

**CONFIRMED**

**UNIVERSITY OF EAST LONDON HIGHER EDUCATION CORPORATION**

**BOARD OF GOVERNORS**

**Minutes of the Board of Governors held on Tuesday 26 May 2020 via Teams**

**Present:** Anulika Ajufo (Chair), Ismail Amla, Amanda Broderick (Vice-Chancellor & President), Jackie Craissati, John Garwood, Bindi Karia, Mottie Kessler, Tommy MacDonnell, Ismail Mohammed, Tony Mullee, Michael Nartey, Gary Stewart and Janette Withey

**In attendance:** Hassan Abdalla (Provost), Verity Brown (PVC, Impact and Innovation), Dean Curtis (DVC/Chief Finance Officer) and Rex Knight (Interim University Secretary)

**Observer:** Debby de Haes (KPMG)

**Officers:** Jane Thomas (Governance Manager)

**19/71 NOTED that:**

- a) an auditor would be observing the meeting of the Board as part of an internal audit review of governance being undertaken by KPMG.
- b) a feedback form would be circulated after the meeting and governors were encouraged to provide any feedback in relation to the meeting.

**19/72 DECLARATIONS OF INTEREST**

**70/01 NOTED:** that the Vice-Chancellor & President (VCP) declared an interest in relation to the item on the UCFB partnership. It was noted that the VCP had undertaken paid work for UCFB in the past, prior to her employment at UEL.

**19/73 MINUTES OF THE MEETING HELD ON 24 MARCH 2020**

**73/01 RECEIVED and CONFIRMED:** the minutes of the Board of Governors' meeting held on 24 March 2020.

**73/02 NOTED:** that there was a confidential minute associated with the meeting held on 24 March 2020 which had been placed in a separate reading room for those who were in attendance for that part of the meeting. It was noted that any comments in relation to this minute should be advised to the Interim University

Secretary and Governance Manager by close of play on Friday 29 May 2020. If no comments were received, the confidential minute would be confirmed.

**73/03 AGREED:** that comments in relation to the confidential minute should be provided to the Interim University Secretary and Governance Manager by close of play on Friday 29 May 2020.

**19/74 MINUTES OF THE EXCEPTIONAL MEETING HELD ON 31 MARCH 2020#**

**74/01 RECEIVED and CONFIRMED:** the minutes of the exceptional meeting of the Board held on 31 March 2020.

**19/75 MATTERS ARISING**

**75/01 NOTED:** that all matters arising from the previous meeting had been completed.

**19/76 REPORT ON THE BUSINESS DISCUSSED AT STANDING COMMITTEES**

**76/01 RECEIVED:** a report from the Interim University Secretary providing an overview of the business discussed at standing committees which had taken place since the last meeting of the Board.

**76/02 NOTED that:**

- a) this was a new report which had been provided at the request of the Chair which sought to provide an overview of the business discussed at standing committees. The minutes were also included within the meeting pack for information. It was noted that any feedback on this report including in relation to the presentation and format of the report was welcomed.
- b) the Chair of the Audit and Risk Committee reported that consideration had been given to three internal audit reviews at the meeting of the Audit and Risk Committee held on 12 May 2020. The reviews related to student retention, student accommodation and financial controls. It was noted that the assurance ratings for the internal reviews were moving towards Amber/Green ratings rather than Amber/Red, which indicated that there were improved controls within UEL.
- c) a policy in relation to Conflicts of Interests was considered and approved, subject to some minor amendments. The importance of governors being aware of the policy and the need to declare any conflict of interest was highlighted.
- d) a revised risk management methodology had been introduced which would focus on strategic risk, local and operational risk and financial risk.

- e) the Chair of the Finance and Resources Committee (FRC) reported that the focus of FRC had been on the size of the challenge that the University faced due to the impact of Covid-19. It was noted that three models had been presented which looked at the impact of 25%, 50% and 70% of the risks the university faces being realised. A 50% model was being used for budgetary purposes, however, in order to be prudent, plans would be put in place for the 70% model which equated to £30m and £35m respectively. Other factors also had to be taken into account including the deficit for 2019/20 which was forecast at £5m, the investment costs of implementing a dual delivery model as well as redundancy costs, which would result in the potential deficit for 2020/21 being in the region of £46m if no management action was taken. There was a need to identify the maximum deficit which could be carried forward from 2020/21 to 2021/22 taking into account that we were required not to fall below 30 days cash, which equated to £10m. Once this was identified, this would inform the scale of the management action which would need to be taken.
- f) the Chair of the Governance and Search Committee reported that the focus of the committee had been on the appointment of new Board members as there were three staff vacancies and approximately four vacancies for independent governors. The recruitment process was ongoing and a shortlisting meeting for the independent governors was being held on 28 May 2020 at 4 pm. Interviews had been scheduled in June and the Chair encouraged as many members as possible to take part.
- g) work was being undertaken in relation to the recommendations contained in the report from Womble Bond Dickinson.
- h) there had been a discussion regarding the appointment of an interim Deputy Chair, however, it was noted that the committee had agreed that it would be more prudent to appoint to a permanent position when the new independent governors were in place in July. Consideration had also been given to appointing a senior independent governor and it was agreed that the Interim University Secretary would send out details about the role of a senior independent governor to members of the Board in order to establish whether there was an appetite for establishing the role of Senior Independent Governor.
- i) there was concern raised about the decision not to appoint a Deputy Chair at this time, bearing in mind that the incoming governors would have no cultural knowledge and would need to embed themselves into UEL. It was also acknowledged that there was a high workload at present and a Deputy Chair would be able to assist the Chair at this demanding time. It was noted that it was not anticipated that the new governors would stand for the role of Deputy Chair, but that they would have a vote.

- j) a further issue was raised in relation to the annual appraisal of governors, which had been delayed, as well as the process for the appraisal of the Chair. It was noted that the annual appraisals for governors had been due to take place in February/March 2020, however, the Chair had postponed these reviews to July 2020 in order to take into account the entire year. In relation to the process for the appraisal of the Chair, it was noted that a report on this subject would be considered at an exceptional meeting of the Governance and Search Committee, which would then be presented to the meeting of the Board of Governors due to be held in July.

**76/03 AGREED:** the Interim University Secretary to circulate details of the role of senior independent governor.

**19/76 UPDATE ON IMPACT OF COVID-19**

**76/01 RECEIVED:** a report from the Vice-Chancellor & President in relation to the potential impact of the global pandemic to the 2020/2021 academic year.

**76/02 NOTED that:**

- a) the VCP reported that three students had lost their lives to Covid-19 and the local community had been significantly impacted. It was noted that UEL's campuses were physically based in Newham which was one of the areas with the highest mortality rate in the UK.
- b) on 23 March 2020 the University had moved its educational delivery online and its operations remotely, excluding any provision which was associated with essential on-campus services. However, it was noted that there would need to be a change for the new academic year and three primary risks had been identified, beyond health and safety. Covid-19 had resulted in an unprecedented in-year impact and our usual budgeting approach could not be used in order to provide a future forecast. As a result, the best intelligence was being used from a wide range of sources.
- c) a dual delivery model was being developed which would enable students to access their learning experience on campus or online. This would enable students to switch between either mode at any time. The dual delivery model would continue to be evolved as the University transitioned to a new normal and it was hoped could be used for competitive advantage going forward. It was noted that two guidelines would be published, one in relation to a Covid-19 secure campus and the other in relation to the dual-delivery model. It was noted that the University was leading a pan-London task force to produce the guidelines for a safe return to on-campus work and study and as a result had direct access to the Chief Scientific Advisor and Chief Medical Officer as points of reference and it was hoped that the Covid-19 secure guidelines would have their endorsement.

- d) a question was raised regarding the quality of education which could be provided via the dual delivery system. It was noted that the system had been developed using intelligence about students and what they would pay for, the reasons for them coming to the UK and feedback from placement employers. In addition, feedback received from the last eight weeks was being used and embedded into the design. A request was made for more information in relation to the dual delivery system at a future Board Update meeting.
- e) the staff at the University had faced a massive challenge in moving its educational delivery online, reworking the learning and teaching and changing all the assessments to a format which allowed the student to progress. A wellbeing survey had shown that the staff were generally feeling supported. There had been some push-back in relation to the position regarding annual leave whereby staff had been advised that they must take their leave in the 2019/20 leave year as they would be unable to roll over more than 5 days into the 2020/21 leave year. There had also been some push back from UCU who had requested that part-time agency contracts be extended for two years. This was not feasible in the current climate, especially when the university was facing the need to make extensive cuts.
- f) the issue of staff engagement was raised, especially now that the immediate crisis was calming down. There was a need to ensure the positive culture continued and communication was continuing in an effort to connect with the wider staff. It was noted that the staff were being engaged and there had been lots of innovation, passion and commitment from staff. The issue of staff morale was also raised and the importance of ensuring that the thanks of the Board was relayed to the staff. It was noted that a series of school and service level awards had been hosted during the previous week which recognised best practice. It was also noted that the public engagement awards had been held online and had proved to be very successful.
- g) the University was receiving deposits for September at nearly four times the level of last year. This was because our international attractiveness had significantly increased over the last two years. It was noted that 3000 more applications had been received this year compared to last year and we were still holding deposits for 800 students from the postponed May intake, very few of whom had made a request for the deposit to be returned.
- h) an OfS consultation was currently underway which sought to impose a new condition of a 5% cap in excess of the OfS submission on student numbers which was made in December 2019. This excluded any allied health provision and as a result a number of partnerships were being explored with the NHS. The final version of the guidelines was expected at the end of June when more detail would be available.

- i) the behaviours and attitudes of potential students were changing as it became a buyers' market. Applications and acceptances tended to be made much later and students were able to switch. As a result, our confirmation process was being brought forward and engagement activities were being started early. Staff would also be redeployed to be able to support clearing. The importance of obtaining feedback from students was recognised and the need to ensure such feedback was considered. A suggestion was made to publish three stories which provided information about what was being done in relation to the feedback received.
- j) employability metrics would be published this year via the Graduate Outcomes Survey. It was noted that UEL had been underestimating the number of students who became self-employed as sole traders had not been included in the figures. Work was being undertaken with students who had graduated over the last 15 months in order to capture the data.

**76/03 AGREED:**

- a) that more information should be made available to the Board in relation to the dual delivery system at the next Board update meeting and key strategic partnerships at a future meeting.

**19/77 ANNUAL REPORT ON IMPACT AND INNOVATION**

**77/01 RECEIVED:** a presentation and annual report on impact and innovation from the PVC, Impact and Innovation.

**77/02 NOTED that:**

- a) the aim of the Impact and Innovation portfolio was to deliver the third strategic objective in Vision 2028: "Future Life: to increase the economic, social and cultural impact of our activities to the communities we serve". It was noted that over the events over the last eight weeks had proved the value of this as the University was able to position itself as a key worker in the knowledge economy.
- b) UEL's performance in the 2020 Times Higher Education Impact Categories had highlighted areas in which UEL was doing well, including research on reduced inequalities and students from developing countries, and the areas in which we could improve, including areas relating to good health and wellbeing. It was noted that UEL had no control over the way in which these figures were reached as they were calculated by looking at the number of outputs and research on key words. An example of this was in relation to the publication of Sustainable Development Goals reports, where it had been established that we have no reference to these on our website, so the score for the next round of submissions could be easily improved by remedying that.

- c) in most Universities the majority of academic staff would have PhDs, and while this was also the case at UEL, other qualifications and professional training were also relevant. The importance of ensuring staff were trained and were able to identify good research was highlighted.
- d) a query was raised as to whether research was partnered with business and it was acknowledged that this was the case. There was also an agility amongst the staff at UEL to listen to problems and respond appropriately. In recent weeks research had been repurposed as appropriate and data analysis skills had been utilised in response to Covid-19.
- e) the government had recently confirmed Professor Fenton as the Chair of the inquiry into the disproportionate impact of Covid-19 on the BAME communities in the UK. Professor Fenton had therefore been provided with a list of staff at UEL who could be of assistance. It was noted that one of our Readers, Dr Winston Morgan, had undertaken work on the attainment gap for BAME students, which correlated directly with the risk of dying of Covid-19 and showed that there were structural inequalities.
- f) applications had been made for research funding in relation to Covid-19, however, this did not include grants for business and it was noted that relevant schemes should be identified and students encouraged to apply.

## **19/78 STRATEGIC PARTNERSHIP**

**78/01 RECEIVED:** a report from the DVC/Chief Finance Officer and Provost on the realisation of a partnership

**78/02 NOTED that:**

- a) the Board received the details of a potential a partnership with the University Campus of Football Business (UCFB) in March 2019 which set out the nature of a proposed partnership. The Board had fully supported the progression of the proposed contractual partnership between UEL and UCFB at the time and it was noted that Academic Board and its associated sub-committees would have oversight of academic procedures.
- b) the proposal had been presented to the Board as there was an opportunity to speed up the implementation of the partnership working with UCFB to do a managed transfer as they exited from an existing contract. It was noted that UCFB had been trading for a number of years as a successful new entrant to the market. The structure of the relationship would be identical to other partnerships and it would be owned and managed within the School of Business and Law.
- c) a total of 27 programmes would be offered, 22 undergraduate and 6 postgraduate at three key sites. The partnership would also give UEL access

to a global network which would in turn enhance our wider profile internationally. UCFB currently had 2500 students and their current intake was circa 800. At the present it was not known if the current students would be moving across.

- d) the need to manage Tier 4 exposure was recognised, however, it was noted that UEL was responsible for determining the system and processes which UCFB would have to follow. Within that UCFB would be required to perform at a certain level which would allow UEL to intervene if they did not meet these requirements. An internal audit of Tier 4 processes had recently been undertaken and was recognised as a well-managed process. It was noted that UEL were in a good position to process high levels of Tier 4 applications, which had been demonstrated by our ability to process the substantial growth in applications which had already been seen this academic year.

**78/03 AGREED:** the Board confirmed that they were happy for the partnership to proceed. There was no formal requirement for approval at this stage as the Board had approved the partnership at its previous discussion of the proposal.

## **19/79 FINANCIAL POSITION**

**79/01 RECEIVED:** a report from the Deputy Vice-Chancellor & Chief Finance Officer on the 2019/20 outturn and month 8 actual.

**79/02 NOTED that:**

- a) the University faced a number of key risks including the wider health policy environment and the impact that would have on student recruitment. It was noted that the Home/EU market had been frozen for seven weeks and there remained a great deal of uncertainty. There continued to be issues in relation to the international market as the visa office was currently closed and the three core countries, India, Nigeria and the United States, were still in various stages of lockdown. There also remained uncertainty around the ability of international students to travel as well as their economic circumstances. This lack of objective data made it very difficult to forecast income levels.
- b) at the last meeting of the Finance and Resources Committee a number of scenarios were presented. It was agreed that the budget would be based around a 50% risk crystallisation model, which assumed a reduction of 20% in new Home/EU recruitment and a 50% reduction in new International students. A model was also presented for a 70% model and a worst-case scenario of 100%. However, it was noted that the recruitment position would not be known until later in the year.
- c) a savings programme had been constructed with a three-layered approach. At level one the proposed savings were expected to cause minimum disruption with savings achieved through vacancy savings, redeployment,

temporary staffing savings and non-pay savings. At level two the proposed savings would range from medium to high impact and would result in physical changes to both staffing and operations. At level three the proposed savings would require more substantive changes including changes to contractual terms and voluntary changes to pay rates. It was recognised that the benefits from these activities would not be immediate but would provide the highest long-term cost savings possible. In calculating the level of savings required there was a need to work back from the cash position to calculate the level of deficit that the University could afford, but still remain solvent. The detail would be presented to the next meeting of the Finance and Resources Committee due to be held on 16 June 2020. A weekly bitesize communication would also be sent out from Friday 29 May 2020 onwards providing information as risks were mitigated to enable the amount of information to be more easily digested at future meetings and for members to be appraised of events as they happen.

- d) the 2019/20 outturn had changed from a forecast surplus of £5m, to a forecast deficit of £5m. There were a number of reasons for this change including the cancellation of all site-based income from March onwards including the cancellation of summer schools and catering. In addition, there were a high number of students who still owed funding, particularly in relation to self-paying students. It was noted that the deadline for the extension of credit terms was Wednesday 27 May 2020, however, only 196 students had contacted the credit control team to request extensions.
- e) over the next week to ten days more action would be implemented to recover the outstanding debt or to ensure that those students could no longer continue studying at the University. It was recognised that there would be some students in distress and whose personal circumstances were preventing their ability to pay, but this did not account for the large amount of debt outstanding. The current level of bad debt outstanding was £19m, £3m of which was not student related. A query was raised as to what action the University could take to recover the debt and it was noted that this was usually restricted to exclusion and non-progression, with enforcement action rarely being taken. It was noted that if students were able to demonstrate that they had the ability to pay but due to circumstances outside their control were unable to pay, then they would be provided with the support they needed.
- f) a hardship fund of £300,000 had been made available to students. It was noted that applications continued to be processed and that some of the financial struggles faced by students were extremely serious and urgent. Over half of the fund had already been allocated, however, the possibility of extending the funding could be considered having considered the sustainability of the University.

## **19/80 SECURITISATION**

**80/01 RECEIVED:** an oral update from the DVC/Chief Finance Officer in relation to securitisation.

**80/02 NOTED:** that Aberdeen Standard were going through a revaluation of the asset base before the proposed deal was taken back to their investment committee. It was noted that there was potential for the deal to be repriced. As a consequence, the process of seeking finance for between a year and three years was currently being undertaken from the government's financing regime to ensure that we were able to meet our creditors from a cash perspective as they fell due.

#### **19/81 SCHEDULE OF MEETINGS FOR THE FORTHCOMING ACADEMIC YEAR**

**81/01 RECEIVED and NOTED:** a schedule of meetings for the forthcoming academic year.

#### **19/82 YOUTH CHARTER**

**82/01 RECEIVED:** a report from the Interim University Secretary in relation to Youth Charter.

**82/02 NOTED that:**

- a) a decision on the future relationship with Youth Charter and its occupation of space on the Stratford campus remained outstanding. It was noted that a review was undertaken by two independent Governors who had looked at the benefit of the relationship with Youth Charter.
- b) there was a process in place for partnerships and it was acknowledged that there was no reason for this partnership to be dealt with in isolation. It was recognised that there were lessons to be learned from this partnership, especially concerning due diligence, and a proposal would be presented to the Board in relation to due diligence.
- c) it was therefore agreed that the partnership with Youth Charter should be ended and steps taken to recover the space currently occupied by them on the Stratford Campus. It was noted that one member of the Board was not in favour of the decision reached.

**82/03 AGREED:** to end the partnership with the Youth Charter and to take action to recover the space currently occupied by them.

#### **19/83 FORMER CHAIR'S EXPENSES**

**83/01 RECEIVED:** a report from the Interim University Secretary in relation to the former Chair's expenses.

**83/02 NOTED and AGREED:** that the Board seek the approval of the Charity Commission to treat the overpayment of expenses to the former Chair as an ex gratia payment.

**83/03 AGREED:** the Interim University Secretary to provide an update at the meeting of the Board of Governors due to be held on 7 July 2020.

**19/84 APPOINTMENT OF THE UNIVERSITY SECRETARY AND CHIEF COMPLIANCE OFFICER**

**84/01 RECEIVED:** a report from the Director of HR on the appointment of the University Secretary and Chief Compliance officer.

**84/02 NOTED:** that the details of the proposed candidate had been circulated for comment prior to the Board and were included in the meeting pack for information.

**84/03 AGREED:** to approve the appointment of the candidate for the role of University Secretary and Chief Compliance Officer.

**19/85 CHANGES TO THE ARTICLES IN RESPECT OF APPEALS**

**85/01 RECEIVED:** a report from the Interim University Secretary in relation to a proposed amendment to the Articles in respect of appeals against dismissal.

**85/02 NOTED that:**

a) the Finance and Resources Committee agreed to change the process by which appeals against dismissals were handled. The proposal was that the process would have one stage, which was an appeal to the Vice-Chancellor rather than being a subsequent right of appeal to the Board.

b) the Board were required to formally agree to a change in the Articles. Once approved it would be necessary to notify the changes of articles to the OfS. It was noted that it was not necessary to seek approval from the OfS for the change as it did not have an impact on the student interests.

**85/03 AGREED:** to approve the proposed change to the Articles.

**19/86 BUSINESS DISCUSSED AT ACADEMIC BOARD ON 22 MARCH 2020**

**86/01 RECEIVED and NOTED:** a report from the Quality Assurance Officer providing an update on the business discussed at the Academic Board meeting on 22 April 2020.

**19/87 ANNUAL CYCLE OF BUSINESS**

**87/01 RECEIVED and NOTED:** the annual cycle of business.

**19/88 USE OF THE CORPORATION'S SEAL**

**88/01 NOTED:** that the Corporation's seal had not been used since the last meeting of the Board held on 24 March 2020.

**19/89 DATES OF MEETINGS**

**89/01 NOTED:** that the date of the final meeting of the Board for 2019/20 was 7 July 2020.