



University Board Meeting (By MS Teams video conference)

Minutes of a meeting held on 12th May 2020

Members Present

Prof Richard Conder (Chair)	Chair of the University Board
Paula Alliston	Professional & Support Staff Member
Jim Andrews	Chief Operating Officer (COO)
Ade Balogun	President, Students' Union at Bournemouth University
Alistair Brien	Independent Board Member
Dr Lois Farquharson	Academic Staff Member
David Furniss	Independent Board Member
Stuart Jones	Independent Board Member
David Kane	Independent Board Member
Jean Lang (Deputy Chair)	Independent Board Member
Sara Luder	Independent Board Member
Prof Tim McIntyre-Bhatty	Deputy Vice-Chancellor (DVC)
Tola Oloyede	Independent Board Member
Des Pullen	Independent Board Member
Prof Tim Rees	Senate Member
Prof John Vinney	Vice-Chancellor (VC)
Deborah Ward	Independent Board Member

In attendance

David Reeve (Interim Director of Finance (IDoF), Geoff Rayment (Committee Clerk, Items 3 and 4), Antonia Steel (Minutes for items 1 and 2); Deborah Wakely (Clerk to the Board)

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

19/271 Apologies were noted from Nick Beal, John Beswick, Annette D'Abreo, Karima Fahmy, and Karl Hoods. The meeting was quorate. Ms Fahmy had submitted questions on the VSS paper which would be picked up under that agenda item (below) to ensure that all Board members had that information. Miss D'Abreo had e-mailed to indicate that she was supportive of the recommendations in relation to both items.

19/272 There were no new declarations of interest or existing declarations relevant to any of the agenda items below.

19/273 The Chair thanked Board Members for their flexibility in agreeing to an Extraordinary Board Meeting. He explained that in the current, rapidly changing HE environment it was likely that the Executive would need decision-making to be expedited outside the normal cycle of Board meetings which may need meetings to be called at short notice. Notwithstanding the need for speedy decision making the Board could not abrogate the Board's legal responsibilities or the need to continue to

exercise good governance. OfS had made it clear that trustees would be held to account for decisions made in their name and would need to document how such decisions were made and demonstrate that those decisions were made in a considered way and subject to all the normal challenge that the governance model provides for. The Chair also quoted from recent CUC guidance as follows:

"One risk is that in making rapid decisions the legal responsibility for those decisions can be overlooked and it is particularly important that those items reserved for approval by the Board are appropriately considered."

"Make sure your minutes clearly record the rationale for your decisions in case you need to explain them later."

19/274 The Chair added that it was his intention that meetings such as this would only be called when decisions were genuinely urgent but that the Board would ensure that its process of governance was not jeopardised or subject to challenge.

Introduction and Context Setting

19/275 To help set the context for the meeting, the Chair invited the VC to give a short update report. The VC reiterated that these were unprecedented times financially and operationally. Principles for the return to campus and recovery were being developed. The challenges were complex and interconnected requiring both short term decisions and longer term strategic planning. Both the proposals on today's agenda were linked to those challenges. The VC then invited the IDoF to give an overview of the borrowing options open to the organisation to provide a financial buffer.

19/276 The IDoF gave an update on two COVID specific funding options:

(i) The Covid Corporate Financing Facility (CCFF). This would take the form of a quasi-bond issued by the Bank of England. These were short term (just under 1 year) and would need to be repaid quickly. Both Lloyds and Barclays had indicated that they considered BU to be of investment grade and would support an application. BU would need to submit an application to establish eligibility to participate which would require Board approval. The negative of this option was its short-term nature.

(ii) Covid Large business interruption loan scheme – this took the form of a bank guarantee from the Government and underwrote 80% of the loan to the lender should BU default. Loan periods were longer than CCFF. Lloyds were supportive but had indicated they would require security to extend further borrowing to BU. Barclays were also supportive and had offered either a CLBILS facility or a direct loan. This also included options for capital repayment holidays if needed and the possibility for early repayment without penalty and security was not required. Barclays had also indicated that they were also willing to extend the existing overdraft facility [Redacted].

The consent of existing lenders (Lloyds and Scottish Widows) would be required to additional borrowing.

19/277 The IDoF also explained that he was also considering the option of converting the Revolving Credit Facility (RCF) from Lloyds to provide longer term funding.

19/278 The above options would require further analysis and a recommendation would then be brought back to FRC and the Board for consideration and approval. The VC added that part of the challenge was that, at this point of the financial year, it was the time at which the draft budget was being prepared for next year and the following two years and therefore there was a parallel process being undertaken. The VSS scheme proposal was to control costs and it was recognised that the timing of all of this was challenging.

19/279 The COO gave an update on the Major Incident Group's (MIG) work. This was now moving out of the initial response stage and looking at assessments, with grades linked to the University's 'no detriment' policy, and progressing into the recovery stage. In terms of semester one, the working assumptions were that the start date would be the same but teaching would utilise a mixed mode of delivery, taking into consideration social distancing requirements and possibly an increase in remote learning.

19/280 People remained the focus of the MIG's work and the Group was looking at the implications for

future students, their induction, Freshers week, and how to avoid the Covid-19 pandemic affecting the University's ability to recruit students both nationally and internationally. The MIG had been engaging with a wide number of staff across the organisation, looking at different units and how they were delivered.

19/281 The Chair asked Mrs Lang, as Chair of the Audit, Risk & Governance Committee (ARG), to comment on governance and the assurance process. Mrs Lang reiterated the need to ensure high standards of governance and that decisions were considered carefully and signed-off appropriately. The need to increase borrowing would be a wider HE issue and would be scrutinised. Given the pressure on the sector the importance of maintaining high regulatory standards was highlighted. Mrs Lang also thanked the IDoF for the update on loans and suggested that from an ARG perspective a clear paper would need to be presented to show all the risks that had been considered, how they were mitigated and the process that had been followed to reach the recommendation.

19/282 Mr Furniss, as Chair of the Finance & Resources Committee (FRC) commented that, from an FRC point of view, the focus would be on financial viability and sustainability and a plan that ensured both realistic and pessimistic view points had been set out and considered. This consideration should also cover whether £10m is the right quantum for additional borrowing, whether the terms and conditions are benchmarked and appropriate and detail of the sensitivity testing that had been applied. For reassurance, an independent point of view (perhaps, via the external auditors) should be sought. He asked whether the figures would be ready for the FRC meeting in June.

19/283 The IDoF agreed and assured the Board that this could all be finalised for FRC, ARG and then the next Board meeting. For FRC, he would present Budgets for the next 3 years with detailed cash flows as well as key financial risk indicators and borrowing proposals. An updated Reserves Policy would also be taken to FRC.

19/284 The IDoF also agreed that BDO needed to be on board now, rather than wait until October. The Chair asked if mid-June was too far away for consideration by FRC. The IDoF advised that there was a lot of work still to be completed on budgets and the impact of Covid-19 but decisions were needed before the end of the financial year. The Chair asked if the biggest concern was the student recruitment numbers in September and the VC agreed and confirmed that the current approach was to assume a shortfall of £10m in income. Budgets would be based on that as well as continuing to monitor better and worse scenarios and UUK and other sector intelligence.

2. Campus Living Villages proposal regarding student accommodation (COO)

19/285 The COO explained that the University had been working with private student accommodation providers to try to address the issue of final term student rents. [Redacted]

19/289 The Board **approved** the variation of the following agreements with CLV to provide for a 42-week tenancy agreement instead of the current length of 41 weeks:

- Nomination Agreement dated 13th June 2008, originally made between Signpost Homes Limited and Bournemouth University relating to residential accommodation at 3, 5 and 7 Crimea Road, Winton, Bournemouth BH9 1AR (Okeford House)
- Nomination Agreement dated 28th July 2009, originally made between Signpost Homes Limited and Bournemouth University relating to residential accommodation at 69-83 Holdenhurst Road, Bournemouth BH8 8EB (Lyme Regis House)
- Nomination Agreement dated 15th September 2011, originally made between Signpost Homes Limited and Bournemouth University relating to residential accommodation at Madeira Road, Bournemouth (Chesil House)
- Level 4 Sublease dated 8th September 2017 between Bournemouth University Higher Education Corporation and Campus Living Villages (Cranbourne) UK Limited (Cranbourne House)

The variation was on the condition that the under occupancy risk relating to the additional week is met by CLV not BU and there is no direct cash outlay to Bournemouth University. The variation was to have effect in Academic Year 2021/22 and to be reviewed after a period of 5 years.

19/290 The Board **delegated** authority to the COO, or in his absence another member of the Executive Team to sign the variation agreement

3. Voluntary Severance Scheme (COO)

19/291 The COO presented key points of the proposed scheme, which followed on from the VSS in 2019. [Redacted] A further scheme was now proposed to reduce costs in the current year and reduce financial pressures on the next financial year.

19/292 Collective consultation was taking place with the Trade Unions in accordance with the requirements of employment legislation. The scheme would be open to all staff, was entirely voluntary, and would be based on the principles used historically for such schemes. The COO was confident that there would be a sufficient number of applicants but in order to achieve savings by the end of the current financial year it was important that the scheme was implemented as a matter of urgency.

19/293 The IDoF set out the financial implications of the proposals. [Redacted]

19/294 [Redacted]

19/296 Members asked why the scheme was voluntary and open to all staff rather than targeted to deliver a particular modelled outcome of staff numbers in particular areas. The COO advised that the University would decline applications if necessary in order to preserve skills and talent. One member asked how the impact on student experience could be managed if the scheme was open to all and voluntary rather than targeted. The COO said that the University had a positive experience of similar schemes and he was confident that it would achieve the desired savings and that the requirement for management approval would ensure results were aligned to strategy and also to SSRs in particular areas.

19/297 One member asked what the response to consultation was to date. The COO confirmed that the Trade Unions were very engaged and had been supportive to date and understood the extraordinary position the Sector was facing.

19/298 The Board **approved** the Voluntary Severance Scheme and the related provision of £[Redacted]. A summary of the outcomes would be presented to a future meeting of the Finance and Resources Committee and reported to the Board.

4. Any other business (Chair)

19/299 The COO advised that planning permission had been received for Arne House. [Redacted]