

**UNIVERSITY BOARD**

**MINUTES OF THE MEETING HELD ON FRIDAY, 31 OCTOBER 2008**

Present: Mr A J Frost (Chair)  
Dr B Astin; Dr P Barnwell; Prof P Curran; Mr C Elder; Mrs K Everett; Mr J Harper; Rev Dr D Hart; Mr D Hines; Prof T Husband; Mr T Lee; Mrs F McMillan; Dr E Mytton; Prof N Petford; Mr F Ruffle; Mr G Smith; Mr G Sturdy; Ms S Sutherland; Ms C Symonds; Prof J Vinney; Mr D Willey.

In Attendance: Mr N Richardson (Secretary & Registrar);  
Mr G Rayment (Committee Clerk)

Apologies: Lady Digby; Sir Leonard Appleyard; Dame Yvonne Moores; Mr M Riordan; Mr S Smith; Ms Z Zuvcenko

*Two papers were tabled for Members' information: The 'Respect Our Town' leaflet produced by the Students' Union, and 'Key Dates: September 2008 to July 2010'.*

*The Chair welcomed Charles Elder, who had been re-elected to his position on the Board, and Geoffrey Rayment, newly appointed Committee Clerk.*

**ACTION**

**1 MINUTES OF THE PREVIOUS MEETING**

**1.1 Minutes of the University Board Meeting (11 July 2008)**

1.1.1 The Minutes were approved as an accurate record of the meeting.

**1.2 Matters Arising**

1.2.1 Minute 1.2: Activity regarding a complaint by a member of the academic staff was ongoing. The individual had made allegations regarding the Board's conduct and the Chair of the Audit & Risk Committee had considered, therefore, whether the Board should seek its own separate legal advice on this matter. Lawyers acting for the University had confirmed, however, that the Board, the Chair of the Board and the Chair of the Audit & Risk Committee had acted entirely properly. The University Executive Group (UEG) should continue to deal with the issue and report to the Board via the Audit & Risk Committee. Separate legal advice was not, therefore, required.

1.2.2 On a related matter, the complainant had raised the subject of the *Information and Consultation of Employees (ICE) Regulations 2004*, claiming that these should have been in effect at the University since May. The University disagreed and was awaiting an interpretation from the Central Arbitration Committee (CAC) on the matter. If the University was found to be in breach of the Regulations the penalty was unlikely to be severe but there was the possibility of adverse publicity if the University were found to have been non-compliant with the legislation.

**2 BOARD MATTERS**

**2.1 Board Membership**

2.1.1 Further to recommendations from the Nominations Committee, Members were asked to approve Mr Roy Spragg and Mrs Joanna Dawson as new Co-Opted

Members of the University Board for initial three-year terms commencing on 1 November 2008. The Chair declared that he knew both candidates and strongly supported the recommendation.

- 2.1.2 The Chair informed members that Mr Glyn Smith had kindly agreed to extend his membership of the Board. Mr Smith would Chair the Strategy & Resources Committee and hand over the Chair of the Audit & Risk Committee to Mr Timothy Lee in due course. A replacement for Prof Tom Husband was being sought as he was due to leave the Board shortly.
- 2.1.3 The Board were asked to approve the appointment of Lady Joan Appleyard as a Pro-Chancellor for an initial five year term, commencing on 1 November 2008.
- 2.1.4 In addition, a recruitment consultant had been appointed to help with the search for a new Chancellor. The Chair recommended to Members the publication '*Beyond Ceremony: On being a chancellor...*'. This had been produced by Universities UK (see [www.UniversitiesUK.ac.uk](http://www.UniversitiesUK.ac.uk) for copies of this publication and further details of the organisation).
- 2.1.5 The Board approved these appointments, as set out in the discussion paper.

### **3 STRATEGIC REPORTS**

#### **3.1 Implementation of the Strategic Plan 2007-2012: Update.**

##### **Revised Strategic Plan**

- 3.1.1 The Vice-Chancellor introduced the revised Strategic Plan and drew members' attention to the 2012 Vision for the University and to recent achievements, particularly in relation to academic staffing. The Deputy Vice-Chancellor was invited to talk through the plan in more detail.
- 3.1.2 The Plan was being reviewed against the first year targets and revisions were clearly marked (in blue text) in the document. The possibility of moving to a 5 year planning cycle from next year was being considered. The list of achievements in 2007/08 (P.7) was highlighted.
- 3.1.3 The KPIs (P.35) had been updated, particularly the 2007/08 Provisional outturn figures. Other changes to the KPIs were set out in the covering note. These included the change in the fund raising profile; changes in the way research and enterprise income was measured; a reduction in the target for academic staff with doctorates (from 60% to 50% in 2011/12); and a revised methodology for measuring citations per academic staff member.
- 3.1.4 The Risk Register contained in the Plan had also been updated to reflect new and changing risks (Appendix 2, P.51). Members were invited to comment on the revised Plan.
- 3.1.5 The Chair welcomed the Glossary of Terms provided at Appendix 3 of the document and Members welcomed the clear way in which the Plan had been updated. It was suggested, however, that the Plan relied heavily on financial prudence and strong control mechanisms, but Members were assured that such arrangements were in place. It was felt, therefore, that the Plan was achievable, but challenging. Implementation of the Plan would be monitored continually through the financial plan and prompt, decisive action would be taken when necessary.
- 3.1.6 Members discussed whether the proposed reduction in the target for the number of academic staff with doctorates could be perceived as signalling a lack of ambition. The proportion of staff with doctorates at other universities was

believed to be higher. It was felt, however, that over the period of the Plan this new target was more realistic given the high numbers of staff with doctorates who had left the service of the University. Achieving this lower target was still considered high risk, but achievable.

3.1.7 The President of the Students' Union welcomed the changes which had been made to the University estate, in particular improvements to the Library ground floor. He asked, however, if there was any future provision to create more social spaces for students, as this was lacking at present. The Pro-Vice-Chancellor (Resources) explained that this was under consideration. Some additional free space would be created on the Lansdowne campus as a result of the online business school initiative and the possible use of some of the outdoor spaces around the campus was also being considered. Several improvements had been made to the Lansdowne campus, such as those at Studland House. The Board agreed that it would be beneficial for them to hold a future meeting at the Lansdowne campus and for this to include a tour of the campus.

S&R

3.1.8 The Board debated the likely impact of the current 'Credit Crunch' on the University. For example, could this result in a loss of fee income? A detailed paper on this issue was being prepared for the Strategy & Resources Committee. One particularly crucial issue concerned the Government's own borrowing and how and when this would be injected into the economy. It was possible that there would be opportunities for Higher Education institutions to benefit from this additional capital. It was also noted that the changing economic climate would probably lead to changes in the choices of courses taken by students, for example with a shift towards professional qualifications. Those made redundant may also seek to attain new skills and qualifications. There was also concern that student bursaries would be affected, and that this may disadvantage those from low-income backgrounds. There had been some press reporting to this effect, although the accuracy of the media coverage was questioned. It was agreed that a paper on this issue, clarifying the situation, would be prepared for discussion by the Board at its next meeting.

VC

3.1.9 The Board approved the revised Strategic Plan.

#### **Annual Review of the Key Performance Indicators (KPIs)**

3.1.10 The Deputy Vice-Chancellor (DVC) introduced this paper and explained that the 'Annual Enterprise Income' (BU 2007-08 Performance Test, P.2) was shown as being 'under achieved', due largely to a change in the definition of this indicator to exclude contract research. It was noted that the indicator for Library spend per student had also been 'under achieved', although it was recognised that this figure was subject to wide fluctuation and that, in reality, any actual adverse impact on students was negligible.

3.1.11 The University's net liquidity was also 'under achieved' with the institution having lower cash reserves than originally planned. This would be monitored closely, but was not considered an immediate problem as the University continued to operate well within its available overdraft limit.

3.1.12 Overall, the KPIs were due to be reviewed over the next few months, in consultation with the Board. In the meantime, members were invited to submit any comments on the KPIs via the DVC.

Members/DVC

#### **Financial Strategy**

3.1.13 The Director of Finance (DoF) introduced this paper and set out the five principles considered within the Strategy, as recommended in the Higher Education Funding Council for England (HEFCE) guidance. The Financial Strategy had been considered in depth by the Strategy & Resources Committee,

who had commended it to the Board for their consideration and approval.

- 3.1.14 At the suggestion of the Chair, the Board agreed that a representative of HEFCE should be invited to a future event to brief Members on HEFCE matters and developments.

VC

#### **Presentation on the Professional Services Review**

- 3.1.15 The Pro-Vice-Chancellor (Resources) gave a presentation to the Board on the rationale for, and outcomes from, the University's Professional Services Review. The Review was part of a wider project seeking efficiency savings and the key drivers were the Corporate Plan and the Strategic Plan. A methodology was employed for the review, based on external benchmarks, to reduce the overall number of professional services from 12 to 6 or fewer, whilst improving customer service and reducing costs. A consultation paper had resulted, which set out a proposed new structure comprising five Directorates, to be implemented in two phases. The precise timing of the implementation of the second phase may vary between Directorates, depending on progress with recruitment of the new Directors. However, the consultation process on the first phase ended on 31<sup>st</sup> October and a UEG decision was expected by mid-November, to be implemented from December.
- 3.1.16 There had been a high level of staff engagement with the consultation exercise and several themes had emerged. Most respondents recognised the need for restructuring and there was a desire to progress this quickly. A number of suggestions had been received for alternative configurations within the five professional services model. Comments had also been received regarding the relative size of the 'Student Experience' service, and the retention of the Graduate School as a named entity.
- 3.1.17 Members commented that it was important to recruit the right people into the right Director roles, if the necessary efficiencies were to be made in Phase II of the re-structuring. UEG will take on the management of any service where a Director had not been appointed in time.
- 3.1.18 The Alumni & Development Office would continue to be a separate entity outside this structure, reporting directly to UEG, given its unique, income generating role.
- 3.1.19 Several Board members had serious concerns about the proposed re-structuring of the Research and Enterprise functions. In particular, that R&E support and operational staff will be absorbed within the Finance Directorate, rather than being a separate professional service in its own right, particularly given its key role in the Strategic Plan. These concerns had also been raised by the Research & Enterprise Committee. It was noted, however, that the consultation document did establish clear distinctions and lines of communication between these elements of the services, and that it was important not to create 'silos' of the new Directorates. The Head of Research and the Head of Enterprise positions remain reporting directly to the Pro-Vice-Chancellor (Research & Enterprise). Nevertheless, further consideration would be given to the placing of Research and Enterprise in the new structure.
- 3.1.20 Members also suggested that the structures need to contain a certain amount of flexibility and take account of individual requirements. The grading assigned to the various Director posts would need to be carefully considered and reflect the variances in size and workload of the different services.

PVC(R)

### **3.2 Financial Statements for 2007-08**

- 3.2.1 DoF introduced these papers, which had been discussed by both the Strategy & Resources Committee and the Audit & Risk Committee before being presented to

the Board.

### **Bournemouth University**

- 3.2.2 The Report and Financial Statements for the Year Ended 31<sup>st</sup> July 2008 now included the Report of the Board. The results showed an overall deficit of £3.4M for the year. This was less than originally anticipated due to stronger controls of staff costs and the freeing-up of contingency funds. Prior year adjustments were explained in the statements (P.31, para 22). These covered the change in capitalisation policy, the clawback provision in respect of Southern Educational Enterprises Ltd (SEEL) and the inclusion of the BH Development Trust Company Ltd.
- 3.2.3 Audit & Risk Committee had considered the reports in detail, and they were now being finalised, subject to some minor amendments and corrections. It was considered that the University's new external auditors (BDO Stoy Hayward) had benefited the University and completed a very thorough job. Financial management was stronger now and the adjustments included in the statements resulted from before these changes had taken place. It was agreed that, as financial statements such as this would normally include a list of Directors, a list of Board members names should also be added to the document. The documents also needed to be checked to ensure consistency in the way people were named (e.g. Mr D Willey in one section vs. David Willey in another; the Chair's name should be shown in full, including his middle initial)

DoF

### **Subsidiary Companies**

#### Appointment of a Nominated Officer

- 3.2.4 In order to protect the University's interests it is a recommendation of the RSM Robson Rhodes guidance on related companies that a nominated officer be appointed. This officer will attend the Board meetings of the subsidiary companies and make an annual report to the University Board. This would help to provide more robust financial management and clear reporting lines.
- 3.2.5 The Board approved the appointment of DoF as the Nominated Officer for all related companies.
- 3.2.6 DoF introduced the reports of the subsidiary companies. On SEEL, it was noted that, as this subsidiary could no longer provide the tax advantages for which it had originally been established, it was likely that the nursing contract will revert back to the University and SEEL will become dormant and subsequently wound-up. Issues regarding a prior year adjustment for clawback arrangements with SEEL had already been set out in the University's Financial Statement. A strengthening of financial management and the ongoing exercise to consider the University's contractual obligations and liabilities, aimed to prevent any recurrence of this situation.
- 3.2.7 A prior year adjustment had also been made in respect of the South Coast Information and Library Services Ltd (SCILS), where a correction had been made in the recording of costs from the sale of books back to the University.
- 3.2.8 Advice was being sought on the possible tax implications relating to both SEEL and SCILS adjustments.
- ### **External Auditors' Report**
- 3.2.9 The Board was asked to consider this report and approve the draft Representation Letter, to be sent to BDO Stoy Hayward on behalf of the Board. DoF was leading on the preparation of a draft management response, which would be shared with the Board in due course.

3.2.10 The Board approved the draft representation letter without amendment.

#### **Internal Auditors' Report**

3.2.11 KPMG's report set out their opinion, which was satisfactory apart from three exceptions. These related to financial management within the Media School; Costing and Pricing; and Business Continuity Planning. The report had been submitted to the Audit & Risk Committee, who were content that actions were in hand to address the issues raised.

#### **Annual Report of Audit & Risk Committee to the University Board and the Vice-Chancellor**

3.2.12 The Chair pointed out that this paper would be updated to reflect the Audit & Risk Committee's meeting which had taken place on 30<sup>th</sup> October 2008 and to correct some minor typographical errors.

3.2.13 Subject to these amendments, the Board approved the report.

**S&R**

#### **3.3 'Single Conversation' – Annual Accountability Returns 2008**

3.3.1 DoF introduced this paper, which set out details of the eight returns which comprised the 'Single Conversation' annual accountability process. These were due to be sent to HEFCE by 1<sup>st</sup> December.

3.3.2 Members noted that figures were missing from Table 8 of the Financial Tables (Liquidity) and also that it appeared some pages were missing from the Annual Monitoring Statements for 2008 (questions 13 to 30). It was agreed that corrected returns would be re-circulated to the Board.

**DoF**

3.3.3 Subject to these corrections, the Board approved the Annual Accountability returns for 2008.

### **4 UNIVERSITY EXECUTIVE GROUP REPORTS**

#### **4.1 Update on QAA Institutional Audit**

4.1.1 The Pro-Vice-Chancellor (Education) introduced this item and provided a verbal update to the Board. The Audit team had carried out their initial preparatory visit to the University and met with the Vice-Chancellor, Students' Union representatives and some senior staff members. The full visit will take place over 5 days from 1<sup>st</sup> December, with the outcomes being made known, via a letter to the Vice-Chancellor, within 2 weeks. A full report will follow, upon which the University will be invited to comment (but not amend).

4.1.2 The briefing paper for the visit had been successfully prepared with input from a broad range of people. It was available online, with electronic links to all the relevant background documents (see link below).  
(<http://portal.bournemouth.ac.uk/C9/QAA%20Institutional%20Audit%202008/default.aspx>).

The auditors will examine two 'audit trails' and investigate the processes involved. For the University's previous audit in 2004, the auditors had given an opinion of 'Broad Confidence'.

#### **4.2 Undergraduate Student Recruitment Process**

4.2.1 The Pro-Vice-Chancellor (Education) presented his paper to Board Members. The University was on target in terms of undergraduate recruitment. Changes had been instigated to the student number planning process (to give more realistic targets and provide greater flexibility) and discussions had continued between the University Central Admissions Team (UCAT) and the Schools and Partner Colleges. These resulted in improved correlation between actual and

planned recruitment figures, particularly at Partner Colleges.

#### **4.3 International Student Recruitment Process**

- 4.3.1 The Deputy Vice-Chancellor presented his paper for the information of the Board. This considered the degree of ambition contained in the University's plan for international (non-EU) student recruitment and included an updated extract from a Strategy & Resources Committee paper setting out the risks and issues being addressed by the University. Members noted the content of the paper.

### **5 COMMITTEE REPORTS**

#### **5.1 Audit & Risk Committee (3<sup>rd</sup> October 2008)**

- 5.1.1 The Chair of the Audit & Risk Committee pointed out that the issues raised in the Annex to the minutes, regarding 'Active Dorset', had now been largely concluded and the ongoing exercise to review the University's contractual obligations was designed to prevent any recurrence of incidents such as this.

#### **5.2 Human Resources Committee (9<sup>th</sup> October 2008)**

- 5.2.1 The Deputy Chair drew the Members' attention to paragraph 4 of the minutes concerning New National Pay Negotiating Agreements and the fact that a 'tough negotiating round' was expected in 2009/10. The current pay settlement was considered relatively generous in the current economic climate and expectations would need to be managed regarding future pay deals.

#### **5.3 Nominations Committee (19<sup>th</sup> September 2008)**

- 5.3.1 Minutes of this meeting were taken as read.

#### **5.4 Strategy & Resources Committee (9<sup>th</sup> October 2008)**

- 5.4.1 Minutes of this meeting were taken as read.

#### **5.5 Joint Human Resources/ Strategy and Resources Committee (9<sup>th</sup> October 2008)**

- 5.5.1 The Board was asked to approve formally the Committee's recommendation that an increase of not more than 5% should be payable with effect from 1<sup>st</sup> October 2008, subject to there being no major unforeseen circumstances.
- 5.5.2 The Board approved this recommendation.

### **6 ANY OTHER BUSINESS**

#### Somerset Universities Partnership Project

- 6.1.1 The Secretary & Registrar presented this paper to the Board for information. Somerset had been identified by HEFCE as having less than adequate higher education provision. Bournemouth and Plymouth Universities, therefore, were participating in the Somerset Universities Partnership Project (SUPP) to address this issue, and Bournemouth would lead in making a bid to HEFCE and others for funding the development of HE campuses and student places for Somerset residents. Members noted the content of the paper.

#### Financial performance – current year.

- 6.1.2 In response to a question from the Chair, DoF informed the Board that September's management accounts were currently in preparation. It was noted, however, that the accounts for October would be more meaningful and would be made available to Board members as soon as possible.

#### 'Studentification'

- 6.1.3 The President of the Students' Union asked that the Board note his concerns regarding future funding of the SU's activities to tackle 'Studentification'. Members were informed that existing funding would end in October 2009.

**DoF**

Ceasing these activities would have an impact on the local community.

**Thanks**

- 6.1.4 Members joined the Chair in thanking Catherine Symonds for her service to the Board and the University during her period in office and wished her every success in the future.

Noel DG Richardson  
Secretary & Registrar  
November 2008

Geoffrey Rayment  
Committee Clerk  
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Approved as a true and accurate record:

.....  
Mr Alan J Frost (Chair)

Date:.....