

Board of Governors

Minutes of the Meeting held on 21 November 2018

Present:

Sylvia Hughes (Chair)

David Baker

Sue Dutton

Rafael Garcia-Krailing

Jeff Halliwell

Richard Horsley

Frank Jordan

Edward Lord

Gemma Lovegrove

Lee Machado

Mark Mulcahey

Martin Pettifor

Nick Pitts-Tucker

Nick Robertson

Apologies:

Jane Bunce, Sara Goodwin, Deborah Mattock, Nick Petford, Ann Shelton-Mayes,
John Skelton

In attendance:

Emma Finlay (Governance Assistant), Miriam Lakin (Clerk)

From item: 210

Nick Allen (Executive Officer), Mark Hall (Director of Finance), Terry Neville (Chief Operating Officer), Damian Pickard (Deputy Director of Finance)

206/18 Welcome, Apologies and Quorum

206.1 The Chair welcomed those present, noted apologies and confirmed quoracy.

207/18 Succession Planning

Minute 207 is in a section of these minutes which is confidential to Board members only.

208/18 Declarations of Interest

208.1 No declarations of interest were received in addition to those held on file by the Clerk's Office.

209/18 Confidential Minutes of Previous Meeting

209.1 The Board approved the minutes of item 183 from the meeting held on 17 October 2018 as a true record of that item, and agreed that it would be kept confidential to the Board.

210/18 Minutes of Previous Meeting

210.1 The Board approved the minutes and confidential minutes of the meeting held on 17 October 2018 as a true record of that meeting.

211/18 Matters Arising

211.1 The Board received and noted Paper B on actions arising from previous meetings.

212/18 Annual Report on Subsidiaries, Joint Ventures and Investments

212.1 The Board received and noted Paper C, an annual report on the University's subsidiaries, joint venture and investment companies, and noted that the Audit Committee had previously reviewed the report.

212.2 The Chair of the Audit Committee advised the Board that the purpose of the annual report was to give assurance about the proper conduct of the University's subsidiaries, joint ventures and investments. He thanked the Deputy Director of Finance for a clear and comprehensive report.

Minute 212.3 is in the confidential section of these minutes.

212.4 Members asked about the Ofsted rating for Silverstone University Technical College, run by the Silverstone Academy Trust. It was confirmed that the current rating was 'Good', and agreed that this should be added to future iterations of the paper. The Clerk advised the Board that the UTC was expecting an Ofsted inspection during the current academic year.

Minute 212.5 is in the confidential section of these minutes.

212.6 Members asked about the agreement with CH&Co, the University's catering supplier. The Director of Finance advised the Board that CH&Co operated the University catering outlets under an agreement with the University which enabled the University to claim back VAT. He advised the Board that the University also received a share of the profits and losses of catering activities

and therefore the level of financial exposure remained the same as it had been when the University was running the catering operations.

Minute 212.7 is in the confidential section of these minutes.

212.8 The Board confirmed that the report provided assurance about the proper conduct of the subsidiaries, joint ventures and investments.

213/18 University Company Annual Reports and Financial Statements

213.1 The Board received and noted Paper D1-5, the Annual Reports and Financial Statements for the following companies:

1. Icon Operations Ltd
2. Icon East Midlands
3. The University of Northampton Enterprises Ltd
4. Waterside Campus Development Company Plc
5. Uno Buses Northampton Ltd.

214/18 UNO Buses (Northampton) Limited Business Plan

214.1 The Board received Paper D6, the Business Plan for Uno Buses (Northampton) Limited.

214.2 The Chief Operating Officer advised the Board that Uno Buses was in a transitional year with revised routes to service Waterside and the park and ride facility, and therefore the company had lost some of its previous commercial opportunities. However, the park and ride service was being used by around 600 passengers per day, and there was commercial patronage on the route for those departing and arriving from Northampton station. The Chief Executive of the company had been awarded Bus Manager of the Year at the National Bus Industry Awards that week, and the Board recorded its congratulations.

214.3 Members noted that the Business Plan was not very recent. The Chief Operating Officer advised the Board that it had been prepared before the opening of the Waterside campus, which had necessitated a redesign of the network. He also advised that it was a recommendation of the internal audit service that the Business Plan was reviewed by the Board, due to the financial implications of the University's subsidy to the company. It was confirmed that the subsidy in 2018/19 was £1.7m, an increase of £500k on the previous year due to additional costs of the park and ride service, and the frequent free service between the Waterside and Avenue campuses.

214.4 The Board approved the Uno Buses (Northampton) Limited Business Plan.

215/18 Letters of Support for Subsidiary Companies

215.1 The Board authorised the Chair to sign letters of support on its behalf for the following companies:

1. Icon Operations Ltd
2. Icon East Midlands
3. The University of Northampton Enterprises Ltd
4. Uno Buses Northampton Ltd

216/18 Going Concern and Liquidity Risk

216.1 The Board received Paper E, a report on the University's Going Concern and Liquidity risk. The Board noted that the Audit Committee had previously discussed the report. It was confirmed that there were no going concern issues that needed to be addressed.

216.2 Members discussed the risks of a government reduction in student fees from £9,250 to £6,250.

Minutes 216.3 and 216.4 are in the confidential section of these minutes.

216.4 Members asked about the impact if the University did not retain its TEF gold rating. The Director of Finance advised the Board that currently no correlation between the TEF rating and the recruitment cycle had been noted.

216.5 The Chair of the Audit Committee thanked the Director and Deputy Director of Finance for a comprehensive report which addressed all the relevant issues. The Board received assurance that the University was a going concern.

217/18 Annual Report from the Audit Committee

217.1 The Board received Paper F, the Audit Committee Annual Report to the Board of Governors and the Vice Chancellor.

217.2 Members thanked the Audit Committee for a comprehensive report and for their work over the previous year.

218/18 External Audit Report and Management Representation Letter

218.1 The Board received Paper G, the External Audit Report and Management Representation Letter.

218.2 The Chair of the Audit Committee advised the Board that the Audit Committee had met the external auditors from Ernst and Young and had discussed the report with them. The audit had been very thorough and had revealed nothing unexpected. Some changes to key members of the finance team during 2017/18 had had an impact on the end of year process. There had been a £1k difference between the management accounts and the audited accounts, which was a positive end result.

218.3 Members highlighted a typographic error on page 18 of the report, in the section titled 'What are our conclusions? Paragraph three of the report stated, 'We have matters to report', however, there was no further information after the

statement. Members suggested that it should read 'We have no matters to report'.

219/18 University Annual Report and Consolidated Financial Statements

219.1 The Board received Paper H, the University Annual Report and Consolidated Financial Statements.

Minute 219.2 is in the confidential section of these minutes.

219.3 Members noted that the first section of the Annual Report was well presented and contained a good summary of the significant achievements of the University. Members suggested that the document was circulated to Court members.

219.4 Members noted that there was likely to be additional scrutiny of information about the Vice Chancellor's remuneration, since this was the first year of operation under the new disclosure requirements of the Office for Students. The Director of Finance advised the Board that the pay multiple figure given on page 74 was provisional as there was ongoing discussion with the external audit service to ensure that a robust calculation was made. Members asked about the Vice Chancellor's travel expenses. It was reported that these were published on the University's website. It was suggested that the availability of this data was noted in the Annual Report.

219.5 Members noted that there was potential for scrutiny of universities reporting a deficit and asked for an explanation of the circumstances which had led to this in the case of the University. The Director of Finance advised the Board that this was a one-off event relating to the Waterside project rather than to ongoing operations. Some Waterside costs which were not considered capitalisable had been written off, and there were also extra costs of furniture,

fittings and equipment. These events had been predicted, and there was no possibility of them recurring. The Director of Finance agreed to ensure that the Public Relations team had an accessible explanation of the deficit, in case of press enquiries.

Action: Director of Finance

219.6 The Board approved the University Annual Report and Consolidated Financial Statements. The Board authorised the Director of Finance to make any final amendments in discussion with the external auditors. Subject to such amendments, the Board authorised the Chair to sign the Annual Report and Accounts and to sign a letter of representation to the auditors on its behalf.

220/18 Annual Report on Insurances

220.1 The Board received and noted Paper I, the Annual Report on Insurances.

220.2 Members discussed the reasons why the Annual Report on Insurances came to the Board and agreed that it was important for the Board to continue to review it annually.

220.3 The Board approved the Annual Report on Insurances.

221/18 Report from the Academic Assurance Working Group and Annual Report on Academic Quality and Standards

221.1 The Board received and noted Paper J, a Report from the Academic Assurance Working Group and Annual Report on Academic Quality and Standards.

221.2 Members asked about the sector issue of grade inflation. The Executive Officer advised the Board that there was a robust process in place to appoint external examiners who selected a sample range of marks to review. The Executive Officer confirmed that there were no current concerns regarding the

level of 'good' (defined in the sector as first and upper second class) degrees. It was agreed to provide the next Board meeting with information regarding 'good' degrees as follows:

Percentage of good degrees compared with other institutions in the University's comparator group

How the percentage of good degrees has changed over time.

Action: Executive Officer

221.3 The Board agreed that on the basis of the report, it could provide the necessary assurance to the Office for Students about academic quality and standards, and authorised the Vice Chancellor to sign a statement on its behalf to the Office for Students.

222/18 Minutes of the Academic Assurance Working Group meeting from 17 October 2018

222.1 The Board received and noted Paper K, the minutes of the Academic Assurance Working Group meeting held on 17 October 2018.

223/18 Draft Terms of Reference for Academic Assurance Committee

223.1 The Board received Paper L, the draft terms of reference for the Academic Assurance Committee. Members noted that the new Committee would require a Chair drawn from amongst the independent governors. Rotation of chairing was suggested.

Action: Academic Assurance Committee

223.2 Members asked whether the frequency of meetings as set out in the terms of reference was required. Members of the Academic Assurance Working Group confirmed that the timing of the current meetings meant they had access to the most up to date information.

223.3 The Board approved the terms of reference of the Academic Assurance Committee as set out in the paper.

224/18 Prevent Duty Assurance

224.1 The Board received and noted Paper M, an annual report and data return on Prevent Duty monitoring and accountability.

224.2 The Chief Operating Officer advised the Board that Prevent training had been extended to include all staff.

224.3 The Board approved the Prevent Duty annual report and data return and authorised the Chair to sign on its behalf a Prevent Annual Accountability Statement.

225/18 Management Accounts to October 2018

225.1 The Board received and noted Paper N, the Management Accounts to October 2018.

225.2 The Director of Finance advised the Board that indications were that there were around 3,000 new student entrants in 2018, compared to a forecast of 2,870.

225.3 The Director of Finance reported that the management accounts reflected the additional costs of the transition to Waterside, and these were one off costs.

Minute 225.4 is in the confidential section of these minutes.

226/18 Report from the Project Assurance Committee held on 13 November 2018

226.1 The Board received Paper O, the minutes of the final meeting the Project Assurance Committee, held on 13 November 2018.

226.2 The Chair of PAC advised the Board that the majority of the matters overseen by PAC had now been handed over to be managed operationally. The following items would require further updates to the Board:

Snagging and defects

Security and relationship with ICTS

Catering and relationship with CH&Co

Avenue Campus sale

IT.

226.3 The Chair thanked the Chair of PAC on behalf of the Board for the excellent job he and the Committee had done in providing oversight of the Waterside project and maintaining effective speed, tension and results. The Chair of PAC stated that the project had been well managed and that it had been a pleasure to be involved.

227/18 Delegation of Policies to Senior Management Team

227.1 The Board received and noted Paper P, a list of the policies it was suggested were delegated to the Senior Management Team in future.

227.2 Members agreed to delegate the final approval of the policies as set out in the paper, with the exception of the following, changes to which would continue to be approved by the Board:

- Freedom of Expression
- Anti-Bribery, Fraud and Corruption
- Pay and Reward
- Sexual Harassment, Misconduct and Violence
- Equality and Inclusion
- Code of Conduct
- Whistleblowing.

228/18 Minutes of the Development Committee Meeting from 2 October 2018

228.1 The Board received and noted Paper Q, minutes of the Development Committee held on 2 October 2018.

228.2 The Chair of the Development Committee advised the Board that he was concerned regarding the recent turnover of staff in the area of development and stated that there was now no point of contact for the Development Committee. He advised the Board that there had been limited development during the last few years and there was no clear focus regarding future initiatives.

228.3 The Chair advised the Board that development was on the agenda for the Away Day in January 2019, which should give assurance to the Board, and that she had discussed development with the Vice Chancellor.

228.4 Members highlighted the need for a clear business plan for the development of income from non-student sources in the University, and the need for a clear case for support to encourage and stimulate development.

228.5 The Chief Operating Officer advised the Board that interviews would take place on 6 December 2018 for the position of Dean of Research and Innovation. It was reported that the Deputy Chair of the Board would sit on the interview panel. The Board was advised that the position had been advertised publicly. The Clerk agreed to circulate the job description to the Board for information.
Action: Clerk

229/18 Minutes of the Nominations Committee Meeting from 17 October 2018

229.1 The Board received and noted Paper R, minutes of the Nominations Committee held on 17 October 2018.

229.2 The Chair of the Nominations Committee advised the Board that the Committee would shortly begin the recruitment process for a new governor.

229.3 The Chair of the Audit Committee stated that there was a need for financial or risk management skills as the role of deputy chair of the Audit Committee was vacant, and he had completed four years of a six-year term as chair.

229.4 It was noted that the skills audit exercise was being updated and members would be asked to complete a new skills audit later in the academic year.

230/18 Any Other Business

230.1 Away Day January 2019

The Chair provided the Board with an overview of the agenda for the away day, as follows:

- Development
- Next steps following the move to Waterside
- UCAS application trends and student demand
- Development of the Board – response to the Board effectiveness review, and plans for further development.

A draft outline of the event would be presented in December.

230.2 Conference 'How to create a Social Echo' - 22 November 2018

The Chair advised the Board that the conference, organised in conjunction with the Big Issue Foundation would take place the next day.

230.3 Changemaker Dinner 2018

The Chair advised the Board that the Changemaker Dinner had been an excellent occasion, and had attracted wide external interest, a testament to the interest in the University's work in this area.

230.4 Societal Travel CIC

The Clerk advised the Board that, pursuant to the Articles of Association of that Company, the directors of Societal Travel CIC had appointed Mairi Watson as a

director and she asked the Board to ratify the decision. The Board ratified the appointment of Mairi Watson.

230.5 Unconditional Offers

The Chief Operating Officer noted that one university had announced that it would give unconditional offers for all its places for the academic year 2019/20.

231/18 Confirmation of Availability of Papers

231.1 The following papers were confirmed as confidential to the meeting:

Paper C – Annual Report on Subsidiaries, Joint Ventures and Investments

Paper D – University Company Financial Statements

Paper E – Going Concern and Liquidity Risk Report

Paper F – Audit Committee Annual Report

Paper G – External Audit Report

Paper H – University Annual Report and Financial Statements -as this was not the final version of the paper. The final version would be released publicly via the University's website

Paper I – Annual Report on Insurances 2018

Paper M – Prevent Duty Accountability and Data Return 2018

Paper O – PAC Minutes from 13 November 2018

Paper Q – Development Committee Minutes from 2 October 2018

Paper R – Nominations Committee Minutes from 17 October 2018

232/18 Dates of Forthcoming Meetings

232.1 Treasury Committee – 12 December 2018

Board of Governors – 12 December 2018

Christmas Lunch – 12 December 2018

Away Day – 10-11 January 2019

Board of Governors – 23 January 2019