

UNIVERSITY BOARD

MINUTES OF THE MEETING HELD ON FRIDAY, 10 JULY 2015

Present:	Mrs S Sutherland	Independent Board Member (Chairman)
	Mr J Andrews	Chief Operating Officer (COO)
	Mr N Beal	Independent Board Member
	Mr G Beards	Director of Finance & Performance (DoFP)
	Prof R Conder	Independent Board Member
	Mr T Irish	Independent Board Member
	Mrs J Lang	Independent Board Member
	Mr T Lee	Independent Board Member (Deputy Chairman)
	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 C Shaw	Independent Board Member
	Mr D Skinner	Independent Board Member
	Ms A Stevens	Elected Professional & Support Staff Member
Ms C Troy	Independent Board Member	
Prof J Vinney	Vice-Chancellor (VC)	

In Attendance:	Mr S Laird	Director of Estates (Item 3.6)
	Mr G Rayment	Corporate Governance & Committees Manager
	Mr J Tibbitts	Estates Project Manager (Item 3.6)
	Ms D Wakely	Clerk to the University Board

Apologies: Mr J Clark; Ms S Collins; D Hines; Prof T McIntyre-Bhatty (Deputy Vice Chancellor); Dr R Scullion.

Declarations of Interest

Mr Beards is a Director of the University's subsidiary company BU Innovations Ltd. Mr Lee is a Director of BU Enterprise Ltd and Mr Andrews and Prof Conder (together with Mr Laird, Item 3.6) are Directors of BU Residences Ltd. Mr Andrews is also a member of the Board of the Dorset Local Enterprise Partnership.

1 MINUTES OF PREVIOUS MEETINGS**1.1 Minutes of the University Board Meeting, 8 May 2015**

The minutes were approved as an accurate record.

1.2 Matters Arising and Actions Register

The Actions Register was noted. All actions had been completed or were due for presentation to a future meeting.

2 CONTEXT SETTING AND UPDATE REPORTS**2.1 VC's BU Update Report**

2.1.1 The VC highlighted key points from his update report. The government's budget statement of 8th July had included no further details on the previously announced £450 million savings to be made by the Department of Business, Innovation & Skills (BIS). It

was still anticipated, however, that these would be likely to result in a reduction in teaching funding which would impact on HEFCE funding allocations. Consultation was taking place on possible changes to quality assessment, including a greater focus on student academic outcomes and stronger external examining systems. The results were expected to feed into plans for a new Teaching Excellence Framework. The Government had also reconfirmed its commitment to the continuing deregulation of student numbers.

- 2.1.2 The VC reported that a decision had been made for the University to withdraw from the University Alliance (UA) mission group. This followed a shift in strategic direction by the UA and a change in its membership mix. The University would not join another mission group but would remain unaligned, as were a growing number of institutions across the sector. The Universities UK (UUK) group would continue to provide sector representation. [Confidential minute].
- 2.1.3 The VC informed members that the University had been successful in lobbying for a change in the way in which placement students were recorded in the Times and Sunday Times league tables. The changes were also expected to be implemented by the Guardian league tables and the Higher Education Statistics Agency.
- 2.1.4 Efforts to recruit an Executive Dean of the Faculty of Media & Communication were also continuing following the failure of the initial rounds to identify a suitable candidate. It was understood that recruitment at Dean and Vice-Chancellor level was proving to be a challenge across the sector.
- 2.1.5 [Confidential minute]
- 2.1.6 Finally the VC updated members on the Student Journey Project progress. [Confidential minute]

2.2 **Students' Union at Bournemouth University (SUBU), President's Update Report**

- 2.2.1 The SUBU President presented her update report to the Board. Local community relations and improving democratic structures continued to be priorities. Improvements to engagement with Postgraduate students had been successful during the year and there would be a focus in the coming year on assessment and feedback issues for students. A number of welfare initiatives had taken place during the year, including the successful introduction of a free mobile NHS dentist service on campus.
- 2.2.2 The Student Opinion Survey would be integrated with the Mid-Unit Cycle Feedback that Faculties provide in order to improve the quality of feedback. This would be combined with a shift in student representatives roles from largely being academic representatives to being broader student experience representatives. The 'Access All Areas' department had also been integrated with the Democracy Department and would continue initiatives to support widening participation students.
- 2.2.3 Finally, the SUBU President report on a wide range of activities being undertaken to prepare for the arrivals week in September, including the production of the Welcome Guide (jointly with the University), a new form of induction, and arrivals preparation by the commercial areas.

2.3 **Chairman's Report**

2.3.1 **Membership Update**

- 2.3.1.1 The Chairman informed the Board that independent member, Dr Vicki Culpin had resigned from the Board and that the commencement of Alistair Brien's appointment would be brought forward to 1st October in order to fill the vacancy. Jean Lang had agreed to join the Remuneration Committee from March 2016 upon Dr Fiona McMillan's departure. Discussions were continuing in respect of filling the Chairman of the Development Funding Committee (DFC) position. In the interim, any matters requiring approval by the DFC would be dealt with directly by the Board Chairman or the full Board as necessary.
- 2.3.1.2 Following the failure to recruit an Independent Member with strategic estates expertise, Mr David Hines had agreed to be co-opted back to the Finance & Resources Committee (but not the full Board) for a period of up to 2 years. Mr Chris Appleton had been co-opted back to the Remuneration Committee for 12 months, and Dr Knowles to the DFC for 12 months (but as a member rather than committee Chairman). The Board **approved** the amendment of the Terms of References for these Committees to ensure that the membership specifically included these co-options.
- 2.3.1.3 The Chairman also reported that the Nominations Committee had agreed that a further recruitment exercise would take place to identify a member with estates expertise, followed by a further recruitment in Spring 2016 for another 2 independent Board Members. The appointment of committee Deputy Chairmen to fill the current vacancies would be deferred pending the appointment and integration of all new Independent Members.

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

The report was **noted**.

2.3.3 **Outcomes from Development Reviews**

The Board **noted** the summary report of the outcomes of the 2015 development reviews. The Board's attention was drawn to the proposals for future summary reports of Board meetings to be published internally on a trial basis from 2015/16, and the process for Members to raise items of business for discussion at meetings.

3 **STRATEGIC AND FINANCIAL MATTERS**

3.1 **Key Performance Indicators (KPIs)**

- 3.1.1 The VC presented the KPI report which showed progress midway through the academic year. Work was on-going to realign the KPIs to the new academic structure and also to agree a methodology for the inclusion of REF2014 data. National Student Survey (NSS) results were expected to be received by early August and would be shared with the Board. The Sunday Times league table results would then follow on 20th September.
- 3.1.2 Members noted that Academic Strength PI 7 (UG Students engaged in exchange and mobility in their programme) was only at 1.7% across the Institution compared to a BU2018 target of 20%. The VC agreed that this PI was challenging but that the Global Engagement Plan would be launched in the next academic cycle. Investment would be required and it was possible that the target would not be achieved.
- 3.1.3 Members discussed how the University ensured that it avoided unintended consequences arising from efforts to achieve the KPI targets. The Chairman explained that the Board was aware of such risks and the KPIs were regularly reviewed to ensure that they remained fit for purpose. Unlike other sectors, such as health, the targets were internally controlled, rather than being externally imposed or driven by regulation.
- 3.1.4 Members noted that the performance figures for the Business School (as was) continued to lag behind, notably in respect of KPI 2 (NSS results) and PI 2 (R&E Income). The VC agreed that this continued to be challenging but added that many Business School programmes, such as accountancy, performed very well in the NSS.

Business Studies programmes, however, performed less well and were being targeted for specific improvements. The Student: Staff Ratio was relatively good compared to other Business Schools in the sector and continuing to improve and graduate employability was also good.

- 3.1.5 Members suggested that it would be helpful for briefing to be provided on the wider context for the KPIs and it was agreed to incorporate this into the induction programme for new Members. Members also suggested that a ‘traffic light’ system of reporting would help the Board to readily identify those KPIs and PIs which were at risk of falling short of the targets. The VC explained that such a method had been considered previously and proved problematic to implement due to the number of sub-elements, but that he would raise it again for further consideration.

ACTION 1: New Board Members’ induction sessions to include context and background on the KPIs.

ACTION BY: VC

ACTION 2: Review the KPI reports with a view to including a ‘traffic light’ reporting system in addition to, or instead of, the performance direction arrows currently used.

ACTION BY: VC

3.2 Delivery Plan Summary

The COO presented the Delivery Plan summaries for Faculties and Professional Services for 2015/16 and clarified that these were being presented to the Board for note rather than approval (approval having been given by the University Executive Team (UET)). These were the first Delivery Plans to reflect the new academic structure. The Board **noted** the summary reports.

3.3 SUBU Funding Strategy

The SUBU President withdrew from the meeting for this item.

- 3.3.1 The DoFP presented the proposals for future SUBU funding. Changes in student behaviour had impacted on SUBU’s commercial activities resulting in declining income. The SUBU’s financial reserves had been reduced to absorb as much as possible of this reduction as possible and prudent. A three year funding model had been developed in discussion with SUBU (replacing the previous annual grant negotiation). In considering the model it was important to acknowledge the need for SUBU to operate as an independent charity and demonstrate its own financial sustainability (including observing the Charity Commission’s guidance on financial reserves).
- 3.3.2 It was proposed that the University’s grant to SUBU be increased, but on the principle that SUBU deliver an annual operating surplus and continue to maximise its commercial activities. Any significant investments would be discussed and agreed between the University and SUBU, and the annual grant would be reduced in the event that financial reserves exceed the agreed policy. The proposals had been discussed by the FRC who recommended them to the Board for approval.
- 3.3.3 The Board **approved** the proposal that the University grant to SUBU increase by £250,000 in 2015/16, by a further £250,000 in 2016/17 and then by a further £106,000 in 2017/18, and in accordance with the principles set out in the paper and summarised at 3.3.2 above.

3.4 University Budget

- 3.4.1 The DoFP presented the proposed budget for 2015/16 which had been considered and recommended to the Board by the FRC. The budget delivered an operating surplus of

£6.4 million, which was a planned modest increase from the 2014/15 surplus, taking into account the University's major investment in capital and academic staff recruitment. Anticipated efficiencies of approximately [confidential minute] arising from the Student Journey Project had been delayed to future years, but this had been partially ameliorated [confidential minute] through robust cost controls.

- 3.4.2 Planned borrowing remained comfortably within the HEFCE threshold. At the request of the FRC, the report included additional information on the sector context, most notably the announcement of £450 million savings attributable to BIS which was expected to lead to future cuts in the Teaching Grant. The Budget paper included a sensitivity analysis with reduced income scenarios.
- 3.4.3 Members noted that the operating surplus was below that of many other Universities, but it was acknowledged that this reflected the high levels of investment taking place (there had been little significant investment in the estate for many years) and the lower reliance on borrowing compared to other Universities. In terms of any covenants on borrowings, any borrowing was limited to the threshold set by HEFCE (currently £79 million for the University) and no minimum surplus was prescribed, although some lenders required only one budget deficit in any 3 year period. The equivalent of approximately 3 months' worth of the payroll budget was held as a cash reserve.
- 3.4.4 The budget for 2015/16 was **approved**.

3.5 **Financial Forecast Submission to HEFCE**

- 3.5.1 The DoFP presented the financial forecast return to HEFCE for the three academic years from 2015/16 to 2017/18 which was due to be submitted to HEFCE by 31st July and formed part of the Annual Accountability Return. Due to the timing of the release of the final HEFCE template for the return, it had not been possible to submit it to the FRC for prior scrutiny. The return had, however, been subject to a Data Optimisation Review to ensure the quality of the data being provided.
- 3.5.2 The Financial Forecast was **approved** for submission to HEFCE.

3.6 **Lansdowne Project**

- 3.6.1 **Lansdowne Project Progress Update**
- 3.6.2 The COO presented the update report on the development strategy for the Lansdowne Campus and re-capped the objectives of the project for the benefit of new members (see previous minutes). Following Board approval, commercial terms were in the process of being agreed with Knightsbridge Student Housing Ltd (KSH) and work was progressing on a joint planning strategy. A proposed land agreement would be submitted to the Board for approval in October 2015 and would be subject to external legal review to ensure compliance with public procurement regulations. The approved project funding of [confidential minute] was sufficient to fund the project up to the October 2015 pause point (the land agreement with KSH). A summary of the current proposed heads of terms was appended to the paper.
- 3.6.3 The report also presented high-level options for the provision of a proposed Student Hub in the absence of the capital receipt from the residences which had originally been expected to fund this element of the project. These options were being considered further and it was felt likely that the Hub would now have to be split across more than one building. In any event Fusion Building 3 (the new academic building) would contain social learning, library and refectory space. Consideration would be given to ensuring that architectural design aspects were consistent with other parts of the campus with a view to providing a 'one campus' feel, with Lansdowne and Talbot Campuses acting as visual 'gateways' to Bournemouth and Poole respectively.
- 3.6.4 The COO also summarised the position regarding planning risks. Key issues continued to be the Area Action Plan requirement of a 50:50 ratio split of student beds to academic/employment space, and the issues resulting from a possible requirement that the academic building be substantially completed before allowing the student

accommodation to be occupied. Nevertheless, on-going meetings with the planning department to consider options continued to be positive and Savills had been commissioned jointly by the University and KSH to provide planning consultancy advice.

3.6.5 The Board **noted** the progress report.

3.6.6 **Cranborne House Lease**

Confidential – commercially sensitive

3.6.7 The COO presented this proposal for the buy-out of the Cranborne House lease (due to run until 2022) in order to give clear legal title to the Cranborne House car park and facilitate the proposed land swap with the St Paul's site. Deloitte Real Estate Services had been commissioned to review the options and their report was appended to the paper. [Confidential minute].

3.6.8 [Confidential minute]

3.6.9 The Board **approved** the buyout of the Cranborne House lease at a maximum purchase price of [Confidential minute] and onward disposal via the sale of a long lease to a private sector student accommodation provider. The Board stressed that the [Confidential minute] was the maximum cost and that they hoped that negotiations would result in a lower price, followed by quick onward disposal.

3.7 **TVT Land Update**

The COO informed Members that discussions were on-going and that valuations of the land in question were in line with the approved funding for the Estates Development Framework. Subject to timing, approval to proceed with the transaction may be required via a written resolution.

4 **OPERATIONAL MATTERS**

4.1 **Related Companies Policy and Procedures**

The revised Related Companies Policy & Procedures was presented to the Board by the COO for approval on the recommendation of the FRC and the Audit, Risk & Governance Committee (ARG). It contained amendments to update and clarify the exit process for related companies. The revised policy was **approved**.

4.2 **Code of Practice on Freedom of Speech**

The COO presented an updated Code of Practice on Freedom of Speech for the Board's approval on the recommendation of the ARG, and following consideration by Senate. The Code of Practice was **approved**, and the Board noted that further amendments may be required following the publication of sector specific guidance on the duties imposed by the Counter Terrorism and Security Act 2015.

4.3 **Additional Student Accommodation**

4.3.1 The COO presented this proposal for the University to have access to additional student accommodation, primarily needed for first year and international students, in the Lansdowne area. [Confidential minute]

4.3.2 The Board **approved** the taking of a lease to September 2019 (with break points) of an additional 50 rooms at Dorchester House, at an approximate initial annual rent of [Confidential minute].

4.3.3 The Board **approved** the taking of 144 rooms at Lulworth House for a 12 month period.

4.3.4 The Board **approved** the taking of 75 rooms at Lansdowne Point, Bournemouth

University International College for a 12 month period.

5 COMMITTEE REPORTS

5.1 Audit, Risk & Governance Committee (30th June 2015)

The minutes were **noted**.

5.1.1 Risk Register

The Risk Register was **noted**.

5.1.2 HEFCE Annual Assessment of Institutional Risk

HEFCE's letter and enclosed benchmarking data regarding the Annual Assessment of Institutional Risk were considered and noted. The assessment of the University as being 'not at higher risk' was **noted**.

5.2 Senate (3 June 2015)

The minutes were **noted**.

5.2.1 Senate Terms of Reference

The revised Terms of Reference were **approved**.

5.3 Finance & Resources Committee (12 June 2015)

The minutes were **noted**.

5.3.1 Management Accounts

The Management Accounts to 30th April 2015 were **noted**.

5.4 Development Funding Committee (8th May 2015)

The minutes were **noted**.

6 ANY OTHER BUSINESS

6.1 The Chairman noted that she had been asked to sign an equipment grant agreement after the meeting. The money was from Dorset LEP for the Orthopaedic Research Institute at the University. The agreement required her signature due to the value of the grant [Confidential minute].

6.2 The Chairman informed members that the opening ceremony for the BU International College had been scheduled for 15th October and all Members would be invited. The Topping Out ceremony for Fusion Building one would take place on 2nd October, following the board meeting and all Members were invited.

6.3 The Chairman recorded her thanks to Mr Hines, in his absence, for his service to the Board over his extended two terms of office.

6.4 Dr Rawlinson informed members that an event would be taking place on 21st July at 4 pm in Kimmeridge House, to celebrate the Memorandum of Understanding between the University and Dorset Healthcare University NHS Foundation Trust.

7 DATE OF NEXT MEETING

The next meeting of the Board will take place on **Friday, 2nd October 2015**. It will be preceded on the evening of **Thursday 1st October** by an Induction event for new members from 5.30pm to 7.30pm, followed by a Board Members dinner from 7.30pm (venue to be confirmed).

Clerk to the University Board
July 2015

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Approved as a true and accurate record:

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Mrs S Sutherland (Chair)

Date:.....2 October 2015.....