

University Board Meeting (By MS Teams video conference)

Minutes of a meeting held on 9 July 2021

Members Present

Prof Richard Conder (Chair)	Chair of the University Board
Paula Alliston	Professional & Support Staff Member
Jim Andrews	Chief Operating Officer (COO)
Alistair Brien	Independent Board Member (Item 4.1 onwards)
Prof Carol Clark	Senate Member of the Board
Annette D'Abreo	Independent Board Member
Karima Fahmy	Independent Board Member
Dr Lois Farquharson	Academic Staff Board Member
Maggie Frost	Independent Board Member
David Furniss	Independent Board Member (Items 1 to 4.2)
Karl Hoods	Independent Board Member (absent for items 3.3.1 to 4.6)
Stuart Jones	Independent Board Member
David Kane	Independent Board Member
Jean Lang (Deputy Chair)	Independent Board Member
Naomie Lebe	President, Students' Union at Bournemouth University
Sara Luder	Independent Board Member (Items 1 to 5.3)
Prof Tim McIntyre-Bhatty	Deputy Vice-Chancellor (DVC)
Tola Oloyede	Independent Board Member
Des Pullen	Independent Board Member
Prof John Vinney	Vice-Chancellor (VC)

In attendance

David Reeve (Interim Director of Finance (IDoF)), Geoff Rayment (Corporate Governance and Committees Manager); Deborah Wakely (Clerk to the Board).

1. Welcome, Apologies and Declarations of Interests (Chair)

20/372 Apologies were noted from Mr Beswick and Ms Ward. The Chair welcomed newly appointed independent member Maggie Frost to her first meeting of the Board.

20/373 The Chair invited any new declarations of interests or declarations relevant to agenda items and the Board noted that the SUBU President would need to withdraw from the meeting for the decision on the SUBU grant element of the University Budget at Item 4.2 because she was the Chair of Trustees for SUBU as well as being a trustee for the University (although she would be able to stay for the discussion itself). There were no other new or relevant declarations.

2. Minutes of the Previous Meeting

2.1. Minutes of the University Board Meetings, 14 May 2021 (Chair)

20/374 The minutes of the 14 May 2021 meeting were **approved** as an accurate record.

2.2. Matters Arising and Actions Register (Chair)

20/375 The Actions Register was **noted**. Most actions had been completed, were covered under the main agenda items (below) or were not yet due. [Redacted]. Updates would continue to be shared with the Chairs of the Board and Committees as previously agreed.

20/376 On action 181 (To discuss with SUBU how the financial support available to international students can be highlighted to them) the COO advised that this action was completed. The discussion with SUBU had taken place and hardship funding including that provided by OfS had been allocated to students.

3. Context Setting and Update Reports

3.1. VC's Update Report (VC)

20/377 The VC presented key points of his update report and set out the current discussions taking place in relation to HE funding and possible imminent changes. The Government was expected to publish its response to the Augar review in November 2021 and various scenarios were being modelled. A consultation was expected over the Summer on the introduction of a minimum qualification level to qualify for a student loan.

20/378 The VC confirmed that there had been no OfS reportable events since the previous meeting. The NSS results were expected to be published on 15th July. In the meantime, the numbers of applications and offers were looking positive. Turning to league tables, the University had risen in the THE Young Universities rankings to equal 77th (95th last year). The VC expected that the Government would move away from focusing on measures such as the NSS and TEF and look more at outcomes when ranking universities. The University was preparing to submit its application to the Race Equality Charter and a further Department had received an Athena Swan Bronze Award.

20/379 Work was proceeding to plan for delivery in light of the latest government position on the coronavirus restrictions and learning points from remote delivery. Planning was being undertaken on a programme by programme basis, being mindful of the need for consumer law compliance. Student communications were being prepared and it was hoped that as many facilities as possible would be available to students. Consideration was also being given to how best to support international students.

20/380 Graduation ceremonies were planned for the first week of November, for both 2020 and 2021 graduates. There would be 4 ceremonies per day, but in a slimmed-down format. Details would be communicated to Members in due course.

20/381 The VC's update report was **noted**.

3.2. SUBU Update Report (SUBU President)

20/382 The Chair noted the references to SUBU's financial position and the BU grant contained in the report and it was agreed to discuss this aspect as part of the University Budget at Item 4.2. [Redacted]

20/383 The SUBU President presented key points of her report. An Allyship Hub project had been launched to support students in becoming allies to minority groups. SUBU had also submitted an entry to

the Green Impact Student Union Award. Planning was underway for the coming academic year to engage with new and current students. Data from the March 'speak week' survey had been analysed and revealed that students had a good understanding of the legal nature of their accommodation contracts (following SUBU's work to ensure that students were aware of the risks). The financial implications of the pandemic on SUBU were detailed in the report.

20/384 Ms Fahmy noted that the report referred to a spike in the number of students being investigated for academic offences, who were being supported by SUBU, and asked what was driving this. The SUBU President thought there were several reasons, including the challenges of working remotely and a lack of awareness of the support available from BU. The DVC agreed that it was important to reach students early if they were feeling under pressure to submit work when they were facing particular challenges and should be declaring mitigating circumstances. Mrs Alliston and Dr Farquharson detailed some of the support offered in their own areas, including the availability of independent academic advisors for every student.

20/385 The SUBU President's report was **noted**.

3.3. Chair's Report

3.3.1. Chair's Action, Written Resolutions and Use of the University Seal (Chair)

20/386 The report was **noted**.

3.3.2. Board and Committee Appointments (Chair)

20/387 The Chair presented the recommendations of the Nominations Committee in respect of Board and Committee appointments. The Board approved the appointments and recommendations of the Nominations Committee as follows:

20/388 Subject to satisfactory due diligence checks and independent references being obtained, the Board: **approved** the appointment of Professor Carol Evans as an independent Board Member with effect from 1st August 2021 for an initial term of 3 years;

approved the appointment of Professor Carol Evans as an independent Member of ARG with effect from 1st August 2021;

approved the co-option of Simon Jackson to FRC with effect from 1st August 2021 for an initial term of 3 years (with the intention of him joining the Board in 2022 when an appropriate vacancy arises);

approved an amendment to the FRC Terms of Reference read: "~~Four~~ Five other Independent Members of the University Board or co-opted independent members (one of whom to be Deputy Chair of the Committee)", to allow an extra member to join the Committee;

approved the appointment of Robert Williams as an independent Board Member with effect from 1st January 2022 for an initial term of 3 years and invite him to attend Board meetings as an observer from 1st October 2021;

approved the appointment of Robert Williams to ARG as an independent Member with effect from 1st January 2022.

4. Strategic and Financial Matters

4.1. Key Performance Indicators (VC)

20/389 The VC presented key points from the KPI report. In addition to the rise in the THE Young

Universities ranking, there had been positive movements in the Longitudinal Education Outcomes metrics. Less positive were the Student/Staff ratio indicators which remained high at 20:1 due to budgetary pressures. A member asked about the impact of increasing SSR on both the student experience and other KPIs. The VC confirmed that financial planning, including around the SSR was being reviewed and financial assumptions for the remainder of the BU2025 plan period would be discussed at the October Board.

20/390 A member expressed concern about the gender pay gap and the Chair also asked what steps were being taken to analyse the position regarding ethnicity pay gap. The gender pay gap had widened from 17% to 20%. The COO said that there had been more successful female applicants in the current pay and progression round which would help to narrow this gap. The COO also confirmed that further work was being undertaken to breakdown and review data for both gender and ethnicity and that this would be reported to FRC with recommended actions. Societal impact targets in the KPIs remained challenging, partly due to Covid and partly because of the challenges in gathering the necessary data.

20/391 The Board **noted** the KPI report.

4.2. University Budget 2021/22 (VC/IDoF)

20/392 The VC introduced the budget, which had been developed through a challenging process, using zero-based approaches in some cases. He felt that the resulting budget was well thought through and balanced the need to build surpluses with the need for investment.

20/393 The IDoF described the budgeting process in further detail, which had included peer reviews for some areas (from which the Executive Team had been deliberately excluded). The paper provided the resulting budget for the following year, which was on-track to meet targeted surpluses of £[Redacted] in 2021/22, and covenant requirements, plus indicative budgets for the following two years, for information. Indicators for student recruitment were looking strong and postgraduate applications were also up on the previous year and total income was budgeted at [Redacted].

20/394 The main increase in expenditure resulted from the Digital Enablers programme investment, which could not be deferred due to the increasing cyber security risk in the sector. The transformation programme was on track to achieve its targeted cost savings this year and next year. [Redacted]

20/395 The Chair invited Mr Furniss to comment on the Finance & Resources Committee's (FRC's) scrutiny of the draft budget. Mr Furniss explained that the FRC had recognised the fine balance that needed to be achieved between investing for the benefit of the student experience and ensuring the financial stability of the University. The Committee had also noted the Reserves benchmarking report presented with the papers (Item 4.3 below) which did not make for good reading as the University's reserves were significantly below the sector and the sector comparators. This needed to be addressed through the creation of further surpluses, so the Committee asked what the target level of surpluses should be and whether the proposed levels were the right ones and requested that this matter be discussed by the full Board when it met in October. In summary, the FRC supported the budget but challenged the Executive on the rate and speed of rebuilding reserves to increase financial resilience.

20/396 Included in non-pay costs was the UET proposed grant to SUBU of [redacted]. Assumptions regarding SUBU's own commercial income in 2021/22 were based on a return to more campus-based activity. Discussions had been held with SUBU concerning the support from BU and a request has been made for additional sums to be advanced together with a review at the end of the calendar year to see whether the levels of commercial income have been sufficient. Provision had also been made in the cash flow to front load some grant payments which are normally paid in 10 equal monthly instalments to assist SUBU in managing its finances if required. Any further grant sums requested by SUBU would need Board approval.

20/397 The Chair reminded the Board that BU's regulatory obligations as a charity extended to money it disburses by way of grant to third parties and therefore the Board did need to be assured about how that money was being spent by SUBU and how that aligned to BU's own financial position (including the need to rebuild reserves) and charitable priorities. SUBU was an entirely separate charitable company with a trading subsidiary company too and BU would not be in a position as a charity to underwrite the performance of trading activities (or of debt taken on by a third party).

20/398 The SUBU President emphasised that the planned cost of operating a slimmed down SUBU for 2021/22 included a reduction of 38% in operating costs. Staff numbers had been reduced from 52 to 42 and they were just about managing at that level. Any further staff reductions would impact on the offer to students. The SUBU President's view was that the grant had been the same since 2016 and, in the face of severe commercial uncertainty her view was that it was no longer adequate. The autumn was usually the peak income stream for commercial activity and the position would be reviewed with the University Executive then. Members suggested that SUBU might benefit from adopting a zero-based budgeting approach similar to that being implemented by the University. This may help to identify the level of grant required to support core priority student services. If SUBU were willing to agree to this approach the IDoF would be happy to help them implement it based on the recent BU experience. A member noted that the Board was not hearing that SUBU would fail although it would need to review its costs. The Chair noted that the University would support and encourage SUBU to undertake a zero-based budgeting exercise.

The SUBU President withdrew from the meeting.

20/399 The Board **approved** the proposed SUBU grant for 2021/22 of [Redacted] and **delegated** authority to the VC to sign the grant agreement on behalf of the Board which would include terms to ensure the grant was spent as intended by the Board.

The SUBU President re-joined the meeting.

20/400 The Board **approved** the University budget for 2021/22 and noted the indicative budgets for 2022/23 and 2023/24.

4.3. Reserves Policy (IDoF)

20/401 The IDoF presented this report and explained that no changes to the Policy were being recommended at this time. He highlighted the continuing challenge to achieving the target of a positive reserves balance caused by the LGPS pension deficit and that this metric needed to be closely reviewed next year. The OfS report on Higher Education Financial Sustainability was appended to the report and this showed (fig A5) liquidity days by tariff group, most of which exceeded 100 days. This was much higher than the BU target of 55 days and demonstrated the need for this target to be an initial target only and revisited regularly. The PWC benchmarking report further highlighted the position. The Chair agreed that the Board would have a high-level discussion in October about the financial plan and metrics, as requested by the FRC to include further consideration of targeted surpluses.

20/402 Members discussed whether there was scope for any further disposals of fixed assets, possibly with a view to using lease-back arrangements. The COO advised that there was little freehold left to sell that had lease back potential and Mr Jones added that such arrangements could come with conditions attached which might limit the use of the property. He noted that the University was already lower quartile in terms of space per student and specialised academic buildings may also have limited value on the open market.

20/403 The Board **approved** the Reserves Policy.

4.4. SONIA Transitions – Lloyds Bank (IDoF)

20/404 The IDoF explained that LIBOR would cease to be published from 31 December 2021. It would be replaced for most lending by the Sterling Overnight Index Average (SONIA). The University's loan agreements with Lloyds and Scottish Widows would need to be revised to reflect this change via amendment letters. The Barclays loan facility did not need to be amended as the transfer mechanism was already built-in.

20/405 Lloyds had provided proposals setting out the options that could be adopted (these were appended to the report). KPMG had reviewed the proposals on behalf of the University and confirmed that the option suggested by Lloyds should be followed subject to one clarification which had not yet been provided by Lloyds. The hedge arrangement with Lloyds would need to be transferred on the same principles. BU had received an initial draft of one of the legal documents and Mills and Reeve would review amendment documentation in the coming weeks with a view to providing legal assurance prior to final approval. The Board noted the advice and recommendation of KPMG pending the review of the final legal and financial opinions based on that approach. The final position would be presented for approval to FRC and the Board in the Autumn before signature.

4.5. Extension of Security Contract (COO)

20/406 The COO introduced this business case which sought approval, on the recommendation of FRC, to extend the existing Board approved security contract for a maximum of 12 months (terminable on notice) to allow time for the contract to be re-tendered. The extension was required due to delays in commencing the re-tender of the contract.

20/407 The Board **approved** the extension of the existing staffed security contract with Mitie Security Services Limited for a maximum of an additional 12-month period, with maximum additional contract expenditure of [Redacted].

20/408 The Board **delegated** authority to the Chief Operating Officer (or, in his absence, the Vice Chancellor) to enter into the contract extension on behalf of BU and to sign the Contract Authorisation Form and contract extension letter at Appendix 2 of the business case.

4.6. European Research Council (ERC) Bid (DVC)

20/409 The DVC introduced this business case on the recommendation of FRC. Authority was sought to submit an application to the ERC Advanced Grant Scheme. This was a re-submission for a research project – the original submission having received positive feedback. As the submission contained a commitment to providing funding, Board approval was required. This was a prestigious bid with good net financial gain overall and UET had confirmed that the cash-flows were accommodated without detriment to BU's reserves. If successful, the project would provide income to BU of [Redacted].

20/410 The Board **approved** the submission of a grant funding application to the European Research Council's Advanced Grant scheme for the project: Land use, food production and connectivity during the Later prehistory of North-Western Europe: a dynamical systems approach (LANDFOOD).

20/411 The Board **delegated** authority for the Deputy Vice-Chancellor (or in his absence, the Vice-Chancellor or Chief Operating Officer) to sign the "Commitment of the Host Institution" letter for submission and if awarded, delegated authority to sign the grant agreement and other documentation relating to the project, subject to satisfactory completion of the Contract Authorisation process.

4.7. Student Accommodation Lease, Atlantic House, St John's Road (COO)

20/412 The COO introduced this business case on the recommendation of FRC. An extension was sought to the tenancy agreement for 28 rooms in Atlantic House from 24 January 2022 to 23 January 2023. The total liability for the University if no beds were filled would be approximately [Redacted].

20/413 The Board **approved** the business case and **delegated** authority to any two of the COO and any other member of UET to execute the agreement on behalf of the University.

4.8. Card Acquiring Services (IDoF)

20/414 The IDoF presented this business case which had not been considered at FRC due to timing and was submitted directly to the Board. Card acquiring services were required for the processing, authorisation and settlement of the University's debit and credit card transactions. An open tender had taken place and the successful bidder was Lloyds bank (trading as Cardnet and Global Payments UK). The new provider would take over before the September student intake, subject to final contractual arrangements and approval. A saving of around [Redacted] per annum ([Redacted] over the life of the contract) would be achieved. The IDoF confirmed that the total contract value of [Redacted] was within the budget. The Chair asked for confirmation that the contract spend was within the existing cash-flows and the IDoF confirmed that it was.

20/415 Members asked if the change of provider would have any implications for the supply of PCRs (Personal Card Readers) and the IDoF confirmed that it would be no more onerous than under the existing arrangements. Members noted that there appeared to be some tension between the Procurement and Legal comments in the paper and that procurement resource had been referred to as an issue in another paper. The IDoF explained that the Procurement function was currently under review and he was due to present a report on the outcomes to the next meeting of the FRC, including staffing capacity and any perceived process tensions. Members also asked what the impact was on BU's PCI compliance and how the management of cyber security risks and additional assurance on the counter parties was being addressed. The COO and IDoF confirmed that an information security review and a data protection privacy impact assessment were undertaken for all such contracts before commitment.

20/416 The Board **approved** the business case for the total contract value of [Redacted] for award of contract following a successful Card Acquiring tender. The approval was subject to satisfactory completion of contractual matters with the contractor.

20/417 The Board **delegated** authority to allow either the Interim Director of Finance or the Vice Chancellor to sign the contract once the necessary legal and financial review had been completed.

5. Governance and Other Assurance Matters

5.1. OfS Consumer Law Compliance Review – Implementation of Recommendations

20/418 The DVC introduced this report which provided an update on progress against the recommendations arising from the previous review of BU's communications around course delivery during the pandemic and compliance with consumer law and OfS regulations. The report confirmed that, in implementing the recommendations, no additional risks had been identified to date. The DVC stated that the number of formal complaints was no greater than normally expected at this point in the academic year, and the greatest risk area of complaints continued to be for courses with a focus on practical activity. The Board considered the assurance provided and the DVC confirmed that further reporting would be provided in Autumn.

5.2. Student Complaints and Appeals Annual Report (DVC)

20/419 The DVC presented key points of the annual report on student complaints and appeals, which had been considered in detail by the ARG. The number of appeals lodged had decreased by 21% which in his view indicated that the measures to support the student experience since March 2020 had been effective. The number of academic complaints had increased, however, by 40%. This was due in part to a change in how cases were counted, with group complaints to the OIA now being counted according to the number of individual complainants involved, rather than simply counting as one complaint. The Board considered the assurance provided and noted that UET would keep this under close review. Of relevance to the next item it was noted that some data on non-academic complaints was also included in the appendix although not expanded upon in the reporting.

5.3. OfS statement of expectation: Review of BU sexual misconduct and harassment policies (COO)

20/420 Before asking the COO to present the report, the Chair advised Members that the issue of sexual misconduct and harassment had been a discussion theme at CUC events and it was an issue which had significantly impacted some universities. The report was being presented to the Board directly, following consideration by the University Leadership Team, due to timing.

20/421 The COO set out key points of the report and the work to map the OfS' Statement of Expectation to prevent and address harassment and sexual misconduct against the University's policies and processes. The COO stated that a robust approach was taken and the University worked closely with partners to support students. The mapping had shown a good level of compliance overall. Two areas where further work was required would be addressed by the review of the student disciplinary procedure which was already underway and would be updated to ensure the relevant detail was included around timeframes, confidentiality and support. In addition, improvements were required around reporting and the drafting of a formal training strategy. These would be in place for the new academic year. It was proposed that reporting to the Board would be improved by ensuring that the annual report on student wellbeing was expanded to include sexual misconduct and harassment with data; and including a section on this in the annual Equality and Diversity report that goes to FRC (and can be shared with the whole Board) to ensure that both staff and student data and reporting were visible to the Board and other stakeholders.

20/422 Members noted the response to Statement 3 regarding engagement with students, and 3b) where it was noted that the University was only partly compliant and that a system of follow-up with students needed to be developed (and additional resources would be required to do this). The COO confirmed that he would ensure that the additional resource required would be made available.

20/423 Members asked whether the relevant training for staff was mandatory and the COO said that it was for some roles. The plan was that it would also be embedded in other training, such as student wellbeing. This would be captured in the future reporting to the Board and FRC so that engagement with training was monitored as well as having a documented training strategy. The Board discussed student engagement and it was noted that as well as SUBU's feedback, the Wellbeing Group also provided a good forum for identifying issues and themes. Any serious incidents would also be picked-up through the standing item of reports to the ARG which included safe-guarding and harm to beneficiaries.

20/424 The Board **noted** the current level of compliance of BU in respect of the OfS Statement along with the activity that is in hand to address any areas of partial compliance or the two areas of current non-compliance (reporting and training). The Board **approved** the recommendations that the annual Student Wellbeing report be updated to include data and a section on reporting on harassment and sexual misconduct. The Annual Equality and Diversity report would also be updated to include data and a section

on reporting on sexual misconduct and harassment to ensure that staff data was also transparent.

5.4. Financial Regulations (IDoF)

20/425 The Chair advised that the ARG had recommended the updated Financial Regulations for approval. The changes reflected the action from the recent Board review to reference the latest regulatory framework requirements and to add in cash-flow controls that UET had put in place and change approvals for cash-flows so the change process and the level of approval required was formally documented. No changes to the Financial Authority Limits were proposed and they were also presented for approval as part of the Financial Regulations.

20/426 The Board **approved** the Financial Regulations.

5.5. Scheme of Delegation (Clerk to the Board)

20/427 The Clerk to the Board introduced the draft updated Scheme of Delegation, on the recommendation of ARG. No changes to actual delegations were proposed, but updates had been made to implement the recommendations of the Board Review to make more prominent the references to OfS regulatory requirements and the need for all those with delegated authority to abide by them.

20/428 The Board **approved** the Scheme of Delegation.

5.6. Internal Audit Contract (IDoF)

20/429 The IDoF advised the Board that the contract with the University's current internal audit services provider PwC, was due to expire at the end of July and ARG recommended that approval be given to extending this appointment for a further 12 months. This would help to ensure that the previous internal audit recommendations regarding cash controls were being complied with and a one year extension option was included as part of the existing contract. Mrs Lang, as ARG Chair, added that the Committee had agreed that the process for retendering should commence as soon as possible to ensure a good range of bids were received.

20/430 The Board **approved** the recommendation that the PwC internal audit contract be extended by a further 12 months to the 31 July 2022.

6. Committee Reports

6.1. Finance & Resources Committee (23 April and 11 June 2021)

20/431 The minutes were **noted**. The COO advised that quotes were being sought for cyber security insurance cover and it was expected that an out-of-committee approval would be required by the Committee.

6.1.1. FRC Terms of Reference

20/432 The Terms of Reference were **approved**.

6.1.2. Management Accounts and Cash flows (IDoF)

20/433 The Management Accounts and Cash flows as reported to FRC were **noted**.

6.2. Audit, Risk & Governance Committee (Mrs Lang)

20/434 The minutes of the meeting held on 25th June were not yet available, but two items arising from that meeting were presented (below).

6.2.1. ARG Terms of Reference

20/435 The Terms of Reference were **approved**.

6.2.2. Risk Register

20/436 The Risk Register as presented to ARG was **noted**.

7. Any Other Business (Chair)

20/437 The Chair and Deputy Chair and Members thanked Mr Brien and Miss D'Abreo, who had come to the end of their second terms of office, for their invaluable contribution to the work of the Board and its Committees. Miss D'Abreo would continue to serve as a co-opted member of the Remuneration Committee for 1 year.

8. Dates of Next Meetings

Friday, 1 October 2021, 9.00am.

Friday, 26 November 2021, 9.00am