

UNIVERSITY BOARD

MINUTES OF THE MEETING HELD ON FRIDAY, 28 NOVEMBER 2014

Present:	Mrs S Sutherland	Independent Board Member (Chair)
	Mr J Andrews	Chief Operating Officer (COO)
	Mr G Beards	Director of Finance & Performance (DoFP)
	Ms S Collins	Independent Board Member
	Prof R Conder	Independent Board Member
	Dr V Culpin	Independent Board Member
	Mr J Granger	Independent Board Member
	Mr D Hines	Independent Board Member (Items 1 to 4 only)
	Dr J Knowles	Independent Board Member
	Mr T Lee	Independent Board Member (Deputy Chair)
	Prof T McIntyre-Bhatty	Deputy Vice Chancellor (DVC)
	Dr F McMillan	Independent Board Member
	Dr P Rawlinson	Independent Board Member
	Prof E Rosser	Elected Senate Member
	Ms C Schendel-Wilson	President, Students' Union at Bournemouth University
	Dr R Scullion	Elected Academic Staff Member
	Dr C Shaw	Independent Board Member
	Prof J Vinney	Vice-Chancellor (VC)
In Attendance:	Mr G Rayment	Corporate Governance & Committees Manager
	Ms D Wakely	Clerk to the University Board
Observer:	Prof J Fletcher	Pro Vice Chancellor (Research And Innovation) (Item 1 only)
Apologies:	Mr C Appleton; Mr J Clark; Mr D McQueen; Ms C Troy.	

Declarations of Interest

Prof McIntyre-Bhatty and Mr Beards are Directors of the University's subsidiary company BU Innovations Ltd. Mr Lee is a Director of BU Enterprise Ltd and Mr Andrews and Prof Conder are Directors of BU Residences Ltd. Mr Andrews is also a member of the Board of the Dorset Local Enterprise Partnership.

The Chair welcomed new Independent Board Member, Dr Vicki Culpin.

1 BOARD BRIEFING: INTELLECTUAL CAPITAL

- 1.1 The VC outlined a simple model of intellectual capital comprising three elements of human, cultural and external positioning. The positioning element included initiatives such as the Strategic Marketing Plan, regional & community engagement and the Global Engagement Plan, which would be presented to the Board in February 2015.
- 1.2 Investments in cultural capital included the Fusion Investment Fund, Embedding Fusion and the transition to a new Faculty Structure, which the VC explained in some detail. The new Faculties reflect the areas of enduring academic strength. The new Faculty of Health & Social Sciences incorporates the previous School of Health & Social Care; the new Faculty of Management incorporates the previous Business School, with the exception of Law, and the previous School of Tourism; the new Faculty of Media & Communication incorporates the previous Media School and in addition incorporates Law. These three new faculties join the existing Faculty of Science & Technology to form a structure of 4 Faculties. The new structure provides greater opportunity for academic innovation and is supplemented by the creation of

cross university institutes to focus activity on core themes.

- 1.3 Turning to the 'Human' elements of intellectual capital investment, the VC described the key measures being implemented to provide staff development opportunities and to recruit new academic staff. He also summarised progress to date towards achieving the BU 2018 Academic Strength Key Performance Indicator (KPI).
- 1.4 Members welcomed the presentation and the steps being taken to ensure that investment in intellectual capital would keep pace with the investment in physical capital. They also welcomed the progress to date in achieving the Academic Strength KPI (KPI 1) which the VC explained was largely the result of investment in good quality staff recruitment and development. Members noted that progress on PI 7 'UG students engaged in exchange and mobility in their programme' was lagging behind the other elements of KPI 1. They also noted that KPI 7 (Student/Staff ratios) was expected to improve exponentially as academic staff numbers increased.
- 1.5 Members recognised the challenges to academic staff in achieving fusion and remaining at the centre of the 'Fusion triangle', with an equal blend of Research, Education and Professional Practice skills. The VC explained, however, that the flexibility existed to consider Fusion in terms of a core to the triangle rather than a single point and also, for example, staff working as a team to support each other on their journey.

2 MINUTES OF THE PREVIOUS MEETING

2.1 Minutes of the University Board Meeting, 3 October 2014

The minutes of the previous meeting were approved as an accurate record.

2.2 Matters Arising and Actions Register

The Board noted the Actions Register. All items were either completed, not yet due or included in the substantive agenda items (below).

3 CONTEXT SETTING AND UPDATE REPORTS

3.1 VC's BU Update Report

- 3.1.1 The VC presented his summary of developments in the sector, including options under consideration for changes to postgraduate loan support and the future approaches to quality assessment. In respect of BU activity, he highlighted progress with the consultation on the proposed new faculty structure and embedding fusion. Following a University & Colleges Union (UCU) ballot in favour of the proposed new academic career framework, implementation of the processes for academic pay progression and promotion would now commence.
- 3.1.2 On the 2014 REF submission, he confirmed that the results would be available on 18th December and would be celebrated at the end of year celebration at 3pm in Poole House atrium on Friday 19th December, to which all Board Members were invited. Finally, he updated the Board on the revised Intellectual Property (IP) Policy which was currently under review by the Legal and Human Resources Teams. There was a need to consult with staff on the proposed changes before approval was sought. The draft document would be shared with the Finance & Resources Committee (FRC) before consideration by the Board. The Board **noted** the report.

3.2 SUBU Update Report

The President of SUBU presented her report, highlighting key developments during the period, including volunteering and fundraising activities. The student radio station, Nerve, had won 4 national awards, a 'Green Students' Taskforce' had been established, and 500 student reps had been trained. Work was being undertaken to look at the international student experience and also student parking issues on the Lansdowne campus. Commercial income continued to be challenged by changing patterns of student spending and discussions were

taking place with the University Executive Team to consider the impact of this and possible alternative funding models. The Board **noted** the report.

3.3 **Chair's Report**

3.3.1 **Deputy Chair Appointment and Appointment of a Professional & Support Staff Member**

Mr Lee withdrew from the meeting for this item.

The Board **approved** the Nominations Committee's recommendation that Mr Lee be reappointed as Deputy Chair for a term of 2 years in light of the period stated in the Articles of Government and their intention to review the formal recruitment and appointment process for the Chair and Deputy Chair roles. In doing so they would recognise the need to ensure continuity and staggered terms of office for the two roles.

The Board **approved** the appointment of Amanda Stevens as Professional & Support Staff Member following her success in the recent ballot.

3.3.2 **Chair's Action and Use of the University Seal**

The Board **noted** the report.

3.3.3 **CUC Higher Education Code of Governance**

The Chair advised the Board that, following the previous consultation exercise, the CUC had now issued its final draft Higher Education Code of Governance. This was expected to be formally published shortly and a report on the University's compliance with the new Code would be presented to the next meeting of the Audit, Risk & Governance Committee (ARG) for consideration.

4 **STRATEGIC MATTERS**

4.1 **Financial Forecasts and Revised 5-year Financial Plan**

The DoFP presented revised financial forecasts which reflected the Board's previous agreement in principle to explore options for a potential additional £[Confidential minute] budget for the implementation of the Estates Development Framework (EDF). The forecasts confirmed that the additional investment was affordable and that funds were available to service any increased debt. The Board noted that appropriate pause points were built -in. The five-year financial plan also took account of the growth trajectory agreed by the Board, with additional income from increased undergraduate student numbers. The revised forecasts were now recommended to the Board by the FRC. Any specific proposals for the additional borrowing, and the borrowing mechanism, would be presented to the Board separately for approval over the course of the forecast period.

The Board **approved** the Financial Forecast and Revised 5-year Financial Plan.

4.2 **Estates Development Framework and Funding Proposals**

The COO presented the revised EDF which took account of the potential additional £[Confidential minute]funding. The FRC had scrutinised the revised EDF and recommended it to the Board. The main changes to the framework were [Confidential minute]. Pause points had been incorporated into the plan. Board approval (via the FRC) of individual projects would be required. The Board **approved** the revised EDF.

4.3 **Key Performance Indicators**

4.3.1 The DVC presented the KPI report as at November 2014. Student/Staff ratios (KPI 7) had improved since the previous report (18.5 from 20.0, excluding vacancies) as a result of academic staff recruitment. The number of academic staff with doctorates (KPI 8) had also

improved by 2% but remained behind target. Prof Rosser advised that some omissions from the data had been identified which would result in the data for KPI 8 for HSC showing an increase in the next report. The KPI reports and data would be revised in due course to reflect the faculty structure.

- 4.3.2 Members discussed the impact of the League Table results and the DVC explained that evidence suggested that students' applications are informed primarily by individual programmes rather than the Institution as a whole. It was thought that international markets tended to be more sensitive to League Table results. Analysis had shown that the data and issues at programme level were quite complex but it was possible to identify specific courses which were adversely impacting on the overall results for a School. It was possible, therefore, to provide targeted support for those areas. This approach was being applied to the Business School, for example, in order to improve student satisfaction amongst students on Business Studies programmes. Members **noted** the report.

5 OPERATIONAL MATTERS

5.1 Annual Accountability Return (including internal and external audit reports)

The DoFP presented the Annual Accountability Return, comprising 10 separate elements, as required by HEFCE. The ARG Committee had scrutinised the return, including the internal and external auditors' reports, and recommended them to the Board. The Board **approved** the Annual Accountability Return for submission to HEFCE.

5.2 Annual Report of the Audit, Risk & Governance Committee

- 5.2.1 Prof Conder presented the ARG Committee's annual report [Confidential minute]. In the areas of Value for Money and Risk Management the Committee were pleased to note the ratings of 'substantial assurance' which had resulted from the internal auditors reviews.
- 5.2.2 The Board **noted** the report.

5.3 Financial Statements 2013/14

- 5.3.1 The DoFP presented the draft Financial Statement and highlighted the key points. Income had increased by 7% during the year, with total expenditure increasing by 6.6%. The operating surplus was £3.26 million, but reduced to £0.43 million following adjustment for FRS 17 (pensions). Despite capital expenditure of £17.3 million and no additional draw down of loan facilities, the cash reserves remained strong at £23.0 million.
- 5.3.2 Members discussed the FRS pension liability and the DoFP explained that it was a mandatory requirement under statute to belong to the Scheme and that there were very limited options to influence this investment. Strategies were in place within the Scheme to reduce the deficit in future years. The Board **approved** the Financial Statements for 2013/14 on the recommendation of the ARG and the FRC.

5.4 Financial Sustainability Report

The DoFP presented the Annual Sustainability Assurance Report which was recommended to the Board by the FRC. He advised that, since being scrutinised by the FRC, an amendment had been made to the template (specifically the declaration to be signed) but this was not considered a material change. The Board **approved** the report.

5.5 Risk Appetite Statements

The DVC presented the risk appetite statements which had been produced at the request of the ARG and subsequently endorsed by both the ARG and FRC. Risk appetite statements were provided for each of the University's 10 key business areas, each providing a risk tolerance band. These were included in the Strategic Delivery Planning guidance documents

and would be used for major impact projects. They had also been mapped across to the University's risk register and tested on a sample of current major initiatives. The Board **approved** the risk appetite statements and **endorsed** the use of the Risk Appetite Framework.

5.6 **Financial Regulations**

The DoFP presented revised Financial Regulations on the recommendation of the ARG. These included updates to job titles and departments, revisions to ensure that the Regulations aligned with current best practices and processes and the removal of any duplication. There were no amendments proposed to the existing financial authority limits. The Board **approved** the revised Financial Regulations.

5.7 **Review of Anti-Bribery Policy & Procedures**

The COO presented this report and confirmed that Hospitality Registers were in place and subject to quarterly review. Any potential bribery incidents would be reported to the ARG which was a standing agenda item. The Board noted the importance of their commitment to preventing bribery. The Anti-Bribery Policy and Procedures were **approved** by the Board without amendment other than the updating of the link to the Transparency International Corruption Perceptions Index.

5.8 **Nominated Officer's Report:**

5.8.1 **Wessex Academic Health and Science Network (AHSN)**

The COO explained that the University was already a member of the Wessex AHSN when it was an unincorporated association, but due to their decision to become incorporated, approval was required under the Related Companies Policy & Procedures to become a member of Wessex AHSN Ltd. The proposal had been scrutinised and recommended by both ARG and FRC. The Board **approved** the Business Case.

5.8.2 **BU Enterprise (BUE) Ltd Exit Report**

The COO explained that the BUE Board had decided that, due to the new proposals for the future role of the Centre for Entrepreneurship and BUE's increasing financial deficit, it was appropriate to cease activity and close the company. The BUE Exit Report had been scrutinised and recommended by both the ARG and FRC. The Board **approved** the BUE Exit Report.

5.9 **Annual Report on the Activities of Senate**

The VC presented this summary report which supplemented the Senate minutes routinely received by the Board and provided additional assurances regarding academic governance. The Board **noted** the report.

5.10 **Annual Report on Student Appeals and Complaints**

The DVC presented this report on 2013 Student Appeals and Complaints to the Board who noted that the University's processes for appeals and complaints had been reviewed and remained robust and fit for purpose. The Office of the Independent Adjudicator (OIA) had closed 13 complaints against the University during the period. Of these 11 were found to be not-justified and one was not eligible. The remaining case dated from 2010/11 and was found to be partly justified when it was closed in 2013. Members asked that the Board receive future OIA annual reports (with an appropriate summary). They welcomed the report but also asked that future annual reports include additional information on trends, emerging themes and actions taken, possibly with comparative data from other institutions.

ACTION 1: Present future reports to the Board to include OIA reports with an appropriate summary.

ACTION BY: DVC.

Action 2: Ensure future reports include information on trends, emerging themes and actions taken, along with comparative data where appropriate.

ACTION BY: DVC.

6 COMMITTEE REPORTS

6.1 Audit, Risk & Governance Committee (28th October 2014)

6.1.1 Terms of Reference

The Board **approved** the proposed amendments to the ARG Terms of Reference.

6.1.2 Risk Register

The Risk Register was **noted**.

6.2 Finance & Resources Committee (17th October 2014)

6.2.1 Terms of Reference

The Board **approved** the proposed amendments to the FRC Terms of Reference and delegated authority to the Nominations Committee to consider increasing the number of independent members on the Committee by one.

6.2.2 Management Accounts

The Management Accounts were **noted**.

6.3 Remuneration Committee (10 July 2014)

The Remuneration Committee minutes were **noted**. The Clerk to the Board advised members that the minutes had been made available in response to a request under the Freedom of Information Act, with personal and commercially sensitive content redacted in accordance with the exemptions provided under the Act.

6.4 Senate (29 October 2014)

The minutes of Senate were **noted**.

7 ANY OTHER BUSINESS

7.1 Prof Conder informed the Board of a recent successful visit to Guernsey by a number of University students.

7.2 Dr Scullion drew Members' attention to the 'Seen but Seldom Heard' event in London on 17th December, to which they had received invitations.

7.3 The VC tabled copies of the University's Annual Review publication.

7.4 The Chair informed members that the Marketing Team had prepared a summary of press and PR coverage which would be made available to members. Any feedback on the format was welcomed.

8 DATE OF NEXT MEETING

The next meeting of the Board will take place on **Friday, 6th February 2015**. This will be preceded by a Board dinner on the evening of **Thursday, 5th February 2015**.