

UNIVERSITY BOARD

**MINUTES OF A MEETING OF THE UNIVERSITY BOARD
HELD ON FRIDAY, 2 NOVEMBER 2007**

Present: Mr A Frost (in the Chair)
Dr P Barnwell; Prof P Curran; Mr C Elder; Mrs K Everett;
Mr J Harper; Mr D Hines; Mr A Hyland; Prof T Husband;
Mr J Knowles; Mr T Lee; Mrs F McMillan; Dr E Mytton;
Prof N Petford; Prof R Pope; Mr M Riordan; Mr G Smith;
Mr S Smith; Ms S Sutherland; Mr G Sturdy; Ms C Symonds;
Mr D Willey; Ms Z Zuvcenko

In attendance: Mr N Richardson (Clerk to the University Board)
Mr S Avery (Item 2.2); Professor C Brady (Item 2.1.2);
Mr P Tierney (Item 2.3)
Mrs V Wood (Committee Clerk)

Apologies: Mr K Derrick

1. MINUTES OF THE PREVIOUS MEETING HELD ON 21 SEPTEMBER 2007

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

1.1 Matters Arising

1.1.1 Board Members' Induction

An induction day for new internal Board Members has been organised.

1.1.2 Development Office

Mr Iain McMullan, Director of Development & Alumni Relations, will give a presentation to the Board on 1 February 2008 on his vision for the Development & Alumni Relations Office. The initial luncheon briefing for selected business executives had been held. The next event will be hosted by Mr Sturdy with a further lunchtime briefing planned for 6 December 2007.

1.1.3 Strategic Plan – Human Resources Issues

The Director of Human Resources reported on the Unions' response to the accelerated transition from 'teaching' to 'academic' staff as well as the proposed redundancies. Whilst recognising the financial necessity of making changes, the Unions considered these were happening too quickly and opposed any redundancies.

The Chair will respond to a letter received from the Branch Officer of the UCU to the effect that the Board had delegated responsibility to the Executive to discuss these matters but is fully supportive of the proposed measures. If Members had any further comments, they were invited to send these to the Chair.

ALL

2. BOARD MATTERS

2.1 Implementation of the Strategic Plan 2007-2012: Update

2.1.1 With the University's Strategic Plan submitted to HEFCE, the Executive and Senior Management Team were now focussed on implementation. Current

projects included the administrative process review; a fundamental rationalisation of programmes and units; stronger procedures for grant applications to improve success rates and financial management control changes.

2.1.2 The initial ten week consultation period for the proposed redundancies has been extended, at the request of the Unions, to give further consideration to the criteria and to submit proposals. Exact numbers taking advantage of the voluntary severance scheme could not be confirmed until the end of this consultation period.

2.1.3 to 2.1.10 [Confidential]

2.1.11 Board Members reconfirmed their support for the Strategic Plan and for the University's Executive Group as they implement it.

2.2 KPI Steering Group Report

2.2.1 The KPI Steering Group, chaired by Mr Sturdy, had endorsed a set of KPIs specifically designed to track progress on the Strategic Plan in four main areas (Student Experience, Academic Profile, Research & Enterprise and Institutional Sustainability) and to ensure achievement of performance targets for 2012.

2.2.2 Members noted that, at this time, some data sets are not sufficiently accurate and that full information is not currently available. It was anticipated that these issues will be resolved by the Board meeting on 1 February 2008. Judgments on the 'traffic light' indicator system will be made by the Executive Group. Those areas currently assessed as red are under active management.

2.2.3 The KPI Steering Group's recommendations to monitor progress against the BU 2012 Performance Test were accepted. Members' extended their thanks to Mr Sturdy, as Chair, and to the other Members of the Group.

2.3 Case for a New Business School

2.3.1 Professor Chris Brady attended to present an outline case for investment in a building to house the University's proposed Executive Business School, with the initial preferred option being Regent Place in Holdenhurst Road.

2.3.2 The Deputy Vice-Chancellor emphasised that only outline authority, not a final decision, was sought to proceed to negotiations with potential landlords and more detailed exploration and testing of the financial model. Further Board authority will be sought in January 2008 through the Strategy & Resources Committee, with a final Board decision being taken in February 2008 before any legally-binding contract is entered into.

2.3.3 The Strategy & Resources Committee had discussed and agreed the outline proposal. Several issues had been raised, including the crucial role of AMBA accreditation and the risks of the business case being unsustainable without quality staff and buildings. The Business School is currently strengthening the quality of its academic staff. Those who had recently joined the School are active in research and enterprise and have the potential to become world class academics.

2.3.4 A suite of MBA programmes to improve competitiveness in the sector is being developed. This suite could grow organically with demand. Outward-facing CPD programmes, built from contacts with local business, will also be developed. It is intended that businesses will see contact with the Executive Business School as one of their social responsibilities and a way to contribute to the local community.

Such businesses will also benefit the University by providing advice on high quality business education provision.

2.3.5 Whilst very supportive of the initiative, Members discussed the unconvincing nature of the outline case, including the lack of competitive analysis, the lack of evidence of sustainability and, indeed, the apparent lack of any unique selling points for the programmes. In addition, the financial information needed to be much more robust and a complete picture was required of how the Executive Business School will fit within the Business School as a whole. It was agreed that further work will be done on the business case for presentation to Strategy & Resources Committee and, in the meantime, the presentation from the previous evening should be made available to Members.

DVC

2.3.6 Members gave outline authority to proceed, subject to a much more robust case being presented at the 1 February 2008 Board meeting.

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2.4 Approval of Long Term Debt Finance Provider

2.4.1 [Commercial in-confidence]

2.4.2 Members authorised the Chair of the Board and the Chair of the Strategy & Resources Committee to sign the final contract documentation.

2.5 University Financial Statements 2006/07

2.5.1 Mr Stephen Avery, the former Interim Finance Director, attended for this item.

2.5.2 The Statements had been reviewed by Strategy & Resources Committee and formally considered by Audit & Risk Committee. Following their discussion, alterations to the text had been made including, under the Corporate Governance section, reference to the Research & Enterprise Committee and to the Board's responsibility for risk management arrangements.

2.5.3 The errors and omissions in the 2005/06 Financial Statements regarding audit fee disclosure, disclosure of contingent liability in relation to accommodation providers and disclosure of the operating lease commitments had all now been rectified.

2.5.4 The outturn, before FRS17 contributions, showed a surplus of £255k. This compared favourably to a budgeted deficit of £954k and a January reforecast deficit of £631k. The main reason for the improvement was a saving on staff costs arising from the time (longer than expected) taken to recruit new academic staff.

2.5.5 FRS17 adjustments of £1.676M to the Income and Expenditure account had resulted in a post FRS17 deficit for the year of £1.421M. The implications of FRS17 had been raised by the Chair of the Board at CUC, although no change of Government view is likely.

2.5.6 There had been actions required under Internal Audit Reviews, particularly over financial management controls, which were being progressed. Members were reassured that these will not cause HEFCE (who had been made aware of them) any concern. The external auditors had also expressed their satisfaction.

2.5.7 Research & Enterprise Committee had highlighted the responsibility of Board Members as named Directors of BU companies, with particular reference to South Coast Information & Library Services Limited and in relation to the future role of the BU Incubation Centre. It was confirmed the financial statements signed by the Board relates only to Bournemouth University Higher Education Corporation, with the subsidiary companies' statements being signed by their respective

Directors. However, this matter is currently under review by the Director of Finance.

2.5.8 Members were advised of current procedures for 'ring fencing' charitable gifts which are currently under review by the Deputy Vice-Chancellor and the Director of Finance. Members suggested an outline of different models should be part of the Director of Development & Alumni Relations' presentation, while it was felt both Development Trust Accounts and allocations of donations should be reported to the Board.

2.5.9 Members noted the Annual Report of Audit & Risk Committee and approved the following accounts for the year to 31 July 2007:

Bournemouth University Higher Education Corporation
BU Innovations Limited
BU Business Incubation Centre Ltd
BU Innovations Ltd
Southern Educational Enterprises Limited
South Coast Information & Library Services Limited

2.5.10 Members also noted and approved the Annual Monitoring Statement, this having been considered and endorsed by Strategy & Resources Committee.

2.6 Estate Strategy

2.6.1 to 2.6.13 [Commercial In Confidence]

2.6.14 Members endorsed the Estate Strategy's overall aims and objectives and its place within the University's Strategic Plan.

3. UNIVERSITY EXECUTIVE GROUP REPORTS

3.1 Risk Register

3.1.1 Members noted an updated version of the Risk Register, which will normally be attached to the Minutes of Audit & Risk Committee, which had met only the day before the Board meeting.

3.1.2 Members noted increased risks in relation to: the ability to meet expectations for academic investment; the effectiveness of communication between UEG and the Board and the rest of BU; failure to enhance the University's image and marketing position; failure in the IT infrastructure; and failure to manage effectively a programme of expenditure reductions, including staff reductions.

4. COMMITTEE REPORTS

4.1 Strategy & Resources Committee (11 October 2007)

The Minutes of the meeting held on 11 October 2007 were noted. Members felt a summary on the proposals for the Estates Strategy would have been helpful as a means of defining the decisions required by the Board.

4.2 Human Resources Committee (11 October 2007)

4.2.1 The Minutes of the meeting held on 11 October 2007 were noted. The Director of Human Resources informed Members that it was likely sufficient support (that is 10% of the staff) will be found to start negotiations towards the operation of

Information and Consultation of Employees (ICE) Agreement regulations at the University. If successful, this will see BU as the first University in the UK to implement an ICE Agreement. However, Members expressed concerns over increased bureaucracy and the effect on existing formal consultation processes.

- 4.2.2 A cohort of over fifty academic staff is now engaged in a second iteration of the Releasing Research and Enterprise Potential Initiative. The success of the project, the largest staff development initiative of its kind in the sector, reflected staff perceptions of a positive future under the new career structure.

4.3. Audit & Risk Committee (1 November 2007)

- 4.3.1 The Chair of Audit & Risk Committee gave a report on the meeting held the previous day. [Commercial in-confidence].
- 4.3.2 The University's Financial Statements for 2006/07 had been discussed and recommended to the Board. Reports submitted to the Committee for their attention had included those for Value for Money and Health & Safety. It had also been noted that the recommendations under the HEFCE Assurance Service Report had now been completed.
- 4.3.3 The auditors had given a 'weak' overall status to financial management but noted that the University had recognised the issues and had started to address these in 2008. The arrival of the new Director of Finance had provided further impetus to this process and a robust action plan had been developed. The overall stewardship of the University's finances had not been an issue.
- 4.3.4 A 'weak' status had also been given under the UUK Housing Code of Practice Compliance Review. This related to new legislation which obliged the University, if not licensed under the local authority, to be subject to annual review by internal auditors. KPMG had raised various points including that fire risk assessments require urgent action, which is being progressed by the Deputy Vice-Chancellor.
- 4.3.5 The report on financial forecasts had been satisfactory, although the Committee had discussed the conservative nature of the five year forecast to support the Strategic Plan and the need for figures that matched the aspirations within this Plan.
- 4.3.6 A private consultation with the internal and external auditors without the Executive present had made no criticisms and had been complimentary about the openness of the University's Executive Group.

5. ANY OTHER BUSINESS

5.1 Award Ceremonies

Members were reminded of the Award Ceremonies taking place during the week of 5 November 2007.

5.2 Committee Membership

The list of Board Committees and their Membership was circulated.

DATE OF THE NEXT MEETING

The next meeting of the Board will be on Friday, 1 February 2008 at 9.30am

Noel DG Richardson
Secretary & Registrar
30 November 2007

V Wood
Committee Clerk
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