

## **Board of Governors**

### **Chair's minutes of the meeting held on 25 September 2013**

#### **Present:**

Mr Milan Shah (Chair)

Miss Haviour Chen

Mrs Clare Colacicchi

Mr Richard Davies

Ms Helen Flach

Ms Ann Gilbert

Mrs Sylvia Hughes

Dr Ron Mendel

Mr Mark Mulcahey

Mr Martin Pettifor

Mr Nick Pitts-Tucker

Prof. Nick Petford

Mr Nick Robertson

Mr Andrew Scarborough

Mr David Watson

#### **Apologies:**

Dr Mendel for late arrival due to teaching commitments.

#### **In attendance:**

Ms Lisa Barnett (Assistant Clerk), Mrs J Bunce (Director of Student and Academic Services) for items minuted as M168-M172, Mr Chris Garden (WNDC) for item minuted as M174, Mr Mark Hall (Director of Finance), Miss Alice Hynes (Clerk), Mr Terry Neville (Chief Operating Officer).

Mr Milan Shah left the meeting.

### **M162/13 Election of Chair of Board of Governors**

162.1 In line with Article 6, Mr Milan Shah was proposed and seconded for nomination as Chair of the Board of Governors, with no other nominations being received.

162.2 The Board of Governors resolved unanimously to appoint Mr Milan Shah as the Chair of the Board of Governors.

Mr Milan Shah returned to the meeting and Mrs Sylvia Hughes left the meeting.

### **M163/13 Election of Deputy Chair of Board of Governors**

163.1 In line with Article 6, Mrs Sylvia Hughes was proposed and seconded for nomination as Deputy Chair of the Board of Governors, with no other nominations being received.

163.2 The Board of Governors resolved unanimously to appoint Mrs Sylvia Hughes as the Deputy Chair of the Board of Governors.

Mrs Sylvia Hughes returned to the meeting.

### **M164/13 Welcome to new colleagues**

164.1 The Chair welcomed Mr Mark Mulcahey, Mr Martin Pettifor and Mr Nick Pitts-Tucker to their first meeting of the Board of Governors. They introduced themselves to the Board. The Chair reported that alongside Haviour Chen and Dr Ron Mendel they had undertaken the start of year induction session. The new governors had been invited via Chair's Action during the summer to join the Remuneration Committee, the Honorary Awards Committee, and the Project Assurance Committee respectively.

### **M165/13 Declarations of Interest**

165.1 Declarations of interest and loyalty were noted as follows:

Mr Andrew Scarborough (co-opted member) as Borough Councillor Wellingborough;

Mrs Sylvia Hughes (co-opted member) as County and Borough Councillor for East Northamptonshire and Irthlingborough respectively,

Mr Terry Neville, as Governor of Moulton College and member of the Enterprise Zone Executive;

Prof Nick Petford as Board member of Northampton Enterprise Partnership (NEP) and South East Midlands Local Enterprise Partnership (SEMLEP), Chair of Daventry UTC and member of Silverstone UTC Board and Deputy Chair Health and Wellbeing Board;

Mr Milan Shah, as Board member of Northampton Enterprise Partnership (NEP).

165.2 The Chair specifically drew attention to the role of Local Enterprise Partnerships, in which both he and the Vice Chancellor were involved, in relation to items on the Waterside and the Innovation Centre. Mrs Clare Colacicchi specifically highlighted her links with Stepnell Ltd in relation to the item on Innovation Centre Tender. Mr Scarborough highlighted the interaction between Wellingborough Council and Tresham College.

Clerk's Note: As previously Dr R Mendel's interest as Branch Secretary, University and College Union (UCU) to be noted.

### **M166/13 Minutes of the meeting held on 24 July 2013**

The minutes of the meeting held on 24 July 2013 (Paper A), were approved as a true record of the meeting.

### **M167 /13 Matters Arising**

167.1 Paper B, on matters arising, was received and the updates on action noted. Further information was provided as follows:

On M138/13, the Chair of Audit was pleased to note the identification of an external member for a Board of a subsidiary;

On M149/13, further to an invitation to members Mr Nick Robertson had been proposed and seconded for the position of Senior Independent Member;

On M156/13, the Board supported the rebalancing of work between the Project Assurance Committee and the Audit Committee and recognised the need to have detailed consideration of Health and Safety matters.

On M58/13, the Chair reported he had had notes of thanks from Will and Celia who had asked that their appreciation be drawn to the Board's attention.

Mr Nick Robertson left the meeting.

167.2 The Board resolved unanimously to appoint Nick Robertson as the Senior Independent Member.

Action: The Clerk

Mr Nick Robertson returned to the meeting.

167.3 The Board noted the contact made by the Chair of the Project Assurance Committee with the Internal Auditors for use of allocated time.

167.4 The Board resolved to ask the Audit Committee to undertake the detailed consideration of compliance issues in relation to Health and Safety while retaining overarching responsibility for the topic. Action: The Chair of Audit Committee and the Clerk

167.5 A member queried on M134/13 and M111/13 whether the confirmed advice from Mills and Reeve would be circulated to the Board as previously requested and it was confirmed the material had been received and this matter would be followed up and provided.

167.6 The Board requested the Clerk to circulate the material.

Action: The Clerk

Charity Commission review - Notes on subsidiaries

167.7 Paper B1, comprising further internal analysis on compliance with Charity Committee guidance on trading and subsidiaries was received. The Board noted that there was work in progress on Service Level Agreements with First Degree as a wholly owned subsidiary to ensure compliance. A member expressed concern that the analysis had not had an external endorsement of the judgement on compliance. The positive commercial progress on trading subsidiaries as shown in the recent accounts was highlighted by the Director of Finance. The Board was reminded of the practice of providing approved loans and some direct grants through HEFCE funding. There remained action to be taken in monitoring work of subsidiaries and the same accounting practices as adopted for 2011-12 would be used and which it was anticipated would be followed up through the Audit Committee.

167.8 The Board of Governors noted the current position and action in train on review processes which would also be monitored through the Audit Committee's work.

Action: The Chair of Audit Committee and the Clerk

#### Update on Foundation and Philanthropy

167.9 Paper B2, comprising an update on progress, further to M115/13 and M147/13, was received. The Chair reported that he had had discussion with the outgoing and the future chair of the Foundation and a meeting of the Foundation had been set for 17 October when there would be a thank you dinner for Mr Christopher Davidge. It was also noted that that care needed to be taken in any transition to ensure the continuing support of those who had been involved in the work of the Foundation to date. The Board expected the Foundation members to continue to be an integral part of the Court of the University.

167.10 The Board of Governors noted the update and anticipated initial material on a philanthropic development strategy and proposed structure to its October meeting.

Action: The Clerk

Mrs Jane Bunce, Director of Student and Academic Services joined the meeting.

### **M168/13 Student Satisfaction - National Student Survey 2013**

168.1 Paper C1, comprising an analysis of the National Student Survey 2013, was received and discussed. The continuing success of the University in improving its NSS to 88%, its position above the national average of 86%, was explained and how significant the NSS was in relation to student performance, recruitment and league tables. The new scores for the Student Union and their success were also highlighted. It was also reported that the corresponding survey for Postgraduate students was showing similar success.

168.2 Governors commented on the impressive trajectory achieved and recognised the impact from staff especially in areas such as feedback. They queried the different response rates and were reassured that even better results were being sought. The key factor of targeted investment was recognised and members spoke of the need to maintain satisfaction of current students while much attention was focussed on the Waterside and the future benefits. The difference in outcomes in different subject areas was noted and, in light of the release of data at course level, the processes in train through the Executive and the Senate to diagnose and undertake intervention to respond to areas below target was also explained. The inclusion and impact of student experience in partner colleges was also highlighted.

168.3 The Board of Governors congratulated the Executive and the staff of the University on the achievement, noted the work in train to spread good practices to improve scores in areas below their targets and endorsed the continuing commitment to provide students with an even better experience and raise the NSS again.

### **M169/13 Student Recruitment September 2013**

169.1 Paper C2, comprising a report and analysis of the most current information on student recruitment as at 19 September 2013, was discussed. It was reported that with most recent enrolments the position was now 10 above the student number cap. With fluctuation of arrivals and departures it was considered this was a healthy position. In addition there had been greater success than expected of recruitment of those with ABB and equivalent grades and those taking top up final year students, both of which were uncapped numbers. At present numbers appeared almost 100 above the budgeted figure although the performance was different at detailed course levels. Numbers had also been achieved in NHS and Teaching Agency funded programmes. The application results would also have impact on the league tables through the entry tariff scores. It was reported that retention of student was also a key factor thus no entry was accepted after the course had been running for 3 weeks and those accepted at the lower end of the entry point spectrum would be supported and closely monitored. The Vice Chancellor also explained to the Board that there were other institutions in more difficult recruitment situations.

169.2 The position on international students was also looking positive although numbers entered the country in a slower stream as entry visas were confirmed and further enrolment was due following the coming weekend. Following his recent visit to India the Vice Chancellor highlighted the difficulty of fluctuating exchange rates on student visa approval where the entry was conditional on a secured bank deposit of a set sum; there were cases of applicants being refused visas for discrepancies less than £10 due to value of deposits in sterling terms being less than originally expected. The competition was now especially keen in India from the USA, Australia and Canada particularly since the UK had dropped the post study work opportunity while the competitors had introduced it. The Vice Chancellor also highlighted the importance of

Transnational Education work noting his visit to the University of Madras which had recently established a delivery point for University of Northampton programmes of study using "flying faculty".

169.3 The Board of Governors congratulated the Vice Chancellor and the staff concerned at a successful recruitment and admissions process in a highly challenging market, noting the particular complexity of the international environment and asked for further information on the position when available.

Action: The Vice Chancellor

### **M170/13 Student Union Period 12 and current Report**

170.1 Paper C3, comprising the Period 12 management accounts for the Students' Union, was received. The Director of Finance explained that the information provided the Board with visibility on how the grant from the University was being used by the Students' Union. Governors recognised that there was an inherent difficulty in ensuring sustainability with the time period of operation compared to the cost base. It was understood that lower revenue meant less opportunity to provide services to the students, as activity was cut to respond to income levels. The possibility of making further expertise available to the Union to find ways to increase the footfall was suggested. The Students' Union president spoke of the need to support students and their focus on delivering relevant services during the key teaching period. The different character of current Students' Unions as service delivers and representative bodies and less campaigning organisations was also highlighted.

170.2 The Board of Governors noted the Period 12 position of the Students' Union finances.

### **M171/13 Topic Key performance Indicators - Student related**

The Chief Operating Officer presented Paper C4, comprising a note on future arrangements for topic related KPis. It was understood that the data relating to student based issues was visible in the normal set of KPis



and the opportunity to drill more deeply into the NSS data have been provided through Paper C1 and C2 on this occasion. There would also be a further opportunity at the March meeting to look at the academic data related to students on completion and success together with employability as issues concerned with student complaints. It was suggested that the opportunity be taken to further review those seen as competitors in the context of the University's changing position.

### **M172/13 Waterside**

172.1 The Chief Operating Officer presented Paper D, comprising an update on

Waterside Project Update work on the Waterside programme of activities. The COO reported on the work undertaken on the project since July.

Clerk's Note:

The detailed presentation, questioning and discussion which then followed is held in Reserved Minutes 172.2 to 172.6, given the commercial confidentiality of the material.

172.7 The Board of Governors resolved to receive the waterside project update report, to confirm the decision to await WNDC's commitment on the substation, while monitoring the time critical factors, to warmly acknowledge the support from the NEP and the SEMLEP of the Waterside project by the funding proposal and to endorse the action taken on expenditure of circa £105,000 as detailed in para 5.8.1 of the report.

Action: The COO

172.8 The Board noted that two of the advisers used during the feasibility phase of the Waterside project had not provided satisfactory proposals for the implementation phase of work and a formal tender process was now in progress. Full material on project team procurement would be presented to the October meeting.

Action: The COO

172.9 The Board noted that consideration of the second architects would take place in October and that governors were invited to take part and make know their interest asap.

Action: The COO, Governors and the Clerk

#### Submission of Outline Planning Permission

172.10 The Chief Operating Officer presented Paper D1, comprising commentary on the Planning process, and, as Appendices 1 to 3, an extract from the document submitted for Outline Planning Permission for the Waterside project together with some of the ground layouts.

172.11 The Board of Governors resolved to endorse the action of the COO in the submission of the Outline Planning Permission by the September deadline and to thank him and the team for the considerable work undertaken to reach this stage.

172.12 The Board received the Project Assurance Committee minutes of 17 September 2013 and asked the PAC to consider the initial risk issues and project assurance on the Innovation Centre as a significant project as well as its main work on all facets of the Waterside project.

Action: The Chair of PAC

Mrs Jane Bunce, Director of Student and Academic Services left the meeting.

#### **M173/13 Updated Financial Regulations (2013 version)**

173.1 The Director of Finance presented Paper E containing an amended version of the University's Financial Regulations. He explained that following the closure of the Finance and Estates Committee amendment was required to the Financial Regulations and alongside which the Financial Procedures were also being updated. The opportunity had been taken to make a number of other updates and adjustments to improve process. Members queried the proposal in para 12 to permit Budget

Holders to authorise external consultants up to £50,000 with different views held on the validity of the cut-off point. As discussion progressed there was more concern about the definition of budget holders and their capacity to delegate spending authority to any other staff member. This concern was highlighted further with reference to para 3.6 in the Regulations. The Director of Finance confirmed that "Budget Holders" was understood to mean the Executive Deans and the Directors and the wording could be adjusted to clarify this and prevent delegation on this topic.

173.2 The Board resolved to approve Annexe 1 of Paper E as the Financial Regulations 2013 with an amendment to para 12 to replace budget holders with those being authorised to take the decisions and on para 3.6 to remove reference to nominee the Board requested the submission to a future meeting of a clearer definition of arrangements for delegation from those classed as budget holders.

Action: Director of Finance

Mr Chris Garden, Director of Regeneration and Development (WNDC) joined the meeting.

### **M174/13 Innovation Centre Tender**

174.1 The Board recognised the possible conflict raised by Mrs Clare Colacicchi re Stepnell Ltd but considered it was not sufficiently material to prevent her participating in the discussion and the decision.

174.2 The Chief Operating Officer presented Paper F, comprising an analysis of the tender submission for the proposed Innovation Centre and the rationale presented for the Board to increase the budget and confirm its earlier commitment to the work. The Paper also contained Appendices A to H, describing action taken to cost engineer the tendered price to a lower level given the distance from the budgeted sum, reviews of risk, and revised net present value calculations.

Clerk's Note:

The detailed presentation, questioning and discussion which then followed is held in Reserved Minutes 174.3 to 174.5, given the commercial confidentiality of the material.

174.6 The Board resolved by a majority of 14, with no votes against and one abstention, to proceed with the building and establishment of the Northampton Innovation Centre on Black Lion Hill opposite the Station.

174.7 The Board resolved by a majority of 14, with no votes against and one abstention, to award the contract for the work to design and construct the Northampton Innovation Centre to Kier Construction, commencing late 2013 and completing early 2015, on the basis of receiving a contribution from WNDC and allocating a revised budget in University capital expenditure.

Action: The COO and the Director of Finance

174.8 Following the decision a member gave an explanation of his abstention in that he had concerns about the employment practices of Kier Construction which he understood had been public knowledge. He had concerns about Kier's use of a Blacklist which denied employment to countless construction workers, many of whom were known as trade union activists. There were ethical implications for the University contracting with a firm which had infringed on the employment rights of workers in the construction industry. The Chair highlighted the benefit of raising such questions prior to voting, to allow other governors an opportunity to hear issues. It was also noted that the University had a set of ethical and employment expectations used in its tendering information.

Mr Chris Garden, Director of Regeneration and Development (WNDC) left the meeting.

### **M175/13 2013-14 Key Performance Indicators**

175.1 The Chief Operating Officer presented Paper G, comprising an update of 7 core KPis on NSS, Graduate Employability, UG taught completion, Internationalisation, RAE income, % of Academic with doctorates, academic student staff ratio, which it was proposed remain presented monthly with deep dives on others as relevant to the meeting topics. Governors queried the lack of a more specific KPI in relation to the satisfaction of staff since it was considered the success of the University was heavily reliant on staff performance. The recent staff survey was highlighted and the action being taken as a result but governors requested that the Executive consider further the message given by such a KPI. There was further discussion on the slippage on the research income and questions as to the usefulness of that measure with a suggestion that citations or published papers might be more productive to influence desired behaviours. The positive increase in staff with doctorates was highlighted and the potential for more private rather than public/Research Council income.

175.2 The Board of Governors resolved to approve the current report on Key Performance Indicators and request further consideration of a staff based KPI.

Action: The COO and the Executive Officer

### **M176/13 2013-14 Risk Management**

176.1 The Chief Operating Officer presented Paper H, comprising an update to the current risk register and proposals for future work, specifically a more detailed discussion on Risk Appetite. It was noted that Risk Management the subject of one of this year's Internal Audit investigations. Governors were interested in more information on the actions being taken to mitigate risks. The work on the academic portfolio was quoted as an example of risk mitigation. The Vice Chancellor explained that there was a more dynamic risk management process

occurring within the University with the use of mind mapping but the more traditional structure was presented to the Board.

176.2 The Board resolved to approve the current risk register and in the light of consideration at the Audit Committee of the Internal Audit report on Risk Management to reconsider the format of material on risk management being presented to the Board.

Action: The COO and the Executive Officer

### **M177 /13 Period 12 Management Accounts and Year End position**

177.1 The Director of Finance presented Paper I, comprising the period 12 management accounts. He explained that although the underlying surplus remained largely as predicted and included severance costs for the School of the Arts restructure, it had been necessary to write off the Waterside costs for 2012/13 since final approval of the project had not been given. Although a provision had been made to write off the Innovation Centre costs, earlier approval of the project meant that these could now be capitalised. Significant in year pension charges were also noted related to the annual assessment of the Local Government Pension Scheme in line with FRSI 7. The level of bad debt provision was queried and the timing factor was explained but it was argued that the University had a good track record of debt recovery.

177.2 The Board resolved to approve Period 12 Management Accounts and to note the work on year end accounts.

Action: The Director of Finance

### **M178/13 Governor Procedures - Elections**

178.1 The Chair of the Board presented Paper J, containing arrangements for election processes connected with the membership of the Board of Governors and its committees. The Clerk explained that the material consolidated previous practices and documentation.

178.2 The Board resolved to approve the Governor Procedures - Elections and incorporate the arrangements for the Senate nomination when confirmed by the Senate.

Action: The Clerk

### **M179/13 Annual programme for Governors**

179.1 The Chair of the Board presented Paper K, comprising proposals for an Annual Programme of activity for Governors. This system would be replacing the previous mechanism of Link Governors.

179.2 The Board resolved to adopt the arrangements proposed.

Action: The Clerk

### **M180/13 Work Programme and modus operandi**

180.1 The Chair of the Board presented Paper L, comprising proposals for the Board modus operandi and the programme of work for 2013-14. The Clerk highlighted the correction to the date of the January Board being Wednesday as normal and therefore 22nd January not 23rd. Members were keen to avoid gaps between meetings especially in the case of Court events. Some topics of particular interest, such as the international range of activities should be added to the work plan and an opportunity at the Awayday could be used to explore the topic. Members were keen to ensure the Awayday gave real opportunity for discussion not merely presentations.

180.2 The Board resolved to approve the modus operandi and the Work Plan for 2013-14 noting the correction to the January Board to Wednesday 22 January.

Action: The Clerk

### **M181/13 Byelaws and Constitution**

181.1 The Chair of the Board presented Paper M, comprising and update on the work of the Group and as Appendix 1 an updated the Statement of Primary Responsibilities and as Appendix 2 the response to the CUC

survey. The Chair explained that the Statement was being adjusted in light of the updated Instrument and Articles.

181.2 The Board resolved to adopt the updated Statement of Primary Responsibilities noting the ongoing consultation on the CUC Code.

Action: The Clerk

### **M182/13 Estates Strategy progress update**

182.1 The Director of Finance presented Paper N, comprising a report on the work completed to date on the St John's residences, the Park Library, the foyers in Maidwell and the Spencer Percival Hall.

182.2 The Board resolved to receive the report on progress the major Estates projects and approve further action as indicated.

Action: The Director of Finance

### **M183/13 Update on Court Activity**

183.1 The Chair of the Board presented Paper O, comprising and current work in progress relating to the Court and as Appendix 1 the search criteria for the recruitment of the Pro Chancellor. It was also noted that the Chancellor supported the descriptors previously proposed by the Board.

183.2 The Board resolved to approve the search criteria for the Pro Chancellor and authorise the Chair of the Board to initiate the recruitment.

Action: The Chair and Clerk

### **M184/13 Update on Calendar and Board of Governors activity**

184.1 The Chair of the Board presented Paper P, comprising a calendar and listing of events. This would be regularly updated in line with M179 and the material was requested in outlook format. A correction was made to the date of the January Board to reconfirm this was on Wednesday 22 January.



184.2 The Board received the Calendar noting the correction to the January Board to Wednesday 22 January.

Action: The Clerk and Assistant Clerk

### **M185/13 Any other business**

185.1 The Students' Union President reported a successful start to the year and highlighted the active sabbatical team. She explained that the Union would be working to apply for the NUS Students Union of the Year and sought Board support - which was warmly given. She also provided an information note to the Board on Students' Union KPIs on employability and engagement, received as tabled Paper Q.

185.2 The Vice Chancellor reported on an exceptional summer in terms of recruitment and a very successful previous year. The University had risen even further in the leagues tables, jumping 40 places to 59 and being the highest riser in the Sunday Times/Times league table. This had now merged to one table and was particularly viewed by home and international students. The University had been short listed for University of the Year and for Business School of the year under the Times Higher annual award with the outcome in November. He also reported that the two University Technical Colleges sponsored by the University, one of which he now chaired, had both opened to students in early September, with the Daventry UTC initially operating from the University Park Campus.

### **M186/13 Availability of papers**

The following papers were declared confidential to the Board and other key senior staff involved:

Paper B2 - Update on Foundation and Philanthropy

Paper D - Update on Waterside, Paper D2 Project Assurance Committee and Paper F on Innovation Centre, and Paper C2 on Recruitment and Paper E Estates Strategy progress Report were no longer classed as confidential.

**M187 /13 Date and time of next meeting**

It was confirmed that the next meeting of the Board of Governors would take place on Wednesday 23 October 2013 at 10:15.