



BOARD OF GOVERNORS

Minutes of a meeting held at 12.00pm on 27th June 2018 at Newton Park

Present:

Mr T Jagger (Chair)
Mr S Blake (by telephone link)
Dr K Doern
Ms T Fisk
Mr M Francis
Mr J Glasspool
Ms K Kennard
Lady T Lloyd

Mr R Lucas
Dr S McMillan
Prof P Martin
Mr T Osborne
Mr D Pester (Deputy Chair)
Prof S Rigby (Vice-Chancellor)
Dr C Wiffen

In attendance:

Mr C Ellicott (Clerk)
Dr D Curnow (Deputy Clerk)
Mr N Latham
Prof N Sammells

Prof P Davies (item 17/56)
Mr K Wright (items 17/57 – 17/62)
Prof J Strachan (item 17/62)

Apologies:

Ms N Campbell

Ms R Heald

17/49 INTRODUCTION AND APOLOGIES

The Chair welcomed all to the meeting and noted apologies from Nina Campbell and Rosemary Heald. Simon Blake was attending via a telephone link.

17/50 MINUTES OF THE MEETING HELD ON 24TH APRIL 2018

The draft minutes were agreed as a true record.

17/51 MATTERS ARISING

The Chair drew the meeting's attention to the schedule of actions arising from the previous meeting appended to the Board papers. There were no other matters arising.

17/52 CHAIR'S BUSINESS

The Chair welcomed Dr McMillan to her first meeting as a new staff governor. Dr Doern, who was attending for a final time, was thanked for her contribution to the work of the Board of Governors during her period as a staff governor.

The Chair noted that this was Mr Ellicott's last meeting as Clerk to the Board of Governors and that this role would be taken by the University Secretary who would take up post on 15th

August. The demands of being both Clerk to the Board of Governors and Registrar & Director of Student Services were acknowledged, and Mr Ellicott was thanked for his commitment and expertise during his period as Clerk.

The Chair reported on the work to recruit Independent Governors which was being co-ordinated by recruitment consultants. There were around fifteen applications at this point and these were reassuring in terms of fulfilling the needs identified by the skills matrix discussed previously. The diversity of the applicants was also noted. Shortlisting was taking place on 6 July, followed by two days of interviews, and a decision was anticipated by the end of July. All those assisting in this process were thanked.

17/53 CLERK'S BUSINESS

The Clerk noted that there was no further update on the Governance Review as the work being carried out by Eversheds was still in progress. An update would come to the meeting in September.

[ACTION: CHIEF OPERATING OFFICER/CLERK]

17/54 VICE-CHANCELLOR'S REPORT (Paper G998)

In adding to her written report, Professor Rigby highlighted the following:

Government attitude to Universities

Having heard the Minister of State for Universities speak at a recent HEPI event, it was clear that the government would be focusing its attention on students rather than Universities, through the Office for Students. Governors were concerned that the Government's focus on current and future students would ignore the expertise of Universities and the experience of alumni.

Review of Tuition Fees

The timing of any outcome to the government review of tuition fees remained uncertain.

Internal Priorities

Recruitment and reputation remained key internal priorities for the University, and there was a need to find a new way of describing the University, as a 'talent pipeline', to applicants and their supporters. The most recent Open Day had been very positive. Work to improve the conversion of applications would continue. National Student Survey results were due out on 27th July and Governors would be updated once the University had had time to make sense of the NSS data. The NSS completion rate had improved, which was usually a positive indicator.

Longer-term

Once the University had worked through the present dip in the number of teenagers looking to enter Higher Education, it would be possible to be clearer about the future. The University was presently contracting to create stability; maintain student experience; and allow for strategic growth. There was a need to think about how the University responded to student data, and the recent Destination of Leavers from Higher Education (DLHE) survey data looked positive.

Other matters

An analysis of the most recent Staff Survey would be presented to Governors at the next Board meeting. Governors were invited to attend Summer Graduation which would take place at the Forum in Bath from July 18th to July 20th. An issue with Future College, Ras All Khaimah, UAE, appeared to have been resolved, but progress would be reported to the Board in September.

Finally, the VC said she had sent a message of support to the Glasgow School of Art as soon as possible after its recent catastrophic fire.

17/55 UNDERGRADUATE RECRUITMENT: CONVERSION ACTIVITIES FOR 2018/19 AND NEW COURSES FOR 2019/20 (Paper G999)

Mr Ellicott provided an update on anticipated student numbers for next academic year which had improved subsequent to the submission of the paper. Professor Sammells outlined the activities that had taken place to support conversion of offers to acceptances, including developing a more personalised approach to applicants who had yet to confirm a decision. The success of this had informed a new talent-based strategy that the University was now implementing. Similar to the practices of some elite institutions previously, all applicants would be offered the opportunity for an interview which would inform the academic offer made to them for entry. This would be complemented by a scholarship scheme that rewarded achievement and encouraged aspiration. The Vice-Chancellor added that this would particularly support widening access as, typically, students who fell into that category had their abilities underestimated at school; further, recent changes to A-levels meant the qualification no longer met the needs of the University. The Board supported this initiative and understood that this strategy was distinct from the practice in some parts of the sector to make “unconditional” offers but advised that the University should continue to manage carefully its presentation of the initiative so as to avoid misrepresentation. The Board also noted that students who came through this initiative must be carefully monitored to ensure that any support needs were met and so that their success could be celebrated.

The Board considered the new programme development that was currently in progress, including the development of Degree Level Apprenticeships. Professor Sammells confirmed that the risk of cannibalisation of current programmes formed part of the deliberations around the strategic development of the University’s portfolio and that the proposals were framed to develop areas of current strength further as experience showed this managed risk appropriately and provided best return. A leaflet outlining new courses proposed for introduction in 2019 was circulated, and it was noted that there were proposals for courses in new areas such as drawing, interior design and politics.

The Board observed that trends in how and when applicants accepted offers from institutions had shifted in recent years and that there was a need for this to be recognised in investment and planning processes. The Executive’s approach to current recruitment challenges in the sector was noted as showing considerable initiative under extreme pressure, and thanks were extended to them and the academic staff who were enabling the strategies to be put into action.

Paper G999 was noted.

[Professor Davies joined the meeting]

17/56 UNIVERSITY RISK REGISTER (Paper G1000)

Mr Latham said that it was important to regularly review strategic risks, particularly those associated with recruitment and financial sustainability. He noted the Professor Davies’s recent work on risk had concentrated on early indicators. Professor Davies confirmed that this had been flagged by internal audit, and invited comments on his paper.

Governors welcomed the paper, which reflected a process of continuous improvement. It was noted that the risk of non-compliance was broad and not just focused on risk associated with international students and visa controls.

The Chair of Audit commended the paper and the work that had gone into it. She felt that the risk register must be easily digestible and should help to form a view as to how the University was managing risk. Early warning mechanisms were an important feature of this and should be further developed. Professor Davies confirmed that his focus in the next few months would remain on early warning mechanisms.

Following this discussion, the Board approved the University Risk Register.

The meeting discussed training needs of Governors in this area and Governors were asked to indicate outside the meeting if they felt they would benefit from training on risk. The Chair of Audit agreed to deliver training to those Governors who requested it.

[Professor Davies left the meeting]

17/57 ACADEMIC BOARD 2017/18 (Paper G1001)

Professor Sammells presented the report on the work of the University's Academic Board in 2017/18 to date, adding that the Board had welcomed a new Vice-Chancellor and Chair in January. The work of the sub-committees of Academic Board in relation to the management of quality and standards, and Academic Board's role in overseeing their work, was outlined for members of the Board.

With reference to items relating to Honorary Awards, Lady Lloyd asked who would be receiving Honorary Awards. Further to the list of offers made, which had been circulated earlier in the year, the Clerk provided the names of those who would be attending to accept Honorary Awards at the forthcoming graduation ceremonies. The Clerk reminded the Board that there was now a Governor (Rosemary Heald) sitting on the Honorary Awards Committee. The Board agreed that, in future, a brief report should come from their representative on the Honorary Awards Committee at the next Board meeting following the Committee's deliberations.

[ACTION: MS HEALD/CLERK]

There were additional expressions of interest by members of the Board of Governors to attend a meeting of the Academic Board, and the VC welcomed this. Dates of the meetings scheduled for 2018/19 would be circulated by the Deputy Clerk. The Vice-Chancellor noted that the possibility of a shared meeting of the Board of Governors and the Academic Board was also being explored.

[ACTION: DEPUTY CLERK]

The Board commended the report for its value and helpfulness and Paper G1001 was noted.

[Mr Wright joined the meeting]

17/58 FINANCE & INFRASTRUCTURE COMMITTEE: CHAIR'S UPDATE

The Chair told the meeting that at the recent inaugural meeting of the Finance & Infrastructure Committee Terms of Reference had been agreed. Other matters considered had been the Locksbrook Road development; Treasury policy; and demarcation of business between Finance & Infrastructure and Audit committees.

17/59 FINANCIAL REPORT FOR THE PERIOD 1 AUGUST 2017 TO 31 MAY 2018 (Paper G1002)

Mr Wright reported that there had been little change in the University's position since April 2018 with a forecast operating surplus for 2017/18 of £2.2m (2.6% of total income). He noted measures put in place to control expenditure included the Deputy Vice-Chancellor and the Chief Operating Officer reviewing all purchases over £2,000 for their respective areas and this would continue for at least the first three months of the next financial year; this had provided a lot of information about spending patterns and would help control costs over the longer term. With the exception of costs associated with the Locksbrook Road development, expenditure for June 2018 compared to June 2017 appeared to be approximately £300,000 lower but more consideration was needed to confirm the extent to which this may be due to timing differences.

Paper G1002 was noted.

17/60 BUDGET 2018/19 (Paper G1003)

Mr Latham explained his approach to setting the budget for 2018/19, as laid out in section 4 of the paper. He noted the need to respond appropriately to declining student income through, in the first instance, constraining non-pay expenditure. Planning had indicated that the most challenging year financially was likely to be 2020/21.

Mr Wright explained the basis of the main budget assumptions, indicated in Appendix A. He said that assuming a 2% pay award seemed about right. Governors suggested that the Executive should seek to resist any immediate increase in Local Government Pension Scheme costs, but were reassured that declining income from partnerships did not pose a threat. Mr Latham said that he felt that the budget for the year made the correct assumptions and had been appropriately stress-tested against various scenarios.

Mr Wright indicated where non-pay savings were being sought, as indicated in Appendix C. Mr Latham added that the University was proposing to increase the grant to the Students' Union by 11% and to provide additional support for Student Services. The Vice-Chancellor said that decisions had been informed by benchmarking against other institutions in the sector, largely carried out by the higher education information and software specialists Tribal, and that underpinning the budget was the need to maintain the quality of the student experience. A small contingency fund had been established, but the aim was to achieve the savings as planned. A small number of new posts were listed at Appendix D.

The Chair observed that when talking about a 2% (rather than 5%) surplus, the margin of error was much reduced. He felt that there must be an ambition to increase revenue, particularly from the housing stock, and the University must be very tough on its bigger budgets (for instance, Estates). Mr Latham felt that the matter of the bigger budgets had been addressed appropriately and said that increasing revenue would be a theme in coming months. He conceded that commercial arrangements at the University could be better, and explained management changes made which he hoped would begin to address this. Budgetary and cost control would be a major role for the Finance Team in this tougher environment. Mr Osborne noted in particular that Green Park House was not performing as well as it should in terms of income generation.

Lady Lloyd asked about reductions in funding of the Development department, which she feared could have a negative effect on donations. The Vice-Chancellor felt that the savings proposed to

all departments were prudent and said that it was important to look critically at areas of business which had grown quickly, the work of some of which might need to be focused and honed.

The need to improve student retention was flagged and the measures that the University had put in place to achieve this were described. The VC indicated that this would be a particular focus of the Director of Student Services.

The meeting noted the seriousness of the financial position, and particularly the low surplus planned, which could be easily eroded. It was therefore crucial that the executive was able to monitor finance actuals closely and react quickly over the next year and beyond.

The need to improve the personal tutor system in order to improve student engagement was suggested. It was critical the student experience was not damaged. The Vice-Chancellor agreed and said that there was the risk of a disconnect for academics between their work and the impact on University finances. It was critical that the University remained business-like throughout this difficult period, but a lot was being asked of academic staff who were already having to meet the challenges of semesterisation and new curriculum. However, she felt it inevitable that there would be some limitations on staff time.

Professor Martin commended the budget which he felt was realistic. He agreed with Mr Osborne that it was critical to get predictions right.

The Chair having thanked Messrs Latham and Wright for their considerable work in this area, the budget was approved by the meeting.

17/61 FINANCIAL FORECASTS 2018 (2016/17 TO 2022/23) (Paper G1004)

Mr Latham and Mr Wright presented the financial forecasts up to 2022/23. These were based on a number of factors including predicted student numbers, possible outcomes of the tuition fee review and implications of inflation; assumptions included that the University would continue with the same market share. The most challenging year would be 2020/21 but, by 2023, a surplus of 5% should be achieved. Non-pay costs were being reduced for 2018/19 and pay costs for 2019/20 but this meant that there would be no further capacity to mitigate in 2020/21.

The Net Operating Cash Generated needed to remain above £8.25 million for all covenants to be met and the forecasts indicated that this would be possible. It was acknowledged that the operating surplus figures were uncomfortably low, however, and there was an informal and open dialogue with the banks regarding any potential latitude with regard to the covenants. Whilst dialogue with the banks was encouraged, the Chair advised that the Board was likely to instruct the University that the covenants should not be breached, even if other measures had to be taken.

Members of the Board acknowledged the Executive's transparency around the financial forecasts and the planning that was in place both to mitigate in the short-term and to prepare now to meet the needs of applicants in 2023. There was some discussion as to when the Board should next receive an update on this forecast and it was agreed that the Chair and the Vice-Chancellor should discuss in October when this should return to the Board.

[ACTION: CHAIR/VICE-CHANCELLOR]

The Financial Forecasts 2018 were approved by the Board.

17/62 AUDIT COMMITTEE: CHAIR'S UPDATE

The Chair of Audit, Ms Fisk, said that the new internal auditors (TIAA) had been introduced at the most recent Audit Committee meeting, and Grant Thornton had been confirmed as External Auditors. An internal audit report on information security had been considered, and progress towards GDPR compliance had been noted. Mr Latham reminded Governors of his note asking them to undertake GDPR training.

[Professor Strachan joined the meeting]

17/63 COMPLIANCE WITH CONCORDAT TO SUPPORT RESEARCH INTEGRITY – ANNUAL ASSURANCE STATEMENT TO THE OFFICE FOR STUDENTS (Paper G1005)

Professor Strachan outlined the requirement for this annual assurance as a condition for receipt of the research grant. He noted the recent work and advice by Professor Timms with regard to the University's ethical processes and drew the Board's attention to the recommendations and actions which formed part of the annual assurance statement.

There was some discussion regarding the difference in completion rates of the mandatory Research Integrity training course across the three Schools and, additionally, that the staff submissions of proposals through the ethical review process had no correlation with completion of this Epigeum-provided training course. Professor Strachan confirmed that efforts were being made to address non-completion of the training course in the Institute for Education and the College of Liberal Arts. He added that one ethical review submission had been received from the Bath School of Art and Design since this paper had been prepared.

A number of amendments were noted, including the need to change references from the Office for Students to Research England, a correction to some numbers and a review of the use of internal terms. The Board also asked for confirmation that the additional resource identified to meet the recommendations had been included in the budget.

[ACTION: PRO VICE-CHANCELLOR (RESEARCH & ENTERPRISE)]

Subject to these, the annual assurance statement provided in Paper G1005 was approved.

[Mr Wright and Professor Strachan left the meeting]

17/64 STAFF-STUDENT PARTNERSHIP AGREEMENT

Before turning to the paper, the Chair expressed his hope that student matters could be presented to Governors in a dynamic way which reflected their importance and added value. He asked Mr Ryan to consider if there were ways in which this might be improved in future.

Speaking to the paper, Mr Lucas said that the previously-named Student Agreement had been renamed to formalise the notion of a partnership between students and staff. He said that the agreement would be of significant help to student representatives. There was some concern that academic outcomes did not feature as highly as expected, and there was some discussion about whether or not the agreements could stipulate that it was not a contract, nor formed rules or regulations, but Governors were comfortable that no legal obligation was being created.

The agreement was approved.

17/65 STUDENTS' UNION ANNUAL COMPLIANCE REPORT 2017/18

Mr Lucas reported that there had been a slight increase in the number of complaints received this academic year but there was no indication that this was significant. The new sabbatical team had come into post this week and the priorities of that team for 2018/19 were outlined. This included better coverage of all campuses by the Students' Union.

The report was received.

17/66 ITEMS FOR RECEIPT

The following minutes were received:

- Audit Committee 31st January 2018
- Academic Board 20th March 2018

17/67 ANY OTHER BUSINESS

Ms Doern, at her final meeting as a Staff Governor, thanked members of the Board for their support and advice during her period of office, noting how valuable the experience had been to her.

Christopher Ellicott
Clerk to the Board of Governors
June 2018

Signed as a record of confirmed minutes by:

Mr Terence Jagger
Chair

Date 21st November 2018