

## Board of Governors Minutes of the Meeting held on 24 January 2018

### **Present:**

Andrew Scarborough (Chair)  
Sue Dutton  
Rafael Garcia-Krailing  
Richard Horsley  
Sylvia Hughes  
Lee Machado  
Mark Mulcahey

Nick Petford  
Martin Pettifor (to item 10.5)  
Nick Pitts-Tucker  
Nick Robertson  
John Skelton  
Danjie Zhong

### **Apologies:**

David Baker, Jeff Halliwell, Sara Goodwin, Frank Jordan

### **In attendance:**

Jane Bunce (Director of Student and Academic Services), Mark Hall (Director of Finance), Miriam Lakin (Clerk), Deborah Mattock (Director of HR, Marketing and International Relations), Terry Neville (Chief Operating Officer), Ann Shelton-Mayes (Executive Dean Student Experience), Cathy Smith (Deputy Dean of Education and Humanities and Chair of Inclusive Student Experience Group) for item 05/18.

### **01/18 Welcome, Apologies and Quorum**

01.1 The Chair welcomed those present, noted apologies and confirmed that the meeting was quorate.

### **02/18 Declarations of Interest**

02.1 No declarations of interest were received in addition to those held on file by the Clerk's Office.

### **03/18 Minutes of Previous Meeting**

03.1 The Board approved the minutes of the meeting held on 13 December 2017 as a true record of that meeting.

### **04/18 Matters Arising**

04.1 The Board received Paper A on actions arising from previous meetings. Additional comments were received on the following:

**04.2 Duties of Trustees (Minute 186.2)**

The Clerk tabled *Trustee Responsibilities in Higher Education: A Guide for Governors* which was published by the Leadership Foundation for Higher Education in September 2017. Governors were asked to read this guidance and to report back to a future meeting on whether a presentation on the duties and responsibilities of governors as trustees was also necessary.

*Cathy Smith, Deputy Dean of Education and Humanities and Chair of Inclusive Student Experience Group joined the meeting.*

**05/18 Report from the Inclusive Student Experience Group**

05.1 The Board received and discussed Paper B, a report of the work of the Inclusive Student Experience Group (ISEG) which had a remit to further and support equality and diversity for the University's students. The Chair explained that the report was designed to give the Board assurance about the work that was being undertaken to meet the University's mission and performance indicators on student equality, diversity and support.

05.2 The Chair of ISEG explained that the report covered the work of the Group, the projects it was involved in and its wider ambition to address the achievement and graduate employability gap which was a national issue for BAME (Black, Asian and minority ethnic) students.

05.3 The Chair of ISEG confirmed that the ISEG membership included representation from faculties, support services and the Students' Union. A key objective of the Group was to work more closely with the Students' Union and with students generally to address issues around diversity. It was confirmed that the Students' Union was supportive of the Group's work, and found ISEG effective and action-oriented.

05.4 Governors asked about similar work in other institutions. The Chair of ISEG confirmed that there was focus particularly on the BAME achievement gap nationally. She was in touch with a number of institutions and had been able to exchange good practice with them. Good practice was also shared internally between different course teams.

05.5 Governors noted the University's success in attracting a diverse student population, with 44% of full-time undergraduate students identifying as BME (black and minority ethnic).

05.6 It was noted that improving opportunities for students from all backgrounds

was a national agenda which would be part of the work of the new Office for Students. It was reported that the University currently set targets for improving access to the University through its Access Agreement with the Office of Fair Access (OFFA). The targets were monitored annually by the University and OFFA. There was a possibility that there would be sector-wide assessment on attainment and progress under the new regulatory regime. However, the importance of meeting the University's mission and internal targets was noted.

- 05.7 Governors asked if there was any particular issue around assessment and feedback for postgraduate taught students revealed by the Postgraduate Taught Experience Survey referenced in the report. The Chair of ISEG reported that there was a varied pattern, and that this was one issue where good practice in particular course could be identified and shared. There was a group which existed for this purpose. There were also other opportunities to address any potential inequalities in assessment and feedback, for example through mentoring, and using different forms of assessment to remove unconscious bias. This was something which could be raised with course teams.
- 05.8 Governors asked about the ongoing review of the course portfolio, and how data on numbers and attainment of BAME students would be considered as part of this, particularly if there was high BAME student enrolment on particular programmes. The Executive Dean of Student Experience reported that there was pedagogically sound reasoning for reducing the amount of choice to students entering the University, and that the review would also consider academic quality and graduate employability.
- 05.9 It was noted that the availability of attainment data was helpful to staff in designing and modifying courses. It was reported that there were plans to link learner analytics to diversity and equality considerations. This approach had been used successfully in another institution.
- 05.10 Governors stated that it would be useful in future iterations of the report to see the practical action points for ISEG.
- 05.11 Governors also noted the importance of embedding the student voice across equality and diversity work and other areas, and of making use of other channels besides formal meetings. The Chair of ISEG reported on a successful project being run in two faculties which created a 'safe space' in which current undergraduates could articulate their experiences of the University. This allowed them to raise any issues which they experienced so that these could be followed up.

05.12 The Board thanked the Chair of ISEG for the report, and the Group for its work to ensure equality of opportunity across the University. This was an important issue for the Board as it was essential for the University's mission.

**06/18 Return to Office of Fair Access on Access Agreement Milestones and Targets**

06.1 The Board received Paper Q, a return to the Office of Fair Access (OFFA) on the University's progress towards the milestones and targets in its Access Agreement, and spending on this activity.

06.2 The Board approved the paper for submission to OFFA.

**07/18 Staff Equality and Inclusion Rolling Action Plan**

07.1 The Board received Paper C, a report on the progress in the staff equality and inclusion rolling action plan.

07.2 The Director of Human Resources reported that the staff action plan was coordinated with the work of the Inclusive Student Experience Group and took the same approach. An overarching plan for 2015-2020 had previously been seen and agreed by the Board. There was a Staff Equality and Inclusion Action Group, and a further group in HR ensuring that the University was compliant with legal and statutory requirements with regards to employees.

07.3 The Director of HR reported on when and how the actions that were coded red would be addressed.

07.4 In respect of gender pay gap reporting, it was noted that the Audit Committee had recognised an issue where the payment of Student Ambassadors in March may have an impact on the report of the gender pay gap which was a snapshot of data at 31 March. The Director of HR reported that the gender pay gap statistic would be presented at the same time as the equal pay review in order to show the bigger picture. It may not immediately be obvious to readers why the two were different, and communications were being prepared to explain the reason for this.

**08/18 Project Assurance Committee Minutes**

08.1 The Board received Paper J, the minutes of the Project Assurance Committee (PAC) meeting held on 16 January 2018.

*Minutes 08.2-08.4 are in the confidential section of these minutes.*

## **09/18 Waterside Financial Modelling as submitted to HMT**

- 09.1 The Board received and noted Paper F, and agreed that copies of this paper would be handed back to the Clerk after the meeting.
- 09.2 The Director of Finance explained that the paper contained proposals submitted to HMT when permission was being sought for the financial arrangement to locate the Leather Centre on site at Waterside. The paper set out measures which could be taken to address a decrease in student numbers and consequent decrease in income, and the effect of these measures on the debt service ratio. HMT had approved the Leather Centre arrangements as a result of the paper.

*Minutes 09.3-09.8 are in the confidential section of these minutes.*

- 09.9 It was noted that detailed discussion of budget setting was for the executive, and that a proposal would be made to the Board in May 2018 to give time for the Board's comments and any necessary adjustments as a result.

## **10/18 Operational Plan Metrics and Targets**

- 10.1 The Board received Paper D, the draft operational plan metrics and targets which had been discussed at the away day on 11 and 12 January 2018.
- 10.2 The Vice Chancellor tabled a new version of the metrics and targets which had been updated following discussion at the away day (*Clerk's Note: Filed as Paper R*). He stated that the new version included baseline data and actual figures on what had been achieved to date.
- 10.3 It was noted that target 11 on student recruitment had been discussed at the away day. The Vice Chancellor reminded governors that the metric that the Board would monitor referred only to full-time undergraduate students with 'home' fee status. In addition to this, there were international, post graduate, and distance learning students, and partnership activity, all of which could grow. It was agreed that the paper would make clear that the metric for full-time undergraduate home students was a minimum number.
- 10.4 The Board agreed that the key performance indicators it would monitor in future would be the twelve in blue type in Paper R.
- 10.5 The Vice Chancellor introduced the Board to an alternative means of monitoring the twelve overall KPIs through a spider diagram presentation of the actual data, the sector benchmark and the target. Governors welcomed and supported this presentation of the data.

*Martin Pettifor left the meeting.*

- 10.6 The Vice Chancellor showed a second graph giving more detail on the KPIs in relation to the growth of the University's revenue. This showed the current performance and the target for growth in revenue which was not from home undergraduate students. Governors welcomed this presentation of the data. It was agreed that an aggregated target figure for revenue growth would be created. It was agreed that this would be added to the KPIs which the Board would monitor.

**Action: Vice Chancellor**

- 10.7 The Vice Chancellor confirmed that the revenue targets as shown in the graph were not in the forecast which had been submitted to HMT. The forecast to HMT was based only on the metric for home undergraduate students.

- 10.8 The Vice Chancellor displayed a visualisation which mapped the KPIs against risk, showing the level of uncertainty and the level of impact should a target not be achieved. It was noted that margins were thin so that a small change in some areas could be have a serious impact, and that it was important to be able to look at risk and its potential over the longer term. However, governors agreed that displaying the data in this way provided a clear illustration of risk, and would support discussion in meetings.

- 10.9 To aid understanding, governors asked the Vice Chancellor to make sure that there was a clear line of sight between the written KPIs and the accompanying visualisations and that the same language was used in each.

**Action: Vice Chancellor**

- 10.10 The Chair stated that the Board looked forward to further well focused debate facilitated by visualisation of the KPIs in the future.

### **11/18 Notes of the Board Away Day**

- 11.1 The Board received and discussed Paper E, the notes of the away day held on 11<sup>th</sup> and 12<sup>th</sup> January 2018. It was noted that the paper should be kept confidential between the Board and members of the executive who were in attendance at Board meetings.

- 11.2 Governors asked how the topics discussed at the away day would be developed and monitored. The Chair stated that the Board's discussion at the away day and discussion of the KPIs at the present meeting would result in some re-focusing of the Board's discussions.

- 11.3 In respect of the development of enterprise income, the Vice Chancellor

reminded the Board that clear research and enterprise income goals had been set through the KPIs and were part of normal business. The ideas discussed at the away day were additional and were raised to seek the Board's endorsement of further exploration. The Chair stated that as the ideas developed it would be for the Clerk to work with the executive to ensure that the Board was aware of developments and had the ability to challenge in order to receive assurance about the matters within its remit, such as the overall strategic direction of the University and the safeguarding of its assets and resources.

- 11.4 A review of research activity had been proposed at the away day to seek the endorsement of the Board. The decision to undertake such a review was in the remit of the executive. The Board would need to be aware of the outcomes of the review, and to approve any outcomes that affected the educational character and mission of the University.
- 11.5 The outcomes of the external review of the Board which was being undertaken by Ranmore Consulting would be presented at the next meeting.

## **12/18 Management Accounts**

- 12.1 The Board received and noted Paper G, the management accounts to 31 December 2017.
- 12.2 The Director of Finance reported a good result overall and updated the Board on some areas of concern. These were:
- A drop-off in income from the Competency Testing Centre
  - A lower rate of student room occupancy due to a lower student intake. The negative financial impact of lower room occupancy was around £800k
  - Bad debt.
- 12.3 Governors asked if bad debt was part of a trend. The Director of Finance reported that levels of indebtedness to universities were increasing generally. The University had several measures in place for example payment in advance for international students and continuing to call in debts effectively.
- 12.4 Governors asked about the normal rate of occupancy in student residences. It was reported that this had been around 100%. However, this could change. The University had increased its residential provision at Waterside, and faced competition from private providers in the town centre. A decision had therefore been taken to reduce the cost of accommodation at Park Campus to £100 per week from September 2018. This would have a negative impact on revenue of around £850k per annum. However, the drop in revenue was outweighed by the

risk of not filling the residences. There was also scope to open the accommodation offer to students in their second and third years of study. Governors noted that it would be useful to have a report in due course on revenue from student residences as the financial impact was material.

**Action: Director of Finance**

- 12.5 It was also reported that correspondence was still being exchanged with HEFCE about a potential clawback which had previously been reported to the Board. A provision for the clawback had been made in the accounts for 2016/17.

### **13/18 TRAC Compliance 2016/17**

- 13.1 The Board received Paper H, the University's annual TRAC (Transparent Approach to Costing) return. The Director of Finance explained that the TRAC data showed the cost of research in the sector. In particular, he drew the attention of the Board to Table B which showed total income for the University by type of research.

- 13.2 The Board approved the TRAC return.

### **14/18 Student Recruitment Update**

- 14.1 The Board received and noted Paper I, an update on applications to UCAS across the sector and to the University. Applications continued to decline nationally. The University had maintained its share of applications compared to the national rate and the rate of applications to its six main competitor institutions.
- 14.2 It was noted that there had been a significant fall nationally in applications to nursing courses due to the changed student funding system. Whilst applications to nursing at the University were over-subscribed currently, the continued national decline would have an impact on the University in the coming years. There was potential to grow a nursing apprenticeship. There was also potential to recruit to nursing courses overseas, however, this was challenging as the Nursing Council had set the minimum IELTS (International English Language Testing System) score at 11, which was very difficult to achieve.
- 14.3 The Board noted the current data on acceptances of the University's offer. It was noted that the increase compared to acceptances at the same time last year was due in part to swift processing of applications, interviewing and making offers early. Unconditional offers had been introduced in appropriate cases. Surveys of applicants had shown that TEF Gold was not a particular factor as it was now assumed, that there was satisfaction with the application and interview process, and that the benefits package and new campus were appealing to applicants.



- 14.4 It was noted that there were over 12,000 applications from which 2,850 students were needed, therefore the principal effort should now be on the conversion of applicants.

**15/18 Report from Vice Chancellor and Chief Operating Officer**

- 15.1 The Board received and noted Paper K, a report from the Vice Chancellor and Chief Operating Officer.
- 15.2 The Vice Chancellor reported on a recent cabinet reshuffle which had seen Sam Gyimah appointed as Minister for Higher Education. The possibility of a national review of student fees remained.
- 15.3 The Committee of University Chairs had published a draft Remuneration Code for consultation. This had been distributed to Board members by email. Comments would be collated by the Clerk and discussed at Remuneration Committee which would prepare a response from the University.
- 15.4 The University and College Union (UCU) had voted for industrial action over changes to the USS pension scheme. This would affect around 40 universities. As the University of Northampton had around 40 USS members, it had not been balloted.

**16/18 Audit Committee Minutes**

- 16.1 The Board received and noted Paper L, the minutes of the Audit Committee meeting held on 15 November 2017.

**17/18 Treasury Committee Minutes**

- 17.1 The Board received and noted Paper M, the minutes of the Treasury Committee meeting held on 13 December 2017. The Chair of the Treasury Committee reported that the University's treasury function performed well.

*Minute 17.2 is in the confidential section of these minutes.*

**18/18 Development Committee Terms of Reference**

- 18.1 The Board received and approved Paper N, revised terms of reference for the Development Committee. In the light of recent discussions about the development of enterprise activity, the Board was reminded that the Development Committee's remit was to oversee the development of advancement, research and enterprise.

### **19/18 Special Committee Terms of Reference**

- 19.1 The Board received and approved Paper O, revised terms of reference for the Special Committee following a routine review.

### **20/18 Changes to Students' Union**

- 20.1 The Board received Paper P which proposed changes to the constitution of the Students' Union to increase the number of student Officer Trustees from three to four, and the number of External Trustees from three to four. The Board approved these changes.
- 20.2 The Board noted and supported details of the new student Sabbatical Officer post which would have responsibility for welfare. The President of the Students' Union reported that this would align with the University's supportive agenda and allow better coverage for the SU of this crucial area. The responsibilities of the role as set out in Appendix 1 were indicative as it would be for candidates to set out their platform and receive a mandate from the student body at election.
- 20.3 Governors asked about the link between the Welfare Sabbatical Officer and the Prevent agenda, and whether there would be any conflict of interest. Both the President of the SU and the Director of Student and Academic Services reported that there were strong and productive links between the SU and the University on Prevent, and that all Sabbatical Officers understood their duty to flag any concerns.
- 20.4 The President of the SU reported that funding for the new Sabbatical Officer post would be found from the SU's existing budget.


### **21/18 Confirmation of Availability of Papers**

- 21.1 The following papers were confirmed as confidential to the meeting:
- Confidential section of the minutes of the meeting held on 13 December 2017
  - Paper B – Inclusive Student Experience Group Report
  - Paper C – Staff Equality and Inclusion Rolling Action Plan
  - Paper D – Operational Plan Metrics and Targets (first draft, now superseded by Paper R)
  - Paper E – Board Away Day Notes
  - Paper F – Waterside Financial Modelling as Submitted to HMT
  - Paper I – UCAS Applications and Decisions
  - Paper J – PAC Minutes
  - Paper L – Audit Committee Minutes
  - Paper M – Treasury Committee Minutes

**22/18 Dates of Forthcoming Meetings**

- 22.1
- Nominations Committee, 29 January 2018
  - Development Committee, 13 February 2018
  - Board of Governors, 21 February 2018
  - Remuneration Committee, 21 February 2018
  - Project Assurance Committee, 13 March 2018
  - Governors' Risk Workshop, 14 March 2018
  - Audit Committee, 14 March 2018
  - Board of Governors, 21 March 2018

  
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Approved by Chair

  
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Date