



BOARD OF GOVERNORS

Minutes of a meeting held at 10.00am on 7th February 2019 at Corsham Court

Present:

Mr T Jagger (Chair)
Ms E Casey
Ms T Fisk
Mr J Glasspool (by telephone 18/20-21)
Ms R Heald
Lady T Lloyd
Mr R Lucas
Dr S McMillan (items 18/20-21, 23)

Mr I Mansfield
Prof P Martin
Ms V Nawathe (item 18/20-21)
Mr T Osborne
Prof S Rigby (Vice-Chancellor)
Ms J Saunders
Dr C Wiffen

In attendance:

Mr D Newman (Secretary)
Dr D Curnow (Deputy Secretary)

Mr N Latham (Chief Operating Officer)
Prof N Sammells (Deputy Vice-Chancellor)

Apologies:

Mr S Blake
Ms Nina Campbell

Note: the agenda was taken in the following order – items 18/17-19, 18/22-3 and 18/20-21.

18/17 APOLOGIES

The Chair welcomed all present to the meeting. This would have been Mr Blake's final meeting and the Chair noted that he would write on behalf of the Board and thank Mr Blake for his work during his period of appointment, which ended with effect from today. As noted previously, Mr Blake would maintain his involvement with the University through its work to support student mental health.

Jonathan Glasspool sent apologies and joined the meeting by telephone for the combined item 18/20-21. In addition, Susan McMillan and Vinita Nawathe sent apologies for late arrival.

18/18 MINUTES OF THE MEETING HELD ON 21st NOVEMBER 2018

The draft minutes were agreed as a true record.

18/19 MATTERS ARISING

The Chair drew the Board's attention to the schedule of actions arising from the previous meeting appended to the Board papers. The following additional points were noted:

18/04 4.1 – Chair's Business: Membership and Appointments: the Secretary advised the Board that, owing to the risk of conflict of interest, the Office for Students Audit Code of Practice advised that there should not be common membership of the Audit Committee and the Finance Committee unless the Board explicitly agreed this with a rationale. As such, there was a need to re-consider the appointment of Vinita Nathawe to both the Audit Committee and the Finance & Infrastructure Committee. This had been discussed with the Chairs of both committees who were in support of Ms Nawathe continuing on both, at least on a short-term basis. It was noteworthy that Finance only formed part of the business of the Finance & Infrastructure Committee. Further, maximising the effectiveness of the inter-relationship between these two committees was essential at this time as the new committee structure had only recently come into place following the governance review. Cross-representation would be the most effective way to do this and Ms Nawathe's skills meant she was well placed to sit on both. There was also a need to maintain numbers on the committees to ensure quoracy.

The Board agreed that the rationale for common membership of the Audit Committee and Finance & Infrastructure Committee was strong in this case and that Ms Nawathe should remain a member for both at present but that any perceived conflicts should be managed very carefully. Further, this decision should be reviewed at a Board meeting no later than November 2019, by which time at least two further meetings of both committees would have taken place and could inform the review and further decisions.

[ACTION: CHAIRS OF AUDIT AND FINANCE & INFRASTRUCTURE COMMITTEES
/SECRETARY]

18/20 VICE-CHANCELLOR'S REPORT (Paper G1033)

1. External Environment

The Vice-Chancellor reported on the external context in which the University was currently operating, observing the uncertainties in relation to the Augar Review, the Government Spending Review and Brexit. She noted that all of these were likely to contribute to a decrease in income but that currently there were too many uncertainties to enable modelling. There was also a UCU ballot for strike action due to take place although other recent outcomes indicated that this was unlikely to be successful.

The Board commended the co-operative approach with the University of Bath and the University's proactivity in its engagement with local Members of Parliament and the new Minister of State for Universities, Science, Research and Innovation.

2. Internal News

The Vice-Chancellor reported on recruitment through UCAS for 2019 entry, noting that applications were slightly up on last year and there were indications that this was due in some part to new programmes in the University's portfolio. Applications from international students and for postgraduate taught programmes usually came later in the cycle but currently appeared to be tracking the previous year. The process for initial teacher training was taking place slightly later this year so, although there had been concerns, these were expected to be allayed to some degree by April. Recruitment, including portfolio development, would be considered further in the afternoon 'away day' session of the Board.

There was some discussion around the 321-Go! initiative which was going well. Whilst telephone interviews were offered, the majority of students were opting to be interviewed on campus which helped inform their decisions. Despite the significant additional work, all staff involved had spoken favourably of the exercise. Applicant visit days were also scheduled and this was providing another opportunity for contact with applicants, including those who were not participating in the 321-Go! initiative.

The Vice-Chancellor reported that Bath Business School, which now existed as an entity outside the College of Liberal Arts, was continuing to do well and had been shortlisted for a number of awards. It had also recently launched an MBA course that was eligible for the apprenticeship levy and the first cohort was due to enrol this month.

The Vice-Chancellor concluded by encouraging all Governors to come and see the new Gallery Café in the Main House at Newton Park. It was proving very popular with staff and students and was frequently full. Thanks and gratitude were reiterated to Nina Campbell and her friends for their work and generosity which had made the refurbishment of the room possible and such a success.

[Mr Glasspool joined by telephone]

3. Finances and Sustainability Planning (including reference to Paper G1034)

The Chair introduced this section of the Vice-Chancellor's report, reminding the Board of the sensitivity and confidentiality of matters relating to it and confirming that there would be no discussion relating to individuals. He noted that a clear situation report had been presented by the executive and advised the Board that it would need to make a decision at this meeting.

The Vice-Chancellor referenced previous discussions at the Board in relation to financial forecasting and reported briefly on work that had recently been completed by Grant Thornton. She outlined the voluntary severance scheme that had been announced in November, the number of applications and the percentage of those applications that the executive wished to accept, and the financial implications of this.

The Board explored a number of aspects of the proposal with the executive, including impact on the student experience and implications for the staff:student ratio. The Vice-Chancellor explained the thinking behind the plans and her confidence that the student experience would not be affected, and the Board noted that the detailed decisions related to restructuring within the overall proposal were matters for the Vice-Chancellor and her team.

There was broad agreement that there were significant advantages to accepting a short period of deficit and enacting the process of restructuring as swiftly as possible. The risk and likelihood of completing the work within the timeframe outlined was considered and, whilst there was acknowledgement of the possibility that the process may take longer than anticipated, the Board recognised that, on balance, there were clear advantages to attempting to conclude the exercise within the proposed timeframes. One year of deficit was deemed acceptable. Should it be absolutely necessary, the Chair identified that a second year of a smaller deficit would also be acceptable, but that three as a consequence of these activities would be unacceptable.

The Board also considered the financial implications of the proposal for the covenants with the banks. The Chief Operating Officer reminded the Board of the terms of the covenants and outlined the transparent approach and discussions that had taken place already with the banks. He noted that a final decision in relation to one covenant was still required but the process to determine that outcome was already sufficiently advanced that the risk of proceeding in parallel

with that process was not unreasonable. The Board endorsed ongoing work with the bank to enable the restructuring to take place. The Board recognised that the timings involved might mean that this process began before formal consent had been achieved, but this was a tolerable risk, if the signals from the bank were positive. It was agreed that, in the event of a negative signalling from the bank, the restructure would pause and the matter be referred back to the Board.

Cognisant of its governance duties, the Board noted that a decision of this importance had to be made with full understanding of the implications and rigorous financial scrutiny. The executive was commended for the clarity of the proposal but there was caution that additional and more detailed reassurance should be made available to the Board within a few weeks. Rapid action on voluntary severance and restructuring were supported by the Board as an outcome of this meeting.

The Board endorsed the executive's proposals for a new University structure and approved the proposal to progress at pace so that the University would move quickly onto a more sustainable financial footing. This was on the understanding that the cost would be within the parameters set out in the paper and that a detailed operational plan and risk assessment would be brought to the Board meeting early in April which would provide reassurance on progress to the Board, or the opportunity to redirect activity if outcomes were not being achieved within agreed parameters.

[ACTION: VICE-CHANCELLOR/CHIEF OPERATING OFFICER]

There was some further discussion regarding oversight by the Board, including of any communications. It was agreed that the communications plan would be shared with members of the Board for their information and to support consistency of message.

[ACTION: VICE-CHANCELLOR]

In terms of governance, the Chair suggested that he, the deputy Chair and the two committee chairs could keep close to progress on this issue if necessary. Both the Audit Committee and the Finance & Infrastructure Committee were meeting at the end of February, which would provide an opportunity for discussions as appropriate, and the next full Board meeting would take place at the beginning of April. The Secretary advised that, should additional discussions be considered necessary, he could arrange these.

18/21 FINANCE UPDATE (Paper G1034)

The Board noted this update which informed their considerations and decisions in relation to the Vice-Chancellor's report (paper G1033).

[Mr Glasspool left the meeting]

18/22 STUDENTS' UNION ANNUAL REPORT (Paper G1035)

The President of the Students' Union presented the annual report, noting that the Students' Union was currently going through a restructure to realign it to the requirements of students in the current higher education environment. The student body had been extensively involved throughout this process and, as a consequence, there would be a significantly changed organisation in place from the 1 April.

The Board noted that the Students' Union Board of Trustees allowed a maximum of three three-year terms of office and that a skills matrix was being used to inform appointment to the vacancies that would arise in the autumn. Members also observed that the annual Board of

Trustees effectiveness review was very good practice.

The Chair said it would be helpful to have a more informal and qualitative view from the student body as to issues of concern to students at a future meeting, and this was agreed.

The Board noted the Students' Union annual report and accounts for 2017/18 in accordance with the requirements of the Education Act 1994.

18/23 OTHER ITEMS FOR INFORMATION

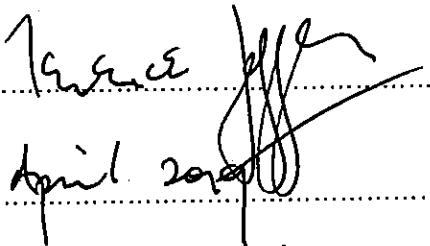
The following minutes were received for information:

- Finance & Infrastructure Committee – 23rd May 2018
- Academic Board – 30th October 2018

The meeting closed at 11.50am.

David Newman
Secretary to the Board of Governors
February 2019

Signed as a record of confirmed minutes by:

Mr Terence Jagger 
Chair
Date 30th April 2019

