

UNIVERSITY BOARD

**MINUTES OF A MEETING OF THE UNIVERSITY BOARD
HELD ON FRIDAY, 18 APRIL 2008**

Present: Mr A Frost (Chair)
Lady Digby; Sir Leonard Appleyard;
Dr P Barnwell; Prof P Curran; Mr C Elder; Mr J Harper; Mr D Hines;
Mr A Hyland; Prof T Husband; Mr J Knowles; Mr T Lee; Mrs F MacMillan;
Dr E Mytton; Prof N Petford; 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 (Secretary & Registrar)
Mrs V Wood (Committee Clerk)

Apologies: Dame Yvonne Moores; Mr K Derrick; Ms K Everett

Members stood for a minute's reflection in memory of Professor Rosemary Pope, until her untimely death the University's Pro Vice-Chancellor (Education)

Lady Digby and Sir Leonard Appleyard were welcomed to the meeting.

ACTION**1. MINUTES OF THE PREVIOUS MEETING HELD ON 1 FEBRUARY 2008**

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

1.1 Matters Arising**1.1.1 Development & Alumni Relations Office**

Since the presentation at the previous meeting, the Government had announced match funding for Universities whereby, in addition to existing rebates under the gift aid scheme, for every £2 raised, an additional £1 would be given by the Government.

1.1.2 Staffing Report - Redundancies

Following UCU's vote of no confidence in the Vice-Chancellor, the Chair, on behalf of the University Board, had issued a statement to the media supporting the Vice-Chancellor and the measures being taken by the University to implement the University's new Strategic Plan. Members were informed there had been limited press coverage of the UCU vote.

1.1.3 Case for New Executive Business School

The Chair of Strategy & Resources Committee reported that the cost concerns raised over the Executive Business School at the previous Board Meeting had now been resolved following discussions between Mr Derrick and the Director of Finance. Further debate at Strategy & Resources Committee had seen agreement on the strategic necessity of the new Executive Business School as part of achieving the aims of the Strategic Plan.

1.1.4 QAA Institutional Audit 2008

The Vice-Chancellor reported that the QAA had been informed of the death of the Pro Vice-Chancellor (Education) and this would be taken into consideration at the Institutional Audit. Whilst a rescheduling of the Audit had been offered, the

inclination was to continue as planned, although a final decision would not need to be made for another two weeks.

2. STRATEGIC REPORTS

2.1 Implementation of the Strategic Plan 2007-2012: Update

The Vice-Chancellor highlighted the major risk, identified in the University's Risk Register, of insufficient managerial capacity and the adverse impact of the loss of a member of the Executive Group. A review of the Executive structure and staffing was being undertaken and would be reported at the next Board Meeting. Members were assured that the Chairs of the University Board and of Audit & Risk Committee were being kept regularly informed of risk management actions.

2.2 Staffing Report

2.2.1 [Confidential]

2.2.2 Members were informed that between June 2005 and September 2008 the University would have appointed c. 150 new academic staff. To ensure this resulted in increased research and enterprise activities, these staff's performance been targeted towards areas of strength or of potential and to those areas where staff had been lost, but where the University wished to maintain capacity and educational profile.

2.2.3 The Pro Vice-Chancellor (Research & Enterprise) was requested to list the names, location and areas of research of these newly appointed staff, including the fourteen posts to which recruitment is already underway. PVC(R&E)

2.2.4 The Director of Human Resources advised, whilst the Framework Agreement had not been ratified nationally by UCU, further meetings with the local branch were taking place in early May to try to reach agreement on the outstanding issues.

2.3 Review of Five-Year Financial Plan (including Savings Plan)

2.3.1 The Vice-Chancellor advised that, whilst the review of the five-year financial plan reflected continued to reflect the aims to be achieved by 2012, the plan would, of course, have to evolve to adapt to changing circumstances. These included factors such as the external environment; preparations for the new curriculum; changes in the academic staff base and investments in improving the University's marketing, ICT infrastructure and estate.

2.3.2 The Vice-Chancellor acknowledged that the University was financially further off course than was preferable. However, actions have been taken to bring the Plan back into line and to achieve the small planned surplus for 2008-09. These actions included: slowing down the rate of new academic staff recruitment to those strictly necessary to maintain degree provision; reducing the number of PhD studentships; a focus on undergraduate recruitment to secure maximum student numbers for 2008-09 up to the 5% permissible excess over HEFCE contract numbers; and increasing the focus on international recruitment. In addition, from 2009 there would be a sharp reduction in the number and level of undergraduate student bursaries and scholarships. Members expressed some concern that any reduction in bursaries could affect widening access, especially in the current economic climate, but were advised that students had been surprisingly insensitive to bursaries as a factor in choice and past experience showed the University was less affected during economic downturns, due to the profile and financial background of BU students.

- 2.3.3 The Deputy Vice-Chancellor advised that the revised five-year financial plan would formally be brought to the next Board meeting for approval as part of the 2008-09 Budget. The plan, based on conservative assumptions, was capable of accommodating some upturn, for example the full achievement of the Business School's planned £6M income by the end of the period.
- 2.3.4 Members noted the paper identifying savings which would return the plan to target and discussed the feasibility of the administrative process review delivering the majority of the forecasted savings. The £2M savings per year previously identified in the five-year financial plan, had been revised, with a saving of £4.1M now required in the first year. As the review consultations had seen few suggestions that could lead to cost efficiencies, this would make the budget process for 2008-09 challenging, with the major part of cost reductions having to come from short term non-pay-cost areas such as deferring some maintenance programmes in estates and reducing discretionary spending in marketing and IT services.
- 2.3.5 Members felt that, despite possibilities of income growth, such savings would only be short term and that more radical and sustainable revenue cuts would have to be made to ensure that the University meets its financial targets. However, there are constraints on what can be achieved in the short term as it would be inappropriate to make substantial changes to the current structure of Professional Services during preparations for the Institutional Audit.
- 2.3.6 The Vice-Chancellor added that staff costs would continue to be monitored by the HR Committee, but that such costs are rising across the sector, in many instances at substantially higher levels than the 6% increase forecast at BU.

2.4 **Management Accounts**

Members noted the Management Accounts for February 2008. The Deputy Vice-Chancellor reported that the forecast outturn remained in line with the revised budget, although with some movement within individual income and expenditure items. The main sensitivity at this stage relates to the level of research and enterprise income, which continues to be challenging, although the impact of any shortfall in income on the overall deficit is likely to be minimal.

2.5 **Periodic Performance Review**

- 2.5.1 Members noted the Periodic Performance Indicators owned by the Board, and that lower level indicators had been given individual scrutiny by relevant Board Committees.
- 2.5.2 The Deputy Vice-Chancellor highlighted that, whilst aspects of performance were close to or on plan, research income per head and international student recruitment were falling behind; that there was an anticipated overspend on student experience (input drivers); and, as indicated above, longer term sustainability would be dependent on substantial cost savings that had not yet been fully identified and delivered.
- 2.5.3 Members were advised that Strategy & Resources Committee had expressed concern over the "red" indicators, particularly those for institutional sustainability and overseas recruitment, and had discussed whether the "green" indicators for ICT and Library facilities were commensurate with the additional costs incurred.
- 2.5.4 Members discussed the disappointing results for research income, although the Pro Vice-Chancellor (Research & Enterprise) advised that half of the Schools had "green" indicators for research, dragged down to "amber" by the Media School's underperformance. Some further refinements in data reporting are needed, but

- 2.5.5 Members commented that reduced research income targets, down from £3.4M to £2.5M, had not been balanced by increases in enterprise income. At this stage, it was felt that, despite mitigating circumstances, any “red” indicators highlighted potential significant problems.
- 2.5.6 The Deputy Vice-Chancellor advised that, by the next Board meeting, the completion of the Budget process would see greater certainty over savings, as well as evidence of an improvement in other areas, for example, international recruitment which was already showing signs of very modest recovery.
- 2.5.7 Members agreed that the request set out in 2.2.3. above should also include an estimated breakdown of the income per FTE to be raised by activities undertaken by the new academic staff **PVC(R&E)**
- 2.5.8 Members agreed that a detailed report should also be provided for the next Board meeting in relation to the risks to the delivery of the five-year financial plan. **PVC(R&E)/DoF**
- 2.6 **Review of Senate and its Committees**
- 2.6.1 Prof Husband presented his interim report on the Review, which responded both to the national recommendation that, for reasons of good governance, such a Review should take place every five years, and to recommendations from the University’s QAA Collaborative Provision Audit that a simplification of the University’s Committee structure would improve consistency and oversight. Widespread consultation had already taken place and further consultation is underway. It was stressed that the proposed structure reflected feedback from Schools and many others and that a more streamlined structure would reduce time spent in Committees. The final version of the report would take account of feedback from the Board, Senate and Constitution & Procedures Committee.
- 2.6.2 Professor Husband reminded Members that one of the terms of reference for the review had been the achievement of greater interaction between Senate and the Board. Whilst that had been challenging, the report contained proposals for more joint activities. In addition, the possibility of co-opting Board Members onto Senate Committees already existed, though this should be further encouraged.
- 2.6.3 The question of a lack of a focus on education in the new Senate Structure was raised. To address this, it was proposed that the Education Enhancement Committee should report directly to Senate and should have terms of reference that reflected those of the new Research & Enterprise Committee, focussed on strategic leadership and vision.
- 2.6.4 Members noted that School Committees would be renamed “School Academic Boards”, to reinforce the role and responsibilities of academic staff. For the same reason, School Quality Assurance & Enhancement Committees would have responsibility and reporting lines to both School Academic Board and Academic Standards & Quality Enhancement Committee.

- 2.6.5 The Chair of the Board's current Research & Enterprise Committee felt that research and enterprise were also important, particularly for the overall development of the University and the achievement of the Strategic Plan targets. The new structure of a joint Senate/Board Committee had been discussed and supported by the existing Research & Enterprise Committee as a further means of improving links between academic staff and the Board. It had been proposed that the Board Members of the current Research & Enterprise Committee should become Members of the new Senate Committee.
- 2.6.6 Members agreed with the President of the Students' Union proposal that, in order to achieve greater year-on-year continuity, given that Students' Union Presidents normally serve for only one year, the General Manager of the Students' Union should become a Member of Senate.
- 2.6.7 The Secretary & Registrar advised that Constitution & Procedures Committee would be discussing all the feedback received and making final recommendations to the June 2008 meeting of Senate and to the July 2008 Board meeting. Members were reminded that, should the outcome of the review require changes to the University's Articles of Government, this would have to be addressed through application to the Privy Council and that this process could take up to two years to complete. Members agreed that, whilst discussions at a national level were seeking ways to circumvent this situation, an interim plan may have to be put in place to reflect the requirements of the University.
- 2.6.8 Members were requested to forward any further comments to Professor Husband by the end of May, in order that a final paper can be prepared for the July Board meeting.

Members

3. BOARD MATTERS

3.1 Structure of the "BU Foundation" Charitable Trust

Members noted the paper presented by the Deputy Vice-Chancellor setting out the options for the future of the two existing charitable trusts, the BU Development Trust and the BU Endowment Trust, following the review by the University Executive Group. The Deputy Vice-Chancellor advised that the University's legal advisers had been consulted and had confirmed there should be no obstacles to the proposed changes.

Members agreed to the proposals set out in the paper.

3.2 Board Membership

- 3.2.1 Members endorsed the recommendation of Nominations Committee and approved the appointment of the Reverend Dr David Hart as a Co-opted Member of the University Board for an initial three-year term commencing on 1 May 2008.
- 3.2.2 Members endorsed the recommendations of Nominations Committee and approved second three-year terms of office for Dr Peter Barnwell, Mr Timothy Lee and Ms Zoya Zuvcenko commencing on 1 July 2008.

3.3 Board Development Review

- 3.3.1 Members noted the paper from the Chair of the University Board which summarised a range of topics raised within reviews and induction meetings. The implications of a number of changes to the Board occurring between now and early 2009 had also been considered by the Nominations Committee on 13 March 2008.
- 3.3.2 Members commented on the lack of invitations to various functions, and were informed that currently many of the events taking place at the University are organised by individual Schools or by external agencies. It is intended that, wherever possible and appropriate, communication with Board Members should be through the Office of the Secretary & Registrar. More centralised mailing lists are being introduced to facilitate this.
- 3.3.3 Members discussed the issue of staff Members attending “private” (i.e. non-executive) sessions of the Board or of Board Committees and whether this was appropriate. Members agreed that, unless there is an obvious conflict of interest, staff Members’ attendance would be the norm.
- 3.3.4 Members agreed that the University Chair could proceed to implement the proposals made within the report.

Chair

4. COMMITTEE REPORTS

4.1 Audit & Risk Committee (29 February 2008)

- 4.1.1 The minutes of the meeting held on 29 February 2008 were noted.
- 4.1.2 The Chair of Audit & Risk Committee advised that interviews were being held next week for the provision of an external audit service. This would enable an appointment to be made in time to ensure that the external audit for the current financial year takes place on time.
- 4.1.3 [Confidential]

4.2 Human Resources Committee (17 January 2008 and 20 March 2008)

The minutes of the meetings held on 17 January 2008 and 20 March 2008 were noted.

4.2.1 *[Confidential]*

4.2.2 May 2008 Pay Award

Whilst HR Committee had the authority to make a Pay Award, it was customary for this to be subject to confirmation from the Finance & Resources Committee (now the responsibility of the Strategy & Resources Committee) over sustainability and availability of funds. The Director of Human Resources confirmed provision for such funding had been made in both the 2007-08 Budget and for future years within the forecasts in the Five-Year Financial Plan.

The Board endorsed the decision of the HR Committee to allow a pay award of 3% (or £420 whichever is the greater) to all staff, including those on G10 and above (other than UEG) from 1 May 2008.

4.3 **Nominations Committee (13 March 2008)**

(Mr John Knowles left the meeting for item 4.3.1)

- 4.3.1 The minutes of the meeting held on 13 March 2008 were noted and Members endorsed the recommendations for the award of Honorary Degrees.
- 4.3.2 Members discussed the search for a new Chancellor and endorsed the recommendation by the Committee that Lord Ashdown of Norton-Sub-Hamdon be approached to take on this role.
- 4.3.3 Arising from the forthcoming retirement of Mr Knowles (wef the end of the July 2008 Board Meeting) the Secretary & Registrar advised Board Members that he would shortly be seeking nominations for the appointment of a new Deputy Chair. Members were reminded that, whilst all Members were entitled to make a nomination and to vote, only Independent Board Members are eligible to hold the post of Deputy Chair; that all nominees should be consulted, and approve, their nomination before its submission; and that, should there be more than one candidate, an election would be held.

4.4 **Remuneration Committee (22 February 2008)**

Members, in noting the Minutes of the meeting held on 22 February 2008, were reminded these were confidential.

4.5 **Research & Enterprise Committee (17 April 2008)**

- 4.5.1 The Chair of Research & Enterprise Committee reported on the meeting of this Committee held on 17 April 2008.
- 4.5.2 Members had discussed and supported the concepts emerging from the Enterprise Review to date. Some concerns had been raised over differences between non commercial and commercial enterprise funding, and that bids should be more focussed on contributions to the University's bottom line.
- 4.5.3 Discussions over the proposed re-structuring of Research & Enterprise Committee had raised particular concerns that there would be sufficient monitoring and reporting of University subsidiaries and spin out companies to ensure full Board awareness. Members recommended that, henceforth, reports should be made to Strategy & Resources Committee, and that the monitoring of research & enterprise KPIs should also be through that committee.

4.6 **Senate (12 March 2008)**

The Minutes of the meeting held on 12 March 2008 were noted.

4.7 **Strategy & Resources Committee (17 January 2008 and 4 April 2008)**

The minutes of the meetings held on 17 January 2008 and 4 April 2008 were noted.

In-depth discussions had been held at both meetings of Strategy & Resources Committee on the development of the new Executive Business School and the five year financial plan. The Chair of Strategy & Resources Committee thanked Mr Derrick for his persistence in relation to the Executive Business School's Business Plan. The additional information that had been made available as a result had increased the committee's confidence in recommending that approval be given to the project. For the Board's information, an analysis of this project's Business Plan was attached to the Minutes of the 4 April 2008.

4.8 Student Experience Committee (13 February 2008)

The minutes of the meeting held on 13 February 2008 were noted.

Members were advised that the meeting had discussed how improvements to the student experience should be social as well as academic. The Committee had also been informed of an enhanced bus service between Bournemouth and Poole; of opportunities for students to voluntarily learn new languages, including Mandarin; and of efforts being made to encourage closer collaborative working and social contacts between international and home/EU students.

Members thanked the President of the Students' Union for his work during his term of office, particularly in developing aspects of student experience.

5. ANY OTHER BUSINESS**5.1 Hotel School**

The Deputy Vice-Chancellor advised that all legal agreements between the University, SWRDA, Bournemouth Borough Council and the Developer remained ready for signing. However, the current economic situation has placed at risk Dawnay Day's involvement in the project, which had delayed the start of work.

5.2 Development Office

5.2.1 The Deputy Vice-Chancellor advised Members that, whilst no major gifts had yet been secured as a result of the appointment of the Director of Development & Alumni Relations, some encouraging potential was emerging. Members were advised that the University had not expected any major donations until the Director had been in post for a year, although the current year's target of £500k was on track, and contacts would be more fully exploited after 1 August 2008, when the Government's matched funding scheme came into operation.

5.2.2 The University's profile had been raised through events such as the Chair's Lunches, and the inauguration of the Vice-Chancellor's Forum, the first of which would be held in May.

5.2.3 The Deputy Vice-Chancellor was requested to report on contacts made since the arrival of Mr McMullan, and of those attending events such as the Chair's Lunches.

5.2.4 Mr Lee commented on the high quality of the coverage over the Stonehenge project, which illustrated the increased profile of the University.

DVC**DATE OF THE NEXT MEETING**

The next meeting of the University Board will be held in the Boardroom on Friday, 11 July 2008 at 9.30 am.

Noel DG Richardson
Secretary & Registrar
26 May 2008

V Wood
Committee Clerk
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