

## **Board of Governors**

### **Minutes of the meeting held on 23 February 2022**

#### **Present**

Mark Mulcahey (Chair), Dayo Adedapo from item 2/22, Lucie Armstrong-Kurn from item 2/22, Zoe Boyer, Sue Dutton, Beth Garrett, Matthew Hanmer, Shiv Kaushike, Ivna Reic from item 2/22, Jon Scott, Paul Wood from item 2/22

#### **Apologies**

Damilola Akhigbe, Richard Horsley, Nick Petford, Martin Pettifor, Nick Pitts-Tucker, John Skelton

#### **In Attendance**

Becky Bradshaw (Executive Director of Estates and Campus Services) from item 2/22, Mark Butler (Good Governance Institute) for item 1/22, Emma Finlay (Governance Assistant), Mark Hall (Executive Director of Finance) from item 2/22, Miriam Lakin (Clerk to the Board) from item 2/22, Lucie Le Faou (Good Governance Institute) for item 1/22, Terry Neville (Chief Operating Officer) from item 2/22, Deborah Parker (observing, previous external committee member) from item 2/22, Shân Wareing (Deputy Vice Chancellor) from item 2/22, Roger Weston (Chief Executive of the Students' Union) for item 11/22

## **01/22 Board Development Workshop**

- 01.1 The Board received and discussed Paper A, a report from the Good Governance Institute on the findings of its review of Board effectiveness.
- 01.2 Mark Butler and Lucie Le Faou from the Good Governance Institute ran a Board development workshop, to discuss the key themes of the effectiveness review and implications.
- 01.3 The Chair noted that the Vice President of Welfare and Activities of the Students' Union was present as an observer for this section of the meeting.

Mark Butler and Lucie Le Faou left the meeting.

The Clerk, the Executive Director of Estates and Campus Services, the Executive Director of Finance, the Chief Operating Officer, the Deputy Vice Chancellor, Dayo Adedapo, Lucie Armstrong-Kurn, Deborah Parker, Ivna Reic and Paul Wood joined the meeting.

## **02/22 Welcome, Apologies and Quorum**

- 02.1 The Chair welcomed those present and in particular Deborah Parker, who was a previous external member of the Remuneration Committee and was attending as an observer. He noted apologies and confirmed that the meeting was quorate.

## **03/22 Declarations of Interest**

- 03.1 There were no declarations of interest in addition to those already held on record by the Clerk.

## **04/22 Appointment of New Student Governor**

04.1 The Board approved the appointment of Zoe Boyer, Vice President of Welfare and Activities of the Students' Union to the Board of Governors.

### **05/22 Minutes of the Previous Meeting**

05.1 The Board approved the minutes and confidential minutes of the meeting held on 15 December 2021 as a true record of that meeting.

### **06/22 Action List and Matters Arising**

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

### **07/22 Student Recruitment**

07.1 The Board received and discussed Paper C, an update on student recruitment.

07.2 The Deputy Vice Chancellor (DVC) introduced the paper, noting the main points.

Minute 07.3 is in the confidential section of these minutes.

07.4 The Executive Director of Finance (EDF) confirmed that recruitment of Home/EU full-time undergraduate students for 2021/22 had not met target. He stated that the tactical decision to cease joint honours programmes was having an impact on capacity as teaching on joint honours programmes was completed, and new programmes attracted additional recruitment.

07.5 A member asked whether there was a set of KPIs to measure the success of Project Clover, which aimed to increase undergraduate recruitment. The DVC confirmed that Project Clover targeted 11 programmes. A dashboard to monitor the progress of Project Clover was suggested. A member suggested

a target for each programme and each faculty, to see how different areas of the University were performing.

**Action: DVC**

- 07.6 A member asked about plans to manage the high intake of international students. The COO reported that there was consideration of how to optimise space usage and of further accommodation. A cap on international student recruitment may also be considered.
- 07.7 The COO reported that ensuring that the University had adequate teaching staff was one of the principal challenges of increased recruitment. New posts had been created, and some had not yet been filled.

Minutes 07.8 to 07.9 are in the confidential section of these minutes.

**08/22 Management Accounts 2021/22 and Update on Discussions with HMT**

- 08.1 The Board received and discussed Paper D, the management accounts for the period ending 31 January 2022. The EDF introduced the management accounts.
- 08.2 The EDF stated that whilst the position was worse than budget, there was no cause for concern at present. The University continued to be able to fulfill the bond covenants, and cash generation was healthy. He noted that there had been more student applications for 2021/22 entry than in the previous year. However, grade drift upwards had affected the conversion rate of applicants to students.
- 08.3 A member asked for the long-term plan for the balance sheet, noting that the University was close to technical insolvency. The EDF highlighted the factors that were to the detriment of the balance sheet, and those that would have a

positive impact. The EDF stated that these positive factors were elements of the long-term plan to return to profitability.

Minute 08.4 is in the confidential section of these minutes.

08.5 A member stated that it was important to consider what could be done to improve the balance sheet. Core to this was increasing profitability in terms of both yield and volume, as costs would continue to increase at a higher rate than core income. The member stated that the Board should move to a position where it put greater focus on how to improve the balance sheet. The EDF stated that after the next LGPS valuation, the situation and the issues for the University would be clearer.

08.6 An update was given on discussions with HM Treasury and the UK Infrastructure Bank (UKIB) which would take over from HMT as bond holders as of 1 April 2022. The two organisations were therefore in a handover period. It was important to establish a relationship between the University management and UKIB, for UKIB to develop a full understanding of the University's finances and student recruitment. Representatives from UKIB had highlighted forthcoming changes to the University's management and stated that they wanted to gain an understanding of the future direction of the University. HMT/UKIB had stated that they would not approve any capital expenditure above the current limits during the transition period. It was reported that it was hoped to organise a visit to the Waterside campus for HMT/UKIB representatives.

Minute 08.7 is in the confidential section of these minutes.

## **09/22 University Annual Report and Financial Statements to 31 July 2021**

- 09.1 The Board received and discussed Paper E, the University Annual Report and Financial Statements to 31 July 2021.
- 09.2 The Chair of the Audit Committee confirmed that the Audit Committee endorsed the University's Financial Statements to 31 July 2021 and had received assurance from the External Audit Partner. She highlighted the following risks:
- Succession planning for the senior team, with specific reference to company directorships
  - Balance sheet controls.
- 09.3 The EDF confirmed the external auditor's opinion, which was that the University was a going concern with an emphasis of matter in relation to a net forecast liability position during the going concern period.
- 09.4 The EDF reported that there had been a change to the accounting treatment of the iCon building since the previous Financial Statements. The deferred capital grant would be accounted for as if it had been fully released to the Profit and Loss account in 2011. This would improve the balance sheet of the entity by £1,485k.
- 09.5 The Chair of the Audit Committee noted that the External Audit Partner had commended the Finance Team for their work.
- 09.6 The Board adopted the University's Financial Statements to 31 July 2021 as set out in the paper, and authorised the chair to sign on behalf of the Board.

## **10/22 Sale of Newton Building**

- 10.1 The Board received and discussed Paper F, a report on the proposed sale of the Newton building.

- 10.2 The Executive Director of Estates and Campus Services (EDECS) introduced the proposal and asked the Board for approval to proceed to the next stage of the process, which was to take legal advice.
- 10.3 A member asked whether there were other interested parties. The EDECS reported that the property had been on the market for 2 years and there had been little interest.
- 10.4 A member asked about the likely timescale for the purchaser to exercise an option to purchase. The EDECS reported that the purchaser needed to release a number of assets before they would be in a position to purchase. It was noted that the proposed lease with a purchase option enabled the University to gradually write down the asset.
- 10.5 The Board supported the proposal.
- 10.6 The Board gave authority to the University management to continue exploring the potential sale and to take legal advice.
- 10.7 The Board authorised the chair to take Chair's action to approve the next stage, which was to draw up a contract for the sale, once outstanding queries had been resolved.

The Chief Executive of the Students' Union joined the meeting.

### **11/22 Approval of Students' Union Articles**

- 11.1 The Board received and discussed Paper G, which proposed a new legal structure and Articles of Association for the Students' Union.
- 11.2 The Board approved the incorporation of the University of Northampton Students' Union as a company limited by guarantee. The Board noted that the SU would also continue to be registered with the Charity Commission.

11.3 The Board approved new Articles of Association of the Students' Union as set out in the paper, with the exception of clause 22.4, which was not approved. The Board instructed the Chief Executive of the Students' Union to work with the University's Chief Operating Officer to amend clause 22.4. As the clause related to membership of the SU's board, members noted that the University had an interest in having a trustee on the SU board as it was the main funder and commissioner of the SU. However, drawing that trustee from the University's Board would create a capacity issue.

**Action: COO/SU Chief Exec**

The Chief Executive of the Students' Union left the meeting.

### **12/22 OfS Consultation on Quality and Standards**

12.1 The Board received and discussed Paper H, further information about how the University was responding to the Office for Students' current consultation on quality and standards.

12.2 The DVC advised the Board that the consultation linked with the response to the Augar report, which was due to be released on 24 February 2022. She stated that the OfS intended to publish the outcomes of the consultation during the autumn, potentially with a revised Teaching Excellence Framework (TEF) scheme.

12.3 The Chair asked UMT to provide the Board with a summary of the forthcoming response to the Augar report.

**Action: DVC**

### **13/22 Updated Equality, Diversity and Inclusion Procedures**

13.1 The Board received and approved Paper I, the updated Equality, Diversity and Inclusion Procedures.

### **14/22 Governor E-learning update**



14.1 The Board received and noted Paper J, an update on governor e-learning.

### **15/22 Senate minutes 8 December 2021**

15.1 The Board received and noted Paper K, the minutes of the Senate meeting on 8 December 2021.

### **16/22 Debt Reduction**

16.1 The Board received and noted Paper L, a report on the recent reduction of a particular debt to the University.

### **17/22 Any Other Business**

#### **Event at the University with MP Michael Ellis**

17.1 The Chair stated that there would be a lunch on Friday 25 February with local MP Michael Ellis, he encouraged Board members to attend.

#### **Developing Situation in Eastern Europe**

17.2 The Chair asked whether there were any students or staff who were impacted by the events in Ukraine and Russia.

#### **Exercise Trail**

17.3 The Chair reported that an exercise trail had been opened at the Waterside Campus.

#### **Board Development Workshop**

17.4 A member asked whether there would be notes circulated from the Board Development workshop. The Chair confirmed that the session had been very useful and notes would follow. He confirmed that a further workshop would be organised.

#### **Announcement of the New Vice-Chancellor**

17.5 The Clerk confirmed that the announcement of the new Vice-Chancellor would be released at 11 am on 24 February 2022.

#### **Risk Workshop**

17.6 The Chair thanked the Chair of the Audit Committee for an excellent Risk Workshop which had taken place that morning.

### **18/22 Availability of Papers**

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

Confidential Section of the minutes of the meeting on 15 December 2021

Paper A – Board Effectiveness Review

Paper C – Student Recruitment Update

Paper F – Sale of Newton Building

Paper G – Approval of Students' Union Articles

Paper K – Senate Minutes 8 December 2021

Paper L – Debt Reduction

### **19/22 Dates of Forthcoming Meetings**

Board of Governors, 23 March 9.00am – 12.00pm

Board of Governors, 18 May 9.00am – 12.00pm

Board of Governors, 22 June 9.00am – 12.00pm

A handwritten signature in black ink, appearing to read 'Mal Murray', with a large, sweeping flourish extending to the right.

Approved by Chair

23/03/2022

Date