

University Board Meeting

Minutes of a meeting held on 8 July 2022

Members Present

Prof Richard Conder (Chair)	Chair of the University Board
Jim Andrews	Chief Operating Officer (COO)
Paula Alliston	Staff Member, Professional and Support Services
Prof Carol Clark	Staff Member, Senate
Prof Carol Evans	Independent Board Member (via MS Teams)
Karima Fahmy	Independent Board Member
David Furniss	Independent Board Member
Karl Hoods	Independent Board Member
Stuart Jones	Independent Board Member
David Kane	Independent Board Member (Via MS Teams)
Jean Lang (Deputy Chair)	Independent Board Member
Naomie Lebe	President, Students' Union Bournemouth University
Sara Luder	Independent Board Member
Prof Tim McIntyre-Bhatty	Deputy Vice-Chancellor (DVC)
Tola Oloyede	Independent Board Member
Susie Reynell	Finance Director (FD)
Prof John Vinney	Vice-Chancellor (VC)
Robert Williams	Independent Board Member

In attendance

Omuwa Ayomoto (SUBU President Elect); Jules Forrest (Head of Academic Quality) (CPD presentation); Jacky Mack (Academic Registrar) (CPD presentation and items 4.2, 5.10 and 5.11); Geoff Rayment (Senior Governance Manager); Deborah Wakely (Clerk to the Board).

CPD Presentation

Jules Forrest, Head of Academic Quality opened the meeting with a presentation on apprenticeships. She explained the role of the Board and preparations for the anticipated Ofsted inspections (a full inspection within 24 months) and possible outcomes. The inspections would include meetings with Board members and it was important that the Board was fully engaged and received the relevant performance monitoring data. Further updates and reporting would be provided in due course. The importance of engagement with oversight of apprenticeships at all levels within BU was noted. The presentation slides would be available to all Board members in the meeting pack for future reference.

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

21/238 Apologies were noted from John Beswick, Maggie Frost, Lois Farquharson and Debbie Ward. The Chair welcomed SUBU President Elect Omuwa Ayomoto who was observing. The Chair confirmed that the

meeting was quorate and there were no new or relevant declarations of interests. Board Members would withdraw from the meeting during the items on Board appointments to ensure that they were not in the meeting when their own appointment was considered.

2. Minutes of the Previous Meeting

2.1. Minutes of the University Board Meeting, 20 May 2022 (Chair)

21/239 The minutes of the previous meeting were **approved**.

2.2. Matters Arising and Actions Register (Chair)

21/240 The actions register was **noted**, with most actions being completed, not yet due or covered under the substantive agenda items (below). The COO confirmed that Action 185 (Equality and Diversity committee work with SUBU on allyship) was still ongoing. On Action 187 (Future report on usage of the MRI scanner), it was confirmed that this would come to the February 2023 Board. Action 188 (Working group on Board papers) would be taken forward by the incoming Chair. Action 189 (circulate ARG Health and Safety report) was also now complete.

3. Context Setting, Updates and Chair's Reports

3.1. VC's BU Update Report (VC)

21/241 The VC highlighted key points of his update report, focusing on the NSS results which had been published on 6th July. The results showed an overall improvement on the previous year but were still below the sector average. NSS Q27 on overall student satisfaction may be dropped as part of the current NSS review. The Student Experience, Quality & Standards Committee (SQS) had met and discussed the results in more detail on 7th July. Postgraduate student survey overall satisfaction scores had increased by around 4% and were 2% ahead of the Sector average.

21/242 Actions to address the NSS results continued to move forward, with a focus on on-campus provision and improved student voice and engagement. The latest results were being analysed to provide further information on which specific areas needed attention.

21/243 On student recruitment, the latest figures showed undergraduate applications had increased by approximately 14% and the COO advised that postgraduate applications were up by 77%. Plans were being put in place to address the demand for additional student accommodation.

3.2. SUBU President's Report (SUBU President)

21/244 The SUBU President highlighted key points of her report. The SUBU awards celebrating student achievements had been very successful. 550 students had been elected as student representatives and it was hoped to increase this to 600 next year. Over 8000 comments had been submitted via the SimOn student feedback tool and work was being done to simplify this process. The information gathered via SimOn was fed into the ULT Student Voice and Engagement Committee. For the full time officer elections turnout had been 17%. The NSS results in respect of the student union questions had been good for SUBU, achieving a score above the sector benchmark. Asked what priority issue she would pass on to her successor to take forward, Miss Lebe felt that support for international students was a key issue. The report was **noted**.

3.3. Chair's Reports

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

21/245 The report was **noted**.

3.3.2. Board and Committee Appointments (Chair/Clerk)

21/246 A paper was tabled setting out the recommendations of the Nominations Committee for Board and

Committee appointments. All approvals were subject to final due diligence checks being completed and any issues arising would be referred to the Chair on behalf of the Nominations Committee.

Mr Jones withdrew from the meeting.

21/247 The Board **approved** the recommendation that Stuart Jones' third term as a Board member continue.

Mr Jones re-joined the meeting.

21/248 The Board **approved** the following recommendations:

- a) To appoint Simon Jackson as a Board member for an initial term of three years with effect from 9 July 2022 (and to remain on FRC).
- b) To appoint Deborah Warman as a Board member for an initial term of three years with effect from 1 August 2022 (and as a member of FRC and Remcom).
- c) To appoint Nicholas Golding as a Board member for an initial term of three years with effect from 1 August 2022 (and as a member of ARG).
- d) To appoint David Smith as a Board member for an initial term of three years with effect from 1 December 2022 (and as a member of FRC and Remcom).
- e) To appoint Nastassia Asselin as a Student Board member with effect from 1 August 2022 (and as a member of SQS). Her term will end when she ceases to be a student and is for a maximum term of 2 years.
- f) To extend Annette D'Abreo's co-option to Remuneration Committee to 1 August 2023.

Prof Clark withdrew from the meeting.

21/249 The Board **approved** the VC's proposal to co-opt Prof Carol Clark to Senate by exception, for a term to run co-terminus with her Board appointment to August 2023.

Prof Clark rejoined the meeting.

3.3.3. Chair Appointment (Deputy Chair)

Professor Conder and Mr Furniss withdrew from the meeting and Mrs Lang took the Chair.

21/249 A paper was tabled on the Chair of the Board appointment and Mrs Lang explained the process which had been followed, including the second selection process assisted by external search specialists. As approved by the Board, the selection panel had ensured that all external and internal candidates were required to complete the same formal process at all stages, including application and shortlisting. As with the first recruitment process, selection activity included student panels, psychometric testing and a formal interview with the selection panel. As a result of that process, the Nominations Committee now recommended the appointment of Mr Furniss. The Board **approved** the recommendation that Mr Furniss be appointed as Chair of the Board for a three-year term commencing on 11 July 2022.

Mr Furniss rejoined the meeting.

3.3.4. Pro Chancellor Appointment

21/250 A paper was tabled by the Deputy Chair proposing a recommendation from the Nominations Committee (excluding the current Board Chair) that Prof Conder be appointed as a Pro Chancellor of the University, filling the current vacancy left following the end of Sue Sutherland's term. The Board **approved** the recommendation that Professor Richard Conder be appointed as a Pro Chancellor of BU for an initial term of five years from 11 July 2022.

Prof Conder rejoined the meeting.

4. Strategic Matters

4.1. Key Performance Indicators (VC)

21/251 The VC introduced this report and highlighted the KPIs which had moved since the previous meeting. Financial indicators were showing good progress overall. RKE income targets remained challenging and UET were continuing to work on this. Indicators on gender pay also remained challenging and this would be the subject of further detailed reporting to FRC.

21/252 Mrs Lang observed that the number of reserve cash-days had reduced and the FD confirmed that this was due to the timing of the payments from the Student Loans Company. The position had since improved following the receipt of this income and was now equal to approximately [Redacted].cash days. Consideration was currently being given to amending the accounting practices applied to the timing of revenue recognition for tuition fee income which would help to alleviate some volatility.

21/253 Members noted that there had been an increase of 2% in the proportion of graduates in 'professional employment' and that the previous report had referred to 'highly skilled' employment. The DVC clarified that these terms meant the same thing and that there were standard occupational definitions provided by the survey itself. It was agreed to share the definitions with the Board.

Action: Next KPI report to include definition of professional employment as per the HESA graduate outcomes survey.

Action by: DVC

4.2. Access and Participation Plan Refresh (DVC)

21/254 The DVC explained that the proposed Access and Participation Plan (APP) variation had been considered and recommended to the Board by the SQS meeting on 7th July. The 5 year APP had been approved previously by the Board and universities had now been instructed to review and re-frame those plans to match the new priorities of the OfS. The targets, however, remained unchanged. This refresh of the APP was expected to apply only for one year, after which it was understood that new guidance would be issued and new APPs submitted for the next 5 year period. The refreshed APP was **approved**.

5. Governance, Operational and Financial Matters

5.1. Annual Budget (FD)

21/255 The FD presented the draft budget for approval on the recommendation of the Finance & Resources Committee (FRC). The draft set out the proposed budget for next year, plus indicative budgets for the following 2 years. The impacts of significant increases in inflation were taken into account. Key assumptions and predicted income had been reviewed. The undergraduate fee cap was not increasing, but costs were. Inflationary pressures were compounded and would continue to impact on future years. Focus was given to RKE income and international student income as areas which could see significant growth in income potential. Overall, a balanced approach had been taken, with more ambition in terms of growth but also focused on reducing costs where possible. Internal business planning was ongoing and capital expenditure plans had shifted to later years. The new reserves target of [Redacted] cash days was in place, although it was noted that high inflation added an element of risk to reserves.

21/256 Mr Furniss confirmed that FRC had considered the budget, balance sheet and Income & Expenditure account. They had also looked at expenditure and the sensitivity analysis and assumptions. The assumptions would need to be continually monitored and reported on. Overall, the FRC agreed it was a balanced and realistic budget, but still with some room to stretch to ensure cash generation was sufficiently ambitious. It was **recommended** to the Board by FRC.

21/257 Members discussed pension liabilities and it was agreed to circulate to the Board the paper on pensions strategy options which had been provided to FRC.

Action: Circulate the FRC pensions paper to the full Board.

Action by: FD

21/258 Members considered the impact of falling numbers of student placements caused by the pandemic restrictions. The DVC advised that these were not yet back to pre-pandemic levels. Prof Evans pointed out that disadvantaged students tended to gain most from placements and would therefore be the most impacted by this.

21/259 The Board **approved** the annual budget for 2022/23 and **noted** the indicative envelopes for the following two years.

5.2. Extension of Revolving Credit Facility (RCF) (FD)

21/260 The FD provided a verbal update on progress in finalising the arrangements for the RCF. Work was progressing to agree the final details of the wording of the agreement. There was a requirement for Lloyds and Scottish Widows as existing lenders to approve the new RCF with Barclays. An amendment letter would be finalised in the coming weeks and submitted for FRC consideration out of committee via a written resolution, before presenting it to the September Board for final approval.

21/261 A waiver letter regarding the cross-default position previously discussed at Board and FRC would be needed with Barclays. This would complete the formal notification and waiver under the cross-default provisions and would close out the actions required following the drafting amendments made with Lloyds and Scottish Widows to exclude pension liabilities. The Barclays waiver letter would be circulated to the Board for approval by written resolution as soon as it was finalised.

5.3. Finance Policies

5.3.1. Reserves Policy Annual Review (FD)

21/262 The FD presented the updated Reserves Policy which was recommended by FRC for approval. The FD confirmed that the Policy had now moved to the agreed cash days target of [Redacted], and the cash/loan facilities distinction had been removed from the calculation of these figures because of concerns about inflation changing the actual value of cash days over the period. The FD explained that, as advised to FRC, the Policy had also stated that the University's income and expenditure account reserve, including pension reserve, should remain positive. Since July 2020, as a direct result of the LGPS deficit, the total I&E reserve had been negative and so it was considered that the drafting needed amending. The wording had now been amended to align with the loan agreements which stated that the total assets less total liabilities (excluding the pension liability) should remain positive. The Policy had been recommended to FRC subject to further narrative on this pension liability issue and the separation from liquidity point to explain how this was being addressed. The paper set out the addition made at FRC's request. The Board **approved** the Reserves Policy.

5.3.2. Treasury Management Policy (FD)

21/263 The FD presented the revised policy which contained updates some of which were audit recommendations. Approval of the Treasury Management Policy is delegated to FRC but was being represented with the Reserves Policy as FRC had requested an additional change. Following scrutiny by the Finance and Resources Committee on 10 June 2022, the following addition was made to section 2.3 to clarify BU's appetite for investment risk, "The University has a low appetite for high risk investments, and as such, investments in equities, derivatives and similar asset classes shall be avoided". A Board member asked what the definition of "major investment" was where it was expressed that major investments should not be funded from working capital. The FD took an action to clarify the definition of major investment and to refer it back to FRC for final approval. The Board **approved** the Treasury Management Policy subject to the addition of a definition of major investment to be agreed by FRC.

Action: Provide a definition of "major investment" for consideration at the next meeting of FRC.

Action by: FD

5.4. Student Accommodation: Atlantic House, St John's Road, lease (COO)

21/264 The COO introduced key points from this business case. Atlantic House provided accommodation for postgraduate students. It was a popular choice and demand had increased. There was some financial risk if not all of the rooms were filled, but he was confident that they would be. If full, the building would provide a small surplus which contributed to the management costs of running the provision. Members discussed increasing postgraduate numbers and mitigations against a shortage of accommodation. The COO gave an overview of the options available, including the local private rental market.

21/265 The business case had been recommended to the Board by FRC. The Board gave **approval** to enter a new lease of Atlantic House, St John's Road, Boscombe (currently 28 beds) for the term from and including 24 January 2023 to and including 23 January 2027 at the initial rent of [Redacted], increasing to a maximum of [Redacted] with a total liability if no rooms were let of [Redacted].

21/266 The Board **delegated** authority for the execution of the lease and any other related documentation by:

- any one of the COO and any other member of UET to execute any necessary property documentation underhand; and,
- where such property 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.

5.5. Measured Term Contract (Maintenance & Minor Works) (COO)

21/267 This business case was presented on the recommendation of FRC. The Board gave **approval** to award a contract for Minor Works Measured Term Contract for a 5-year term with an estimated maximum value of [Redacted] including VAT.

The Board **delegated** authority for the execution of the contract and any other related documentation by:

- 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.

5.6. Arne House Planning Application Works (COO)

21/268 The COO explained that the University had planning permission for the development of Arne House which was valid until March 2023. The development had been delayed, but it was a requirement that some work be undertaken to preserve the planning permission. It was considered a high risk that if it lapsed, the permission might not be granted again and FRC had noted that the costs of seeking permission were in excess of those required to maintain the existing permission. The proposed works would be sufficient to preserve the planning permission and a certificate of lawful development would be applied for to secure it. The Board **approved** the business case on the recommendation of FRC, specifically:

- to endorse the proposal to secure the Arne House planning permission in perpetuity via the discharge of pre-commencement conditions and carrying out specified works ('Works'),
- to approve the issue of a change instruction order (or other contractual mechanism necessary) to lift the project pause imposed on Willmott Dixon to enable the carrying out of the Works via the existing Pre-construction Agreement (or alternative contractual documentation, if necessary)
- to approve:
 - the removal of the change instruction maximum cap imposed on 3 March 2020, and
 - slight acceleration of approved capital spend which will be offset against deceleration on

other capital projects.

- to delegate authority by way of a written resolution (passed in the meeting) specially authorising:
 - the execution of the relevant contractual documentation underhand by any one of the Director of Estates, the Chief Operating Officer, and any other member of UET or,
 - any two of the Director of Estates, the COO and any other member of UET to execute the relevant contractual documentation (if required to be by way of deed) and to witness the application of the seal on behalf of the University pursuant to paragraph 10.1 of the Instrument of Government.

5.7. Scheme of Delegation (Clerk to the Board)

21/269 The Clerk to the Board introduced the revised Scheme of Delegation which contained minor amendments, primarily to account for the new Student Experience, Quality & Standards Committee. The Scheme of Delegation was **approved** by the Board on the recommendation of ARG.

5.8. Financial Regulations Annual Review (FD)

21/270 The FD presented revised Financial Regulations which contained mainly minor updates and revisions. One possible amendment was still being considered regarding section 4.6 and changes to the process for agreeing departures from agreed budgetary targets of more than 5%. It was proposed that authority be delegated to the Audit, Risk & Governance Committee (ARG) to approve this amendment when a final draft had been agreed by UET. The Board **approved** the Financial Regulations on the recommendation of ARG and **delegated** authority to ARG to approve the change to the wording of clause 4.6 on behalf of the Board, at such time as the final wording was proposed.

Action: Present final wording for 4.6 of the Financial Regulations to ARG for approval

Action by: FD

5.9. Related Companies Policy & Procedures (Clerk to the Board)

21/271 The Clerk to the Board explained that this Policy was owned by the Board, following consideration by both FRC and ARG, and it was normally subject to review every 3 years. ARG had confirmed in its meeting that it was content with the questions for consideration by ARG listed at Appendix 3. FRC members were asked to comment in the Board meeting and Mr Furniss confirmed that FRC was also content with its questions. UET had suggested the Policy may need to be reviewed again in 12 months to take account of ongoing developments. This would be kept under review. The Board **approved** the Related Companies Policy & Procedures.

5.10. Student Complaints and Appeals Annual Report (DVC/COO)

21/272 The DVC introduced this annual report, which had also been considered by the SQS committee on 7th July and recommended to the Board. The report covered the 2021 calendar year (to align with the Office of the Independent Adjudicator's [OIA's] reporting period). The Academic Registrar summarised the key data. The proportion of academic appeals had increased on the previous year. However, 2020 was not a typical year, and if the 2021 figures were compared with previous years back to 2017 the figures were more typical. Timescales had improved for the handling of complaints at local and central stages. There was a slight increase in the number of academic complaints being upheld, but nothing suggested that there were any systemic issues. Improved systems of informal complaints logging had been introduced to give advance warning of any emerging issues. Cases referred to the OIA showed a slight decrease and one large group complaint also had a distorting effect on these figures. BU was below median for all categories of outcomes and below sector for academic appeals. The Board **noted** the report and the assurances provided.

5.11. Degree Outcomes Statement (DVC)

21/273 The Academic Registrar introduced the Degree Outcomes Statement which had been considered by the SQS Committee on 7th July and recommended to the Board for approval. In summary, the data remained largely static, with a below sector proportion of high awards overall. UUK was responding to government concerns about grade inflation and there was a renewed focus on this area, which may require an update to the statement returning for approval later in the year to include reporting on the action plan. The Degree Outcomes Statement was **approved**.

6. Committee Reports

6.1. Finance & Resources Committee (29 April 2022) (Mr Furniss)

21/274 The minutes were **noted**.

6.1.1. Management Accounts and Cashflows (FD)

21/275 The Management Accounts including cashflows were **noted**.

6.2. ARG Risk Register (DVC)

21/276 The Risk Register was **noted**. It had been updated to refer to pension liabilities as previously requested by the Board.

6.3. Student Experience, Quality & Standards Committee (9 May 2022) (Chair)

21/277 The minutes were **noted**.

6.4. Nominations Committee (25 March 2022) (Chair)

21/278 The minutes were **noted**.

7. Any Other Business (Chair)

21/279 The COO as Nominated Officer advised members that a written resolution may be required regarding sale of shares owned by the subsidiary BU Innovations Ltd. A further resolution may also be required to approve the catering contract if this was needed before the next Board meeting in September.

21/280 The Chair thanked outgoing members Naomie Lebe and David Kane, who had both reached the end of their terms of office. Members thanked Prof Conder for all his work as Chair of the Board and his support for the University. Prof Conder congratulated Mr Furniss on his appointment as Chair and thanked members for all their contributions during his own term of office.

8. Date of Next Meeting

Friday, 30 September 2022, 9.30am, Boardroom, Poole House

Friday, 25 November 2022, 9.30am, Boardroom, Poole House