

**CONFIRMED**

## **BOARD OF GOVERNORS**

Minutes of the Board of Governors meeting held on Tuesday 29 November 2011.

**Present:** C Booy; G Camm (Chair); I Gray; Dr M Hagen; Dr J Harrington; J Laycock; S Mills; S Moore; C Offler; Professor P Olomoloyaie; Professor G Upton; G van der Lely; Professor S West.

**Apologies:** T Smallwood.

**In Attendance:** Professor P Gough; W Marshall; A Osborn (Clerk); A Riggs; J Rushforth.

### **G11.11.1 DECLARATIONS OF INTEREST**

None received

### **G11.11.2 MEMBERSHIP**

Following discussion with the Chair of Nominations and Governance Committee and on the proposal of the Chair of the Board, Governors agreed to appoint Sandra Forbes to the Board of Governors with immediate effect. The Board noted that Sandra would also become a member of Audit Committee and attend the Student/Governor forum.

### **G11.11.3 MINUTES OF THE MEETING OF 20 SEPTEMBER 2011**

*Paper G11/1/1 was received.*

The Board confirmed the minutes of the last meeting.

## **ITEMS FOR APPROVAL**

### **G11.11.4 Annual report and financial statements for year ended 31 July 2011 and auditors' management report.**

*Papers G11/11/2 and G11/11/2a were received.*

#### **G11.11.4.1** The Assistant Vice-Chancellor (Finance and Commercial Projects) provided Board with an overview of the key financial points within the Annual Report and Financial Statements including:

- i. a small increase in income against the previous year;
- ii. excluding FRS17 provision staff accounted for 57% of the University's expenditure;
- iii. actuarial adjustments to the pension scheme, most notably to life expectancy rates, had increase the University's FRS 17 liability;
- iv. Capital expenditure during 2010/11 had been predominantly focused on the development the IT infrastructure in collaboration with HP and the newly opened extension to R Block.

**G11.11.4.2** The Chair of Finance, Estates and IT Committee confirmed that the Financial Statements closely reflected management information provided to the Committee throughout the previous year and that amendments requested had been appropriately reflected within the papers before Governors. As a result Finance Committee had “**endorsed** the report to Audit Committee and the Board of Governors.” (Minutes F11.11.3 – F11.11.4 refer)

**G11.11.4.3** The Chair of Audit Committee summarised the Committee’s discussion (minutes A11.11.5 – A11.11.6 refer) on the papers before Governors and confirmed that there were no matters for the Board’s attention and accordingly Audit Committee had:

- i. “**agreed** that the accounts had been prepared in accordance with statutory and regulatory requirements; and
- ii. **endorsed** the annual report and financial statements and the External Auditors’ Management Report to the Board of Governors.”

**G11.11.4.4** Governors received a presentation from the External Auditor on the management report and noted that there were no:

- i. significant issues that required the Board’s attention;
- ii. control issues;
- iii. difficulties encountered during the audit;

As a result the Auditors would issue an unqualified opinion on the accounts.

**G11.11.4.5** During discussion the Board noted that:

- i. income and expenditure was forecast remain broadly flat during 2011/2012, albeit with a slight increase in surplus and a reduction in HEFCE grants;
- ii. the adjustments reflected within the management report were reasonable;
- iii. the University could be considered as financially prudent.

**G11.11.4.6** The Board **agreed** that the Annual Report and Financial Statements for the year to 31 July 2011 be **approved** and adopted. In addition, the Board:

- i. authorised the Vice-Chancellor to sign the letter to KPMG confirming that all material transactions had been disclosed in the financial statements;
- ii. approved the submission of the Audit Committee’s Annual Report to HEFCE;
- iii. authorised the Vice Chancellor and Chair of the Board of Governors to sign the annual return of the accountability officer to HEFCE.

**G11.11.4.7** On behalf of the Board the Chair thanked the Assistant Vice-Chancellor (Finance and Commercial Projects) and his team, the External Auditors, Audit and Finance, Estates and IT Committee for their work on the Annual Report and Financial Statements.

**G11.11.5** **Investment of Short term deposits**  
*Paper G11/11/3 was received.*

**G11.11.5.1** The Assistant Vice-Chancellor (Finance and Commercial Projects) highlighted that, although there had been a number of changes to the counterparty limits, a further amendment was required as a result of the recent downgrading of the credit rating of a number of UK banks. Whilst the University could seek to reposition investments in higher rated institutions this would have a negative impact on the income they generated. In order to mitigate the risk it was now proposed to define additional criteria for the various levels of “A” rated banking institutions.

- G11.11.5.2** The Chair of Finance Committee highlighted that the University had significant existing investments with a number of institutions within the report and that these would be brought in line with the newly proposed counterparty limits as an when investments matured.
- G11.11.5.3** During discussion the Governors noted:
- i. the threshold on A and A+ rated institutions would be increased, while those for institutions rated A- would be decreased.
  - ii. all institutions' status' would be carefully monitored for addition to the credit rating agencies watch list to enable the University to further consider its position as necessary;
  - iii. that a single rating from Fitch had been considered appropriate in the case of Close Brothers and the Coventry Building Society;
  - iv. subject to favourable terms it may be possible to moderate the risk of investments by offsetting investments against borrowings, but that this would require a written agreement from the institution concerned.
- G11.11.5.4** The Board **approved** the proposed amendments to Finance Procedure FIN011 and noted that as a result there would be a technical breach as investments would be permitted to mature prior to being brought into line with the revised procedure.
- G11.11.6** **Annual Report of Audit Committee 2010/11**  
*Paper G11/11/4 was received.*
- G11.11.6.1** Governors received an update from the Chair of Audit Committee and noted that:
- i. the committee had considered a significant number of internal audit reports in detail;
  - ii. in particular there had been notable progress on the management of Health and Safety, a further report on which had been commissioned;
  - iii. the internal audit on data management had returned a rating of "substantial assurance";
  - iv. the Committee membership had been sufficient to progress business, but less than ideal, the earlier appointment and a further co-option to be considered by Nominations and Governance Committee would resolve this.
- G11.11.6.2** During discussion Governors **approved** submission of the report to HEFCE and noted that:
- i. risk management would be added to the agenda of the main Board in the new term;
  - ii. internal audit reports commenting on financial procedures and process would in future be shared with Finance Committee.
- G11.11.7** **Vice-Chancellors' annual value for money report**  
*Paper G11/11/5 was received.*
- G11.11.7.1** The Board welcomed the report and noted that it provided useful background information for a discussion on project benefits realisation at the Board in Spring.
- G11.11.7.2** It was **agreed** that it would not be appropriate to submit the report to HEFCE in its current format.

## ITEMS FOR DISCUSSION

### **G11.11.8 Student Number Planning**

**G11.11.8.1** Governors received a presentation from the Vice-Chancellor on how the University was preparing to manage the known reduction to the first year undergraduate student intake in September 2012/13.

**G11.11.8.2** During the presentation and subsequent discussion the Board noted:

- i. the 2011/12 to 2012/13 target reduction would be 743 full time equivalent students as a result of changes introduced by the White Paper and subsequent national policy decisions;
- ii. the actual intake in 2012/13 would be circa one thousand students less as a result of moderate over recruitment in the current year as a result of unexpectedly high acceptance rate of offers made to students;
- iii. a significant element of the reduction had been driven by the Government's wish promote movement in student numbers by the creation of a pot of 20,000 student numbers that institutions with a net fee of less than £7,500 could bid for; to date bids outstripped the number of places available by approximately 75%;
- iv. the University had assessed all programmes against internal and external key performance indicators (KPIs) to help inform a decision on where numbers could and should be reduced;
- v. that a decision had been taken not to reduce numbers available to Programmes delivered by Partner Colleges within the UWE Federation;
- vi. the adjustments proposed maintained Faculties current proportional share of student numbers within the institution and that Executive Deans would confirm subject and programme level adjustments in early December;
- vii. the intention was not to close any programmes for the 2012/13 academic year, but it may be necessary to withdraw from some areas the following year;
- viii. student behaviour would be key in determining the future viability of some subjects, national trends would be used to augment UWE's own data in this area;
- ix. it may be possible to reinvigorate some non-vocational subjects to more closely articulate to placement and employment opportunities which, feedback suggested, would become increasingly important. Provision from the Faculty of Business and Law may assist the University in this area;
- x. UWE's academic offer could become ultimately shaped by the market which would have significant implications for the character of the University and draw significantly on the time of senior management.

**G11.11.8.3** The Chair noted that the Strategic Planning and Performance Committee would be prioritising consideration of both short and long term student number planning in order to inform a future Board discussion on the academic character of the University.

## **G11.11.9 Kaplan**

**G11.11.9.1** The Vice-Chancellor updated the Board on plans to develop an international pathway college, with its preferred provider, Kaplan and highlighted that:

- i. the contract had not been finalised as the University continued to seek maximum value from Kaplan;
- ii. there would be a strong link between the College and UWE's Curriculum;
- iii. the teaching element of the relationship and any implications for the University's accommodation stock would be kept distinct. An accommodation strategy that modelled the impact of a pathway college would be presented to Finance Committee in February;
- iv. providing a coherent space for teaching activities would be achievable and options, including utilising space at St Matts, were under consideration.
- v. any required estates developments should not detract, financially from other from other elements of the Masterplan;
- vi. that the development complemented, rather than replaced, other internationalisation activity being undertaken by the University;
- vii. Kaplan were keen to capitalise on UWE's growing reputation for employability and enterprise;
- viii. it would be clear towards the end of the year whether the remaining negotiating gaps would be closed.

**Action: Deputy Vice-Chancellor (Planning, Resources and Infrastructure) and Assistant Vice-Chancellor (Finance and Commercial Projects) to take accommodation strategy to Finance, Estates and IT Committee.**

**G11.11.9.2** The Board welcomed the proposed development and noted that Finance, Estates and IT Committee had approved the creation of a separate legal entity, UWE Bristol International College, and had agreed that the Vice-Chancellor had delegated authority to progress the relationship (minute F11.11.10.4 refers).

## **G11.11.10 Masterplan Update**

**G11.11.10.1** Following discussions at Finance, Estates and IT Committee governors received an oral update on the:

- i. UWE stadium and land east of Coldharbour Lane;
- ii. new Students' Union building;
- iii. ACE media hub developments.

**G11.11.10.2** The Board in particular noted that following extensive legal negotiations contracts for the UWE stadium would be signed imminently and that areas where Governors had sought additional assurance had been fully explored by the legal team.

**G11.11.10.3** It was **agreed** that the Vice-Chancellor had previously been granted authority by the Board to sign the stadium contract, but that a summary of the main points of the agreement should be circulated to Governors.

## **G11.11.11 Corporate planning Statement** *Paper G11/11/6 was received.*

The Board noted that the CPS was no longer a required as part of the HEFCE assurance return and agreed that the Strategic Planning and Performance Committee may wish to discuss it further.

## **REPORTS**

### **G11.11.12 CHAIR'S REPORT**

The Board received an oral report from the Chair highlighting:

- i. fruitful discussions with Mite which could lead to the development of a sponsored facilities management degree. It was noted that this would require careful marketing to ensure other companies were comfortable providing students;
- ii. additionally a large local law firm had similarly expressed an interest in developing a suite of CPD programmes centred on management skills;
- iii. following a presentation from the BBC it was clear that they were seeking graduates with a diverse range of skills, which was closely in line with UWE's approach to graduate employability and personal development. In particular Bristol was increasingly seen by Ministers and the BBC as a regional hub alongside London and Salford.

### **G11.11.13 VICE-CHANCELLOR'S REPORT**

*Paper G11/11/7 was received.*

The Vice-Chancellor updated the Board on:

- i. preparations for the forthcoming national industrial action and noted that the campus would remain open while it remained safe to do so;
- ii. a low level student occupation of St Matts in support of the national industrial action and other protest movements.
- iii. the award of the title of Pro Vice-Chancellor to Professors Martin Boddy, Julie Mcleod and Ron Ritchie in place of their previous Assistant Vice-Chancellor titles.

### **G11.11.14 ITEMS TO NOTE**

Papers G11/11/8 (minutes of sub committees) alongside a brief report on the application of the Corporate Seal, were received and noted by the Board.

### **G11.11.15 DATE OF NEXT MEETING**

31 January 2012, 15:00