



## BOARD OF GOVERNORS

### Minutes of a meeting held at 11.30am on 20 November 2019 at Locksbrook Campus

#### Present:

Mr T Jagger (Chair)	Prof P Martin
Ms N Campbell	Dr S McMillan
Ms E Casey	Ms V Nawathe
Mr R Clarke	Ms J Nesbitt-Larking (Students' Union President)
Ms T Fisk	Mr T Osborne
Mr J Glasspool	Prof S Rigby (Vice-Chancellor) ("VC")
Ms S Lane	Ms J Saunders [by telephone for items 7 & 8]
Mr S Lockren	Dr C Wiffen
Lady T Lloyd	

#### In attendance:

Mr D Newman (University Secretary) ("US")  
Ms R di Corpo (Governance Manager)  
Mr P Fox (Pro Vice-Chancellor (Finance & Infrastructure)) ("PVC F&I")  
Ms S Gallagher (Head of Student Wellbeing Services and Prevent Coordinator) [For item 13]  
Ms L Porter (Head of Academic Governance & Policy) [For item 11]  
Prof N Sammells (Deputy Vice-Chancellor and Provost) ("DVC")  
Mr M Webb (Deputy Director of Finance) [For items 7 & 8]

#### Apologies:

Ms R Heald

### 19/16 WELCOME AND APOLOGIES

The chair welcomed all present to the meeting and introduced Ms di Corpo who recently joined the university in the role of Governance Manager working closely with the University Secretary to support the business of the board and its committees going forward. Apologies were received from Ms Heald. The chair noted that Ms Saunders would join the meeting by telephone for items 7 and 8.

The chair thanked those involved in organising the first meeting of the board at the Locksbrook campus since its opening, extending in particular his gratitude, on behalf of the board, to Dr Allen, Head of Bath School of Art and Ms Curtis, Head of Bath School of Design for the wonderful tour before the meeting. The chair remarked on the overall impression as very impressive and congratulated all those involved in the creation and launch of the new campus. The board praised the Locksbrook campus staff for their enthusiasm and passion and the chair indicated keen interest in returning to the campus for a meeting of the board in the near future.

### 19/17 MINUTES OF THE MEETING HELD 16 SEPTEMBER 2019

The draft minutes were agreed as a true record.

#### **19/18 MATTERS ARISING**

The chair referred to the schedule of actions arising from the previous meeting noting that all actions had been completed. Mr Newman thanked governors for their input regarding board membership vacancies and advised that the names of individuals put forward for possible candidacy will be reviewed, with the chair, in due course and would be followed by a selection process involving governors, before nominations are presented to the full board.

#### **19/19 CHAIR'S BUSINESS**

##### **4.1 Membership and Appointments (Paper G1067)**

The board noted the updates to membership provided at paragraphs 3.1-3.4 and approved the committee membership recommendations detailed at paragraph 3.5, to be implemented with immediate effect. The comparatively low membership of the Audit Committee (AC) was highlighted, which may inadvertently put stress on the current membership of four. The chair proposed the situation be monitored, but that the recommendations put forward are sustained for the time being.

##### **4.2 Register of Interests (Paper G1068)**

The board noted the updated Register of Interests and the chair reminded members to notify the University Secretary promptly of any changes to the Register. The chair also reminded the board that any conflicts or potential conflicts of interest must be declared by governors at board/committee meetings as they arise.

#### **19/20 BOARD EFFECTIVENESS SURVEY (Paper G1069)**

Mr Glasspool and Mr Newman summarised the key outcomes from the board Effectiveness Review 2019 which all governors were invited to complete and for which they were thanked for their helpful contributions. Mr Newman clarified that Appendix 1 provides anonymised responses to the survey, and highlighted the five key areas of activity to be taken forward as a result of the feedback received:

- i) Governance update: it is proposed that as part of the board strategy away day (March 2020), a governance-focused session will be held to provide members with up-to-date information about the practice of good governance across the Higher Education (HE) sector.
- ii) University Ordinances: new ordinances are being developed to update and improve the operation of the board's practices and procedures. Relevant documentation will be presented to the board in the early part of 2020 for review and approval.
- iii) Nominations Committee (NC): the NC will be revived with a particular focus on succession planning and maintaining an overview of the board's skills matrix. Terms of Reference will be presented to the February 2020 board for review and approval.
- iv) Student voice in board discussions: the student voice is essential to board discussions and opportunities to improve this are currently being taken forward by Ms Nesbitt-Larking and Mr Newman.
- v) Board of governors agenda planning: going forward the approach to board agenda planning will be driven primarily by strategy and risk.

In addition to the above, Mr Glasspool encouraged the board to re-visit the survey as members' comments are well-considered. The following recommendations were re-emphasised by the board during the discussion, for which there were support:

- opportunities for one-to-one meetings between governors and students;
- increased interaction between governors and staff;
- knowledge of arts/creative industries and education in board membership.

The chair said strategic issues will likely feature as part of the away day programme, and that establishing one-on-one meetings between the chair and board members will provide further scope for addressing strategic issues. He will be working with the VC and Mr Newman to finalise the away day.

The chair reported that Mr Glasspool had spoken with each governor regarding the chairmanship of the board. The chair expressed thanks for the feedback provided and acknowledged that the staff and student governors' relationship with committees could be improved through increased transparency and engagement. The chair proposed that different groups of governors may occasionally meet informally to discuss live issues, but with no formal duties or decision-making powers; feedback from these meetings would be provided to the board. On a final note, the chair confirmed that one-on-one meetings were being scheduled into members' diaries but that ongoing feedback was welcomed outside of these sessions.

## **19/21 VICE-CHANCELLOR'S REPORT (Paper G1070)**

The VC presented her report, making reference to the new format of the document.

### **1. External Environment**

The VC reported on the external context in which the university was currently operating and informed the board that UCU and Unison had recently balloted members on taking industrial action in relation to pensions, pay, workloads, casualization and equality. Too few staff returned a ballot to permit industrial action at Bath Spa University (BSU), but a re-ballot was being considered.

The publication on 23 October 2019 of the outcome of the Equality and Human Rights Commission formal inquiry, 'Tackling Racial Harassment: Universities Challenged' was noted and the VC advised that UK universities are proactively responding to the issues raised. The VC informed the board that the university welcomed this external scrutiny and that the DVC, as the Equality and Diversity Group chair, has been asked to take a lead on this work in partnership with the Students' Union (SU).

The VC drew the board's attention to the matter of degree grade inflation, given the sector's concern on this issue. The university's data and policy statements around degree outcomes will be brought to the board for approval at its June 2020 meeting. The board discussed the difference in terminology between "awarding gap" and "attainment gap" noting that the former puts the emphasis on the institution to improve the opportunities for particular groups of students who might otherwise be disadvantaged.

The board agreed that the university could declare a climate emergency, noting that the SU would also be making such a declaration. This was preceded by a discussion highlighting its value and importance as a way of communicating the university's intentions and aspirations to external partners and as well as to its future and current student base.

### **2. Internal Environment**

The VC updated the board on the university's recent fatal case of meningitis amongst its students, advising that the university's emergency response is working to mitigate risk and to support students affected by the death.

The VC spoke to the key priorities for 2019/20 concerning the student experience, student recruitment and financial stability. The executive was commended on committing resources to system improvements in the university's Registry function to reduce the number of manual processes. The operational infrastructure of the university is as important as academic integrity and quality, specifically where the student experience is concerned. It was noted that Open Days this year are running at around 4% better attendance than last year but that very early reports show applications for 2020 are down 12.5% on last year. It is too soon to draw conclusions from these figures however. The BSU degree portfolio for 2021 will be finalised before the end of the calendar year for inclusion in the Undergraduate Prospectus.

The Honorary Awards Committee met on 11 November 2019, involving representation from the board, with the five approved Honorary Awards recorded for the board's information.

The VC acknowledged the successful opening of the Locksbrook campus. An informal opening took place on 11 October 2019, with the formal opening and naming of the new campus taking place in March 2020. The Chancellor has agreed to open the building and students from across the university will be involved. The VC expressed her deep gratitude to Mr Osborne for his support throughout the project.

Some governors have not been receiving general notifications through their Bath Spa email accounts in the usual way. D. Newman agreed to investigate.

[ACTION: UNIVERSITY SECRETARY]

*[Ms Saunders joined the meeting by telephone]*

*[Mr Webb joined the meeting]*

## **19/22 FINANCIAL MATTERS (Papers G1071 & G1072)**

The chair welcomed Mr Webb and Ms Saunders to the meeting.

### **7.1 Annual Report and Financial Statements (Paper G1071)**

The PVC (F&I) confirmed that the Annual Report and Financial Statements 2018/19 had been reviewed at the Finance and Infrastructure Committee (F&IC), and at the AC where external auditors, Grant Thornton, were present. With no issues to raise and discuss with the board the external auditors determined they were not required at the meeting of the board of governors on 20 November 2019. The PVC (F&I) and Ms Saunders both thanked Mr Webb and his team for their excellent work leading to a good audit outcome, noting the Audit Report makes reference to the clean audit at Appendix A, Paper G1071.

The PVC (F&I) highlighted the summary of the financial results. BSU has undergone a significant reorganisation and restructuring in order to secure savings and to deliver its business more effectively, in a challenging external environment. The university has achieved its targeted savings of £6m per annum through the restructuring, but at a one-off cost of £2.9m, resulting in a net deficit of £0.5m for the financial year. The underlying operating surplus was £1.9m, up from £0.9m in the previous year, and in addition there was a £0.5m write back of joint venture liabilities. Cash generated from operations remained strong (£9.7m) despite the cost of

restructuring, an improvement on last year (£8.4m). The latter is particularly important as it is a key requirement of lenders that the University generate sufficient cash to meet costs of borrowing. (Refer paragraph 2.1, Paper G1071).

Ms Fisk advised there were no issues with the figures from the F&IC but that in reviewing the supporting narrative the committee determined that for the future a more accessible report for non-financial stakeholders would be beneficial. This prompted a discussion regarding potential improvements to the way in which the Annual Report and Financial Statements could be structured, drafted and presented. The chair thanked members for the robust discussion assuring that feedback would be taken on board by the PVC (F&I).

The AC chair recommended the board's approval of the Annual Report (AR) and Financial Statements (FS) 2018/19 and the following actions were taken:

- The board considered the report of the auditor (Appendix A).
- The board reviewed and agreed the AR and FS for the university (Appendix B), subject to any minor alterations to the presentation of the narrative raised by governors.
- The board confirmed, in accordance with FRS 102, that the accounting policies (pp34-41 of the AR and FS) are appropriate.
- The board reviewed and agreed the letter of representation (Appendix C).
- The board noted that the accounts for the subsidiary companies Bath Spa U Ltd (BSUL) and Bath Spa Venues Ltd (BSV) at Appendices D and E respectively had been considered by their own boards, and formed part of the university's consolidated results.
- The board reviewed and agreed the two letters of support to those companies (Appendix F).
- The board noted the Finance Report (presentation) for the year ended 31 July 2019 which includes explanation of significant vacancies between the Q3 financial forecast for the year ended 31 July 2019 and the annual financial statements (Appendix G).
- The board delegated authority to the chair and VC to sign the report and accounts, the letter of representation and the letters of support.

## **7.2 Financial outlook for 2019/20 and beyond (Paper G1072)**

The PVC (F&I) spoke to the financial outlook for 2019/20 and beyond for the purpose of providing an update on the financial position of the university relative to the current year budget and five year financial plan as well as an understanding of emerging issues that have arisen since the presentation of the budget and financial forecasts in July 2019 that are likely to have a financial impact on the university's operating position both in respect of the current (2019-2020) and future financial years. It was clarified that this is a financial outlook, not a full Quarter 1 forecast.

The PVC (F&I) spoke to two emerging issues for information, clarifying that no action is required of the board at this time:

- (i) With respect to undergraduate student recruitment, at a sector level UCAS undergraduate applications and acceptances have increased marginally compared to last year. At institutional level, main cycle UCAS applications increased by nearly 3% and as a result of enhanced conversion through the 321 Go! Campaign, acceptances have increased over last year by around 18%. The university was able to report a good post-clearing position at the end of August, having recovered all losses and a small net gain, placing the institution in a stronger than expected position entering the final stages of the cycle in September with anticipated flows of withdrawals and deferrals in the run up to the registration.

(ii) While the recent student intake is better than the prudent assumptions made, there is a risk of an accounting deficit arising from higher liabilities caused by a continued low discount rate being used; however this does not impact on the university's operating cashflow.

The PVC (F&I) raised two points concerning risk. Firstly, when the 2019/20 budget and 5 year financial forecast were agreed, it was acknowledged that a series of slender budgeted surpluses meant that there was a risk of deficit. Secondly, the principal risk identified at that time was student recruitment, which has turned out to be better than budgeted. There is nonetheless a risk of deficit arising from a continued low discount rate being used to account for LGPS pension liabilities.

The chair thanked the PVC (F&I) and Mr Webb for their work, welcoming their approach to reporting and highlighting of the issues for the board's consideration and discussion.

The board noted the Financial Outlook for 2019/20 and Beyond (Paper G1072) and agreed that the Office for Students (OfS) financial return be based on the budget and five-year forecast approved by the board in July, updated in line with the 2018/19 final accounts and the information contained in the financial outlook paper.

The board agreed that the technical approval of the financial return be delegated to the chair, the VC, and chair, F&IC. This would be coordinated by the PVC (F&I).

[ACTION: PRO VICE-CHANCELLOR (FINANCE AND INFRASTRUCTURE)]

**19/23 ANNUAL REPORT OF THE AUDIT COMMITTEE (Paper G1073)**

The AC chair presented the AC Annual Report 2018/19, providing a summary of operating arrangements and reviews and reports. Items highlighted concerned improvements for internal control and risk management, enhancing feedback mechanisms for activities and ensuring overall alignment with the committee's terms of reference. In particular, it was noted that in the Annual Report of the Internal Auditor 2018/19 the auditor has formed the opinion that in the areas reviewed the university's governance, risk management and internal control arrangements are generally adequate and effective. The committee is satisfied that management has responded, or is responding, positively to all the recommendations.

The Annual Report of the AC was noted. The chair thanked the AC chair and members.

*[Ms Saunders and Mr Webb left the meeting]*

*[Agenda items 9 and 10 were switched in order of proceedings]*

**19/24 AN OUTLINE THREE-YEAR PLAN FOR BATH SPA UNIVERSITY 2020-23 (Paper G1075)**

Acknowledging the considerable efforts of the senior leadership team and student representatives in producing the university's ambitious Strategy 2020-2030 at a time of profound uncertainty for higher education in the UK, and deep political uncertainty, the VC presented An Outline Three-Year Plan (Plan) for BSU, 2020-2023.

The board was advised that the senior team had developed the Plan through a conceptual framework in two parts, both of which were critical to the success of the university. Firstly, success on a practical business level would be essential with the university recruiting to its planned number of students, retaining those students and providing them with an excellent experience, and controlling its finances sustainably. These are proposed as four "super Key

Performance Indicators" (KPIs). Secondly, the university needs to thrive in activities that define and cement the unique identity of the institution: producing graduates who change their lives for the better; delivering research with social, cultural and economic impact; applying creativity at all scales from the local to the global; producing new narratives, objects and performances that challenge and create change; and, working in sustained partnerships of long standing and proven value. In addition, doing this sustainably and inclusively. The VC further set out the rationale and aims behind the above-mentioned four core deliverables (business as usual) and seven themed work packages (identity).

The VC advised that methodology and oversight would be carried out at an executive level through the Senior Leadership Group (SLG), and in some cases through Academic Board (AB). Major items on core deliverables and themes will be presented to the board in a rolling cycle that ensures oversight at an early and a more mature stage of development. Progress in implementing the Plan will be reported on a regular basis with both qualitative and quantitative data but that clarity through granularity of data will emerge over time. It was acknowledged that generating specific data sets is extremely resource intensive and requires appropriate expertise. The SLG is addressing the shortfall in strategic planning expertise presently.

The board considered and discussed the conceptual framework for the delivery of the Strategy. In concluding, it was agreed that the proposed approach is pragmatic with real potential to enable delivery against university strategic aims and objectives. Acknowledging this early iteration of the Plan the board did however seek more coherency across the core deliverables and themed work packages. The extent to which civic and student engagement is incorporated in the plan was acknowledged as very positive. Finally, it was proposed that one or two of the themes could be workshopped at the next board away day and that governors were well placed to contribute in a professional capacity to further development of the Plan, where appropriate.

[ACTION: VICE-CHANCELLOR]

#### **19/25 PROPOSED KEY PERFORMANCE INDICATORS (Paper G1074)**

The VC presented the proposed tiered KPIs for BSU in the context of defining a three-year strategic plan that would allow the university to start to achieve some of its goals and set the conditions for work over the ten years of the Strategy 2020-2030.

Feedback from the board was generally positive, but it was suggested that better alignment of the proposed BSU identity themes be made with the KPIs. The VC acknowledged that further development of the supplementary KPIs was needed and that it was possible to explore the options for re-bundling the identity themes and subsequently the reporting requirements. The VC clarified that in the first instance the SLG will be focusing on refining the super-KPIs given their direct relationship to core deliverables and that this would be the primary focus of the presentation of the KPIs to the board in the early 2020.

On matters of cost management, raised under 'financial sustainability', the board was advised that the PVC (F&I) would report on progress against the agreed five-year forecast and annual budgets. Ms Fisk assured the board that the F&I would be looking closely at the income and costs, including the issue of cash surplus as part of their activities. It was also noted that the AC considers the internal control framework for the university to be satisfactory.

The board considered and endorsed the proposed two-tier approach of a core set of super-KPIs and supplementary basket of KPIs on the basis that further development of the KPIs will be

undertaken by the SLG over the next few weeks with the board's feedback incorporated as appropriate. It was noted that the KPIs are due to be formally presented to the board in the early part of 2020.

[ACTION: VICE-CHANCELLOR]

[Ms Porter joined the meeting]

**19/26 QUALITY AND STANDARDS ASSURANCE STATEMENT FOR 2018/19 (Paper G1076)**

The board considered the university's approach to managing its academic standards and the quality of the student experience, as per the requirements of the OfS Regulatory Framework for Higher Education in England.

Ms Porter, presented the university's Annual Quality and Standards Assurance Statement for 2018/19 (Paper G1076) advising that the OfS had recently confirmed there is no requirement for an annual assurance statement for 2018/19 but there is an expectation the board will retain oversight of the monitoring of quality and standards as part of the OfS Conditions of Registration. Members were informed that the annual assurance statement had been approved by AB and that it had further that the AC would provide more detailed scrutiny of the university's practices and statement going forward, before the item is presented to the board. Prof. Martin was thanked for his support in reviewing specific iterations to ensure the statement provided high level information complemented by an appropriate evidence base.

Two of the core quality processes from the OfS regulatory framework were noted as particularly important by the board. Firstly, that the provider must ensure that qualifications awarded to students hold their value at the point of qualification and over time, in line with sector recognised standards and secondly, that the provider must deliver courses that meet the academic standards as they are described in the Framework for Higher Education Qualification (FHEQ) at Level 4 or higher. The board also noted the two key risks relating to outcomes of the externally-administered student surveys (National Student Survey, the Postgraduate Taught Experience Survey and the Postgraduate Research Student Survey) as a key indicator for how successfully a provider is meeting the ongoing requirements of the conditions relating to quality and standards and the related risk that weakness in these survey outcomes could trigger a review by the Quality Assurance Agency (the Designated Quality Body) on behalf of the OfS.

Ms Porter was commended for the work presented on the basis of its clarity and evidence base and the board acknowledged that overall the university is acting above and beyond the regulatory requirements to achieve quality assurance. The discussion also reassured members that students' input is sought and embedded throughout the process and that, as a whole, this framework is both familiar to and supported by the student population. The chair thanked Ms Porter for the work and presentation.

[Ms Porter left the meeting]

[Agenda items 12 and 13 were switched in order of proceedings]

[Ms Gallagher joined the meeting]

**19/27 PREVENT DUTY – ANNUAL REPORT (Paper G1078)**

Ms Gallagher, in her role as University Prevent Coordinator, presented the Prevent Duty – Annual Report (Paper G1078) providing an update on the university's compliance with its responsibilities under the Counter-Terrorism and Security Act 2015 (CTSA) to have 'due regard



to the need to prevent people from being drawn into terrorism' (the 'Prevent duty'), and to outline the OfS' monitoring framework requirements.

The discussion focused on the OfS recognition that higher education providers need to establish effective programmes that are proportionate to their respective contexts; the BSU Prevent action plan and risk assessment reflects this. The board noted the University's broader approach to welfare and safeguarding. Prevent training is now mandatory as part of staff induction and a three year rolling programme for a Prevent training module will enhance and improve tracking and monitoring of training across the institution. The Student Wellbeing Services team continues to work in conjunction with authorities and experts external to the university.

Whilst acknowledging potential ambiguity in 'proportionality' the board considered that, by definition, this is a risk-based model and that the university could be reasonably confident in the approach presented.

The chair thanked those involved for their work to date and proposed the Prevent Regional Coordinator attend a future AC meeting. The Prevent Duty – Annual Report was noted and the board agreed to give the chair authority to sign the Prevent Annual Accountability Statement, in readiness for submission to the OfS by the deadline of 4 December 2019.

*[Ms Gallagher left the meeting]*

**19/28 ANNUAL REPORT OF THE REMUNERATION COMMITTEE (Paper G1077)**

Mr Glasspool presented the Annual Report (AR) of the Remuneration Committee (RC) summarising the business of the RC in the academic year 2018/19 and describing how the committee had discharged its responsibilities.

Mr Glaspool clarified that there were no matters of contention to raise with the board and that decisions taken by the committee were based on advice from the university's HR director and sector benchmarking, as evidenced in their AR. The board was informed that the AR had been prepared in compliance with the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC), which requires the university to produce an annual remuneration report. The committee is working on a remuneration policy that will expand on how they intend to implement the principles to arrive at fair and appropriate remuneration for senior staff.

The board noted the AR of the RC and endorsed the principles adopted by the committee in its approach to remuneration.

**19/29 MODERN SLAVERY ACT 2015 (Paper G1079)**

Mr Newman reminded the board that, under the Modern Slavery Act 2015, the university is required to produce a slavery and human trafficking statement each financial year. This is a statement of the steps taken to ensure modern slavery is not taking place in the university's business and its supply chains. The legislation requires the statement to be approved by the board of governors, as presented in Appendix 1 (Paper G1079), and subsequently published.

It was noted that organisations can underestimate the importance of this issue, with supply chains at risk, and while Mr Newman does not have any significant concerns to the university's approach to this legislation he reassured the board there is a watching brief over this issue. It was proposed that where available, incidents of slavery and human trafficking and the

subsequent actions taken, reported from within and outside of the sector, be shared with the university as this would provide valuable learning for the executive. The chair stated that in the case of an increase in risk the university will act accordingly.

The board approved BSU's Annual Statement on Modern Slavery and Human Trafficking for the year ended 31 July 2019 and agreed that it could be signed by the chair on behalf of the board.

**19/30 OTHER ITEMS FOR INFORMATION**

The draft minutes listed below were received for information, with thanks given for the swift turnaround of the same.

- Academic Board, 29 October 2019
- Audit Committee, 4 November 2019
- Finance and Infrastructure Committee, 6 November 2019

**19/31 ANY OTHER BUSINESS**

The chair reminded members of upcoming events, as follows:

- BSU carol service [*Secretary's note: event details were circulated after the meeting*];
- Board away day, 3-4 March 2020;
- Next meeting of the board of governors, 13 February 2020, Newton Park campus.

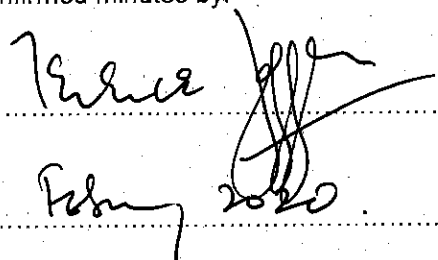
As it was their last meeting, the chair reiterated his thanks to Lady Lloyd, Ms Campbell and Mr Osborne for their service to the university as governors.

The meeting closed at 15:15hrs.

Ms di Corpo  
Governance Manager  
November 2019

Signed as a record of confirmed minutes by:

Mr Terence Jagger  
Chair



Date

17<sup>th</sup> Feb 2020