

## **Board of Governors**

### **Minutes of the meeting held on 22 June 2022**

#### **Present**

Sue Dutton (Deputy Chair), Dayo Adedapo, Damilola Akhigbe, Zoe Boyer, Beth Garrett, Matthew Hanmer, Nick Petford, Martin Pettifor from item 72.3, Nick Pitts-Tucker, Ivna Reic, Jon Scott

#### **Apologies**

Mark Mulcahey, Lucie Armstrong-Kurn, John Skelton, Richard Horsley, Shiv Kaushike, Paul Wood

#### **In Attendance**

Becky Bradshaw (Executive Director of Estates and Campus Services) to item 74.2, Emma Finlay (Governance Assistant), Mark Hall (Executive Director of Finance) to item 74.2, Miriam Lakin (Clerk to the Board), Shân Wareing (Deputy Vice Chancellor)

#### **69/22 Welcome, Apologies and Quorum**

69.1 The Deputy Chair of the Board welcomed those present, noted apologies and confirmed that the meeting was quorate.

#### **70/22 Declarations of Interest**

70.1 There were no declarations of interest in addition to those held on record.

## **71/22 Minutes of the Previous Meeting**

71.1 The Board approved the minutes and confidential minutes of the meeting held on 18 May 2022 as a true record of that meeting.

## **72/22 Action list and matters arising**

72.1 The Board received and discussed Paper A on actions arising from previous meetings.

### **72.2 Joint Venture Agreement** (Minute 22/29.7)

The VC asked about Board approval to sign a joint venture agreement in respect of the creation of UON Online. It was confirmed that there were still several queries that needed to be addressed before the JV agreement could be approved by the Board.

Martin Pettifor joined the meeting.

### **72.3 Communications to UKIB** (Minute 22/55.4)

The Executive Director of Finance confirmed that the financial forecast to May would be submitted to UKIB during mid-July per a request from UKIB. The forecast would be based on the budget assumptions for 2022/23, which the Board were being asked to approve at today's meeting.

## **73/22 University Budget for 2022/23**

73.1 The Board received and discussed Paper B, the University Budget for 2022 – 2023.

73.2 The Executive Director of Finance (EDF) introduced the paper and highlighted the following points:

- The incoming VC had been involved in budget conversations to ensure continuity

- The budget was balanced to meet a debt service coverage ratio of 1.5x
- Home full-time undergraduate applications indicated a recovery of these student numbers from the 2021/22 position
- There was high demand from international students. Therefore, income from international students was expected to increase by £15m. International recruitment was currently limited by the capacity of the campus and the availability of staff. The Executive Director of Estates and Campus Services (EDECS) was currently reviewing the utilisation of the estate, and additional academic staff were being recruited. International recruitment could grow during 2022/23 if additional staff and capacity were secured
- A relatively prudent budget had been set for partnerships
- Key assumptions included a 3.18% pay increase and general cost inflation at 0% with known increases included.

73.3 The EDECS reported that student accommodation was almost at full occupancy for September 2022. However, this would mean entering clearing with less accommodation.

73.4 The EDF reported that turnover had increased by around £30m compared to the current year forecast. This was mainly due to the increase in international student and partnership numbers. However, the budget did not bring the University into surplus. The EDF noted the tension between the balance sheet and ensuring that too much cash was not put into reserves, where effectively it could not be used. The EDF reported that a strategy had been adopted to maximise the use of cash. Part way through the year there would be a review against the covenants, and consideration of additional capital projects if there was surplus cash.

- 73.5 A member asked whether it was valid to assume 0% cost inflation. The EDF stated that there was inflationary pressure in some areas including energy costs and library services. The main impacts would be around estates. These had been assumed in the budget. The EDF noted that inflationary pressure was not equal across the budget, and there was scope for additional efficiencies. It was agreed that this assumption would be monitored through the year and adjusted if necessary.
- 73.6 A member noted there was a difference of £12m between partnership income in the 2022/23 budget and in the 2021/22 actual figures, and asked for further information. The EDF reported that in 2021/22, recruitment to two new partners had not initially been as expected. This had been addressed and recruitment had risen. The EDF also reported on some factors that may put the budgeted income for 2022/23 at risk. He estimated this to be £3-5m of the £32m.
- 73.7 A member asked for more detailed information about the partner institutions and their contribution to the total income for partnerships. The EDF confirmed that a more detailed report on partnerships could be brought to the Board. The member noted that as partnerships contributed a significant portion of the income, detailed information about them would be helpful during the budget process.
- 73.8 A member noted that the growth potential for international students this was a strategic issue and the Board should know more about growth potential and capacity issues.
- 73.9 A member asked whether the cost of accommodation remained affordable to students. The EDECS confirmed that rental costs had not been increased

significantly over the last few years. The accommodation at Boughton Green Road remained competitively priced.

73.10 A member asked whether there was an increased likelihood of international students defaulting on accommodation fees, given the increase in inflation. It was noted that international students were required to pay quite large deposits. The need to offer a supportive environment to international students was also noted, especially as private rentals required larger deposits and in-country guarantors. The EDF noted that there was an increase in debt from international students. This was partly attributed to the increase in student numbers. He confirmed that additional funds had been allocated to the financial guidance team to offer support.

73.11 The Board approved the 2022/23 budget.

#### **74/22 Journey to Net Carbon Zero – Heat Decarbonisation Plan**

74.1 The Board received and discussed Paper C, which outlined the heat decarbonisation project which was part of the University's commitment to reach net carbon zero by 2030.

74.2 The EDECS introduced the paper. She reported that capital investment was needed, and the paper outlined three scenarios for this. She reported that heat infrastructure was one part of a larger project. The next area of focus was the electrical infrastructure.

74.3 The EDECS noted the link to the overall estates strategy. She reported that there would be a high cost to retrofit accommodation at Boughton Green Road, which raised questions about the advantages and disadvantages of retaining older accommodation.

## **75/22 Update on Project Clover**

- 75.1 The Board received and discussed Paper D, an update on Project Clover which aimed to deliver additional undergraduate on-campus students.
- 75.2 The Deputy Vice Chancellor (DVC) introduced the paper, noting the main aims of the project. The DVC reported that figures in the paper were based on predictions using historic patterns, and there would be an update to the Board when the UCAS recruitment cycle ended.
- 75.3 The DVC reported that nine out of the eleven Project Clover programmes had increased their predicted enrolments for 2022/23. A second tier of programmes had also been included, and these were also seeing higher projected enrolment. The increase was due to an improvement in the conversion rate of applications. The DVC reported that the next step was to embed the changes and take the same approach with student continuation and progression.
- 75.4 A member asked about professional body accreditation of programmes included in Project Clover. The DVC confirmed that she would provide a list of Project Clover programmes which had professional body accreditation. She confirmed that the University were committed to professional body accreditation.

### **Action: DVC**

- 75.5 It was noted that the increase in the 18-year-old population nationally had resulted in many more higher tariff students in clearing. This presented a potential opportunity for the University.
- 75.6 The DVC confirmed that she would provide a further update on Project Clover at the September Board meeting. The update would include performance against the University's competitors.

The Executive Director of Finance and the Executive Director of Estates and Campus Services left the meeting.

### **76/22 Appointment of New Independent Governors**

- 76.1 The Board received Paper E, which recommended the appointment of four new independent governors.
- 76.2 A member asked about the ability to retain governors who had demanding careers. The Deputy Chair confirmed that time commitments were discussed at interview stage, to ensure that applicants were aware of the expectations. The Clerk confirmed that she had been focusing on induction to help governors to become involved and add value to the Board quickly.
- 76.3 The independent governors resolved to appoint the following as independent governors of the Board for a term of office from 01/08/2022 to 31/07/2025, and subject to conditions of appointment:
- Harriet Jones
  - Deborah Parker
  - Michelle Teo
  - Vikramaaditya.

### **77/22 Appointment of Professional Services Staff Governor**

- 77.1 The Board received Paper F. The paper reported on an election which had taken place amongst the professional services staff. The paper recommended that the Board appointed a new governor from the professional services staff.
- 77.2 The Clerk noted that the appointment was subject to the receipt of a declaration of interests and fit and proper person test.

77.3 The Board approved the appointment of Suzy Wallace as professional services staff governor with a term of office from 01/08/2022 to 31/07/2024.

### **78/22 Directors of University Companies**

78.1 The Board received and discussed Paper G, a report on the appointment of company directors to represent the University on the Boards of subsidiary and related companies.

78.2 The Board approved the appointment of Wray Irwin and Cathy Smith as directors of the Waterside Campus Development Co Plc as of 01/07/2022.

78.3 The Board approved the appointment of Anne-Marie Kilday as corporate representative of the Silverstone Academy Trust as of 01/08/2022.

### **79/22 Board Development Plan and Draft Responsibilities**

79.1 The Board received and noted Paper H, a report on Board development and on draft responsibilities for the Board and its Committees.

79.2 The Deputy Chair asked members to provide feedback to the Clerk on the contents of the paper.

### **80/22 Management Accounts**

80.1 The Board received and noted Paper I, the management accounts for the period ending 31 May 2022.

### **81/22 Updated Financial Regulations**

81.1 The Board received and approved Paper J, the updated financial regulations.

### **82/22 Ratification of signatures under seal**



82.1 The Board ratified the signature of documents under seal as set out in Paper K.

### **83/22 Any Other Business**

#### **STEAM Northants**

83.1 The VC reported that the University had hosted a careers exhibition for over 2,000 Northamptonshire school children on the Waterside campus, which had been very successful.

### **84/22 Confirmation of Availability of Papers**

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

Confidential Section of the minutes of the meeting held on 18 May 2022

Paper A – Action List

Paper B – University Budget for 2022-23

Paper E – Appointment of New Independent Governors

Paper F – Appointment of Professional Staff Services Governor

Paper G – Directors of University Companies

Paper H – Board Development Plan and Draft Responsibilities

Paper J - Updated Financial Regulations

Paper K – Ratification of signatures under seal

### **85/22 Dates of Forthcoming Meetings**

Nominations Committee – 13 July at 1pm

Board of Governors – 13 July at 3pm

Board Dinner – 13 July at 6.30pm

Audit Committee – 21 July at 2pm

The VC, DVC, staff and student governors left the meeting.

### **86/22 Chief Financial Officer**

- 86.1 The Deputy Chair reported that the Executive Director of Finance was leaving the University at the end of October. The incoming VC, the DVC and current Executive Director of Finance had discussed the arrangements for this post. The incoming VC and DVC were considering an interim appointment, pending wider changes to the structure of the senior team. They therefore planned to have an appointee in place by October to work with the outgoing Executive Director of Finance.
- 86.2 A member suggested that from experience, it would be better for the incoming Finance Director to experience two month-ends. The Deputy Chair agreed to feed this back.
- 86.3 The Board supported the approach to recruitment of a CFO as described.
- 86.4 It was agreed that Board members should be involved in the recruitment process and appointment.

### **87/22 Appointment of Acting VC**

- 87.1 The Board approved the appointment Professor Shân Wareing as Acting Vice-Chancellor and Chief Executive from 16 July 2022 to 31 July 2022, with the powers and responsibilities of the Vice Chancellor and Chief Executive as set out in the University's Instrument, Articles, Bye-Laws, Policies, Procedures and Regulations, and the job description of the current Vice Chancellor. The appointment was made on the understanding that no major, material or

strategic decisions would be taken without the permission of the Board of Governors.

87.2 The Board delegated to the Clerk the responsibility to report the appointment to the Office for Students as necessary.

A handwritten signature in black ink, appearing to read "J. M. Dutton". The signature is written in a cursive style with a large initial "J" and "M".

Approved by Chair

13/07/2022

Date