

University Board Meeting (By MS Teams video conference)

Minutes of a meeting held on 12th February 2021

Members Present

Prof Richard Conder (Chair)	Chair of the University Board
Paula Alliston	Professional & Support Staff Member
Jim Andrews	Chief Operating Officer (COO)
Nick Beal	Independent Board Member
John Beswick	Independent Board Member
Alistair Brien	Independent Board Member
Prof Carol Clark	Senate Member of the Board
Annette D'Abreo	Independent Board Member
Karima Fahmy	Independent Board Member
Dr Lois Farquharson	Academic Staff Board Member
David Furniss	Independent Board Member
Karl Hoods	Independent Board Member
Stuart Jones	Independent Board Member
David Kane	Independent Board Member
Jean Lang (Deputy Chair)	Independent Board Member
Naomie Lebe	President, Students' Union at Bournemouth University
Sara Luder	Independent Board Member
Prof Tim McIntyre-Bhatty	Deputy Vice-Chancellor (DVC)
Tola Oloyede	Independent Board Member
Des Pullen	Independent Board Member
Prof John Vinney	Vice-Chancellor (VC)
Deborah Ward	Independent Board Member

In attendance

Jacqui Brasted (JB HE Consulting) (Item 2); Geoff Rayment, Corporate Governance and Committees Manager, David Reeve (Interim Director of Finance (IDoF)); Deborah Wakely (Clerk to the Board).

Meeting minutes

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

20/214 There were no apologies. The Chair invited any new declarations of interests and the Board noted the following updates from independent members:

Karl Hoods had taken on a cross-government role looking at shared services which included government departments BEIS, DfE, DCMS, HMT, DHSC, DIT & CO.

20/215 Karima Fahmy was now on the Board of Latimer Homes (the commercial development business within the Clarion Housing Group) as a non-executive director and also a non-executive member of the Investment Committee of the Clarion Housing Group. Also, her role as a member of the West & North West Cambridge Estates Board had been reconstituted as the University of Cambridge Property Board with an expanded remit covering the whole of the University of Cambridge's non-operational estate. Tola Oloyede was undertaking a Doctorate in Business Administration (DBA) at Portsmouth University. John Beswick advised that he had now retired from his role on the Board of the Hertfordshire Local Enterprise Partnership.

2. External Board Effectiveness Review (Chair/Jacqui Brasted)

20/216 The Chair introduced Dr Brasted who presented summary findings of her independent review of the Board's effectiveness. The full detailed report, plus a short version which was recommended for publication, was included in the meeting pack. Dr Brasted briefly summarised the context for the review, including the changing regulatory framework and the fact that most universities were not expected to need to make extensive strategic or operational changes, but may need to work to ensure that governance was well documented to be able to demonstrate compliance.

20/217 A key message from the review was that good governance was evident at BU and the University was closer to the top end of the scale than most in terms of its understanding and compliance with the regulatory requirements. The recommendations contained in the report were in the spirit of continuous improvement and to continue to demonstrate good governance practice. If implemented, this could make BU a sector leader, which would provide assurance to stakeholders, including the OfS.

20/218 Recommendations were grouped into 4 themes. On regulatory compliance, the recommendations related to how information was reported to the Board and clarifying how it related to OfS' requirements and how assurances were provided on compliance. It was also recommended that the Board could undertake further work to increase its own knowledge on regulatory matters rather than relying on the Clerk to the Board.

20/219 Student engagement recommendations included the proposal that an additional student member be recruited to the Board from the undergraduate student body, which was permissible within the University's constitution. This was intended to increase engagement and bolster the student voice as well as providing a more current student experience (the SUBU President was normally a former student) and mutual support for student members.

20/220 On Academic Governance, the recommendations proposed a strengthening of the links between Senate and the Board and a simplifying of the reporting to the Board by combining some reporting. It was suggested, however, that these recommendations be considered in the context of the forthcoming planned independent review of Senate.

20/221 On Good Governance more generally, it was recommended that diversity of the Board membership should be a focus (this was a common issue in the Sector). There were specific operational recommendations for ARG and FRC, including the timing of ARG reserved meetings with the auditors. It was recommended that the University should adopt an "explain" approach and not "apply" the new CUC Governance Code recommendation to appoint a Senior Independent Director, as this role was not directly applicable in a charity and the elements that were required were already adequately covered by the Deputy Chair role. In summary, good governance was evident and these recommendations would strengthen the existing arrangements even further. It was also highlighted that it was important that the line between operational management and governance oversight continued to be maintained.

20/222 The Chair opened the discussion and invited questions. Mr Kane asked why it was being recommended that ARG have in-camera pre-meetings with auditor representatives. Dr Brasted explained that these in-camera sessions currently took place at the end of the meetings. Moving them to the start of the meetings enabled any potential issues to be flagged earlier and to inform the subsequent discussion at the meeting.

20/223 The COO questioned the recommendation for recruiting an additional student member. He said that an undergraduate student would only bring their own view to the Board and it was not clear how that would improve student engagement. Ms Luder agreed with this view. Dr Brasted suggested that student engagement could be considered further and that there was value in student Board members being able to support each other to bring different perspectives.

20/224 Ms Fahmy noted the recommendation to increase diversity and asked whether there were any particular gaps which needed to be addressed. Dr Brasted explained that the University had thorough processes in place to ensure that the Board membership contained all the skills and experience it needed to operate effectively. However, most Boards had issues attracting a truly diverse range of members. The Board might want to consider whether its membership reflected student demographics. A broad definition of diversity could be employed to ensure diversity of thought. Mrs Lang noted that efforts were already made to increase diversity through the Board's recruitment practices and asked if there were any other specific measures that BU should be taking. Dr Brasted suggested recruitment agencies, headhunters or employers could be approached with a diversity brief but agreed it was a common issue for Boards. Another option was offering payment to independent members; however, some members felt that barriers to membership were more to do with time and flexibility (e.g. of employer) rather than financial reward.

20/225 Turning to the academic governance recommendations the DVC questioned whether the amalgamation of current reports into a single report would risk reducing the Board's oversight by only having one touchpoint annually. Dr Brasted clarified that the intention was that it would facilitate a richer discussion by having a report tailored for the Board without operational detail, although the DVC suggested that it should be possible to have both quality and quantity of touch points to ensure more than one opportunity for oversight.

20/226 The Chair thanked Dr Brasted who then withdrew from the meeting and the Board discussed next steps. The Chair confirmed that it was the Board's intention to take the recommendations forward to ensure that BU's governance continuously improved. It was agreed that a sub-group of the Chair, VC and Clerk to the Board would develop a draft action plan addressing each recommendation and bring the draft for consideration and further discussion at the May Board. As part of that draft action plan it was noted that some recommendations may be referred to other Committees where they related directly to action by those Committees.

Action: Develop a draft action plan and submit it to the May Board for discussion.

Action by: Chair/VC/Clerk to the Board

3. Minutes of the Previous Meeting

3.1. Minutes of the University Board Meeting, 27 November 2020 (Chair)

20/227 The minutes of the 27th November meeting were **approved** as an accurate record. The Chair advised that the 18th December extraordinary Board meeting minutes had been drafted and once finalised would be circulated to members. In the meantime, the actions from the December meeting had been added to the actions register.

3.2. Matters Arising and Actions Register (Chair)

20/228 The Actions Register was **noted**. All actions had been completed, were covered under the agenda items below, or were not yet due.

4. Context Setting and Update Reports

4.1. VC's Update Report (VC)

20/229 The VC presented key points from his update report, which had been supplemented by his recent e-mail updates to Members on matters relating to the Covid pandemic. A further government announcement was expected on the Teaching Excellence Framework (TEF) and subject level TEF would not now go ahead. A series of consultations were expected, including on post qualification admissions. The OfS had asked all universities to review their compliance with consumer law in respect of communications with students about the delivery of programmes during the pandemic (their letter was appended to the VC's report). The outcomes of this review would be presented to the March meeting of the ARG before being circulated to the Board out of committee. The VC updated the Board on the appointment of Lord Wharton as Chair of the OfS.

20/230 On BU internal matters, several virtual events were set to take place, including an event for 2020 graduates and the VC's staff awards. On student recruitment, the January post graduate recruitment had been strong, with early indications for September recruitment also being positive. The VC also noted that the disposal of Bournemouth House had been completed.

20/231 The COO updated the Board on the work of the Major Incident Group and the pandemic response. In the last 7 days there had been 8 student cases of Covid, all asymptomatic or with mild symptoms, and no further staff cases. Current guidance was that students should not be asked to return until at least 8 March and the next Government announcement was expected in the week commencing 22 February. A phased approach to returning was possible, with students on courses with practical elements returning earlier than others. Such courses accounted for approximately 20% of activity at BU. Scenario planning was being undertaken to prepare for this, along with possible scenarios for September.

20/232 As previously advised in the VC's e-mail updates, the Finance & Resources Committee (FRC) had approved proposals for a 50% refund to students with BU accommodation contracts who were not in residence, to be issued in 2 phases (up to 29th February, then beyond). Additional hardship fund money had also been approved to support all students. If the students' return was further delayed and additional funding was required it would be necessary to bring the proposals back to the Board for approval.

20/233 The COO updated the Board on the disposal of Royal London House (the Board noted Mr Jones' existing declaration regarding his role at Savills and confirmed that he was not involved in the company's work to support the RLH disposal). Work was planned with Savills to put the building on the open market and to ensure a full current valuation was available to inform the Board's decision making.

20/234 The Chair asked what the financial impact of the delay in the RLH disposal income would be. The IDoF explained that January intake had been better than budgeted and the accommodation refunds were less than the worst-case planning scenario, so he thought the delay could be accommodated.

20/235 Mr Beswick noted that the risk of refunds had been known for some time and asked whether more could have been done earlier and whether future, longer term issues could be predicted, particularly in light of the need to deal with urgent, short-term matters raised by the pandemic. The COO said that such a further, extensive lockdown of education had not been predicted. The situation was very fluid so it was

difficult to anticipate. The IDoF added that financial contingencies had been created. Further accommodation refunds may be required for the third semester and the possibility of future tuition fee refunds remained a risk, although he hoped that the high-quality academic offer overall helped to mitigate this risk.

20/236 Miss D'Abreo noted the ongoing challenge from the UCU of the Government's advice on re-opening campuses and asked how this impacted planning. The VC stressed that it was important that the University was safe for all staff and students. There were ongoing discussions with the trade unions about this, but it was true that it remained a source of tension. The COO added that the local branch of UCU were supportive of the arrangements put in place at BU, but that the national position may be different.

4.2. SUBU Update Report (SUBU President)

20/237 The SUBU President highlighted key points from her report. Work continued with BU's wellbeing service and student groups to help communicate the range of support available to students. The 50% accommodation refund was welcomed and it was recognised that BU was not in a position to refund the full cost. SUBU were instead campaigning on a more national level with other student unions to lobby the Government to release more funds centrally to support accommodation refunds.

20/238 The financial challenges facing SUBU were noted and the IDoF explained that he was continuing to consider options for how best to provide support in light of the University's own financial position. For example, the timing of the block grant payments to SUBU had been accelerated. The SUBU report was **noted**.

4.3. Chair's Report

4.3.1. Board and Committee Memberships and Appointments (Chair)

20/239 This item was deferred and any recommendations from the Nominations Committee would be brought to the May 2021 meeting of the Board.

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

20/240 The report was **noted**.

5. Financial and Other Matters

5.1. Key Performance Indicators (VC)

20/241 The VC presented key points from the KPI report. Student enrolment numbers showed improvement with new entrants slightly below target but total students exceeding target. Improvements in the Advancing Knowledge measures showed the benefits of new ways of working for academic staff. Societal measures showed either static or positive movements. Athena Swan work was progressing but it was recognised that Departmental submissions were time-consuming and progress may need to be paused on some activity due to other pressures on staff time.

20/242 Student/Staff ratios would continue to require careful monitoring and remained high at 19.4:1, having increased as a result of the recent financial sustainability measures. It was recognised that the BU2025 target would not now be achievable and further discussion would be needed on the realistic timing of achieving this target. Members asked what the most immediate gaps were and whether there would be competition for academic staff. The VC agreed that recruitment and retention were very competitive but thought this would shift long-term.

20/243 On the financial indicators, the IDoF reported that the overall position was positive. Cost savings from, for example reduced travel, had brought benefits and these may be continued longer term as part of new ways of working. January recruitment was better than budgeted. This would require some more resource to deliver but would still have a positive impact on the cash position. Additional overseas students were coming predominantly from India, Nigeria, and the Far East. The DVC highlighted the ongoing challenges facing research income, adding that the University would be submitting substantially more staff to the next REF. Bidding indicators remained positive but research ambitions may need to be tempered going forward – the Executive had already had to decline proposals for some bids on financial viability grounds. The position remained broadly positive for European bids post Brexit, with continued engagement with the Horizon Europe Programme.

5.2. Finance Strategy - Updated (IDoF)

20/244 The IDoF explained that as requested previously by the Board, the Finance Strategy had been amended to include an entry on pension liabilities. FRC were content with the addition and recommended it to the Board for approval. Members welcomed the amendment and agreed it was important that the pensions liability remained on the radar. However, it was also recognised that it was a common issue across the public sector and would require a central government solution rather than being something the University could resolve. The Chair of FRC noted that it was appropriate to focus on the reserves policy and the need to improve the University's financial strength. The amended Financial Strategy was **approved**.

5.3. OfS Financial Return (IDoF)

20/245 The IDoF presented the draft OfS financial return which was being presented directly to the Board and had not been considered by FRC for timing reasons, the deadline having been extended from December to February. UET had considered the return. The annual return was used by OfS for monitoring purposes and the data was drawn from the audited financial statements, the approved budget and financial plan, and the student numbers return.

20/246 The return included the FRS102 pension charge which resulted in a negative operating surplus, but this did not impact cash flows and would otherwise have shown a surplus as previously presented. Capital expenditure was still around £15 million and the RLH disposal income was included. OfS had already received an interim report and any questions arising from that had been addressed. The DVC advised that the final data verification report from the PRIME team was being completed and there may be some minor category changes, but no material changes to the numbers were expected.

20/247 Ms Fahmy noted that the commentary (Section 3 under the heading 'Ensuring financial viability and sustainability') stated that 'The largest remaining risk is a general student risk for large scale fee refunds. However, it is believed that this would need to be dealt with on a national scale with no impact on the University.' It was agreed that this wording should be revised slightly to include reference to the CMA compliance review which was being undertaken.

Action: Add a reference to the return regarding the CMA compliance review in respect of fee refunds.

Action by: IDoF

20/248 The Board **approved** the completed annual financial return and commentary and **delegated** authority to the Vice-Chancellor to sign the return and commentary on behalf of the Board.

5.4. Proposals for Fee Delegations (DVC)

20/249 The DVC presented this report which was presented directly to the Board (via UET). No changes were proposed from the existing Board approved delegations (as appended to the report). Decisions on UK/Irish national student fees were reserved to the Board and not delegated and would come to the Board as usual. The Board **approved** the fee delegations as set out in the report.

5.5. Banking Mandate Delegated Authority (IDoF)

20/250 The Chair explained that this item has been deferred as the paperwork was still being finalised with the Bank. It was intended that the proposal would be presented to the March ARG before being circulated to the Board as a written resolution, as the bank required a Board resolution.

5.6. Appointment of External Auditors (Mrs Lang)

20/251 Mrs Lang presented this recommendation that the University's existing external auditor, BDO LLP, be re-appointed for a further 4 years following a procurement process. It was disappointing that only one company had submitted a bid, however BDO met all the requirements and had provided high quality support during the previous years' cash-flow issues. Ms Fahmy and Mr Beal, who had been members of the procurement panel alongside the IDoF, confirmed that BDO had made a strong submission and performed well at interview where they had been challenged by the Panel. They provided adequate assurances on their independence (including the presence of national HE specialist expertise outside of the immediate team) and it was noted that the lead audit partner had changed two or three years ago. Some Board members stated that they had a strong preference for changing audit firms periodically to ensure externality and new challenge.

20/252 The Board recognised that BDO had been the external auditor for a considerable period of time but were content with the assurances given and **approved** the appointment of BDO LLP as the University's external auditors for a period of 4 years commencing on 1 March 2021 and ending 28 February 2025, at a total cost of £242,350 (ex VAT) over 4 years. It was agreed, however, that additional efforts must be made next time to ensure that more bids were received.

5.7. HR/Payroll IT system project change request Business Case (COO)

20/253 The COO presented this business case which was recommended to the Board by the FRC. It sought retrospective approval of a change in the project's scope and costs and approval for the release of £[redacted] for the continued implementation of the HR & Payroll Programme. Following delays in the roll-out, the e-recruitment element of the project had been deferred to phase 3. The additional costs were included in the Digital Enablers Programme and cashflow forecasts.

20/254 The Board **approved** the change in scope and costs and approved the release of £[redacted] for the continued implementation of the HR & Payroll Programme.

5.8. Procurement of a Digital Marketing Agency to support Student Recruitment for a three-year period - Business Case (COO)

20/255 The COO presented this business case for approval on the recommendation of the FRC. Marketing agency services had historically been procured on a case-by-case basis. It was now proposed that a 3-year call-off contract be procured to improve efficiency and value for money. This required Board approval as it would possibly exceed the £1 million threshold, but it was normal operating expenditure and accounted for in the budget and cashflow forecasts.

20/256 The Board **approved** the Business Case for total project spend of £[redacted] (including VAT) to enable the issue of a tender for a media agency to support UK student recruitment activity for the next three years. The Board also **delegated** authority to the Chief Operating Officer (or another member of UET in his absence) to sign the contract.

5.9. Nominated Officers' Reports (VC)

20/257 The Chair introduced the Nominated Officers' reports and the interests of some Board Members as Directors were noted. These reports had been reviewed by FRC and included a request to delegate authority to the relevant Nominated Officers to agree changes to the Memorandum of Understanding (MoU) for BUI and for BUCB. Amendments were intended to take into account procedural updating and also for BUI a potential increase in levels of activity resulting from the implementation of Action 33 of BU2025 (the development of BU's approach to creating, protecting, and exploiting intellectual property).

20/258 The Board **noted** the report and **delegated** authority to the relevant Nominated Officers to agree changes to the MoUs for BUI and BUCB and to sign an updated version of the MoU on behalf of BU provided that any changes to the MoUs would not result in BU incurring any financial obligations not previously approved by the Board. Ms Fahmy also suggested that this delegated authority needed to be subject to the limitation that the changes to the MoUs were not significantly altering the risk profile as approved by the Board as there could be risks other than purely financial risks which would be of concern to the Board e.g. reputational risk. It was agreed that this further limitation should be included in the minutes/reporting.

6. Committee Reports

6.1. Finance & Resources Committee (7 December 2020) (Mr Furniss)

20/259 The minutes were **noted**.

6.1.1. Management Accounts and Cashflows (IDoF)

20/260 The management accounts and cashflows as reported to FRC were **noted**.

6.2. Audit, Risk & Governance Committee (7 December 2020) (Mrs Lang)

20/261 The minutes were **noted**.

6.3. Remuneration Committee (13 November 2020) (Mr Pullen)

20/262 The minutes were **noted**.

6.4. Senate (5 November 2020) (VC)

20/263 The minutes were **noted**.

7. Any Other Business (Chair)

20/264 The Chair advised that a further informal session for the Board would be scheduled for April – the informal drop-in sessions were intended to compensate for some of the on campus interactions which were not possible at the present time.

8. Date of Next Meeting

Friday, 14 May 2021, 9.00am, in the Boardroom