



## **University Board Meeting (By MS Teams video conference)**

Minutes of a meeting held on 1<sup>st</sup> May 2020

### **Members Present**

Prof Richard Conder (Chair)	Chair of the University Board
Paula Alliston	Professional & Support Staff Member
Jim Andrews	Chief Operating Officer
Ade Balogun	President, Students' Union at Bournemouth University
Nicholas Beal	Independent Board Member
John Beswick	Independent Board Member
Alistair Brien	Independent Board Member
Annette D'Abreo	Independent Board Member
Karima Fahmy	Independent Board Member
Lois Farquharson	Academic Staff Member
David Furniss	Independent Board Member
Karl Hoods	Independent Board Member
Stuart Jones	Independent Board Member
David Kane	Independent Board Member
Jean Lang (Deputy Chair)	Independent Board Member
Sara Luder	Independent Board Member
Prof Tim McIntyre-Bhatty	Deputy Vice-Chancellor
Tola Oloyede	Independent Board Member
Des Pullen	Independent Board Member
Prof Tim Rees	Senate Member
Prof John Vinney	Vice-Chancellor
Deborah Ward	Independent Board Member

### **In attendance**

Dr Samantha Leahy-Harland, Chief Executive SUBU (Item 5.1), David Reeve (Interim Director of Finance), Geoff Rayment (Committee Clerk), Deborah Wakely (Clerk to the Board)

### **1. Welcome, Apologies and Declarations of Interest (Chair)**

19/220 There were no apologies and no new declarations of interest or existing declarations relevant to any of the agenda items below.

## **2. MINUTES OF PREVIOUS MEETINGS (Chair)**

### **2.1. Minutes of the University Board Meeting, 28 February 2020**

19/221 The minutes were **approved** as an accurate record. The minutes of the extraordinary meeting on 20<sup>th</sup> April were being finalised and would be circulated in due course.

### **2.2. Matters Arising and Actions Register**

19/222 The actions register was **noted**. All actions were either completed, in progress or not yet due. The VC advised that there was no further progress to report on the Tianjin Institute of Technology (TUT). The action on financial briefings (a presentation from PwC) was deferred due to the lockdown restrictions but would be rearranged for a future meeting. Actions arising from the 20<sup>th</sup> April meeting (not yet shown on the actions register) were addressed via the circulation of an additional paper and written resolution on student accommodation following the meeting or were for the July Board meeting. The Carbon Management Plan, which was discussed in outline at the February meeting, was expected to be presented to the Board for approval at a later meeting rather than in July, due to the need for further clarification around the budgets and funding. Similarly, implementation of the business case for the Institute of Aquatic Sciences, previously approved by the Board, was on hold in light of the evolving financial situation as agreed at FRC.

## **3. CONTEXT SETTING AND UPDATE REPORTS**

### **3.1. VC's BU Update Report (VC)**

19/223 The VC reported that the written resolution concerning student accommodation charges had been approved and the communications plan was being implemented. There had been relatively little response from the media or students with most attention instead focusing on the response from private accommodation providers. The COO added that the University was continuing discussions with these providers. Those which had previously adopted an approach of considering each student's case individually were struggling to consider all applications and were now considering a similar proposal to the University's with a 50% waiver now. There was also a proposal from one provider to increase some tenancy agreements from 41 weeks to 42 weeks which was being considered. The University would ensure that its financial liabilities did not change as a result of any changes to the arrangements with private providers and once the proposal had been evaluated it would come back to the Board.

19/224 Turning to regulatory changes, the VC explained that the moratorium on unconditional offers imposed by the Office for Students (OfS) had been extended to 4<sup>th</sup> May and further guidance on additional regulatory measures to protect students were expected to be issued shortly. The reportable event made to the OfS regarding the University's financial position had been submitted and a further update setting out forecast cashflow as at 20<sup>th</sup> April had been provided. A further update call with OfS was scheduled for mid-May.

19/225 A copy of that OfS report was appended to the VC's update and the IDoF summarised the key points and current position. The report had focused on worst-case scenarios, particularly in respect of income which was considered to be at risk as a result of the pandemic. The decision to split the full impact of the rent waiver into 50% parts had helped cash-flow projections. Action was being taken to manage expenditure. PAYE and VAT payments were being deferred in accordance with HMRC policy. BU rent payments to landlords were being deferred wherever possible and all capital expenditure programmes had been reviewed, which provided some further short-term benefits.

19/226 [Redacted]

19/227 The COO advised that plans were progressing to launch a Voluntary Severance Scheme this financial year in order to help reduce pay costs. This would require FRC and Board approval, probably urgently in order to achieve savings in this financial year. Furlough arrangements were also being considered, pending clarification of whether HEIs would be eligible for funding and what rules applied around who could be furloughed. The auditors had said they had considerable experience in this area and would likely be asked to advise before any claim was submitted to ensure compliance with the scheme's rules. It was estimated that around 150 staff might take up the severance scheme and finance were working through the likely savings which would be achieved. A member asked about the savings that would be made as a result of the Furlough scheme. The COO stated that it was too early to confirm a savings figure in relation to the Furlough scheme and this would be circulated to the Board as soon as available.

**Action:** Circulate anticipated savings from the Furlough scheme to the Board once a figure was known.

**Action by:** COO/IDoF

19/228 The Chair reported back on key points which had arisen from the recent CUC conference. There was a general consensus that any direct government support for the Sector was likely to be linked to measures such as restructuring (for example mergers and federations). It was also emphasised that Boards should ensure they were familiar with their Institutions' Student Protection Plans (SPPs) and should ensure that good governance was adhered to even in challenging times.

19/229 [Redacted]

19/230 Mrs Alliston welcomed the positive picture on applications for September 2020 but wondered whether there might be a higher deferral rate than normal. The COO confirmed that this was factored into the overall estimated reduction of 10% and the DVC added that the data available currently suggested that people remained committed to continuing, particularly in light of potential rising unemployment. A lot would depend on when the campus was able to re-open and what it was able to offer in terms of delivery. It was likely that a mixed approach, combining on-campus and remote learning, would be required.

## **4. STRATEGIC MATTERS**

### **4.1. Review of UK & EU Undergraduate Fees 2021/22 (DVC)**

19/231 The DVC reminded Members that the Board had previously delegated approval of fees for 2021/22 entry, but the approval of UK and EU undergraduate fees remained reserved to the Board. In the absence of any further government policy developments it was taken that the cap on fees of £9,250 still applied and it was recommended, therefore, that the fees be approved unchanged.

19/232 The Board **approved** the recommendation that undergraduate fees for UK and EU undergraduate entrants in 2021/22 are unchanged over previous levels: for standard foundation programmes at £6,000; for science-based foundation programmes at Wiltshire College at £8250; and all other undergraduate programmes at £9,250.

## **5. OPERATIONAL MATTERS**

## **5.1. SUBU Proposals to incorporate and amended Constitution (SUBU President/Chief Executive)**

19/233 The Chair welcomed Dr Samantha Leahy-Harland (SUBU Chief Executive) who joined the meeting to seek approval of the proposals for SUBU to incorporate and the amended SUBU constitution.

19/234 ARG had considered the documents at their 20 March meeting and recommended them to the Board subject to certain conditions (particularly amendments to the quorum for trustee meetings and the independence of lay trustees). These points did not appear to have been fully addressed in the revised drafting which has been submitted to the Board.

19/235 The Clerk to the Board had, therefore, provided a separate paper at agenda item 5.1.1 (below) which set out these concerns and provided an amended 'Decision Required' which allowed the Board to approve the draft subject to further conditions being applied.

### **5.1.1. Updated Legal Advice (Clerk to the Board)**

19/236 The Clerk to the Board set out the caveats to be applied to the approval to bring the quorum for trustee meetings in line with that agreed with ARG, and to clarify the meaning of 'recent' as applied to the eligibility to be a trustee.

19/237 Dr Leahy-Harland confirmed that she had discussed these proposed amendments with the Clerk to the Board, was happy to agree them and welcomed the clarity of the definition of 'recent' in Article 22.3. Mrs Lang also confirmed that ARG had scrutinised the documents and the amended approval dealt with the points raised.

19/238 The Board **confirmed** that it had no objection to the use of "Bournemouth University" in the proposed SUBU company name subject to SUBU having in place appropriately qualified company secretarial support for the company and its subsidiaries and **authorised** the Chair or the Clerk to sign a letter of non-objection on that basis for SUBU to submit to the DfE.

19/239 The Board **approved** the revised constitutional documents for SUBU subject to the insertion of a replacement Article 40.2 as follows:

"40.2 The quorum for Trustees' meetings until and including the Effective Date shall be two. Thereafter, the quorum for Trustees' meetings may be fixed from time to time by a decision of the Trustees, but it must never be less than six and such quorum must include at least three lay trustees."

and;

The insertion of a definition of recent in Article 22.3 to state "recent means within the last 2 years".

19/240 The Board **agreed** that the Executive, with support from Legal Services, should progress the actions listed at paragraph 2.4 items 1-3 of the paper and to report back to ARG/Board. This comprised the putting in place of a formal grant agreement with SUBU; the regularizing of all property occupation with the new incorporated entity; and reviewing and regularising SUBU's use of BU IT systems and the current Data Sharing Agreement.

## **5.2. Review of Scheme of Delegation (Clerk to the Board)**

19/241 The Clerk to the Board presented the proposed amendments and updates to the Scheme of Delegation following the annual review of the document. The proposed revisions had been considered by ARG who recommended them to the Board for approval. The amendments on the

Board matters addressed the disbanding of the Development Funding Committee and clarified delegations to Committees for policy approvals.

19/242 Members discussed the delegations in respect of Executive appointments and the need for oversight of Executive succession planning. The Clerk to the Board clarified that UET were Senior Post Holders (and Board Members) and, therefore, these were Board appointments with the appointment process and succession for these roles overseen by the Nominations Committee (and included in the Nominations Committee terms of reference). The Clerk agreed to add a note to the Scheme of Delegation to ensure it was clear where that responsibility was located.

19/243 The Board **approved** the revised Scheme of Delegation subject to the addition of the clarification set out above.

### **5.3. External Audit Contract (IDoF/Mrs Lang)**

19/244 The IDoF explained that the external audit contract with BDO LLP was coming to an end on 31<sup>st</sup> May 2020. The Board was being asked to extend the service in order to provide continuity in light of the reviews completed with BDO in relation to cash-flow and going concern for the 2018/19 audit. Mrs Lang confirmed that ARG had considered the proposal and were content to recommend it to the Board. Mr Beswick noted that, while supporting the proposal, it was important that BDO continued to take account of any learning from the recent cash-flow issues going forward and that the tender process for the subsequent appointment ensured that the learnings from the cash flow issues in the previous cycle were reflected and tested.

19/245 The Board **approved** the proposal to extend the current External Audit Services contract held by BDO LLP until end February 2021.

### **5.4. Statement of Primary Responsibilities (Chair/Clerk to the Board)**

19/246 The Clerk to the Board presented the Statement of Primary Responsibilities which had been updated to reflect the forthcoming updates to the CUC HE Code of Governance. Details of the amendments were set out in the paper and shown in 'track changes' in the document. ARG recommended the changes to the Board having proposed one further amendment to point 4, to align the University's culture to its vision and values.

19/247 Members discussed this last point and agreed a further amendment to point 4 to better reflect the intention, as follows:

"To promote equality and diversity throughout the institution, including in relation to its own operation, and to promote a culture that reflects the University's vision and values."

19/248 The Statement of Primary Responsibilities was **approved** with the additional amendment as set-out above.

## **6. COMMITTEE REPORTS**

### **6.1. Honorary Awards Committee (4 March 2020) (Chair) including: Honorary Award Nominations 2020**

19/249 The minutes were **noted**. The Chair reminded all Members that the details of the nominees for honorary awards remained strictly confidential until such time as they were formally announced in the run-up to the graduation ceremonies. The recommendations for awards had been approved by

Senate before being presented to the Board.

19/250 The Board **approved** the 2020 Honorary Award recommendations and award titles; and **delegated** power to the Vice-Chancellor to allocate the Board's approved nominees to the graduation ceremonies, including the power to defer awards to future years if appropriate. It was noted that the Vice-Chancellor would also exercise discretion about when it was appropriate to contact approved nominees given the uncertainty over arrangements for 2020 ceremonies as a result of the pandemic.

In light of the current circumstances rather than launch the call for nominations for 2021 ceremonies immediately following the May Board as previously approved by the Board, the Board also delegated to the Vice-Chancellor the power to decide when to launch the next round of nominations.

#### **6.2. Remuneration Committee (27 February 2020) (Mr Furniss)**

19/251 The minutes were **noted**.

#### **6.3. Nominations Committee (27 February 2020) (Chair)**

19/252 The minutes were **noted**.

##### **6.3.1. Nominations Committee Terms of Reference**

19/253 The Terms of Reference were **approved**.

#### **6.4. Audit, Risk & Governance Committee (20 March 2020) (Mrs Lang)**

19/254 The minutes were **noted**.

##### **6.4.1. ARG Terms of Reference (Mrs Lang)**

19/255 The terms of reference were **approved**.

##### **6.4.2. Updated Risk Register (DVC)**

19/256 The DVC presented the risk register. As so many developing Covid-19 related risks had emerged since this was presented to ARG, it had been agreed with the ARG Chair that an updated version would be provided with the Board papers. In summary, there were now 5 red risks (increased from 3) out of 12 risks in total. The area of greatest challenge was Performance and Resilience where in that category 3 of the 4 risks are now coded as red.

19/257 Failure to build the University's research profile was also rated as a 'red' risk. The DVC explained that funding calls had been delayed, although some projects directly related to the Covid-19 response were continuing. Overall, it was intended to undertake an exercise to review the risk register and undertake horizon scanning for other risks. The Board had also previously agreed to spend time at the October Board on a blue sky risk exercise to ensure that any new and broader risks could be identified. The risk register was **noted**.

**Action:** To ensure that the October Board agenda has time for a blue sky session on risks.

**Action by:** Clerk/Chair/DVC

#### **6.5. Finance & Resources Committee (3 April 2020) (Mr Furniss)**

19/258 The minutes were **noted**.

##### **6.5.1. Management Accounts February 2020 (IDoF)**

19/259 The Management Accounts were **noted**.

## **6.5.2. Review of Financial Controls (IDoF)**

### **Confidential**

19/260 -266 [Redacted]

19/267 The report on the review of financial controls was **noted**.

## **7. Any other business (Chair)**

19/268 The COO advised the Board that the completion of the Bournemouth Gateway Building was likely to be further delayed due to the ongoing Covid-19 situation and the reduced number of operatives on site. The possible financial consequences of the delay were being worked through with advice from the Legal Team and external specialist building costs consultants. Further details and confirmation of any financial liabilities would follow.

19/269 The Chair reported back on the CUC conference which he had attended. It was apparent that a variety of different approaches were being taken across the Sector in response to Covid-19, but there was a focus on cash flows and financial sustainability across all institutions. The importance of maintaining robust governance processes had been stressed and the Chair reiterated that all Members were free to contact himself or the VC directly if they had any concerns. It was possible that, in order to remain responsive to emerging developments, further extraordinary meetings would be necessary.

## **8. DATE OF NEXT MEETING**

19/270 The Chair advised that, in order to allow the Executive sufficient time to prepare the budget for next year and respond to the rapidly evolving situation generally, it had been agreed with the Committee Chairs that the meetings for the remainder of the academic year would be pushed back by 2 weeks. The new dates were as follows (all meetings to be held remotely):

Finance & Resources Committee moves from Friday 5<sup>th</sup> June to **Friday 19<sup>th</sup> June**.

Audit, Risk & Governance Committee (and induction session) from Friday 19<sup>th</sup> June to **Friday 3<sup>rd</sup> July**

Nominations Committee moves from Thursday 2<sup>nd</sup> July to **Thursday 16<sup>th</sup> July**

The University Board meeting moves from Friday 3<sup>rd</sup> July to **Friday 17<sup>th</sup> July**