



BOARD OF GOVERNORS

Minutes of the Board of Governors meeting held on Tuesday 26 November.

Present: S Forbes; A Gilkison; Dr M Hagen; J Laycock; J McNulty; S Mills; C Roper; Professor G Upton; Professor S West.

Apologies: C Booy; G Camm; I Gray; Dr J Harrington; D Lamb; S Moore; G van der Lely

In Attendance: R Bott (for item G13.11.16); Professor P Gough; W Liew; W Marshall; A Osborn (Deputy Clerk); J Rushforth (Clerk) A Weeks (for item G13.11.07).

G13.11.01 Membership

G13.11.01.1 Membership Update

The Clerk to the Board of Governors welcomed members to the first full Board of Governors meeting of the academic year and invited the Vice-Chancellor to provide an update from the Chair.

Governors also welcomed Mr Alex Gilkison and Ms Jocelyn McNulty to their first meeting of the Board of Governors.

G13.11.01.2 Governor Appointment

On the recommendation of the Nominations and Governance Committee members agreed that Professor Upton's term be reinstated to run to 31 July 2014 and noted that in doing so the membership of the Board of Governors would be seventeen from 1 January 2014.

G13.11.01.3 Confirmation of Chair and Deputy Chair

Members noted that in accordance with the Articles Of Government the Board was required to confirm in place or elect a new Chair and Deputy Chair.

G13.11.01.4 Mrs Gillian Camm and Professor Graham Upton were unanimously **confirmed** in post as Chair and as Deputy Chair respectively.

G13.11.02 Terms of Reference

Paper G13/11/1 was received.

Members noted the Terms of Reference and the statement of primary responsibilities.

G13.11.03 Declarations of Interest

Members noted that the Vice-Chancellor and the Student Governor held an interest in items 6.6 and 6.3 respectively.

G13.11.04 Minutes and matters arising

Paper G13/11/2 was received.

G13.11.04.1 Governors approved the minutes of the meeting held 9 July 2013.

G13.11.04.2 Scope of international activity (Minute G13.07.5.4 vi)

Members noted that the brief had been prepared and would be circulated in due course.

ITEMS FOR DISCUSSION

G13.11.05 Research Excellence Framework

Paper G13/11/3 was received.

G13.11.05.1 The Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (Research and Business Engagement) provided Members with a presentation outlining the University's preparations for the Research Excellence Framework (REF) and development of activity in support of the University's *research with impact* strategic ambition.

G13.11.05.2 The presentation highlighted that:

- i. there were three primary sources of income for research: HEFCE quality research funding, Research Council grants, and internal investment by the University;
- ii. although currently European grants were tailing off, a new bidding round would commence in the spring;
- iii. there had been a strong rising trend in postgraduate research degree completions during the assessed period of the REF;
- iv. the concentration of the university's research on areas of excellence had been very successful as evidenced by some of the prestigious grants being awarded to the University;
- v. although the results of the REF would not be available until January 2015 the university would undertake a review of its own submission and in particular pay close attention to whether the research areas targeted had produced the required, and anticipated, results. In the meantime there was a reasonable level of confidence that the university would be in good position to increase his research reputation.

G13.11.05.3 During the ensuing discussion governors noted that:

- i. globally, research had been recognised as a priority area for investment and the UK economy would not be able to sustain a large number of major research institutes;
- ii. research as an activity was fully integrated with the professional services and provided the institution with opportunities for media coverage as well as supporting the internationalisation of the University;
- iii. the internal investment in research by the university continued to be monitored with a view to obtaining value for money, as illustrated by the rising PHD completions despite a reduction in fee waivers;
- iv. of increasing importance would be the university's ability to develop economies of scope between its research and its connections into the local and regional economy. The Local Enterprise Partnership would continue to help facilitate this;
- v. the strategic vision for research was led through the Research Strategy Implementation Group working with Academic Board and the Vice-Chancellor's Executive. This work also considered how the University could partner with other organisations and universities to maximise the impact of research.

G13.11.05.4 Members thanked Professors Gough and Boddy and noted that research would continue to be a critical element of the academic character of the institution and as such the discussion could be perceived as an endorsement of the approach adopted by the Executive Team.

G13.11.06 Risk register

Paper G13/11/4 was received.

The Deputy Vice-Chancellor (Operations) presented the risk register and during discussion Governors noted:

- i. Audit Committee had considered the IT risk and that the Director of IT would attend the next meeting of the committee to brief them on the steps being taken to ensure continuity of service during the ongoing period of IT development;
- ii. the potential impact of the government's teacher training policy on the academic character of the University and that UWE already appeared to have been disproportionately affected by the cut in numbers. In order to mitigate the impact the Executive Team were considering whether the University should adopt a different approach to its relationship with local schools which up until the current time continued to be focused on intensive activity with a small number. Any material changes to this curriculum area would be discussed by Academic Board and subsequently Strategic Planning and Performance Committee before being brought back to the Board of Governors.
- iii. a report from the Vice-Chancellor on the renegotiation of the National Health England contract. As the educational arm of the NHS the renegotiation could have a significant impact on the Faculty of Health and Applied Sciences as the NHS sought increased flexibility and value for money;
- iv. a number of the risks related to the University's brand proposition and this would likely be a topic for the forthcoming away day.

G13.11.07 Annual report on health and safety

Paper G13/11/5 was received.

G13.11.07.1 Members received a briefing from the Health and Safety Manager highlighting:

- i. although there had been an increase in accident reporting the number of serious accidents had reduced. The increase itself could likely be attributed to the removal of barriers to reporting;
- ii. the number of near misses also increased and this would help the prevention of accidents in the future;
- iii. there continued to be a good response to fire alarm activations with 87% of buildings achieving the required 4 minute evacuation time;
- iv. the positive rating provided to the university by the insurers UMAL following a recent visit;
- v. the health and safety audit plan had resulted in all areas of the University achieving the 90% compliance target;
- vi. the Health and Safety Team continued to be closely involved on the implementation of the Masterplan and had developed KPIs for construction safety, performance against which would be reported next year;
- vii. within the sector UWE was increasingly seen as an exemplar of strong health and safety leadership.

G13.11.07.2 Members warmly welcomed the report and the approach being taken by the health and safety team and in particular the emphasis being placed on the health and wellbeing of the university's employees. Governors **approved** the priorities outlined and the signature by the chair and Vice-Chancellor of the health and safety policy.

REPORTS

G13.11.08 Finance Update

Paper G13/11/06 was received.

The Director of Finance highlighted that:

- i. the student number census would take place on 1 December but the signs were that the university had recruited well and as a result was expecting a robust level of income. This would in turn enable the Vice-Chancellor to consider releasing the contingencies currently being held. A full financial forecast would be provided to the next meeting of Finance Estates and IT Committee;
- ii. preliminary results of the triennial valuation of the local government pension scheme showed an increased deficit despite above expected returns from investment. As a result the university would see its future service rate increase modestly although this would still have an impact of approximately one million pounds per year in three years' time. Members noted that the university was legally obliged to offer the pension schemes currently available to staff and as they contributed significantly to the costs of employment there was an increasing level of dissatisfaction within the sector as alternative providers were able to offer other schemes;
- iii. HEFCE had released the draft financial memorandum (FM) which would come into force on the 1 August 2014. The FM had been designed to accommodate the increasing diversity of higher education providers as such it included provision for a register of providers which would also allow for issues to be publicly flagged, however the funding council had not yet defined what would constitute issues within the register. There would also be changes to the current borrowing control mechanism and an explicit recognition of the collective student interest.

G13.11.09 Capital and major projects programme – campus dashboard report and update
Paper G13/11/07 was received and members noted the interest of the Student Governor.

G13.11.09.1 The Pro Vice-Chancellor (Commercial Director and Corporation Secretary) briefed Governors on the campus development dashboard and noted that following discussion at Finance Estates and IT Committee it would be amended to include construction start dates. In relation to specific projects members noted:

- i. a judicial review had been granted on Bristol City Council's decision to allow the development of a Sainsbury's supermarket on the current Bristol Rovers Football Club ground. Until this had been resolved work would not begin on the UWE stadium. The delay would be unlikely to have a significant impact on the University's Masterplan developments;
- ii. the University was working to a three month approval timeline for the new student accommodation. It was likely that the approvals process would see the number of bedrooms offered within the new accommodation reduced to below 400 as a result the budget for the build would be approximately £15m;
- iii. the emphasis of the new Faculty of Business and Law building would be on providing high quality space in an attractive, but not necessarily iconic, building.

G13.11.09.2 Governors were informed that there had been significant delays to the Students' Union project and that these have contributed, alongside design changes, to a forecast overspend on the budget. As a result the project team were seeking to value engineer the building back to within budget. During the ensuing discussion members:

- i. noted a report from the Student Governor highlighting growing dissatisfaction within the student body in relation to the project and that the Students' Union had been mandated to lobby the University for full budget cover in order to deliver a building that provided improved spaces for student clubs, societies and networks, and facilitated opportunities for connections to the local community.

- ii. expressed disappointment that the project continued to suffer delays and agreed that the new building would be key social space for the campus as such it would be important not to compromise the quality of the construction. However it would be inappropriate for the Board to authorise such a significant overspend.

G13.11.09.3 Governors emphasised that they wish to see the new Students' Union building operational as soon as possible and as close to budget as possible. They requested that a further update be provided to Finance Estates and IT Committee in the New Year.

ACTION: Vice-Chancellor

G13.11.10 Strategic planning and performance committee

Paper G 13/11/8 was received.

G13.11.10.1 The Chair of Strategic Planning and Performance Committee drew Governors attention to the key areas of discussion particularly noting the:

- i. Committee's positive view on the work being undertaken on the enhancement of the student experience and the increasing emphasis on the internal Student Experience Survey as a source of student feedback;
- ii. positive results that had arisen from prioritising programmes for action and the identification of cross University teams.
- iii. root and branch review being undertaken of the University's approach to human resources function through the Performance 2020 plan which would see a significant emphasis on the redevelopment of the PDR system to make it more outcomes orientated. This would represent a significant cultural change within the institution and require substantial amount of time to embed successfully;
- iv. Committee's concern in relation to the uptake of equality and diversity training and the recommendation to the Board that it should be mandatory for all staff.

G13.11.10.2 The Chair highlighted that the report from Strategic Planning and Performance Committee was indicative of the revised way in which the Board progressed business and Members endorsed the committee's view that equality and diversity training should become mandatory.

ACTION: Deputy Vice-Chancellor (Operations)

G13.11.11 Staff/Governor Forum

Paper G13/11/09 was received.

G13.11.11.1 Members received feedback from the Staff/Governor Forum noting in particular a sense from staff of the volume of change being undertaken. The effectiveness of planning for, and the involvement of staff in, change was felt to be a recurring issue. Staff had also highlighted that many colleagues with the professional services had lost connection with the celebratory events run by the University and that those events contributed to colleagues feeling valued.

G13.11.11.2 Members agreed that the Staff/Governor forum continue to be a useful touchstone for the Board and requested the Vice-Chancellor provide the Forum with a briefing note on the work being undertaken to address the concerns articulated by staff and that this also be provided to Governors.

ACTION: Vice-Chancellor

G13.11.12 Remuneration Committee

The interest of the Vice-Chancellor was noted.

G13.11.12.1 Governors received an oral report from the Chair highlighting that the University had seen exceptional results in the 2012/13 academic year and that as a result the Vice-Chancellor had met his performance targets set by Remuneration Committee and that this would trigger entitlement to a performance related pay award as illustrated within the accounts.

G13.11.12.2 Members of Remuneration Committee recommended to the Board that it would be appropriate for the University to close early for the Christmas break to recognise the achievements of all staff in contributing to the University's success. The Vice-Chancellor assured Governors that the early closure of the University would not disadvantage students on campus over the Christmas period.

G13.11.12.3 It was **agreed** that the contribution of the University's staff in the high performance of the institution should be recognised and Governors **approved** Remuneration Committee's recommendation that, exceptionally, the University close early for Christmas.

G13.11.13 Chair's Report

Item removed from agenda.

ITEMS FOR APPROVAL

G13.11.14 Capital Programme and Financing Strategy

Paper G13/11/10 was received.

During an update from the Pro Vice-Chancellor (Commercial Director and Corporation Secretary) members:

- i. noted University did not require the proposed loan facility immediately and the work continued to negotiate the best possible offer with the remaining banks;
- ii. **approved** the disposal of the St Mathias campus for a sum just under £10.2m. It was noted that even at this stage additional interest in parts of the campus had been expressed by a third party education provider. Members confirmed that discussions could be held with the interested party.

G13.11.15 Annual Sustainability Assurance Report

Paper G13/11/11 was received.

G13.11.15.1 The Deputy Vice-Chancellor (Operations) highlighted that the Annual Sustainability Assurance Report (ASSUR) had arisen from government and research council concerns that the demand for efficiency could undermine research and teaching decisions. The ASSUR would be piloted in the current year with a view to formalising it new within the financial memorandum for future years.

G13.11.15.2 Governors reviewed the data on the KPIs recommended to it by Strategic Planning and Performance Committee, and Finance Estates and IT Committee and agreed the institution continued to maintain a sustainable position and accordingly **authorised** the Chair to sign the return.

G13.11.16 Annual report and financial statements for year ended 31 July 2013 and Auditors' Management Report.

Papers G13/11/12, 12a and 12b were received.

- G13.11.16.1 Governors welcomed a presentation from the Director of Finance noting key points within the report and financial highlights including:
- i. the development of the format and the content to bring it towards more of an annual report, detailing more achievements and successes of the University and its community in the previous financial year and therefore providing a strong narrative to accompany the extensive information contained within the report;
 - ii. growth in student numbers as a result of increased transnational education and international students mitigating a reduction in home/EU students following the introduction of the revised funding mechanisms in September 2012;
 - iii. largely static staffing numbers, although the report could not reflect the substantial number of academic posts currently in recruitment;
 - iv. the achievement of a pre-FRS17 surplus of 5.3% despite significant expenditure on the academic refurbishment project. The surplus had principally arisen through:
 - a. improved student retention coupled with lower overall bursary payments arising from lower than anticipated recruitment in September 2012 which also saw the removal of the HEFCE penalty for over recruitment in 2011/12;
 - b. continued financial restraint, particularly within the contingency and payroll and capital budgets;
 - c. an unexpected reduction in FRS17 charges which had improved the overall bottom line;
 - v. there remained significant headroom on the University's covenants in relation to the outstanding loan and this would not change with the introduction of FRS102;
 - vi. continued financial restraint would be crucial given rising operational costs and forecast static income levels.

- G13.11.16.2 The External Audit Partner informed Governors that the Audit had proceeded to plan and there were no material issues to report to the Board and as a result an unqualified opinion would be issued. Additionally:
- i. the number of adjustments to the financial statements were the lowest since the external audit contract had begun and with unadjusted misstatements also below the level of materiality;
 - ii. issues highlighted in the previous years' audit had been addressed satisfactorily.

G13.11.16.3 Members further noted that the report and financial statements had been scrutinised at Finance Estates and IT Committee as well as Audit Committee and both had recommended to the Board that the accounts be approved.

G13.11.16.4 Governors **approved** the annual report and financial statements, representation letter and the annual assurance return.

G13.11.17 Annual Report of Audit Committee

Paper G13/11/13 was received.

Members received a summary of the report and the work of Audit Committee from its Chair and, subject to the correction of a minor typographical amendment, **approved** it and its submission to the HEFCE.

ITEMS TO NOTE

G13.11.18 Minutes of Board Committees

Paper G13/11/14 was received and noted.

G13.11.19 Corporate Seal

Members noted the use of the Corporate Seal as detailed on the agenda

G13.11.20 Date of Next Meeting

26 – 27 March 2014, Bowood Hotel, Wiltshire.

G13.11.21 Vice-Chancellor's Report

G13.11.21.1 Members approved the variation of the topslice charged to the Associate Faculty to support their strategic development. It was noted that the University continued to reflect on its relationships with further education colleges in light of the changing higher education landscape and there could be a more detailed discussion on the topic at the next meeting.

G13.11.21.2 Members also noted an update on a recent protest by students and members of the community against an exhibition held in the Exhibition and Conference Centre which had been perceived by the protesters as an arms fair, a view not shared by the Vice-Chancellor or Deputy Chair. Governors supported the decision of the Vice-Chancellor to allow the event to take place.

G13.11.21.3 Minutes G13.11.21.4 - G13.11.21.5 are confidential to Governors.

G13.11.22 Any other Business

The Chair noted that this would be the last meeting of the Board of Governors attended by Professor Gough who would be leaving UWE in the New Year. On behalf of the Board the Chair thanked Professor Gough for his outstanding record of achievement at, and service to, the University.