable staff who were required on campus to attend when necessary. Additional staff support included staff FAQs and supporting guidance for Heads of Department with regular briefings. Clarification was provided that there was sufficient capacity at senior level to manage any absences, and HoDs were playing a vital role in ensuring adequate cover for other business critical roles. In addition, the University maintained a close dialogue with the joint campus trade unions. In view of the potential financial implications of Covid-19 and the current working arrangements, staff recruitment had been reviewed and a new approvals process implemented for new recruitment.

- (i) Communications: Significant efforts had been made around both internal and external communications, including a number of online videos by the President & Vice-Chancellor, which had been made available globally, were widely viewed and attracted a positive response. In recognition of the crucial role of corporate communications, it was reported that Tracy Wray would take on a revised role of Director of Corporate Communications and External Relations with effect from 1 May; Ian Wright would become the Interim Director of HR.
- (j) Regional Engagement: The University was represented on the newly-formed South Yorkshire COVID-19 Response Group, led by the SCR Mayor. The work of the Group focused on long-term recovery after the crisis, showcasing the regional contribution to the national effort and communicating and lobbying. Attention was drawn to the short and long-term importance of regional engagement, as universities would be expected to contribute actively to economic redevelopment. The University was well placed to respond to this agenda due to its strong existing track record and existing asset base. It was noted that AMRC would be developing specific proposals to upscale its business development and engagement activities and was playing a key role in the Ventilator UK Consortium.

The University had donated 160k pieces of Personal Protective Equipment and its engineers were working with local hospitals to design and build face shields for health workers. The University had also acted to enable the early graduation of final year medical students to join the NHS workforce, and its student nurses were volunteering to support the NHS.

- (k) Cyber Security and Fraud Risks: There had been no reported instances of fraud arising from Covid-19 but the increased reliance on technology further heightened the institutional risk from cyber threats. Preventing and mitigating these risks was an institutional priority, informed by the recent experiences of others in the sector. A number of measures had been implemented to strengthen online security and more were planned, supported by additional guidance and further training. It was noted that activities in this area were informed by a recent external review, including the appointment of a Chief Information and Security Officer. Council agreed to receive a further briefing from the Director of IT Services at its next meeting.

## **6.2 Update on Financial and Capital implications of COVID-19**

- 6.2.1 Council received and noted an overview of the University's current position in relation to cashflow and debt financial covenants and the financial risks arising from COVID 19 that would require mitigation. Members also noted the immediate actions being taken to mitigate these risks. The related papers were discussed at a

special meeting of the Finance Committee on 3 April 2020 and proposals endorsed.

- 6.2.2 It was reported that the University was using the financial forecasts that had been submitted to the OfS in November 2019 as the basis for modelling three scenarios based on different levels of student recruitment and continuation, and the impact of reduced tuition fee income on cash holdings and potential breach of bank covenants. All three scenarios had a significant detrimental impact on cash and liquidity such that the University would be unable to return to a normal operating position in the short term.
- 6.2.3 Council noted an overview of the structure of the key bank covenants and action being taken to ensure that the University could avoid any breach whilst ensuring appropriate levels of liquidity, as well as discussions with the external auditors to understand any requirements for the 2019-20 financial statements. Clarification was provided about forecast capital expenditure and borrowing assumptions, and the positive impact of initial changes to help offset any income shortfall. It was reported that Finance Committee would be considering an appropriate level of cash and liquidity days in due course, with further standing updates on financial planning and scenario modelling.
- 6.2.4 Attention was also drawn to additional action taken to realise savings and protect the University's cash position, including savings against staff recruitment and ensuring that only essential expenditure was incurred. Council noted that the University was monitoring the potential availability of government support. The Government steer was that organisations should explore the availability of loan support through the Covid Corporate Financing Facility before considering accessing the Job Retention Scheme. However, the University did not require additional borrowings, and any such increase in institutional debt needed to be considered in the context of obligations under existing covenants.
- 6.2.5 During discussion it was noted that the University was currently focusing on maximising the income position and carefully managing expenditure, whilst working to understand further future actions that could be taken if necessary and exploring all practical steps that could be taken to support teaching and research activities. In addition, the cross-cutting Vice-Presidents were leading work-streams to develop earlier work on the strategic plan to ensure that the University was well placed to meet potential long-term operating changes resulting from the Covid-19 pandemic, as well as any short-term interventions that might be required. Having noted the different financial approaches of providers across the sector, Council endorsed the University's approach. Further updates would be provided in due course.
- 6.3 Following discussion of items 6.1 and 6.2, Council agreed to the offer of additional virtual opportunities in May and June to enable members to be updated, before the next scheduled Council meeting, on 13 July, in view of the rapidly developing situation and the potentially significant institutional implications. It was also agreed that Audit Committee would be invited to consider the governance, leadership and management arrangements in place during the COVID19 crisis, and offer assurance or advice to Council on the temporary arrangements in place.

## **7. President & Vice-Chancellor's Report on Other Matters**

- 7.1 Council received and discussed the President & Vice-Chancellor's report, in which he provided information on key current and forthcoming developments in the policy environment. The most significant issues were related to the University's response to the Covid-19 crisis, as noted above (See Minute 6.1). The following additional points were noted:

- (a) Staff Appointments: The University had appointed Heidi Fraser-Krauss, currently the Deputy Registrar and Director of Corporate and Information Services at the University of York, as the Executive Director of Corporate Services, with effect from 1 August 2020.
- (b) Reportable Events: Council noted that the University had notified the OfS of its decision to suspend face to face teaching from 16 March and the move to online provision, and the notification of one confirmed diagnosis of Covid-19 between 9-17 March before the requirement to report cases was withdrawn.

## **8. Closed Minute and Paper**

## **9. Closed Minute and Paper**

## **10. Closed Minute**

## **11. Capital Report**

- 11.1 Council received an update on progress of projects in the capital programme, including projects recently considered and approved by ECSG, UEB and Finance Committee in accordance with the Council Scheme of Delegation. The report provided an update on the University's capital investment programme, which was subject to the development of a review of capital plans to prioritise projects. The majority of projects had been paused pending further analysis and only critical items essential to ongoing business were presented for approval. Clarification was provided about the extent of savings that could be achieved as a result of the pause on projects compared to the original financial forecast assumptions. Council approved the release of £1.5m gross capital funding for the Transformer project, thereby uplifting the previously approved funding of £19.2m to £20.7m. It was noted that the approval process for budget increases was being reviewed. Council also received an update on the progress of the Social Sciences Hub, and discussed this in the context of the wider financial and student recruitment positions and with reference to related communications.

## **12. Corporate Risk Register 2019-20**

- 12.1 Council received and approved the most recent iteration of the 2019-20 Corporate Risk Register and noted an accompanying report from the UEB Risk Review Group. It was noted that the current pace of change and the resulting impact on risk, as a result of Covid-19, had led to UEB agreeing updates to the register since the previous Risk Review Group meeting. While the Register was regularly monitored and updated it was necessary to regard it as a snapshot in time, supported by wider institutional actions on an ongoing basis.

## **13. Council Effectiveness Review**

- 13.1 Council received and approved updated proposals from the Council Effectiveness Review Task and Finish Group regarding the scope and timetable for the Review, following the Group's first meeting on 31 March. The Group was keen to ensure that meaningful progress could be made without imposing an unreasonable additional burden on the University Executive and colleagues. As a result, the timings of certain aspects of the review had been delayed and the scope of the review refined to ensure that priority areas were clear. The Group would meet again in late May/early June to review progress and planned next steps, taking into account wider developments and the working arrangements in place at that time.

## **14. Regulatory Matters**

### **14.1 OfS requirements during COVID-19 pandemic**

- 14.1.1 Council received and noted a report on temporary changes to the OfS' regulatory requirements during the Covid-19 pandemic, whereby a number of registration conditions had been suspended and guidance on reportable events amended to reduce the burden on providers, and two new requirements had been introduced. Council endorsed the University's approach to ensuring that the new OfS reporting requirement in respect of short-term liquidity was met.

#### **14.2 OfS Compliance Register**

- 14.2.1 Council received and noted the updated Compliance Register which reflected the changed requirements set out in the related paper under item 14.1, above.

#### **14.3 Compliance and Assurance Framework**

- 14.3.1 Council received and noted the Framework, which had been developed to provide a comprehensive overview and understanding of institutional responsibilities for ensuring compliance with the full range of legal and regulatory obligations to which the University was subject, including the means of providing assurance to Council on any given area.

#### **14.4 Council, Senate, UEB and other committees business continuity and contingency planning**

- 14.4.1 Council noted and endorsed the University's business continuity and contingency planning arrangements for decision making bodies. In particular, Council endorsed the University's approach to conducting formal meetings by virtual means as far as it was possible to do so, in order to ensure the effectiveness of institutional decision making while enabling the provision of the necessary assurances and oversight.

### **15a. USS Consultation Response**

- 15a.1 Council received and endorsed the University's draft response to a UUK Consultation on the latest USS discussion document.

### **15b. Report of the Senior Remuneration Committee**

- 15b.1 Council received and approved the Report, including amendments to the Committee's terms of reference.

### **16. Report of the Senate**

- 16.1 Council received and approved the Report, including amendments to Regulations IX:2 Composition of the Senate, and IX:1 Powers of the Senate.

### **17. Report of the Audit Committee**

- 17.1 Council received and approved the Report.

### **18. Report of the Finance Committee**

- 18.1 Council received and approved the Report.

### **19. Report of the Estates Committee**

- 19.1 Council received and approved the Report.

### **20. Report of the Honorary Degrees Committee**

20.1 Council received and approved the Report.

**21. Council Business Plan 2019-20**

21.1 Council received and noted the latest iteration of the Business Plan.

**22. Use of the University Seal**

22.1 Council received and noted a summary of the application of the University Seal since the previous Council meeting.

**23. Public Availability of Council Papers**

23.1 Council approved arrangements for the online publication of Council papers.

**24. Other Business**

24.1 Students Union Finance: Attention was drawn to the challenging financial situation faced by the Student's Union as a result of the Covid-19 crisis given the large proportion of income that derived from trading activities, which could not be realised at present. Council noted the update and reiterated its support for the Students' Union and its key role in delivering a world class student experience. The President & Vice-Chancellor and CFO would discuss the challenges faced by the Students' Union with the SU President.