

UNRESERVED MINUTES

THE UNIVERSITY OF LIVERPOOL

COUNCIL (1047)

AWAY DAY MEETING OF THE COUNCIL

13 October 2020

Present: Mrs C Booth, President (in the Chair); Dr P Johnson, Vice-President; Professor Dame Janet Beer, Vice-Chancellor; Professor G Brown, Pro-Vice-Chancellor for Education; Professor A Hollander, Pro-Vice-Chancellor for Research and Impact; Dr C Costello, Director of People and Services; Mr A Hussain, President of the Guild of Students; Ms C Ankrah-Lucas; Mr E Fishwick; Mrs H Miller (morning only); Mr N Molyneux; Dr R Platt; Mr H van Mourik Broekman; Dr D Walford; Professor J Balogun; Professor T Teubner; and Mr K O'Sullivan.

Apologies: Professor H Scott.

In Attendance: Professor F Beveridge, Executive Pro-Vice-Chancellor for Humanities and Social Sciences; Professor D Birch, Pro-Vice-Chancellor for Cultural Engagement; Ms N Davies, Director of Finance; Mr B Flynn (co-opted member of the Audit Committee) (afternoon only); Professor L Kenny, Executive Pro-Vice-Chancellor for Health and Life Sciences; Mrs E Leonard, Governance Manager; and Professor W van der Hoek, Executive Pro-Vice-Chancellor for Science and Engineering.

Clerk to Council: Mr K Ryan.

1. President's Welcome

The President welcomed members and gave an overview of the day which would focus on performance, priorities and key risks. It was noted that other members of the Senior Leadership Team had been invited, as was standard practice for Council Away Days, and so had Mr Barry Flynn, a co-opted member of the Audit Committee. The newly-elected Senate representative, Professor Thomas Teubner, was welcomed to his first Council meeting. Three new lay members were currently being recruited and it was hoped that they would be appointed in time to join Council's meeting scheduled for 24 November 2020.

2. Disclosures of Interest

Members of Council were invited to disclose any potential conflicts of interest they had in relation to items on the agenda. Any such conflicts are noted under relevant minute headings.

3. Reopening the Campus in a COVID-Safe Way

RECEIVED:

- i. A presentation from the Director of People and Services covering: the University's initial response to COVID-19; continuing measures; the impact of COVID-19 on

students and the support in place; the move to Tier 3; plans currently underway; and the implications of Liverpool being placed in the highest level of restrictions.

REPORTED:

- ii. A truly collegial effort had been required since March 2020. The wide-ranging initial activity undertaken by the Vice-Chancellor's Incident Planning and Response Executive (VIPRE) in response to COVID-19 included: bringing students back from overseas; stopping staff overseas travel; stopping events; moving to online teaching; closing campus; staff working from home; furloughing of some staff; widespread use of Zoom and Teams for events; stopping of most research; reopening of labs for COVID research; students and staff supporting NHS work; risk assessments; assessment of Government guidance; building configuration, safety and cleaning measures; procuring and production of PPE; and establishment of the test, track and trace facility.
- iii. Continuing measures were focussed on: student and staff wellbeing; home working support; wide-ranging communications to stakeholders; working with MRF/PHE/NHS to ensure a coordinated response to measures; COVID-19 education group continuing leadership of best practice; Campus Planning Group continuing to advise and respond on health and safety and the estate; supporting international arrivals; and extending the test, track and trace service.
- iv. The University's co-ordinated response to those students who had tested positive/were self-isolating included: scaled-up support and welfare; 1000 dry goods food boxes supplied free of charge and kitchens stocked with fresh items; external halls/landlord advice and support; off campus student/community support; keeping staff well so that they can provide the best experience for students; and campus life COVID-style and behaviour support.
- v. The move to the Department for Education's Tier 3 meant that:
 - Teaching on clinical programmes, in specialist spaces, and fieldwork remained face-to-face to enable students to complete work required for professional accreditation or meet essential programme learning outcomes. All other teaching had moved online. Research labs remained open
 - Most Library buildings remained open on reduced opening hours with bookable study spaces only. Enquiry services were virtual or by telephone and all book information supply was by click and collect. Electronic resources remained normal
 - Some catering outlets would remain open (depending on demand and other local restrictions) but this would be mostly limited to click and collect/grab and go
 - Normal and statutory maintenance, campus support, chaperone service, and mail services were still operational
 - Professional services support was mainly remote except where limited presence was required to support students on clinical programmes or specialist requirements. Some mental health advice was being offered face to face by the Counselling Service but all other services were online.

Resource and financial impact monitoring and reporting continued.

- vi. Colleagues were currently working on: lessons learned; returning to Tier 2; examining data from student contact points to ascertain the wellbeing position and target action; dealing with complaints from students and their families; the Liverpool measures and what this means; asymptomatic testing, with the University acting as a pathfinder; support for the NHS; the wellbeing of those closest to the action; and working with neighbouring universities, Liverpool's Director of Public Health and other key partners.

NOTED:

- vii. It would be important to convey some the positive work being undertaken by the University in response to the pandemic to counteract some of the negative press coverage regarding the HE sector and students.

4. End of Year and Quarter 4 Performance Report

[The Deputy Director of Finance, Mr Paul Fallon, and the Interim Director of Strategic Planning, Mr Phil Hopwood, attended for this item.]

RECEIVED:

- i. A report and presentation providing:
- Detail of the end of year financial position for the academic year 2019/20, subject to the outcomes of the external audit by KPMG and the possibility of a prior-year adjustment relating to the University of Liverpool Pension Fund surplus
 - A current environment scan showing the landscape that the institution is operating within and the potential impacts
 - A summary of performance data, aligned to Strategy 2026
 - A proposal for reporting for the academic year 2020/21.

REPORTED:

- ii. The overall surplus for the University (excluding pension adjustments) was £19.8m, compared with a prior year surplus of £34.6m and forecast deficit of £3.6m. This included £6.5m VS costs and £4.8m impairment of assets in relation to the London campus. Excluding these exceptional items, surplus was £31.1m against a plan of £22.7m for 2019/20. In excess of £10m had been lost due to the pandemic, including £8.8m of student residential fees. However, these had been mitigated in part by the savings measures brought in as part of the response to COVID-19 and the furlough grant income of c£4m. The favourable movement of £23.4m to forecast was largely due to operating surplus being £9.2m greater than forecast, a delay in the transfer of the London campus to City and an additional £4.3m share of joint venture/associate income. Following consultation with the external auditors, it had been agreed that the University should equity account for its 50% share of XJTLU for the first time this financial year because it was now in a net asset rather than net liability position, which had resulted in an additional £6m being recognised in 2019/20.
- iii. Operating surplus (excluding pension adjustments) at £3m was up on forecast by £9.2m, down on plan by £4.3m, and £18.4m down on prior year of £21.4m. Excluding the exceptional items (VS costs and London impairment), operating

surplus was £14.3m. Overall the decrease in operating surplus compared with prior year was expected and was largely due to the cost base inflating at a greater rate than income, coupled with the obvious impact of COVID-19 over the past few months.

- iv. The underlying EBITDA was 10.5%.
- v. Although COVID-19 had had a significant impact on performance, the fact remained that the University's costs had been rising more quickly than its income. With the financial climate likely to remain uncertain over the next few years, it was critical that the University continued to focus its attention on cost saving initiatives alongside income growth (where possible) in order to become stronger financially and to enable investment in strategic initiatives to ensure longer term sustainability.
- vi. There had been mixed performance in the League Tables: a rise of two in THE World (163), a fall of nine in the Guardian (59) and unchanged in the Times (29). In UK tables, relative gains in facilities spend and NSS had been offset by SSR, Tariff, Good Degrees and Completion measures.
- vii. The DLHE replacement, Graduate Outcomes, had reported. At 80.6%, the University was ranked 34th versus last year's 14th in the Times. Work was underway to understand the implications of the survey.
- viii. The NSS Survey had been affected by industrial action and the COVID-19 pandemic and it had been expected that satisfaction would diminish. Results confirmed this expectation, but the University had still scored above the average for the sector and the Russell Group in overall satisfaction.
- ix. The institutional total for the percentage of staff who teach who have a qualification (as recognised by HESA) was 65.5%.
- x. Although REF had been re-timetabled, support in the preparation of impact case studies had continued. As a result of activities to date, Units of Assessment had defined their submission plans, with some Units retaining a suitable number of 'reserve' cases in development. Faculties were currently identifying their final set of case studies for development and support.
- xi. The number of PGR students per staff FTE had decreased slightly compared with the same time last year, reflecting a slight increase in PGRs and an increase in Teaching and Research staff.
- xii. A PwC audit of the monitoring of Strategy 2026 KPIs had recommended:
 - Clearer and more succinct reporting of KPI performance to inform discussion and action generation
 - Inclusion of RAG statuses and trend analysis to focus priority
 - Clear action generation for KPIs not meeting targets.

It was proposed that the quarterly performance reports would in future include a scorecard with commentary where relevant, providing a clear visual overview of the performance of the institution and including all measures reported during the year. This was a change from current practice whereby only recently updated

measures were reported each quarter. The scorecard would also provide a direction of travel for context and a RAG rating to identify which areas needed action. Measures were aligned to the strategic risks and continued underperformance would also be flagged through the risk framework to introduce additional management actions.

AGREED:

- xiii. The End of Year and Quarter 4 Performance Report and the proposed approach for future KPI reporting should be approved in principle, noting that more strategic reporting should enhance oversight of the outcomes of strategic initiatives and decision-making. The first populated dashboard would be submitted to the February 2021 Council meeting.

5. Interim Financial Return to the OfS

[The Deputy Director of Finance, Mr Paul Fallon, attended for this item.]

RECEIVED:

- i. A presentation providing the interim financial return tables (consolidated statement of comprehensive income and expenditure, consolidated statement of financial position, and consolidated statement of cash flows) which would be submitted to the OfS by 30 October 2020, providing an early snapshot view of 2019/20 audited data and 2020/21 based on the realistic scenario.

REPORTED:

- ii. The interim return did not require formal Council approval, but it was considered best practice for the information to be shared with Council members.
- iii. A thorough review of the University's going concern position would be submitted to Council in November 2020.

6. Pensions Update

[A Director at Mercer, Ms Rebecca Dodd, attended for this item.]

[Noted that the staff members and attendees present, excluding the Vice-Chancellor, were members of the USS.]

RECEIVED:

- i. A presentation providing an overview and update in relation to the pension arrangements of the University and, in particular, the Universities Superannuation Scheme (USS).

REPORTED:

- ii. The University's two main schemes were USS and the University of Liverpool Pension Fund (ULPF), a standalone self-administered trust (SAT) pension scheme for support staff. There were also a small number of members in the NHS Pension Scheme.

- iii. The last actuarial valuation of ULPF was as at 31 July 2018 and the results showed that the assets covered the liabilities by 128%. On an accounting basis, ULPF had the highest funding level of all the SATs.
- iv. The University had responded to a number of consultations over recent months in relation to the ongoing issues concerning USS. The next consultation would be on the USS Trustee's Proposed Methodology and Assumptions for the Scheme's Technical Provisions in Relation to the 2020 Valuation.
- v. At this stage, USS was not consulting on the future service costs or the deficit recovery contributions. However, they had illustrated the potential results given a range of outcomes depending on the covenant strength and the recovery plan which did not appear to be affordable. USS had said that for now they were using a 'tending to strong' covenant rating which was lower than the 'strong' covenant adopted for the 2018 valuation. In order to get back to 'strong', USS had outlined the following conditions:
 - Debt monitoring, pari-passu arrangements on new secured debt and the rule change on exiting USS would need to be implemented
 - Plus, confirmation would be needed (based on further analysis from USS covenant advisers, PwC, in the autumn) that the sector could continue to support a 'strong' covenant
 - Plus, to get to the lower end of the contribution range under a 'strong' covenant, further employer support (such as contingent funding structures) may be needed – and it would be for employers to consider what this might be.
- vi. Employers had been asked to respond to UUK by 30 October 2020 and a draft response would be circulated to Council members for comment shortly. This would allow the University to comment on: the method, assumptions and risk management framework; whether it was willing to agree to the three covenant enhancing measures; whether there was further support it would want to offer to reassure USS and The Pension Regulator about the University's strength; and whether it agrees with USS's interpretations of the affordable risk capacity.

7. Education Update

RECEIVED:

- i. A presentation by the Pro-Vice-Chancellor for Education providing an update on student admissions, recruitment and experience matters in the context of COVID-19.

REPORTED:

- ii. The latest admissions position was as follows: Home/EU UG, Home/EU PGT and UG ULIC expected intakes were up against plan; Overseas Direct UG expected intake was very slightly down against plan; and Overseas Direct PGT, XJTLU, and ULIC PGT expected intakes were down against plan.
- iii. Pre COVID-19 there had been record application buoyancy as a result of the US trade war with China, the return of the Post Study Work Visa, the weak pound, and

the enhancements made to the University's ranking, portfolio and visibility. The impact of COVID-19 had been felt on multiple levels (practical, economic, UK brand, emotive, and the Liverpool situation and Tier 3).

- iv. Coronavirus initially had not impacted overall applicant decision making for Entry 2020. Whilst the proportion of UG UK sector applicants considering deferral had grown as the cycle progressed (mainly because of not wanting to miss out on a 'true' university experience and not wanting to be taught online), only around 5% had deferred in the end. However, recent sentiment research suggested a growing proportion of the University's PGT applicants were seriously considering deferring starting their course until January 2021 (59%) or September/October 2021 (51%), although this may not translate into action. There was some risk of losing students to competitors offering online-only courses.
- v. Mitigations included:
 - Many of the University's most popular PGT programmes had a dual entry or exclusive later January start
 - All UG and PGT programmes had a specified latest arrival date which in the majority of cases was Semester 2
 - Following the move to Tier 3, some PGT programmes might also now go fully online
 - Charter flights from China.
- vi. Expected Home/EU Polar 1/5 2020 intake by subject and by region was looking positive and in keeping with Access and Participation Plan targets, as was tariff of the expected intake.
- vii. In terms of recruitment for 2021, colleagues were using data and connections to inform strategy and carefully monitor the recruitment pipeline and were developing a fully integrated recruitment and marketing plan. Early sentiment research for Entry 2021 suggested a commitment to going to university, with four in five of those registered with UCAS committed to going to university in 2021. The research also showed that information needs had changed, with Virtual Open Days and University websites and graduate employment being more important.
- viii. Welcome Week and Foundation Week had both been entirely online this year and had been a great success. For Welcome Week there had been 97,595 student engagements in workshops, presentations and events, users across geographical locations and user ratings averaging 4.8 out of 5. Foundation Week had seen 263,811 logins by 14,109 users and included: four inspirational alumni talks; careers and employability workshops; KnowHow study skills; the Great Read; mental health, wellbeing and support; and citizenship modules.
- ix. Additional resources for student support had recently been approved. Measures currently in place included:
 - Lots of interaction/support with department/school
 - Peer mentoring
 - New laptop loan scheme for students in digital poverty
 - Extended hardship loan scheme (now including international students)

- Online and face-to-face support for Mental Health Advisory and Counselling Services
- All students declaring mental health difficulties pre-entry had been contacted
- Extensive social programmes offered by the Guild, Halls Life, Societies, etc.
- Specific support for self-isolating students.

8. Research and Impact/REF Preparations

RECEIVED:

- A presentation from the Pro-Vice-Chancellor for Research and Impact on research and impact performance and priorities, covering: world-leading outputs; staff performance trends; REF Unit output reductions; REF 2021 4* output projections; quartile positions – 2020 outputs predictions; KPI updates; research awards; ministerial visit; the Prosper project; Project RISE; and the N8/NPH Net Zero North £300m CSR bid.

REPORTED:

- Four requests had been submitted for Unit-level reductions in the required number of outputs, based on large proportions of Early Career Researchers and other circumstances, and these had been approved.
- Progress against KPI 4 (4* outputs), KPI 5 (strategic research partnerships), KPI 6 (policy principles), KPI 7 (REF impact case studies), SPI 6b (research income per staff FTE) and SPI 6d (PGRs per staff FTE) was generally positive.
- Recent research awards successes included:
 - Global Burden for Animal Diseases (Rushton) – \$7m, Bill and Melinda Gates/FCDO
 - NERC Environmental 'Omics Facility (Patterson) – £10m
 - C-GULL: Children Growing Up in Liverpool (Kenny) – £5m, Wellcome Trust
 - ESRC SafePod (Singleton) – £250k
 - ESRC Domestic Abuse: Responses to the Shadow Pandemic (Walklate) – £320k
 - UKRI Future Leaders Fellowships – six awards to date, with success across all three Faculties
 - First ever ESRC Turing Fellowship (Arribas-Bel)
 - First NIHR Research Professorship (Gordon)
 - In principle agreement with Bill and Melinda Gates to extend Shigella Study to Malawi (Cunliffe).
- Science Minister, Amanda Solloway MP, had recently been on a successful visit to the University as part of her R&D Roadtrip.
- In collaboration with the Universities of Lancaster and Manchester, and in coordination with the N8, the University was leading an innovative project: 'Prosper: Enhancing first-time postdoctoral career development and success'. This £4.4m project, funded via the first award from Research England's RED fund, was designed to boost the success of postdoctoral researchers inside and outside of academia.

- vii. The University was undertaking an institutional ‘big conversation’ project focused on delivering ‘Research in an Inclusive and Sustainable Environment’ (RISE). Over 2020/21, RISE would listen to staff through multiple channels, to inform a range of reports and policy proposals for the future research environment and staff support.

NOTED:

- viii. Research strategy and policy principles would be reviewed after the REF submission had been made on 31 March 2021.

9. Strategic Risk Register Revision

[The Interim Director of Strategic Planning, Mr Phil Hopwood, attended for this item.]

RECEIVED:

- i. A paper providing the latest version of the Strategic Risk Register.

REPORTED:

- ii. A number of changes to the Strategic Risk Register were proposed to ensure that it remains relevant. Two risks had maintained a high post-mitigation exposure, Cyber Security (E4) and Financial Sustainability (S9). It was anticipated that the Financial Sustainability risk would continue at this level until at least January 2021 and probably beyond due to continued uncertainty around overseas student number demand. The Cyber Security risk was expected to stay at its current level for the next six months whilst specific protections were rolled out across the IT estate, but once implementation had taken place the exposure would remain high due to the continued heightened hostile external cyber environment.
- iii. The proposed changes were as follows:
 - E1 Brexit – Reduction in current risk score (from 12 to nine) as the University was not as exposed as other Russell Group universities to the negative impact of Brexit. Inclusion of stress-testing of supply chains and actively monitoring post-Brexit UK options for Erasmus-style scheme and alternatives to EU research funding
 - E2 Political and Funding Landscape – Reduction in current risk score (from 16 to 12) owing to improved potential of receiving full economic cost of research and reduced likelihood of Government implementing all recommendations from the Augar review following the pandemic. Addition of involvement with sector mission bodies to gain intelligence and influence on policy and consideration of opportunity to cross-subsidise fee income
 - E3 Pensions – Reduction in current risk score (from 16 to 12) owing to improved outlook following valuation. Addition of increased level and frequency of information provided to staff
 - E4 Cyber Security – Confirmation that the investment plan had been submitted as part of Planning and Performance Cycle, increased emphasis on the need for individual accountability for cyber security and briefing notes to be provided to the Formal Senior Leadership Team (FSLT) and Council, Information Governance Committee Terms of Reference would be reviewed

- regularly to ensure relevance to ever-changing environment, and an independent audit by PwC of cyber security was being undertaken
- S1 Research and Impact Quantity and Quality – Inclusion of the Research in an Inclusive and Sustainable Environment (RISE) project
 - S2 Student Recruitment – Addition of the improved flexibility and increased activity for conversion, the Education Scenario Planning and Implementation Group working on the medium-term impact of COVID-19, the development of the PGR Strategy and further developments regarding online
 - S3 Student Satisfaction and Wellbeing – The current score had risen from eight to 12 because of the increased impact of COVID-19 and, following the recommendation from Council in May 2020, the post-mitigation score had been raised to six (previously three) to reflect an increase in consequence. Removal of completed actions and addition of investment in virtual teaching and student support work with the Guild to provide COVID-safe welcome events
 - S5 Compliance – Change in the current score to 10 (a reduction from 16) following a re-evaluation against the scoring levels. The mitigating actions now included the OfS Working Group Annual Compliance Report produced, two-tier Health and Safety governance system established, and the new policy on imposing of academic sanctions for non-academic debts now in place
 - S6 Culture and Ambition – The demonstration of benefits achieved and mitigating actions to increase the visibility of the portfolio had commenced
 - S7 Staff Recruitment and Retention – Addition of guidance for managers on staff wellbeing following COVID-19 and pulse surveys had commenced
 - S8 Key Partnerships – The post-mitigation scoring had been increased from four to eight given the challenging environment and the potential that the ability of local partnerships to have an impact post-COVID may be more difficult
 - S9 Financial Sustainability – Additions to detail of scenario planning and the role of the Planning Group in improving governance in planning
 - FSLT had proposed the inclusion of a new strategic risk regarding the University's ability to deliver Strategy 2026 given the high demand and tempo of changes currently being experienced as a consequence of the pandemic. Subject to Council approval, the additional risk would be developed for inclusion in the Strategic Risk Register.

AGREED:

- iv. The revised Strategic Risk Register, the inclusion of the additional risk and the implementation of mitigation actions associated with each risk should be approved, subject to: incorporating the operational aspects of managing the University throughout the pandemic within the new COVID-19-related risk; ensuring that the Risk Management Framework covers opportunities as well as risks, noting that the agility to respond to difficulties of the pandemic could present real opportunities; S3 Student Satisfaction and Wellbeing including reference to managing teaching quality; S4 Reputation referencing the importance of proactive partnerships with the media; and the need to continue to manage medium-term risks relating to the University's reliance on China being noted.

10. Staff Pulse Survey 2020 – Overview of Institutional Level Results

[The Director of Human Resources, Mr Keith Watkinson, attended for this item.]

RECEIVED:

- i. A presentation from the Director of Human Resources on the outcomes of the 2020 staff pulse survey.

REPORTED:

- ii. The University had conducted its most recent staff survey in November 2019, which coincided with the closure of the London Campus and a period of industrial action. A commitment had been given following this to undertake more frequent, less intensive 'pulse' surveys to continue to explore perceptions and more quickly inform interventions.
- iii. Given the seismic changes caused by the COVID-19 pandemic since the 2019 staff survey, the University had conducted a pulse survey in July 2020, which ran for three weeks and was open to all colleagues to complete including those who were furloughed.
- iv. 1365 colleagues responded to the survey. This was lower than the 2019 staff survey response rate, but was as anticipated and was a common feature of pulse surveys.
- v. The survey explored the staff survey priority themes: Communication, Leadership, Wellbeing and Managing Change, including 12 questions that could be benchmarked against the 2019 staff survey data, and also explored colleagues' experiences of working from home.
- vi. Results overall were positive, with significant improvements noted across all four of the priority themes. Out of the 12 questions that could be benchmarked against the 2019 staff survey data, eight scores had improved, with five improving by more than 15%, one score remained the same, and three were slightly less positive than the 2019 results.
- vii. The survey included additional questions that were specific to the current pandemic and further explored the four priority themes and perceptions of home working. The survey found that:
 - 87% felt that they were receiving timely communications about the University's response to the pandemic
 - 86% felt confident using the technology available to them
 - 85% agreed that they keep in touch regularly with colleagues in their team
 - 78% felt that the University was providing enough flexibility for working arrangements during this time
 - 75% felt that the University was doing a good job of maintaining essential services during this time
 - 76% felt connected to their team during this time; however only 42% felt connected to colleagues in other areas

- 73% felt that they had been treated fairly when considering new working arrangements during this time.
- viii. A number of free text questions were asked to explore staff perceptions of how the University could support their wellbeing, new working arrangements, gauge what was working well from home working and any challenges. Approximately 4000 comments had been received, with some emerging themes. Full comment analysis was currently underway.
- ix. Results were being shared locally with nominated Staff Experience Leads within School or Professional Services departments. Action plans – including the institutional-level action plan – would be confirmed and communicated at the start of 2021. Focus groups would also take place in November 2020 to help inform the institutional action plan.

11. Date of Next Meeting

NOTED:

- i. The next meeting of the Council would be held at 2pm on Tuesday 24 November 2020.