

**Board of Governors**  
**Chair's Open minutes of the meeting held on 18 November 2015**

Present:

Mr Andrew Scarborough

Mr Victor Agboola

Professor David Baker

Dr Sue Dutton

Ms Sara Goodwin

Mr Richard Horsley

Mrs Sylvia Hughes

Dr Ron Mendel

Mr Mark Mulcahey

Professor Nick Petford

Mr Nick Pitts-Tucker

Apologies: Mrs Margaret Gardner, Mr Martin Pettifor, Mr Nicholas Robertson and Mr John Skelton

Apologies: Mr Nick Allen (Minute Secretary); Mr Richard Bacon (PriceWaterhouseCoopers) for items minuted M238/15 to M247/15 (inclusive); Mrs Janet Baines (Systems and Projects Manager) for items minuted M238/15 to M247/15 (inclusive); Mr Mark Hall (Director of Finance); Mr Terry Neville (Chief Operating Officer), Mr Damian Pickard (Deputy Director of Finance) for items minuted M238/15 to M247/15 (inclusive) and Mrs Jocelyn Prudence (Interim Clerk).

**M233/15 Declarations of Interest**

233.1 Standard Declarations of interest were noted as follows for members: Professor David Baker as a member of the Board of Governors of the University of South Wales; Mrs Sylvia Hughes, as District Councillor, East Northamptonshire Council and County Councillor, Northamptonshire County Council; Professor Nick Petford, as a member of Northampton Enterprise Partnership (NEP) Board; Mr Andrew Scarborough, as Borough Councillor Wellingborough; Chair of Wellingborough Magistrates and Chair of Rowan Gate Primary School (Special Education); and Dr Sue Dutton, as a staff member of the Governing Council of The Open University.

233.2 For those in attendance the declarations below were noted: Mr Mark Hall, as Governor at Northampton College; Mr Terry Neville, as Governor of Moulton College, member of South East Midlands Local Enterprise Partnership (SEMLEP) Board, the Northampton Heritage Gateway Strategic Project Board and the NCCs Project Angel Steering Group.

**M234/15 Full minutes of the meeting held on 21 October 2015**

234.1 The Board considered the minutes of the meeting held on 21 October 2015 (Paper A). A suggestion to make confidential part of the minutes of the meeting had been suggested by a Governor, but Officers clarified that this was not necessary.

**234.2 The Board resolved to approve the minutes and reserved minutes, as presented in Paper A, as a true record, of the meeting held on 21 October 2015.**

**M235/15 Matters Arising**

235.1 Paper B outlined the progress undertaken since the last meeting in relation to matters which had arisen. Matters in hand, undertaken or to be considered on the agenda elsewhere were noted. Additional comments were made in relation to the following matters:

Relationship with Members of Parliament in Northamptonshire – M212.9 refers

235.2 The Chief Operating Officer provided a verbal update on the work which was being undertaken by the new Head of Public Relations and Corporate Communications.

235.3 It was noted that the University was in the process of compiling a University-wide 'events calendar' which would bring together the key activities in the University year. It was anticipated that this would align corporate, School, Students' Union events which could be leveraged towards public relations and public affairs engagement.

235.4 Members of Parliament from Northamptonshire would be invited to attend particular events based on their interests and expertise.

Update on Head of Advancement – M217.5 refers

235.5 The Chief Operating Officer provided a verbal update on the Head of Advancement post.

235.6 It was noted that the position had been advertised and had attracted five candidates, none of which were felt to be suitable.

235.7 As a consequence, the Director of Research, Impact and Enterprise contacted a number of personal contacts which led to five expressions of interest.

235.9 Three candidates were taken forward and a face-to-face meeting would be taking place later that day.

235.9 The Board requested an update at the next meeting.  
*Action: Chief Operating Officer*

**235.10 The Board welcomed the updates.**

Objectives

235.11 The Deputy Chair reported that personal and corporate objectives for senior post holders would be reviewed by the Remuneration Committee at its meeting following the Board. These would be reported on in due course.

### **M236/15 Quality Assurance Agency Higher Education Review**

236.1 The Board received Paper C, the confidential letter confirming the draft judgements arising from the recent Quality Assurance Agency Higher Education Review of the University.

*Clerk's Note: Further discussion of this item is held in Reserved Minute 236.2.*

236.3 The Vice Chancellor commented that the result was a good achievement and noted the good practice which had been identified by the Review Team. The recommendations and affirmation arising from the Review were also noted.

*Clerk's Note: Further discussion of this item is held in Reserved Minutes 236.4 and 236.5*

236.6 The Vice Chancellor noted that the current consultation on the future of quality assurance in higher education was proposing the cessation of institution-wide reviews of this nature.

**236.7 The Board resolved to thank all those who had taken part or who had contributed to the success of the review, including the President of the Student Union.**

### **M237/15 Update on Waterside Project**

237.1 It was noted that the Project Assurance Committee which had been due to take place on Tuesday 10 November had been cancelled and that items would be carried forward to the next meeting.

237.2 In the absence of the Waterside Project Director, the Chief Operating Officer presented an update report (Paper D), which the Chair noted had been revised to include a covering paper highlighting key points.

*Clerk's Note: Further discussion of this item is held in Reserved Minute 237.3.*

237.4 It was reported that the planning application for the student residences would be considered by Northampton Borough Council at its Planning Committee on 24 November 2015.

237.5 The University had recently held a question and answer event to which potential tenderers for the student residence were invited.

*Clerk's Note: Further discussion of this item is held in Reserved Minutes 237.6 – 237. 11.*

**237.12 The Board resolved to approve the Waterside Update for November 2015.**

### **M238/15 Audit Committee Annual Report**

238.1 In order to demonstrate effective governance, the Chair proposed the consideration of the Audit Committee Annual Report (Paper I) before the

presentation of the Consolidated Financial Statements, which the Board **endorsed**.

238.2 The Chair of the Audit Committee reported that the Committee had met recently and had considered a number of annual reports, which had informed the judgements made by the Audit Committee in its Annual Report.

238.3 The Committee had endorsed and recommended the Report to the Board subject to an amendment suggested by the External Auditors in relation to the Committee's overall judgement in Section 8.

238.4 The Academic Staff Governor noted the Internal Audit Annual Report which was contained within the Audit Committee Annual Report and questioned the actions which had been arisen as a result of internal audits.

238.5 It was noted that the internal audit reports were considered by the Audit Committee or the Project Assurance Committee, in relation to reports relating to the Waterside Project, and that any actions arising were agreed by the Committee before implementation or action by the University. Actions outstanding from a given report were added to a register of recommendations, which was also monitored by the Committee.

238.6 It was noted that the internal auditors undertook a review of actions undertaken by the University in a follow-up audit, which was also considered by the Committee.

238.7 It was noted that the internal audit reports, the register of recommendations and the follow-up audit were available for Board members on the Board papers shared drive ('Governance 1').

**238.8 Subject to the inclusion of the revised Section 8, the Board resolved to approve the Annual Report from its Audit Committee for 2014/15.**

#### **M239/15 Consolidated Financial Statements 2014/15**

239.1 The Board received the University's Consolidated Financial Statements for 2014/15 (Paper E).

239.2 It was reported that the draft Financial Statements had been considered and endorsed by the Audit Committee at its last meeting, having been considered alongside the Financial Statements for the University's subsidiaries.

239.3 The Director of Finance reported that the financial position was unchanged from the 2014/15 period 12 management accounts which had been considered by the Board at its meeting in September 2015.

239.4 The structure of the overall report was outlined and the Board noted the Operating and Financial Review which provided an account of the University's work during 2014/15. It was reported that the external

auditors had suggested amendments to this aspect of the document which would be undertaken.

239.5 In terms of the overall financial position, it was noted that although a deficit had been budgeted, the University had made a £2.6million surplus. This was linked to a positive student recruitment position and an increase in income received from student residences as a result of the full opening of the St John's Halls of Residence.

239.6 Expenditure had also increased in part due to the breakage costs arising from the refinancing of the University's former borrowing and the interest arising from the bond issued to support the new campus. Another contributing factor was increased investment in the University's IT infrastructure and in other facilities and equipment.

239.7 There was significant discussion about the University's pension schemes and contributions which included comments from the representative of the external auditors. It was noted that the Consolidated Financial Statements for 2015/16 would use International Financial Reporting Standards (IFRS) 102 which would require pension costs to be included within them.

239.8 It was noted that those higher education institutions whose staff were members of the Universities Superannuation Scheme would be particularly affected by IFRS102.

239.9 A Governor questioned at which point the University might want to review its pensions offerings. The constraints of the schemes were noted. Whilst it was felt that the medium term risks should not cause too much concern, the Chair commented that there would be a need for significant advance notice of any problems in meeting pension liabilities taking place and for the University and other organisations to be prepared.

**239.10 The Board resolved unanimously to approve the Consolidated Financial Statements for the University of Northampton for the year ended 31 July 2015, with authorisation for Chair's action to confirm the amendments as proposed by the external auditors.**

239.11 A Governor questioned the next steps in relation to the report.

239.12 The Director of Finance commented that a copy of the report would be submitted to HEFCE, HMT and the University's investors.

239.13 The Vice Chancellor added that there was a statutory requirement for the document to be made available on the University website and that an abridged version would be presented to a future meeting of the University Court.

239.14 The Governor felt that this could be a useful document to support the University's fundraising activities and it was noted that this would be taken forward in conjunction with the University's Marketing team.

## **M240/15 Annual Report on Subsidiaries 2014/15**

240.1 The Deputy Director of Finance presented the annual report on the University's subsidiaries (Paper F).

240.2 It was noted that 2014/15 was a positive year for the University's subsidiaries and the individual performances of the companies as outlined in the paper was noted.

*Clerk's Note: Further discussion of this item is held in Reserved Minutes 240.3 – 240.5.*

240.6 The Board considered the Waterside Campus Development Company plc, which it was noted had been established following the recommendation from HMT as a servicing company for the new project. The limited number of transactions for this company were outlined and the Chair of the Audit Committee commented that it had been recommended at the last Committee meeting that the University might consider the appointment of an independent Director to this Company, which the Board **supported**. It was agreed that this would be considered further by the University.

*Action: Director of Finance*

240.7 The work of the University of Northampton Enterprise Limited and its overall responsibility for the Joint Venture with the University of Hertfordshire in respect of the Uno Buses Northampton was outlined.

*Clerk's Note: Further discussion of this item is held in Reserved Minute 240.8.*

240.9 It was noted that the Northampton Enterprise Social Enterprise (NESE) Community Interest Company (CIC) was funded through HEFCE's Higher Education Innovation Fund and that the NESE Board oversaw the Northamptonshire Growth Hub. There followed some discussion of the work undertaken by the Growth Hub in the past year.

240.10 The other subsidiaries, joint ventures and fixed asset company investment in which the University had share capital investments were also noted.

*Clerk's Note: Further discussion of this item is held in Reserved Minutes 240.11 and 240.12.*

240.13 A Governor questioned the link between Healthwatch and the new CIC which had been established with Northamptonshire County Council and Northamptonshire Foundation Health Trust in respect of healthcare and other services in the County, including oversight of libraries and Country Parks.

240.14 It was noted that these were separate organisations but that an alignment could occur in future.

*Clerk's Note: Further discussion of this item is held in Reserved Minute 240.15*

240.16 It was noted that the University's Director of Research, Impact and Enterprise was the University's representative on the Board of the CIC and that other University employees served on its sub-committees.

*Clerk's Note: Further discussion of this item is held in Reserved Minutes 240.17 and 240.18*

240.19 The increasing activity relating to Land-Based Learning, a Joint Venture with Landex was noted. The organisation would shortly be offering educational materials, which it had acquired from a number of existing organisations. It was anticipated that converting these materials for use electronically would allow the organisation to market these products overseas.

240.20 The ongoing success of Goodwill Solutions CIC was noted and the diversification of its income streams was welcomed by the Board. The Chair noted the similarity between the work of Goodwill Solutions and another organisation in Northampton supporting female ex-offenders. A Governor suggested that new members of the Board might benefit from visiting Goodwill and it was agreed this would be considered further.

*Action: Clerk*

240.22 The links between the University and local organisations as part of other subsidiaries was noted and it was felt that Governors would benefit from a presentation which looked at the governance of these organisations as a topic at the Board Away Day.

*Action: Vice Chancellor*

240.23 It was noted that Pera Business Services Ltd was currently dormant.

### **240.24 The Board resolved to approve the Annual Report on the University Subsidiaries 2014/15.**

#### **M241/15 Letters of Support**

241.1 The Committee received the Letters of Support from the Chair, on behalf of the Board, to the boards of the University's subsidiaries (Paper G).

241.2 It was noted that the Letters had been considered by the Audit Committee at its last meeting and had been endorsed and recommended to the Board for the Chair to sign. Additional wording which had been proposed by a former member of the Board had been included in these letters.

#### **241.3 The Board resolved to authorise the Chair to sign the Letters of Support in respect of the subsidiary companies.**

241.4 It was noted that, on signing of the letters, this would allow those subsidiaries to set Annual General Meetings.

#### **M242/15 External Audit Annual Report and Management Representation Letter**

242.1 The Board received the External Audit Annual Report and Management Representation Letter (Paper H).

242.2 It was reported that this paper had been presented and endorsed to the Board by the Audit Committee at its last meeting.

242.3 The Board noted the contents of the Annual Report. An absent Governor had noted a concern which had been raised in the annual report in respect of capital grants. The Director of Finance commented that this was an historical issue and that further work would be undertaken during the forthcoming year.

242.4 The outcome for the audit was favourable with no exceptions and nothing of significance noted. There were no significant control weaknesses. It was likely that the external auditors were likely to issue an unqualified judgement.

*Clerk's Note: Further discussion of this item is held in Reserved Minute 242.5*

242.6 The Chair of the Audit Committee commented that an external member of the Committee had congratulated the external auditors at the Committee on the comprehensive report.

**242.7 The Board of Governors resolved to approve the annual report for 2014-15 from its External Auditors PricewaterhouseCoopers LLP (PWC) and authorised the Chair and Vice Chancellor to sign the accompanying Management Representation Letter.**

#### **M243/15 Going Concern Report**

243.1 The Deputy Director of Finance presented the University's Going Concern Report (Paper J). This report had been prepared in accordance with HEFCE guidance and had been considered and endorsed by the Audit Committee at its last meeting.

243.2 The University's financial position was noted as positive due to successful student recruitment in 2014/15 and a Governor noted this was a good position to be in in light of other pressures in the higher education sector.

**243.3 The Board resolved to approve the University's Going Concern Report for 2014/15.**

#### **M244/15 Students' Union Final Accounts 2014/15**

244.1 The President of the Students' Union was invited to present the Students' Union Final Accounts for 2014/15 (Paper K).

244.2 It was reported that the accounts had been considered by the Students' Union auditors and nothing had been flagged for the attention of the Students' Union or the University.

244.3 The President of the Students' Union thanked the University for the opportunity for the Union to run the campus shop the outcome of which was noted in these Accounts. This was part of a wider improvement in the services which were being provided to students.



244.4 The Director of Finance commented that he did not have any issues with Students' Union operations and reported that he had regular meetings with Union Officers.

244.5 A Governor was pleased to note the success of the Students' Union and congratulated them on this work. He enquired about the future of the Union on the move to the new campus.

244.6 It was confirmed that the administrative offices would be based on the Waterside Campus with the entertainment venue elsewhere in Northampton, as had been reported earlier in the meeting.

**244.7 The Board of Governors resolved to receive the University of Northampton Students' Union (UNSU) Annual Report and Accounts for the year ending 31 July 2015.**

**M245/15 Annual Report on Insurances**

245.1 The Systems and Projects Manager presented the Annual Report on Insurances 2014/15 (Paper L).

245.2 It was reported that the University had entered into three year insurance arrangements in 2013/14 to secure the best terms and rates and that this report represented the second year of this operation.

245.3 The University remained within a procurement group for insurance and it was noted that there had been an increase in the insurance premiums for property, due to the completion and occupation of the St John's Halls of Residence and the Innovation Centre, and for motor insurance in light of the claim experience for the whole procurement consortium. This was despite a good year for the University with a limited number of insurance claims.

245.4 The Systems and Projects Manager reminded members that their personal indemnity insurance had been increased to £25million.

245.5 A absent Governor had questioned whether keeping within the consortium represented the best value for money for the University. It was suggested that the benefits of belonging to a consortium led to longer term benefits in light of the higher number of claims which the University had submitted in previous years. It was also noted that insurance companies sought consortium arrangements to mitigate the risks of a high number of claims.

**245.6 The Board resolved to approve the Annual Report on Insurances 2014/15.**

245.7 The Clerk advised that the question of whether this annual report should be considered by the Board or by one of its sub-Committees had been raised at a recent meeting of the Audit Committee.

**245.8 The Board resolved to approve the recommendation to present future Annual Reports on Insurances to the Audit Committee and requested an amendment to the terms of reference for that**

**Committee to reflect this revision to the governance arrangements.**

*Action: Clerk*

**M246/15 University's ASSUR Report**

246.1 The Deputy Director of Finance presented the University's ASSUR Report (Paper M) which it was noted would be submitted to HEFCE as part of the Annual Accountability Return.

246.2 The University's results in terms of a number of metrics which had been agreed by the Board were noted.

**246.3 The Board resolved to approve the University's ASSUR Report and agree to its submission to HEFCE as part of the Annual Accountability Return.**

**M247/15 Period 3 Management Accounts**

247.1 The Director of Finance presented the Management Accounts as at 31 October 2015 (Paper N).

247.2 It was noted that the format for the presentation of the accounts had been amended following feedback received. This included a report looking at key performance indicators and members commented favourably on the new format.

247.3 It was noted that the management accounts also included a current student recruitment position and an indication of current student applications for entry in September 2016.

*Clerk's Note: Further discussion of this item is held in Reserved Minutes 247.4 – 247.6.*

247.7 The Academic Staff Governor noted the number of vacancies within Schools and questioned work being undertaken to recruit to these posts.

247.8 The Chief Operating Officer commented that the University was not preventing posts from being advertised. The level of vacant posts was questioned and it was confirmed that this would be communicated to the Board as part of the annual report on human resources which would be presented during the spring.

247.9 The Chair questioned whether these vacancies were having an impact on the student experience and it was noted that the vacancies were being covered by existing staff where possible. In previous years, existing staff were being offered an additional contract to cover teaching responsibilities, but it was noted that this practice had now ceased.

247.10 The Board moved on to consider the overall financial performance. It was noted that the University was likely to meet its budgeted surplus.

*Clerk's Note: Further discussion of this item is held in Reserved Minute 247.11.*

247.12 In terms of student applications, it was noted that the University was in a favourable position compared with the sector as a whole but that it was very early in the recruitment cycle and subject to change.

247.13 Widening participation funding to Schools had been withheld until the presentation of an appropriate plan

**247.14 The Board resolved to approve the management accounts as at 31 October 2015.**

#### **M248/15 Search Committee**

248.1 The Deputy Chair presented the Chair's minutes of the meeting of the Search Committee held on 21 October 2015 (Paper O).

248.2 It was noted that the meeting had considered individuals who might be put forward for the position of Chancellor of the University. An additional meeting of the Committee would be taking place in December 2015 and University staff and students were being invited to suggest names of individuals for the position.

248.3 The Clerk outlined the process of the search and the Chair commented that the Committee already had an early view that it would not be seeking to appoint a serving politician, either a Member of Parliament or a Peer, or a senior academic to the position.

248.4 A Governor questioned whether criteria had been set for the position and it was reported that these were being drafted. However, there was a need to ensure that the new Chancellor aligned with the University values and would be able to commit to raising the profile of, and promote, the University and have the necessary time associated with these aspects of the position.

248.4 The Board welcomed the open process for the selection of the next Chancellor which was being proposed.

**248.5 The Board approved the minutes of the meeting of the Search Committee held on 21 October 2015.**

#### **M249/15 Senate**

**249.1 The Board received and noted the minutes of the meeting of the Senate held on 4 November 2015 (Paper P).**

#### **M250/15 Audit Committee**

250.1 The Chair of the Audit Committee presented a verbal report of the meeting of the Committee held on 16 November 2015.

250.2 It was noted that a number of reports and papers which had been considered by the Board earlier in the meeting had been informed by papers considered by the Committee or reviewed by them.

250.3 It was noted that the topic for the forthcoming Audit Committee Workshop, to which all Governors would be invited, was 'academic transformation'.

250.4 With reference to the recent HEFCE Annual Conference, which the Chair had attended, it was suggested that the Audit Committee, or the Board, receive a presentation on the work which the University was undertaking in relation to the 'Prevent Duty' in light of the responsibility of the Board in respect of this legislation.

*Action: Clerk*

250.5 The Chair added that HEFCE's Chief Executive had also reported falling surpluses across the sector and increased indebtedness amongst institutions.

250.6 The Chair of the Audit Committee questioned how the external members of his Committee and other external members of Board Committees would be adequately appraised of the issues affecting the higher education sector.

250.7 The Chair commented that external members of Board Committees would be invited to attend the Board Away Day in January which would focus on the Changemaker Challenges.

### **250.8 The Board received the report of the Audit Committee held on 16 November 2015.**

#### **M251/15 Vice Chancellor and Chief Operating Officer Report**

251.1 The Vice Chancellor and Chief Operating Officer presented their report for November 2015 (Paper Q).

251.2 The Board noted the recently-released Higher Education Green Paper, aspects of which were outlined in the paper.

251.3 The Academic Staff Governor raised concerns about the Green Paper and felt there was a need for a collective response relating to the alignment between teaching quality and tuition fees.

251.4 The Vice Chancellor felt that the proposals were suggesting higher education institutions would be rated through metrics which would favour the University; Research intensive institutions were more likely to be affected.

251.5 The Academic Staff Governor commented that the National Union of Students had raised concern about the increasing marketization of higher education which was being proposed as part of the Green Paper.

251.6 The Chair commented that at the HEFCE Annual Conference, there had been a focus on the Green Paper and the future role of HEFCE as a potential 'super-regulator' for the sector. The future of quality assessments in higher education had been noted.

251.7 The large number of Alternative Providers who had attended the Conference was noted and the Vice Chancellor reported he welcomed Alternative Providers into the higher education sector in light of the work which the University was already undertaking with them.

251.8 In respect of local and regional matters, the Chair also encouraged members to read the Northamptonshire Enterprise Partnership Annual Report which reported favourably on the work of the University.

**251.9 The Board received the Vice Chancellor and Chief Operating Officer report for November 2015.**

**M252/15 Update on Calendar and Board of Governors' activity**

252.1 The Clerk presented Paper R, comprising the update on the calendar and related Board of Governors' activity.

**252.2 The Board received the Update on Calendar of Board Activity.**

**M253/15 Any Other Business**

There was no other business.

**M254/15 Confirmation of availability of papers**

The following papers were confirmed as confidential to the meeting:

- Paper C – Quality Assurance Agency Higher Education Review outcome;
- Paper D – Update on Waterside Project – November 2015;
- Paper E – Consolidated Annual Report and Financial Statements 2014/5 (pending revisions by the External Auditors);
- Paper F – Annual Report on Subsidiaries;
- Paper J – Going Concern Report;
- Paper L – Annual Report on Insurances;
- Paper N – Period 3 Management Accounts.

**M254/15 Date and time of next meeting**

The next meeting of the Board would be held on Wednesday 16 December 2015 **with a revised start time of 11.30am.**



*16<sup>th</sup> December 2015*

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Chair

Date