

Board of Governors
Minutes of the Meeting held on 27th January 2016

Present:

Andrew Scarborough (Chair)
Victor Agboola
Sue Dutton
Margaret Gardner
Richard Horsley
Sylvia Hughes
Ron Mendel
Nick Petford
Martin Pettifor
Nick Pitts-Tucker
Nick Robertson
John Skelton
David Watson

Apologies:

David Baker (attempted to engage electronically, this broke down), Sara Goodwin and Mark Mulcahey

In attendance:

Jane Bunce (Director of Student and Academic Services), Robert Griggs (Waterside Project Director), Mark Hall (Director of Finance), Ed Hughes (HEFCE representative), Miriam Lakin (Clerk), Terry Neville (Chief Operating Officer), Damian Pickard (Deputy Director of Finance), David Prynn (Assistant Clerk) and Ann Shelton-Mayes (Executive Dean School of Education).

01/16 Welcome, Apologies and Quorum

01.1 The Chair welcomed members. He noted the positive discussion that had taken place during the January away day and explained that summary notes would be circulated to members.

Action: Clerk

02/16 Declarations of Interests

02.1 In addition to the standard Declarations of Interest held in the Clerk's Office, Andrew Scarborough declared an interest on Item 11, the charity bond update, in relation to his role as Borough Councillor of Wellingborough with regard to leisure provision in the Borough which was provided by "Places for People".

03/16 Minutes of the Meeting held on 16 December 2015

03.1 The Board considered the minutes of the meeting held on 14 July 2015 (Paper A).

03.2 The Board approved the minutes presented in Paper A as a true record of the meeting held on 16 December 2015.

04/16 Matters Arising

04.1 The Board received and noted Paper B on actions arising from previous meetings. Additional comments were made on the following matters:

04.2 Visit to Goodwill Solutions

The Clerk asked for expressions of interest for a visit to Goodwill Solutions. Given the level of interest a visit would be arranged with a date to be circulated before the next meeting.

04.3 Expected decrease in HEFCE Funding

The Chair sought clarification from Ed Hughes of HEFCE on the possibility of a decrease in HEFCE funding. Ed Hughes explained that the grant letter

from the Department of Business, Innovation and Skills had not yet been received by HEFCE. He stated that HEFCE's confirmation of funding to universities was likely to be made in April 2016, and that HEFCE hope to be able to confirm this shortly.

05/16 Quality Assurance Agency Higher Education Review

05.1 The Executive Dean School of Education presented the Quality Assurance Agency (QAA) Higher Education Review Report (Paper C). She explained that the QAA review had four judgement areas, and that the University had met the requirements of UK Quality Code for Higher Education in each. In addition, the review had placed the University at low risk in each of the four areas.

05.2 The Report makes two recommendations for good practice to be delivered by June 2016. The Executive Dean explained that the first recommendation to ensure that learning outcomes for intermediate awards are positively defined was ongoing and represented a significant amount of work which was scheduled for completion by the 31st March 2016. The second recommendation to establish University-level oversight of, and address, progression rates at delivery level organisations had been identified internally with significant progress having been made. An affirmation was received for the steps being taken to provide training for all postgraduate research students engaged in teaching activities.

05.3 Members sought clarification of the grading of the review. It was explained that the requirement was for institutions to meet the expectations as set out in the UK Quality Code, however it was possible to receive a commendation in three of the four judgement areas. The Board enquired, given the positive commentary in the report, about the work required to achieve commendations at the next review. It was explained that the University had a significant level of new collaborative provision and that over the next 18 months this data would be collected, and could contribute towards achieving commendations in the future.

05.4 Members discussed how the University could best use the review in marketing to applicants and in promoting the University publicly, given the powerful statement it makes about the University's expertise and ability to meet its strategic objectives. It was explained that the University's Marketing and Public Relations departments are promoting the success of the review and it has been positively reported in the local press. It was also noted that international partners gave significant weight to the QAA kite mark, which the successful outcome of the review allows the University to display.

05.5 The Board welcomed the report and commended all of those who contributed to a report which shows that the University is delivering in this key aspect of its work.

Ann Shelton-Mayes left the meeting.

06/16 'Prevent Duty'

06.1 The Director of Student and Academic Services (SAS) presented the University's preliminary self-assessment of its compliance with the 'Prevent' duty as set out in the Counter-Terrorism and Security Act 2015 (Paper E). She explained that the University Management Team had agreed the self-assessment for submission to HEFCE on 19th January 2016. The self-assessment identified areas of ongoing work and the timetable for this.

06.2 Members sought clarification that arrangements to protect the importance of academic freedom under paragraph (i) in the self-assessment were covered in the University's Freedom of Expression policy referenced in paragraph (h). It was confirmed that this was the case, and that therefore the University's self-assessment was a rating of 'A' in both sections (i) and (h).

06.3 It was reported that responsibility for compliance with the Prevent duty falls with the Board, and that mandatory training for all Board members would be arranged in due course.

06.4 It was reported that the Board would be notified of any incidents in relation to the Prevent duty. The Director of SAS reported that an application from the Law Students' Society for an external speaker on campus had been denied after consultation with the Police. Members sought clarification about the application. It was explained that it was refused on the grounds that it provided no assurance that there would be a second speaker to debate the views of the proposed speaker.

06.5 The Board noted progress on compliance with the Prevent Duty.

07/16 PAC Minutes and Update on Waterside Project

07.1 The minutes of the meeting of the Project Assurance Committee (PAC) held on 19 January (Paper D1) and Waterside update report (Paper D2) were received. The Chair of PAC reported that there were three main issues to consider; quality, timing and budget. He reported that there were no significant quality issues to note.

07.2 The Chair of PAC brought risks on timing to the attention to the Board, and reported on the budget for the project.

Items 07.3 – 07.13 are in the Confidential section of these minutes.

07.14 It was reported that at the Away Day in January a potential loan of £10m via the Public Works Loan Board had been mentioned. This option is not being pursued.

07.15 An amendment to item 6.2 on the PAC minutes was reported, and this will be corrected in the final version of the minutes agreed at the next meeting.

07.16 It was noted that there is a predicted £4m from fundraising in the Waterside project budget. It was reported that the Advancement

Committee have been overseeing this work. A website and brochure have been created, and an action plan for engaging with potential donors has been created.

07.17 It was reported that work on branding is beginning so that this is ready for the opening of Waterside, and to attract applicants to Waterside. It was agreed that a presentation will be made to the March Board meeting.

Action: Clerk

07.18 The Board welcomed the PAC minutes of the 19 January meeting and the Waterside Update.

Jane Bunce left the meeting.

08/16 Academic Construction Contract

08.1 The Waterside Project Director presented an update on the academic construction contract (Paper D3). The Board noted the revised budget. It was explained the proposal was for the Board to authorise the Chair and Vice-Chancellor to sign the contract. This would ensure that the contractors could begin work from 14th March 2016.

08.2 The Board voted unanimously to authorise the signing of the Academic Construction Contract.

09/16 PWLB Loan Drawdowns

09.1 The Chief Operating Officer presented the structure of Public Works Loan Board (PWLB) Loan Drawdowns (Paper D4).

09.2 The Board noted and endorsed the recommendations for the drawdown of PWLB loans as set out in Paper D4.

10/16 Investment of Short Term Excess Liquidity from PWLB Loan Drawdown

10.1 The Deputy Director of Finance presented recommendations for the investment of short term cash reserves arising from the PWLB loan, before these funds are dispersed on the Waterside project (Paper F). He explained that three options were considered, of which the third is preferred.

10.2 The Chair of the Treasury Committee reported that the Committee had discussed the proposal in the light of the amounts to be invested and the risk of investment of borrowed monies in market securities and recommended it to the Board as a prudent response to the risks identified.

10.3 The Board voted unanimously to authorise the following:

- a) The outline plan for the investment of short term cash reserves with European Wealth as set out in Paper F.
- b) The granting of a legal charge by HM Treasury over the Broker account to be utilised for investing the surplus cash.
- c) An amendment to the University Treasury Management Policy to allow an increase in the maximum investment in Corporate bonds with any individual counterparty from £1m to £3m for this portfolio of cash funds.

11/16 Transparent Approach to Costing (TRAC)

11.1 The Director of Finance presented the University's TRAC submission to HEFCE for 2014-15 and an outline of the methodology required (Paper G).

11.2 Members sought clarification of the way data is captured. It was explained that School Deans collect the data on an annual basis, and the need for individual staff timesheets has been removed.

11.3 A query was raised about what the implications of the data in the document for the profitability of teaching. The Director of Finance reported that this data is changing as the University's cost profile

changes, and agreed to distribute an information note on this to the Board.

Action: Director of Finance

11.4 The Board confirmed that the University is compliant with TRAC requirements for the 2014-15 return.

12/16 Period 5 Management Accounts

12.1 The Director of Finance presented the Management Accounts as at 31 December 2015 (Paper H).

12.2 It was noted that the variance to budget for the year to date was £5,265k favourable. The University was therefore on course to meet its budgeted surplus.

Items 12.3 and 12.4 are in the confidential section of these minutes.

12.5 The Director of Finance reported that student applications will be added to the management accounts in future.

12.6 The Board approved the management accounts as at 31 December 2015.

Andrew Scarborough declared an interest and left the meeting. Sylvia Hughes took Chair of the meeting.

13/16 Charity Bond

13.1 It was reported that at the recent away day, the Board had received a presentation on raising funds through a Charity Bond. The Chair of the Audit Committee noted that under the Bond, money would be loaned for a period of five years to build social housing, and requested assurance that the loan could be repaid after five years, given that social housing is a

longer term project, and that the risk of reputational or financial damage to the University from association with the Bond provider is minimal.

13.2 The Deputy Director of Finance reported that the Bond is organised by Allia, a charity that supports social ventures. Investment is arranged by Allia to be with Places for People which is a 'not for dividend' social organisation. The financial security of the Bond is dependent on the security of Places for People who have a £3bn balance sheet, a turnover of £0.5bn and a most recent surplus of £30m, despite its being a social organisation not designed to maximise profit. The proposed bond represents a very small part of the overall financial structure and funding of Places for People. Therefore to repay the loan in five years' time is a relatively insignificant matter for them. Places for People are also A2 credit rated which provides reassurance of their financial stability and substance.

13.3 The Chair of the Audit Committee confirmed that given this, he had received satisfactory assurance on his question.

Andrew Scarborough resumed the Chair of the meeting.

14/16 Minutes of the Senate

14.1 The Vice Chancellor presented the minutes of the Senate held on 9 December 2015 (Paper I).

14.2 The Board received the minutes of the Senate Committee held on 9 December 2015.

15/16 Report from the Vice-Chancellor and Chief Operating Officer

15.1 The Vice Chancellor presented a report from himself and the Chief Operating Officer (Paper J).

15.2 The Board received the report from the Vice-Chancellor and Chief Operating Officer.

16/16 Report from the Search Committee

16.1 The Chair of the Search Committee reported that work on the appointment of a Chancellor is ongoing. A strong short-list of candidates has been prepared, but this does not preclude new suggestions being put forward. A first candidate has been approached.

17/16 Minutes of the Remuneration Committee

17.1 The Chair of Remuneration presented the minutes of the Senate Committee 18 November 2015 (Paper K). It was noted that Dr Sue Dutton was present.

17.2 The Board received the minutes of the Remuneration Committee held on 18 November 2015.

18/16 Minutes of the Treasury Committee

18.1 The Chair of the Treasury Committee presented the minutes of the meeting held on 8th December 2015.

18.2 The Board received the minutes of the Treasury Committee held on 8th December 2015.

19/16 Any Other Business

19.1 Changemaker Challenge Fund

The Deputy Chair of the Board reported on the Changemaker Challenge Fund. This is designed to help students, staff and others develop and deliver sustainable initiatives that contribute to the Strategic Plan. The minimum investment will be £20k, and the maximum £40k, and the investment must be matched with external funding. Applicants will be asked to pitch to an investment panel on 1st July, and governors who may be interested in being panel members are asked to hold this date in their diaries.

19.2 Streamlining Board and Committees

The Chair invited the Chairs of the all the Board Committees to meet him and the Clerk to discuss the organisation of and process for committees and how this can be improved and streamlined.

Action: Clerk

19.3 Departures

The Board agreed that the Chair should write on their behalf to Jocelyn Prudence to thank her for her outstanding work as Interim Clerk to the Board.

Action: Chair/Clerk

19.4 The Board agreed that the Chair should write on their behalf to Jim Harker, the leader of the County Council, as he has decided to retire. The Board noted that he has been a good friend and advocate to the University and recorded their thanks for his support and trust. It is hoped that this will continue through his membership of the Court.

Action: Chair/Clerk

20/16 Confirmation of Availability of Papers

The following papers were confirmed as confidential to the meeting:

Paper D – PAC Minutes, Update on Waterside Project, Academic Contract Update, PWLB Loan Drawdowns

Paper F – Investment of Surplus PWLB Funds

Paper G – TRAC Compliance 2014-15

Paper K – Remuneration Committee Minutes 18.11.15

Paper L – Treasury Committee Minutes 08.12.15

21/16 Date of Next Meeting

Wednesday 24th February at 10.15am in the Sunley Conference Centre, Park Campus.