

University Board Meeting

Minutes of a meeting held on 19 May 2023

Members Present

David Furniss (Chair)	Chair of the University Board
Jim Andrews	Chief Operating Officer (COO)
Paula Alliston	Staff Member, Professional and Support Services
Nastassia Asselin	Student Member
Omuwa Ayomoto	President, Students' Union Bournemouth University
Prof Carol Clark	Staff Member, Senate
Karima Fahmy (Deputy Chair)	Independent Board Member
Dr Lois Farquharson	Academic Staff Member
Maggie Frost	Independent Board Member
Nick Golding	Independent Board Member
Karl Hoods	Independent Board Member
Simon Jackson	Independent Board Member
Stuart Jones	Independent Board Member
Anthony Murphy	Independent Board Member
Susie Reynell	Finance Director (FD)
Prof John Vinney	Vice-Chancellor (VC)
Deborah Ward	Independent Board Member
Deborah Warman	Independent Board Member (via MS Teams)
Robert Williams	Independent Board Member

In attendance

Deborah Wakely (Clerk to the Board); Jenna Lee (Deputy Clerk to the Board); Jane Meredith (Senior Governance Manager); Geoff Rayment (Senior Governance Manager); Jacky Mack (Academic Registrar for Item 4.2)

CPD: Presentation from PwC on HE Finances

The meeting opened with a presentation on HE Finances from Karen Best and Kitty Kent of PwC. The presentation covered financial sustainability in the HE Sector, key challenges and benchmarking metrics and student accommodation. BU was average for the Sector in terms of its cash reserves and debt servicing, with a healthy EBITDA margin. Members had the opportunity to ask questions following the presentation. The Board noted the challenges for the Sector, including student recruitment, and the need for the University to have robust sustainability measures in place for the next 3 or 4 years.

Meeting minutes

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

22/172 Apologies were noted from David Smith and Sara Luder. Apologies were also noted from Prof Keith Phalp, who it was agreed would be in attendance at Board meetings as Pro Vice-Chancellor (Education and

Quality). The Chair confirmed that the meeting was quorate and welcomed new independent member Anthony Murphy to his first meeting of the Board.

22/173 The Chair invited any declarations of interests and the Board noted that Jim Andrews and Stuart Jones were Directors of BU Community Business Ltd (BUCB) and would leave the meeting for the decision on items 5.12 and 5.13 Chapel Gate Artificial Pitch and Chapel Gate Nursery Lease. Susie Reynell was the BU Nominated Officer for BUCB. Stuart Jones was also employed by Savills, who worked with BU on the valuation of the car park sale at Item 5.14 but was not involved in this work or its commissioning. There were no other new or relevant declarations.

2. Minutes of the Previous Meeting

2.1. Minutes of the University Board Meeting, 10 February 2023 (Chair)

22/174 The minutes of the meeting held on 10 February 2023 were **approved** as an accurate record.

2.2. Matters Arising and Actions Register (Chair)

22/175 The Board **noted** the actions register and that most actions were completed, covered under the main agenda items or not yet due. The Chair noted that he would discuss timings direct with the Executive for outstanding actions 207, 209 and 211. The VC noted that there would be information ready to circulate on 207 shortly after the Board meeting.

3. Context Setting and Governance Reports

3.1. VC's BU Update Report (VC)

22/176 The VC highlighted key points from his update report and recent developments:

- There was a good buzz on campus with a number of events going on;
- The new, expanded Executive Team was being finalised along with the related executive committee structure with the aim of improving delegation and streamlining decision making;
- Progress was being made in the actions arising from the issues previously identified with apprenticeship provision, with a stronger leadership structure and additional resources allocated. The University had self-reported to the ESFA and OfS in March and OfS had recently requested an update on the discussion with ESFA. The University was still working through the impact on students and the VC would keep both OfS and the Board updated;
- Applications for full time undergraduate courses were down on the previous year but in line with the year before.

22/177 The SUBU President noted that SUBU was looking for ways to support apprenticeship students and would like to collaborate with the University. The University was still working through the implications for apprenticeship students for whom records were incomplete and aimed to ensure that no awards were impacted.

22/178 SUBU were also seeing some evidence of frustration from students impacted by industrial action. The University recognised the challenges for students and was working to mitigate the impact of the ongoing industrial action (currently in the form of 'action short of a strike') through its Industrial Action Working Group.

3.2. SUBU President's Report (SUBU President)

22/179 The Board **noted** the SUBU President's report and thanked the SUBU President for a good report, and the ongoing work, recognising the challenges and risks involved.

3.3. Chair's Report

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

22/180 The Board **noted** the report.

3.3.2. Statement of Primary Responsibilities (Chair/Clerk)

22/181 The Statement of Primary Responsibilities, which had been reviewed and recommended to the Board by ARG, was **approved**.

3.3.3. Honorary Awards (Chair)

22/182 The Board **approved** the Honorary Award Committee's recommendations for 2023, including the removal of two candidates from the pipeline, and **delegated authority** to the VC to:

- allocate the Board's approved nominees to the graduation ceremonies
- defer awards to future years if appropriate
- exercise discretion about when it was appropriate to contact approved nominees

22/183 Members were reminded that, even when approved, this information remained strictly confidential and should not be disclosed outside of the Board.

22/184 The Chair encouraged Members to attend at least one graduation ceremony, noting that the Deputy Chair had agreed to co-ordinate Board Members' attendance.

4. Strategic Matters

4.1. Key Performance Indicators (VC)

22/185 The VC highlighted key points from the KPI report and some discussion followed. The following points were made:

- The financial indicators were good;
- The Student/Staff Ratio tended to vary but was in the expected area at 18.3. The target of 16.25 was now considered unachievable due to cost but would not be changed for the remainder of the current strategy;
- The percentage of students who undertook a placement remained above the sector average but had dropped from pre-pandemic levels. The COO suggested that students wished to graduate as soon as possible during a cost of living crisis and when the job market remained buoyant. It was important that the benefits of placements were communicated to students, as well as the fact that many were paid roles;
- Research income was positive and the University continued to focus on support for successful bidders, however, the ambitious growth in research and knowledge exchange had not materialised;
- Continuation and completion also continued to be areas of concern and were a key focus;
- An accept/decline survey was used to gauge the reasons for students not taking up offers. Offer holder open days appeared to have a positive impact on acceptance.

22/186 The KPI report was **noted**.

The Academic Registrar joined the meeting for the next item.

4.2. Access and Participation Plan (APP) Annual Progress Report

22/187 The Chair introduced this item reminding members that it was an OfS requirement to have an Access and Participation Plan in force to remain an Approved Provider intending to charge fees above the basic amount.

22/188 Discussion centred on the continuation and attainment gap for BAME students. The proportion of students from a BAME background was small and they were often impacted by other disadvantages such as lower socio economic backgrounds, lower participation areas and non-standard qualifications. BU provided support to its student population, such as assessment, maths and English support, which would also support this demographic along with more targeted measures. The ongoing work on continuation and assessment was also expected to positively impact this group.

22/189 The Board **noted** the Access and Participation Plan annual progress report and the assurance provided.

The Academic Registrar left the meeting

4.3. Review of UK and Irish Undergraduate Fees

The fees under consideration related to 2024 entry and the Chair confirmed with Members that there were no relevant interests to declare having reminded Members that family members who had applied for 2024 entry would constitute a relevant interest.

22/190 The Board **approved** the recommendation that undergraduate fees for UK/Irish national entrants to the University in 2024/25 should be unchanged over previous levels, noting that the University's current stated position was that fees would not increase for students after their point of entry to the University.

5. Finance and Governance Matters

5.1. Financial Update/Draft Budget (FD)

22/191 Members **noted** the update report which had been considered by FRC in April. The final draft budget was due to come to the July Board meeting for approval following scrutiny by FRC. During the discussion the following points were made:

- A workshop would be organised on Teams for Board Members, particularly those who were not members of FRC, who wished to examine the financial issues facing BU and the sector in more detail before the July Board meeting;
- Although the BU cash position was improving the overall sector position was challenging;
- Inflation was key and, although it was beginning to stabilise, it was unlikely to decrease at sufficient speed;
- [Redacted]
- Issues in various overseas markets were affecting the recruitment of international students as were UK Government visa rules;
- Opportunities to grow, invest and diversify and for research and knowledge exchange remained;
- [Redacted]
- In response to a question about partnerships and shared services it was confirmed that BU worked with a number of partners worldwide, including Bournemouth and Poole College on the delivery of Apprenticeships, however, partnerships with local HE providers were difficult as they were usually competitors in other areas;
- Members were keen to understand the plan for growth.

Action: Arrange 1-2 hours workshop on Teams, between FRC and the next Board meeting, with the Executive on the Financial Plan.

Action by: Clerk to the Board

22/192 The FD explained that, in terms of mitigations, scenario planning was taking place with Departments and Faculties, including variations in overseas student numbers and continuation rates. A new procurement system, changes to strengthen the marketing and communications directorate, and investment in RKE systems were also helping. In summary, growth and cash remained key to competing in a challenged sector and avoiding becoming part of the 'squeezed middle'.

22/193 Members agreed that sensitivity analysis would be key in approving the final budget, and some felt that it would be important to challenge assumptions that growth was the long-term answer. The FRC Chair observed that prioritising cash spend would be important with competing areas such as IT investment, pensions and net zero. Controlling the cost base would also be crucial and the FD provided details of actions being taken to address this and improvements to systems and processes.

5.2. Financial Regulations Updates (FD)

22/194 The Board **approved** the updated Financial Regulations on the recommendation of ARG.

5.3. Scheme of Delegation (VC/Clerk to the Board)

22/195 Members **approved** the revised Scheme of Delegation noting that the changes were mainly related to the restructuring of UET and updated Executive decision-making processes.

5.4. Board, Senate & Committees Policy & Procedures (Clerk to the Board)

22/196 Members **approved** the revised Board, Senate & Committees Policy & Procedures which had been updated throughout to reflect best practice and the new Executive structure. Members **noted** that further changes to Senate structures would also be required in due course.

5.5. Student Accommodation Update (COO)

22/197 Members welcomed the report which was in response to a request made at the Board meeting in November. It was noted that the potential increase in students seeking accommodation in future years would be a challenge, particularly if the University were to achieve its growth targets.

22/198 The COO explained that the University had been able to respond to September intake demand, but January intake was more challenging. Government policy, related to graduate working and to dependents accompanying students, also impacted the demand for accommodation, particularly family accommodation. The market was also impacted by demand from other local institutions including AUB and AECC. It was anticipated that an increase in the availability of accommodation would be needed in the medium to long term and discussions were underway with local authorities and other stakeholders. In the meantime, the student village was configured as houses and was under the University's control so would have potential for use for families.

22/199 Members **noted** the report and the ongoing risks and mitigations relating to the supply of student accommodation.

5.6. Response to UUK Publication on Suicide-Safer Universities - Sharing Information with Trusted Contacts (COO)

22/200 The COO introduced this paper and updated members on the introduction of new student wellbeing drop-in facility 'The Retreat'. The proposed new information sharing protocol was in line with that used by other universities and he stated that the University would always make the right contacts when students were in crisis. The Board **approved** the Draft Information Sharing Protocol on the recommendation of SQS.

5.7. Climate and Ecological Crisis Action Plan (CECAP) Annual Report (COO)

22/201 The Board **approved** the CECAP Annual Report for publication, noting the significant cost challenges of meeting the 2030/32 target for achieving net zero.

5.8. Annual Report on Fundraising and Sponsorship (COO)

22/202 The Chair reminded members that the Board as charity trustees were ultimately accountable for funds raised in BU's name and this annual reporting to the Board ensured transparency around donors and sponsors. The Board **noted** the report and the assurance provided.

5.9. Annual Report on Restricted and Unrestricted Funds (FD)

22/203 [Redacted]

22/204 The Board **noted** the report and **approved** the request to move the Board reporting date to align with the financial year-end close.

BUSINESS CASES

5.10. Cisco Supply Partner and Hardware and Support Enterprise Agreement (COO)

22/205 The Board **approved**

- the implementation of a new 5-year non-committal contract with a single partner for design, implementation and supply of Cisco hardware and software with a spend cap of [Redacted] capital that could be called off for IT and Estates projects overseen by IT.
- the implementation of a 3-year Cisco Enterprise Agreement covering Data Centre, Network and Security hardware maintenance and support awarded through a single partner at a revenue cost of [Redacted] inclusive of VAT.

22/206 The Board **delegated authority** for the COO, or in his absence any member of the University Executive Team (UET), to sign all contracts and related documents on behalf of the Board

5.11. Tribal SITS (Student Records) Extension (COO)

22/207 On the recommendation of FRC, the Board **approved** the option to extend the SITS and SID contract with Tribal, by two years, to 30th October 2025. The Board **delegated authority** for signing the contract to the COO or in his absence another member of UET.

22/208 Mr Hoods suggested that for this contract and the one for CISCO (above) it would be important to consider IT investments as part of the strategic planning sessions and how these systems could underpin the organisational strategy, rather than renewing and extending existing contracts for systems.

5.12. Chapel Gate Football Foundation Bid (COO)

22/209 The COO reported that the bidding process for the grant was progressing well. The Football Foundation Board was due to meet on 24 May and the outcome was expected to be announced after that meeting. Issues relating to the requirement to give a legal charge, third party consents and right of access to the site were being resolved, in the worst case scenario on the current legal charge terms, the remainder of the site would continue to be accessible and operational and only the pitch would be affected. The Chair asked if the FD was content from the University's perspective about compliance with banking terms and she confirmed that she was content provided things proceeded as expected with the consents from the banks and was supportive of the proposal. There were still some issues to finalise.

22/210 It was noted that completion could not be finalised until the outcome of the bid was confirmed, along with issue and acceptance of the final terms and conditions and the third party consents. A detailed completion schedule of documents was being monitored. The Legal team were currently working on some drafting improvements although Mills and Reeve and the Legal team had advised that there was nothing in the current set of documentation that would prevent the Board from being able to approve and delegating

authority to the VC to sign off minor amendments to the documentation set presented (which was provided for in the formal Board resolution attached to the Mills and Reeve report). The remaining issues related to implementation risks and ensuring compliance with all contractual terms. The COO confirmed that the whole project would be carefully managed to ensure compliance with the terms of the grant. The project as a whole came under the responsibility of UET but ongoing management of the site was the responsibility of BUCB. Members asked what controls were in place to ensure oversight and compliance. The COO confirmed that an agreement would be put in place between BU and BUCB and that the FD as BU's Nominated Officer for BUCB would report regularly as required by the Related Companies Policy and Procedures.

22/211 It was suggested by a Board Member that ringfenced reserves to the amount of the grant could be used to prevent the charge being exercised. The FD responded that while it would not be possible to formally ringfence reserves in this way, as it did not meet the definition of a formal provision, careful monitoring of cashflow could be used to mitigate the exercise of the charge by ensuring repayment funds were available.

22/212 The Board considered the report of Mills and Reeve and noted the requirement to pass the formal resolutions set out in the appendix to that report relating to banking consents, legal charge and related deeds.

Jim Andrews and Stuart Jones withdrew from the meeting while the Board reached its decision.

Clerk's Note: For convenience and to manage conflicts of interest, the Chair took both this item and the Chapel Gate nursery lease (below) together, and Jim Andrews and Stuart Jones withdrew from the meeting while the Board reached its decisions on both items.

22/213 The Board approved:

- that if the Football Foundation bid was successful, that approval was given for BU and, if applicable, BUCB:
 - to accept the Football Foundation grant offer letter; and
 - to enter into any necessary contractual documentation with BUCB to give effect to the terms of the project documentation; and
 - to enter into any necessary construction and contractual documentation to commence and complete the project works at Chapel Gate including the refurbishment works to the changing rooms; and
 - to enter into any appropriate documentation to provide security/financial comfort to the Football Foundation, BU's funders and Sport England (including but not limited to a legal charge, deed of cross rights, deed of priorities and restrictions to be registered against the freehold and leasehold property titles of BU and BUCB).
 - All of the above is subject to the normal Contract Authorisation Form process.
 - Approval of BU providing funding of up to [Redacted] including VAT, to deliver the new supersize artificial sports pitch, refurbishment of changing rooms and ancillary works at the BU Sports Campus at Chapel Gate. This includes [Redacted] including VAT spent to date on design development, planning application and legal fees.
 - the Board passed the resolutions set out in the minute extract appended to the Mills & Reeve report at appendix 5.1 and confirmed that the minute extract was approved (appended to these minutes);

22/214 Subject to the above resolutions the Board delegated authority for the execution of the grant offer letter, construction documentation, security documentation and any other related documentation:

- by any one member (or two members where required) of UET (other than the COO) to execute any necessary documentation underhand; and,
- where such documentation is to be executed as part of the Football Foundation online Grant Administration System a hard copy shall first be printed and signed by two members of UET (other than the COO) and subsequently the online soft copy may be signed by the Head of Estates Development and Estates Senior Project Manager as key contacts for the

- purposes of future administration of the Grant claims and accompanying documentation; and,
- where such documentation is to be executed as a deed on behalf of BU, any two of the Director of Estates and any member of UET (other than the COO) to witness the application of the seal on behalf of the University pursuant to paragraph 10.1 of the Instrument of Government.

Action: Inform the Board as soon as the outcome of the bid to the Football Foundation is known.

Action by: COO

5.13. Chapel Gate Nursery Lease (COO)

22/215 The Board noted that the previous lease had fallen within provisions of the Landlord and Tenant Act 1954. The new lease sat outside of this which removed the Tenant's current statutory right to an automatic renewal. The new lease also gave BUCB the right to move the Nursery to another part of the site to allow redevelopment work.

22/216 The Board **approved** the granting a new sublease, by BUCB, to Mighty Oaks Day Nursery & Preschool Limited at Chapel Gate for a term commencing 5 March 2023 and expiring on 31 July 2033, and to vary the BU/BUCB lease to enable such approval to be given.

22/217 The Board also **delegated authority**, by way of a written resolution (passed in the meeting), specially authorising the execution of any other property related documentation that may be required by:

- any one member of UET (other than the COO) to execute any necessary property and related documentation underhand; and,
- where documentation is to be executed as a deed, any two of the Director of Estates and any member of UET (other than the COO) to witness the application of the seal on behalf of the University pursuant to paragraph 10.1 of the Instrument of Government.

The COO and Stuart Jones rejoined the meeting.

5.14. Sale of Car Park Spaces in Studland House adjoining 40-44 Holdenhurst Road (COO)

22/218 The COO reported that the property at 40-44 Holdenhurst Road, Bournemouth had suffered extensive fire damage in 2020 and had been left in an unsafe condition. The rear of the building abutted onto the rear of the Studland House car park. Since the fire, for safety reasons, approximately 9 car parking spaces had been unavailable for use by BU. A local developer proposed to demolish the fire damaged building and construct a new development on the site. To make this scheme viable the development would need to extend over a section of Studland House car park covering approximately 14 car parking spaces (inclusive of the 9 car parking spaces that had been cordoned off).

22/219 Concerns were raised by SUBU regarding the potential effect on the capacity of the car park. This was not considered to be an issue as sufficient car parking capacity would remain and the area was not currently in use due to the unsafe building. Since the inception of hybrid working, demand for car parking had decreased and the majority of spaces involved had been cordoned off and would have to remain so if the development did not go ahead. Some discussions were also ongoing concerning potential overage if the development could be expanded further. A member noted that BU was in a good position to ensure a commercial price was achieved.

22/220 The Board gave **approval** for the Estates Executive to enter negotiations for the sale of 0.078 acres of Studland House car park to Stonehaven Holdings Ltd. **Noting** that, if negotiations were successful, any agreement to sell would be brought back for Board approval.

5.15. Talbot Campus Decarbonisation Works Project (COO)

22/221 The Board **approved**, on the recommendation of FRC,

- the delivery of the Talbot Campus Heat Decarbonisation Project currently estimated at [Redacted] including VAT, where the sum of [Redacted] including VAT is provided by the Phase 3b of the Public Sector Decarbonisation Scheme,
- the BU proportion of funding of [Redacted] including VAT; and
- that BU enters into a construction contract with the successful bidder to carry out the project works.

22/222 The Board also **delegated authority** for the execution of the construction contract and any other related documentation to:

- any one of the COO and any other member of UET to execute any necessary documentation underhand; and
- where such documentation is to be executed as a deed, any two of the Director of Estates, the COO and any other member of UET to witness the application of the seal on behalf of the University pursuant to paragraph 10.1 of the Instrument of Government.

5.16. Corfe House Company Restructure (COO)

22/223 The Chair advised members that this paper had been scrutinised in detail by the FRC who recommended it to the Board, before inviting questions. [Redacted] the Deputy Chair requested that assurance be requested that there were no sanctioned individuals involved in the chain of ownership.

22/224 Noting the recommendation of FRC, and subject to receipt of the assurance noted above, the Board **approved** the novation of the nomination agreement and replacement of second guarantor; and **delegated authority** specially authorising:

- any one of the COO and any other member of UET to execute any necessary documentation underhand; and,
- where such documentation is to be executed as a deed, any two of the Director of Student Services, the COO and any other member of UET to witness the application of the seal on behalf of the University pursuant to paragraph 10.1 of the Instrument of Government.

Action: Seek assurance from the counterparty's solicitors that there are no sanctioned individuals involved in the new guarantor arrangements.

Action by: COO

5.17. Stage 2 NIHR Research Bid (VC)

22/225 The Board **approved** the submission of a second stage application to the NIHR Public Health Research call noting that it had come direct to the Board although FRC Members had had the opportunity to review it and ask questions out of meeting. **Authority was delegated** to the Chief Operating Officer (or in his absence, the Vice-Chancellor or Finance Director) to sign the CAF prior to submission of the application and the research contract and associated documentation relating to the project, subject to satisfactory completion of the CAF process, if the application was successful.

6. Committee Reports

6.1. Remuneration Committee (9 February 2023) (RemCo Chair)

22/226 The minutes were **noted**.

6.2. Nominations Committee (25 January 2023) (Chair)

22/227 The minutes were **noted**.

6.3. Audit, Risk & Governance Committee (ARG Chair))

22/228 The Chair noted that the minutes of the deferred April ARG were not yet available.

6.3.1. Risk Register (to note)

22/229 The Board **noted** the risk register.

6.4. Finance & Resources Committee (27 January 2023) (FRC Chair)

22/230 The minutes were **noted**.

6.4.1. Management Accounts and Cashflow (FD)

22/231 The Management Accounts and Cashflow were **noted**.

6.5. Honorary Awards Committee (20 March 2023) (Chair)

22/232 The minutes were **noted**.

6.6. Student Experience, Quality & Standards Committee (3 November 2023) and Terms of Reference (Chair)

22/233 The minutes were **noted** and the Terms of Reference were **approved**.

6.7. Senate (22 February 2023) (VC)

22/234 The minutes were **noted**.

7. Any Other Business (Chair)

22/235 In response to a Member's question about the University's position on the use of AI, the VC noted that work was ongoing on the use of AI in general and its use in assessment in particular and that a report would be made to SQS in due course.

22/236 The Board noted that Members would be invited to participate in planning for the next strategic plan. It was proposed to take a similar approach to the last plan with twilight sessions wrapped around other activities such as Board dinners. Given the length of agenda at Board meetings it was not planned to incorporate this planning activity into existing Board meetings. The Board welcomed this approach.

Action: Seek dates for sessions to involve Board Members in the planning for the next strategic plan, between October and July.

Action by: VC/Clerk/Chair

Action: Report to SQS and/or July Board on BU's policy position regarding AI.

Action by: VC

8. Date of Next Meeting

Friday, 7th July 2023, 9.30am to 12.30pm, Bournemouth Gateway Building at Lansdowne (to be preceded by a University Board Dinner, at Talbot Campus, on the evening of Thursday 6th July).

Appendix: Item 5.12

BOURNEMOUTH UNIVERSITY HIGHER EDUCATION CORPORATION (the “University”)

Minutes of a Meeting of the board of governors (the “Board”)

Held Poole House, Fern Barrow, Poole and via Microsoft Teams video conference

on 19th May 2023 at 9.30 am

<p><i>Present:</i> David Furniss Jim Andrews (left the meeting for this decision) Paula Alliston Nastassia Asselin Omuwa Ayomoto Prof Carol Clark Karima Fahmy Dr Lois Farquharson Maggie Frost Nick Golding Karl Hoods Simon Jackson Stuart Jones (left the meeting for this decision) Anthony Murphy Susie Reynell Prof John Vinney Deborah Ward Deborah Warman (via MS Teams) Robert Williams</p>	<p><i>(in the Chair)</i></p>
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1 Background

- 1.1 The Board was reminded that the University had acquired the freehold of title DT86459, a community recreational sports site known as “**Chapel Gate**” on 5 July 2019.
- 1.2 The University had subsequently granted a leasehold interest over Chapel Gate to its wholly owned subsidiary, BU Community Business Limited (“**BUCBL**”).
- 1.3 In connection with the acquisition of the freehold of Chapel Gate, the University granted a legal charge over the freehold title in favour of The English Sports Council (“**Sport England**”) dated 5 July 2019 (the “**Sport England Charge**”).

- 1.4 The University has made an application to the Football Foundation for grant funding up to the amount of £1,723,523 to build a super-size artificial football pitch and improve the changing rooms at Chapel Gate (the “**Football Foundation Grant**”).
- 1.5 The Football Foundation is expected to make the decision of whether to award the Football Foundation Grant in May 2023.
- 1.6 It is anticipated that if the University is successful and receives the Football Foundation Grant that the University shall be required to grant (or procure that BUCBL grants) in favour of the Football Foundation:
 - 1.6.1 a legal charge over that part of the freehold of Chapel Gate on which the artificial football pitch is built which will be protected by a restriction registered against the freehold title at HM Land Registry (“**FF Charge**”);
 - 1.6.2 a deed of cross rights over the accessway, changing rooms and car park (“**Deed of Cross Rights**”) which will be protected by a restriction registered against the freehold title at HM Land Registry;
 - 1.6.3 a restriction over the leasehold title to the pitch, accessway, changing rooms and the car park,together the “**Proposed Football Foundation Security**”.
- 1.7 In addition, it is expected that the Borrower will enter into a deed of pari passu with Sport England and the Football Foundation to regulate the priority of the Sport England Charge and the FF Charge (the “**Deed of Pari Passu**”).
- 1.8 The Proposed Football Foundation Security and the existing Sport England Charge were each matters requiring certain consents from the University’s lenders under its existing facility agreements:
 - 1.8.1 The £40,000,000 loan originally made with Lloyds TSB Bank plc (as lender) with a final repayment date 35 years after the acceptance date originally dated 29 January 2008 and transferred to Scottish Widows Group by a notice of transfer dated 26 April 2013 (the “**2008 SW Facility**”);
 - 1.8.2 the £15,000,000 term loan with a term of ten years with Lloyds Bank plc (“**Lloyds**”) (as lender) dated 18 December 2017 as amended and restated on 30 July 2019 (the “**Lloyds Facility**”) and as amended from time to time;

- 1.8.3 the £25,000,000 term loan facility agreement with a term of 20 years with Scottish Widows Limited (“**SW**”) (as lender) and Lloyds (as both agent and arranger) dated 18 December 2017 as amended and restated on 9 October 2019 (the “**SW Facility**”) and as amended from time to time; and
- 1.8.4 the £20,000,000 revolving credit facility with term of five years with Barclays Bank plc (“**Barclays**”) (as lender) dated 27 November 2020 as amended on 25 November 2022 and as amended from time to time (the “**Barclays Facility**”),
- together the “**Existing Facility Agreements**”.

2 Noted

- 2.1 The Board noted the following:-
- 2.1.1 that the meeting has been properly convened and a quorum of members of the Board was present;
- 2.1.2 other than the two members identified in the meeting minutes (and the meeting remained quorate in their absence for this item) that no member of the Board at the meeting had, directly or indirectly, any interest in the transactions contemplated by the documents referred to above which he/she was required by the Articles or Instrument of Government of the University or by legislation or otherwise to disclose or was for any reason disqualified from voting at the meeting or forming part of the quorum of the meeting.

3 Business of the meeting

- 3.1 The meeting had been called to consider:
- 3.1.1 the draft FF Charge;
- 3.1.2 the draft Deed of Cross Rights;
- 3.1.3 the draft Deed of Pari Passu;
- 3.1.4 draft consent letters in relation to:
- (i) consents required under the 2008 SW Facility;
 - (ii) consents required under the Lloyds Facility;

(iii) consents required under the SW Facility; and

(iv) consents required under the Barclays Facility,

together the “**Consent Letters**”; and

3.1.5 the report from the University’s lawyers, Mills & Reeve LLP on the terms of the draft FF Charge, the draft Deed of Pari Passu and the Consent Letters (the “**M&R Report**”);

3.1.6 the delegation of responsibility to the Vice-Chancellor and Finance Director to execute the finalised Consent Letters and any two of the Director of Estates and any member of UET (other than the Chief Operating Officer) to execute the finalised FF Charge, the finalised Deed of Pari Passu and the finalised Deed of Cross Rights on behalf of the University.

4 Documents produced

4.1 Copies of:

4.1.1 the draft FF Charge;

4.1.2 the draft Deed of Priority;

4.1.3 the draft Deed of Cross Rights

4.1.4 the draft Consent Letters,

together, the “**Documents**”,

together with the M&R Report had been circulated to all members of the Board in the Board papers for the meeting on the 19th May 2023 (and each member attending the meeting confirmed that they have each had the opportunity to review and consider the same).

5 Security considerations

5.1 The Board considered the procedures set out in s124 Charities Act 2011 for charities when mortgaging land. While the University, as an exempt charity, was not legally obliged to follow the procedure, it was noted that the aforementioned statutory provisions were an appropriate procedure to follow and represented good governance. Such advice must consider the following relevant matters:

- 5.1.1 whether the FF Charge was necessary in order for the University to be able to pursue the particular course of action in connection with which it is seeking the Football Foundation Grant;
 - 5.1.2 whether the terms of the FF Charge are reasonable having regard to the status of the University as a charity; and
 - 5.1.3 the ability of the University to repay on the sums due on under the terms of the FF Charge.
- 5.2 The Board noted that it was a condition of the Football Foundation Grant award being made available by the Football Foundation that the Proposed Football Foundation Security be granted by the University. The Board was asked to consider the consequences of granting the security and balance these against the consequences should they decide not to grant the security, noting that the Football Foundation Grant would not, as a result, be available to the University.

6 Pension Schemes Act

- 6.1 The Board noted and considered the provisions of the Pension Schemes Act 2021 (the “**Act**”) which creates a criminal offence if a person “does an act or engages in a course of conduct that detrimentally affects in a material way the likelihood of accrued scheme benefits being received” and such person “did not have a reasonable excuse for doing the act or engaging in the course of conduct.”. In particular, it considered whether providing the legal charges to secure the obligations due to the Football Foundation (and thereby creating a class of secured creditors who would rank ahead of the pension trustees) might constitute an offence under the Act.
- 6.2 It was noted that:
- 6.2.1 the University is an employer under the following pension schemes: Teachers’ Pension Scheme, the Universities Superannuation Scheme (“**USS**”) and the Local Government Pension Scheme Dorset Pension Fund;
 - 6.2.2 section 75 of the Pensions Act 1995 applies only to USS;
 - 6.2.3 entry into the FF Charge was a condition to receipt of the Football Foundation Grant monies;

- 6.2.4 a failure to receive funding awarded by the Football Foundation would have an impact on the University's planned development of Chapel Gate as the project could not proceed as currently designed;
- 6.2.5 the University is of the view that:
- (i) the main purpose of granting the security is not, in respect of the University's status as a participating employer in the USS, to prevent the recovery of all or part of a debt from the University under section 75 of the Pensions Act 1995 or to prevent, reduce or compromise such a debt from becoming due; and
 - (ii) the purpose of granting the security could not be regarded as detrimentally affecting in a material way the chances of accrued benefits in the USS being received or being regarded as a course of conduct that detrimentally affects in a material way the likelihood of accrued benefits in the USS being received;
- 6.2.6 the Board had received written advice in the M&R Report that if the Board concluded that the grant of the FF Charge to the Football Foundation, as a condition of the Football Foundation Grant, is justified and necessary for the University to continue as a financially sustainable higher education provider, then it is unlikely that an offence will have been committed under the Pension Schemes Act 2021, as an act taken with the express intention of supporting the ongoing financial sustainability of the University, should constitute a "reasonable excuse".

7 Resolutions

- 7.1 The Documents were each considered and members of the Board were reminded that advice had been provided by its legal advisor, Mills & Reeve LLP on the terms of the draft FF Charge, the draft Deed of Pari Passu and the Consent Letters in the M&R Report.
- 7.2 After due and careful consideration of the Documents, and taking into account their duties and obligations as charity trustees pursuant to the Charities Act 2011 and the Articles and Instrument of Government, and considering the best interests of the University, it was unanimously resolved that:-
- 7.2.1 it was in the best interests of the University that the Documents be progressed;

7.2.2 the Board on behalf of the University approves the terms of, and the transactions contemplated by, the Documents;

7.2.3 the Vice-Chancellor shall be authorised to negotiate, consider and approve any amendments to any or all of the Documents on behalf of the University and as he thinks fit and necessary (in his sole discretion) provided that no increase in the amount of the Football Foundation grant award or any requirement for additional security in respect of the Existing Facility Agreements or the Documents may be approved by the Vice-Chancellor without subsequent approval to such amendment(s) from the Board;

7.2.4 subject to such further changes agreed by the Vice-Chancellor in accordance with the above resolution at 7.2.3, such changes to be evidenced by the execution of the Documents by the appropriate signatory, authority be delegated specifically authorising:

7.2.4.1 the Vice-Chancellor and the Finance Director to execute the finalised Consent Letters underhand; and

7.2.4.2 any two of the Director of Estates and any member of UET (other than the Chief Operating Officer) to witness the application of the seal on behalf of the University pursuant to paragraph 10.1 of the Instrument of Government on the finalised FF Charge, finalised Deed of Priority and finalised Deed of Cross Rights; and

7.2.5 any two members of UET (other than the Chief Operating Officer) , be authorised to execute and do all such acts, deeds, documents, certificates and notices as they may consider expedient or desirable in connection with the execution or performance by the University of the Documents.

I certify that (i) this is a true and complete minute extracted from the minutes of a meeting of the Board, (ii) the meeting was duly convened and quorate and (iii) the resolutions referred to remain in full force and effect.

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Chair