

BOARD OF GOVERNORSMinutes of the meeting held on 21 March 2022

Present

Clive Edwards	Independent member	Chair of the Board
Helen Smallbone		Clerk to the Board
Julian Bucknall	Independent member	
John Cater	Ex-Officio	Vice-Chancellor
Graeme Collinge	Independent member	
Christine Donnelly	Independent member	
Clive Elliott	Independent member	
Amanda Fulford	Teaching staff member	Elected/Co-opted
Lisa Greenhalgh	Independent member	Chair: Audit Committee
Jane Moore	Academic Board nominee	
Chloe Moran	Student member	
Jo Nettleton	Independent member	
Louise Robinson	Independent member	
Mike Tate	Independent member	

In attendance

Mark Allanson	Pro Vice-Chancellor (External Relations)
Lynda Brady	Pro Vice-Chancellor (Student Experience) & University Secretary
Steve Igoe	Deputy Vice-Chancellor
Paul Malone	Chief Executive, EHSU

Apologies

Andy Jackson	Support staff member	Elected/Co-opted
Rhiannon Muise	Student member	
Mike Rush	Independent member	

Prior to the meeting, the University's Internal Auditors (RSM) facilitated a whole Board workshop to enable all governors to input to the development of the Board Assurance Framework (BAF). A record of that session is held in the minute book. The recommendations will be considered by the Audit Committee in June.

BG.21.109 Declarations of Interest

Information in the Register of Interests was noted, with Julian Bucknall and Clive Elliott highlighting their association with Barclays for item BG.21.122. No other declarations were made.

BG.21.110 Chair's Announcements

.01 Meeting agenda

The meeting agenda would be re-ordered to allow governors to dedicate most time to the items on the Estates Strategy and associated Capital Bids.

Clerk's note: The minutes of the meeting reflect the order of proceedings on the evening. Reference numbers remain in line with the published agenda.

BG.21.111 Chair's Action

There was no Chair's Action to report.

BG.21.112 Minutes of the previous meeting

Received: Document BG/078/21

The minutes of the meeting held on 21 February 2022 were agreed as an accurate record.

BG.21.113 Action Log

Received: Document BG/079/21

Members noted that all items had either been actioned or were in progress.

The Action Log was received.

BG.21.114 Matters arising not included elsewhere on the agenda

Reported: .01 Retention rates for students claiming Disabled Students' Allowance (DSA)

The Deputy Vice-Chancellor (DVC) advised that in 2019/20 the loss rate for students in receipt of DSA was just under 1% higher than for non-DSA students. In 2020/21 the position shifted, with the attrition rate for DSA students 2% lower than for non-DSA students.

Members were satisfied that the data did not suggest an adverse position for disabled students.

.02 Staff Absence

The DVC advised that the figure which had been queried at the last meeting relating to long term staff absence reflected a mixed position where the University had experienced lower levels of short-term absence, and regrettably a higher volume than usual of staff suffering from illness or caring responsibilities leading to long term absence.

SECTION A ITEMS

BG.21.115 Vice-Chancellor's Report

Received: Document BG/080/21

Reported: The Vice-Chancellor introduced his report, drawing attention to the significance of the three consultation documents released by the Office for Students (OfS) relating to the Teaching Excellence Framework and B3 assessment of student outcomes.

Discussed: In response to questions, the following information was noted:

- *OfS consultations / future regulatory requirements*

The University continues to work on responses to the three OfS consultations and is engaging with sector bodies to influence their submissions. Work to ensure that the University is fully responsive to the evolving regulatory environment is underway and a core strategic priority. Individual departments at risk of not meeting the proposed new B3 metrics, particularly in respect of the Progression measure, were noted by governors.

- *Graduate Progression*

The University is undertaking a significant programme of work to support students to progress after graduation. This includes developing graduate attributes through an enhanced Taught Degrees Framework, championing placements and other activity which may improve employability, and delivering a postgraduate offer which is increasingly attractive. A Student Outcomes Steering Group, chaired by the Pro Vice-Chancellor (Student Experience), has been established to provide leadership and maintain oversight of progress.

- *Recruitment*

Recruitment activity is very positive, with an anticipated 16/17% increase in September's student intake given the current conversion rate. Together with the continuation of a large second-year cohort, it is likely that turnover will increase by more than £5m in the 2022/23 academic year. It is vital that the University is able to accommodate these new students in high-quality teaching spaces and student accommodation.

- *Retention*

The University's student retention rate for 2020/21 was strong, though this year is proving more challenging. Recent Student Loans Company data indicates that the whole sector is experiencing similar challenges in 2021/22, exacerbated by, for example, increased opportunities in the labour market. The University is working hard to ensure that students are well supported to make the right decision for their individual circumstances.

- *Tuition fee income*

The recent confirmation that tuition fees would be frozen at the current level until the beginning of the 2025 academic year will prove challenging for the sector, not least given inflation is set to surpass a 30 year high. The University operates efficiently, with a lean model compared to the rest of the sector (particularly in respect of administrative and management positions) but will still feel some financial impact from the squeeze.

Resolved: To receive the Vice-Chancellor's Report.

BG.21.116 Student Report

Reported: Due to the Student Representative's unavoidable absence, the Chief Executive of the Students' Union (CESU) introduced the Student Report. He provided an overview of recent SU elections, and the ongoing Student-Led Staff Awards campaign.

Discussed: In response to questions, the following information was noted:

- *Students' Union Elections*

There has been good student engagement in this year's elections. In total, 41 students stood for the 14 available roles, with the Student Engagement Officer for the Faculty of Arts & Sciences proving the most popular paid role. Students welcomed the introduction of a new paid position to represent the Manchester campus. The CESU confirmed that a formal report to give assurance of a fair and democratic process would be submitted to the Board in due course.

- *OfS Condition B3*

The SU would be represented on those working groups established to ensure the University's compliance with the B3 ongoing condition of

registration. This input reflects a shared aim by both the University and SU to ensure that all EHU students are supported to achieve successful outcomes which align with their individual aspirations.

- *Student-Led Staff Awards*

The Student-Led Staff Awards continue to prove popular with strong engagement from students who were keen to thank those staff members who had a positive impact on their EHU experience. The Students' Union was pleased to see nominated staff members share their delight on social media and will work with the University's Corporate Communications Team to ensure that individual stories of excellence were captured and showcased. Governors welcomed this insight into the individual efforts of staff members to ensure that students were well supported, particularly during the pandemic.

Resolved: To receive the Student Report.

BG.21.119 Estates Strategy 2022-2026

Received: Document BG/083/21

Reported: The DVC introduced the report noting that it set out a proposed direction of travel for the short/medium term. The Strategy focuses on proposed developments for the central campus, laid out in four phases. Whilst the Strategy aims to provide a comprehensive overview of the proposals and their associated costs and challenges, each phase of the Strategy would be brought forward for individual assessment via a capital bid. Approval of the Strategy (ie overall strategic direction) would not constitute approval for each of its discrete projects.

Discussed: In response to questions, the following information was noted:

- ***Reserved- commercially sensitive or confidential***

- *Student demand*

Evidence and experience suggest that, in the medium term, undergraduate students will still seek face-to-face, 3-year residential degree programmes. Successive governments had sought to challenge this approach, but student demand remained firmly fixed on the traditional model. The University's Strategy will continue to focus on delivering high-quality infrastructure which supports an excellent campus-based experience.

- *Meeting future needs*

The University has previously commissioned DataHE to undertake analysis of the future needs of EHU students. This work, undertaken at a granular level, identified that our campus and its facilities were a strong attraction for young people. The University has used this to inform its recruitment activity and applicants are now routinely encouraged to attend various events on campus. The rising number of 18-year-olds over the next eight years, along with their strong desire for face-to-face teaching, means that it is vital that investment in the estate continues. Any required investment in staffing (eg to support curriculum development) would be incorporated within the annual budget rather than individual business cases.

- *Students' Union facilities*

The University will work with the Students' Union to ensure that students are not disadvantaged while the new Students' Union facilities are developed. Where possible, facilities will be established elsewhere on campus for the 12 month construction period.

- *Long term efficiencies*

The Strategy is underpinned by work to improve the campus's infrastructure, including utilities. Replacing older provision would allow for the development of more efficient buildings using greener energy. Buildings would also benefit from the University's continual investment in IT infrastructure, which also sought to make energy efficiencies, where possible.

- ***Reserved- commercially sensitive or confidential***
- ***Reserved- commercially sensitive or confidential***

Resolved: To approve the Estates Strategy 2022-2026.

BG.21.117a Capital Projects Bids: Residential Refurbishment - Main Building (John Dalton)

Reported: The DVC introduced the Residential Refurbishment - Main Building (John Dalton) bid, referring members to the extensive information contained in the accompanying report and four detailed appendices outlining costs and affordability. He set out the strategic drivers for the

request, and highlighted the success of the equivalent recent projects across the East Wing and Lady Margaret.

Discussed: Before opening the item for questions, the Chair of Governors noted the success of the equivalent projects and experience gained from these works, alongside the unequivocal benefit for students and clear affordability. The Chair confirmed therefore that he strongly supported the bid.

In response to questions, the following information was noted:

- *Market volatility*

The indicative pricing in the business case was developed by an experienced quantity surveyor based on his assessment of the project and understanding of the market. Estimated costs were substantially higher than those from the 2020 bid, due to the current market volatility. Final costings would be received as part of the tender exercise. If the final costings were to be more than 10% of the overall envelope, the DVC would bring the item back to the Board.

- *Alternative options*

The existing accommodation offer in the John Dalton halls was unpopular with students who increasingly seek high-quality self-catered accommodation. This was demonstrated by a range of statistics provided by the DVC which indicated that there is demand for on-site accommodation, but not for the facilities offered in John Dalton at present. While the University was keen to develop new accommodation on the central campus, and had included this within the Estates Strategy, its plan to increase student numbers mean that it is essential to utilise all available accommodation space. Thus, closing John Dalton Hall for student accommodation would be a missed opportunity to provide the high quality on campus accommodation that is evidently desired by students.

- *Facilities for students with disabilities*

Accommodation in the Main Building could not be made sufficiently accessible for disabled students due to the nature of the building's infrastructure. However, new accommodation planned throughout the Estates Strategy will be designed to ensure inclusive and adaptable spaces.

Resolved: To approve the refurbishment of the Main Building (John Dalton wing) as requested in Document BG/084/21a, with an overall envelope of £3.224 million (including fees and VAT).

BG.21.117b Capital Projects Bids: New Build – Life Sciences Building

Received: Document BG/069/21b

Reported: The DVC introduced the Life Sciences Building bid, referring members to the extensive information contained in the accompanying report and four appendices. This documentation included a detailed financial analysis, elemental cost plans, design brief and a sustainability statement. He set out the strategic drivers for the request, highlighting the growing need to develop a multi-purpose space which could facilitate growth in Life Sciences subjects across each of the three faculties. The University had therefore reprioritised developments since the last Estate Development Plan was presented to the Board in October 2021. Concluding his opening summary, the DVC reminded governors that the University's cash balances would allow the development without additional borrowing.

Discussed: Reserved- commercially sensitive or confidential

Resolved:

- i. To approve 'in-principle' the New build: Life Sciences Building bid
- ii. To permit the full planning application to proceed and the formal tender process to be initiated
- iii. To approve the relevant demolition works to commence immediately
- iv. To require a satisfactory response to the outstanding issues listed before the Board commits to the total spend
- v. For the Clerk and DVC to coordinate a process whereby governors have full opportunity to consider the additional information requested, prior to final approval.

Clerk's note: point v was actioned via correspondence following the meeting. On 10 May 2022 the Chair of Governors confirmed that the bid was approved in full. This correspondence and details of the budget provision and contingency are held in confidential file ref: BG.21.117b Addendum.

BG.21.118 The Estate: Annual Report

Received: Document BG/082/21

Reported: The DVC introduced the report explaining that it sought to provide the Board with assurance about the University's management of the University estate, which is primarily discharged by the Facilities Management (FM) department. He drew particular attention to the

University's reduced carbon emissions, reflecting its expanded use of clean energy in the 2020/21 academic year.

Discussed: In response to questions, the following information was noted:

- ***Reserved- commercially sensitive or confidential***

- *FM Values and Behaviours*

Governors welcomed the FM Values and Behaviours which build upon the University's articulated values to show how they can be applied within the department. The DVC agreed to ask the **Director of HR to explore how this approach could be further adopted across the institution.**

Action: DVC

- *Catering offer*

The University's catering provision was currently undergoing a comprehensive review to ensure that it remained appropriate and efficient. This review sought the views of a broad range of stakeholders and included an institution-wide survey. Ensuring the catering offer is fully inclusive and sensitive to dietary and religious needs is a key consideration of this review.

Resolved: To receive The Estate: Annual Report

BG.21.120 Lead Governor Scheme

Received: Document BG/081/21

Reported: The Clerk introduced the report noting that she sought feedback from all governors on the Lead Governor scheme prior to its final consideration by the Governance & Nominations Committee on 30 March.

Discussed: In response to questions, the following information was noted:

- *Governor succession planning*

The Lead Governor Scheme will help to strengthen the existing approach to succession planning for independent governors. While the Board has operated a skills matrix for some time to ensure an appropriate skills balance, the Scheme will allow us to articulate the Board's diversity and need for certain expertise more explicitly. The

Lead functions can also evolve over time as the Board's skills requirements change, allowing for neutral assessment of the Board's contemporary requirements.

- *Support for Lead Governors*

To ensure that Lead Governors are able to maintain relevant expertise, they will be supported to engage with sector-specific training and conferences which are relevant to their governance role.

Resolved: To receive and endorse the Lead Governor Scheme.

SECTION B ITEMS

BG.21.121 Finance: Management Information

Received: Document BG/085/21

Reported: The DVC presented the management accounts, observing that they demonstrate a strong financial performance with potential for further improvement by year end. He drew governors' attention to the strong cash position and confirmed his confidence that the University will deliver on the current budget forecast.

Discussed: In response to a question, it was noted that:

- *Shortfall in Other Income*

The shortfall reported in the Other Income row reflects the mothballing of dated student accommodation in the Back Halls, and a reduction in catering income - presumed to be a temporary result of the pandemic.

The Chair thanked the DVC and his team for the excellent financial performance.

Resolved: To note the Finance: Management Information report.

BG.21.122 Treasury Management Policy

Received: Document BG/086/21

The Chair reminded members of the declarations made in respect of this item. The Board noted that neither member associated with Barclays would make specific comments or suggestions, though one of these members would ask a question about investment grade risks.

Reported: The DVC presented the Treasury Management Policy noting the importance of diversifying cash holding facilities to reduce risk.

Discussed: In discussion and in response to questions, it was noted that:

- The Board strongly supported the request to increase the amount that can be invested in any one banking institution (from £8m to £12m) in recognition of the increased level of cash balances held, and the challenging external environment in terms of managing risk and optimising returns. Members noted that in practice this relates to cash deposits.
- The University was keen to spread the risk of its increased cash portfolio to mitigate against losses in the unlikely event of a bank collapse.
- While the Policy made allowance for investments in providers rated BBB+, the University operated cautiously and would generally seek only to place funds in higher-level institutions.

Resolved: To approve the Treasury Management Policy.

BG.21.123 Any other business

.01 Template for capital development bids

Reflecting on the extensive discussion concerning capital development bids, the Chair noted that it would be useful if (when the next capital development bid is presented) a template could be developed to enable the Board to give clarity on its precise requirements.

Action: DVC

SECTION C ITEMS

BG.21.124 Date and time of next meeting

The next meeting is a Strategy and Development session scheduled for the whole day on 16 May 2022.