

UNIVERSITY OF BEDFORDSHIRE

BOARD OF GOVERNORS

Minutes of the thirteenth meeting held on 26 November 2009

Present	Mr Andrew Bentley	Chair of Governors
	Dr Mark Atlay	Staff Governor
	Mr Stephen Ball	Independent Governor
	Mr Adam Calvert	Student Governor
	Dr Geoffrey Copland CBE	Co-opted Governor
	Mrs Jane Creasy	Vice Chair of Governors
	Professor Les Ebdon CBE	Vice Chancellor
	Ms Lindsey Fidler-Baker	Co-opted Governor
	Dr Roger Holdom	Independent Governor
	Dr Yasmin Jetha	Vice Chair of Governors
	Dr Martin Lockett	Co-opted Governor
	Mr Tim Paine	Staff Governor
	Mr David Pearson	Independent Governor
	Ms Carol Richmond	Independent Governor
Ms Julie Sadlier	Student Governor	
Ms Diana Saulsbury	Staff Governor	
Apologies	Mr David Baggott	Independent Governor
	Dr Ann Cook	Independent Governor
	Mr Jeff Halliwell	Independent Governor
	Ms Jill Millns	Co-opted Governor
	Mr Andrew Morgan	Co-opted Governor
	Mrs Gita Patel	Independent Governor
	Dame Denise Platt	Independent Governor
	Councillor Raja Saleem	Co-opted Governor
Mr Paul Wells	Independent Governor	
Attending	Ms Kate Boulter	Assistant University Secretary
	Dr Jim Franklin	Registrar
	Mr Donald Harley	Deputy Vice Chancellor (Resources)
	Professor Ashraf Jawaid	Deputy Vice Chancellor (External Relations)
	Professor Mary Malcolm	Deputy Vice Chancellor (Academic)
	Mr Adrian Parry	University Secretary and Clerk to the Governors
Professor Andrew Slade	Pro Vice Chancellor (Research and Enterprise)	

UB199 Conflicts of interest

199.1 None of those present declared a conflict of interest in relation to the matters on the agenda.

UB200 Constitutional and membership matters

200.1 The Board received a report that provided an update of membership and constitutional matters.

200.2 In discussion, it was noted that Tabitha Aldrich-Smith had previously worked as Communications Director at the UNITE Group plc, a leading developer and manager of student accommodation. This would bring valuable experience to the work of the Student Experience Committee.

200.3 RESOLVED: The Board agreed:

- (a) To note the re-appointment of Dame Denise Platt as an independent governor; the appointment of Jill Millns as a co-opted governor; and the appointment of Tabitha Aldrich-Smith as a co-opted member of the Student Experience Committee.
- (b) The appointment of Carol Richmond as Chair of the Audit and Compliance Committee.
- (c) The appointment of Adrian Parry as the Southern Universities Management Services member representative for the University.

UB201 Minutes of the twelfth meeting of the Board, held on 16 July 2009

201.1 The minutes of the previous meeting were agreed as an accurate record and approved for signature.

UB202 Matters arising

202.1 (182.4) The University would continue its membership of the 'Universities that Count' initiative. This would enable it to benchmark its environmental performance against other universities. The University would also be a signatory to the Universities UK manifesto for sustainability. This would be launched in December 2009, to coincide with the Copenhagen summit on climate change.

202.2 (192.2) The University had submitted a bid for 100 additional student numbers (ASNs) to the Higher Education Funding Council for England (HEFCE). It was understood that HEFCE had received bids that significantly exceeded the number of ASNs available for distribution.

UB203 Vice Chancellor's report

203.1 The Board received a report from the Vice Chancellor that provided a summary of current issues that were of importance to the University and the higher education sector. The Vice Chancellor placed emphasis upon the University's exceptional recruitment performance for Home/EU and international students; the need to comply with the government's cap on student numbers; and the announcement of reviews for variable tuition fees and postgraduate provision. He also reported that he had been invited to serve on a stakeholder group to inform the review of variable tuition fees.

203.2 The following points were made in discussion:

- (i) The review of variable tuition fees would, amongst other things, consider the case for raising tuition fee levels and whether interest rates for student loans should continue at the same level of subsidy. The review was not empowered to explore a graduate tax.
- (ii) The University currently resided at -2% within the HEFCE tolerance band for funding. It was currently c.100 students above the cap on student numbers but expected this figure to reduce significantly by the HEFCE HESSES census date for student number returns.

203.3 RESOLVED: The Board noted the report.

UB204 Financial statements

204.1 The Board received a report that summarised the University's audited financial statement for the year ending 31 July 2009. This demonstrated that the University had achieved a historical surplus of £5.6 million for reinvestment.

204.2 The following points were made in discussion:

(i) The forecasts demonstrated an impressive financial performance over the last six years.

(ii) A provision for accelerated depreciation had been made for the next three years. It was prudent to absorb the cost of depreciation over an extended time period. This provision was flexible and could be matched against the timescales for delivering the estates strategy.

(iii) The University had repaid an onerous 11.3% fixed rate loan that had been secured over 10 years ago. This removed the only loan secured on the University site.

(iv) The deficit of the Local Government Pension Scheme had increased from £8 million to £17 million. Whilst disappointing, this was not an unusual position.

204.3 RESOLVED: The Board:

(a) approved the financial statements for the year ended 31 July 2009.

(b) agreed that a summary should be prepared for the Board residential meeting in February 2010 that detailed the University's financial performance over the last six years, demonstrating its upward trajectory.

UB205 Letter of representation

205.1 The Board received the letter of representation to the external auditors which confirmed provisions made in the financial statements.

205.2 RESOLVED: The Board approved the letter of representation and agreed that it should be signed by the Chairman and the Vice Chancellor.

UB206 Audit management letter

206.1 The Board received the management letter to the Audit and Compliance Committee from the external auditors following the completion of the University's accounts.

206.2 The following points were made in discussion:

(i) The University had improved its student debt management. It now required international students to pay 65% of their tuition fees at registration. The number of international students who paid their tuition fees in full had increased from 30% last year to 50% this year.

(ii) The University's strategies for international recruitment were designed to reduce the risks associated with increased competition. These strategies placed an emphasis upon working with long-term strategic partners and within a diverse range of recruitment markets.

(iii) Student debt management and the potential for increased competition for international students had received greater prominence in the University's risk register for 2009-10.

206.3 RESOLVED: The Board agreed that the management letter should be submitted to HEFCE, in accordance with the financial memorandum.

UB207 Annual report of the Audit Committee 2008-09

207.1 The Board received a report prepared by the Audit and Compliance Committee for the governing body and the Vice Chancellor for the period 1 August 2008 to 31 July 2009.

207.2 In discussion, it was noted that the Quality Assurance Agency (QAA) audit might wish to examine closely the University's partnership arrangements with local colleges.

207.3 RESOLVED: The Board approved the report and agreed that it should be submitted to HEFCE, along with the annual report of the internal audit service, in accordance with the financial memorandum.

UB208 HEFCE Accountability Returns – the Single Conversation

208.1 The Board received a report that detailed the planning and financial returns that must be submitted to HEFCE as part of the annual accountability return.

208.2 The following points were made in discussion:

Corporate planning statement and annual monitoring statement

(i) An additional key performance indicator should be added to enable the University's contribution to sustainable development to be monitored.

(ii) The annual 5% increase in foundation degree students was achievable as this reflected a small percentage of a modest number. It was likely that the growth of foundation degrees would remain a government priority and that the University Centre Milton Keynes would provide a vehicle to bid for ASNs to deliver foundation degrees.

Financial commentary, financial results and forecast tables

(iii) The financial forecasts included only the reductions in grant that had been formally communicated to the University by HEFCE.

(iv) HEFCE would consolidate the financial returns received from all higher education institutions and would conduct its own financial modelling exercises to enable it to form a view on the sector's performance.

(v) The costs of self-funding the student residences had been included within the balance sheet. The effect of self-funding might be to delay some academic developments within the estates strategy by up to 18 months.

(vi) HEFCE had consulted upon the phased withdrawal of targeted funding allocations from 2010-11 for old and historic buildings, for accelerated and intensive provision of postgraduate taught subjects in price band D and for foundation degrees. The University had modelled the effects of the proposed funding cuts upon its income streams and had found them to be broadly neutral.

Scenario planning

(vii) The scenarios demonstrated that the University was in a robust financial position. Its strong financial performance meant that it could withstand fluctuations in income and costs.

(viii) The scenarios could be further developed to demonstrate the impact of providing additional resources to support increases in international student numbers.

208.3 RESOLVED: The Board agreed to:

- (a) approve the following documentation for submission to HEFCE:
- The corporate planning statement and annual monitoring statement, subject to the inclusion of an additional key performance indicator for sustainable development.
 - The financial commentary on past performance and future prospects.
 - The financial results and forecasts tables.
- (b) note the scenarios provided to demonstrate the impact of changes in levels of funding.

UB209 National pay agreement

209.1 The Board received a report that outlined the progress of the National Pay Agreement and 2009 pay negotiations. It was noted that the offer of a 0.5% pay increase had now been accepted by the unions, conditional upon an acknowledgement of the unions' position on job security.

209.2 RESOLVED: The Board noted the report.

UB210 Estates update

210.1 The Board received a report that provided an update on the progress of estates strategy projects.

210.2 The following points were made in discussion:

Phase 1a

(i) The University was currently in discussion with a number of external providers who might be able to replace Liberty Living. It continued to explore the self-funding option so that a contingency existed to take the project forward if these discussions were unsuccessful.

(ii) Construction work would need to commence by 1 April 2010 if the project was to be completed within the intended timescale. A decision on whether to work with an external partner or to self-fund the residences would therefore be required by the end of January 2010.

(iii) Although the financial projections provided within the report assumed that the cost of self-funding the residences would remain on the balance sheet for three years, the University would seek to divest the residences to an external partner at an earlier opportunity if this proved possible.

(iv) The self-funding of the residences might have implications for the phasing of the delivery of the estates strategy.

Phase 1b

(v) The construction of the campus centre was proceeding to timescale and forecast expenditure was significantly below budget.

Phase 2 Luton and Phase 1 Bedford

(vi) The timescales for Phase 2 of the Luton masterplan could not be firmly established until a decision had been taken about the funding arrangements for Phase 1a.

210.3 RESOLVED: The Board agreed:

- (a) that the University's priority should be to continue to seek a replacement partner for Liberty Living but that if this was not possible then a contingency plan to self-fund the student residences at a cost of up to £25 million should be enacted.
- (b) to delegate authority to the Estates Strategy Sub-group to decide at its meeting in January 2010 whether the University should work with an external partner or self-fund the residences.
- (c) to approve Phase 2 of the Luton masterplan in principle.
- (d) that Phase 2a of the Luton masterplan should be progressed to the design stage and considered at the Board meeting in February 2010.
- (e) that an estates masterplan for Bedford should be developed and considered at the Board meeting in May 2010.

UB211 Risk management policy

211.1 The Board received the University's risk management policy, which included the criteria that would be used to assess the severity and likelihood of identified risks.

211.2 RESOLVED: The Board agreed the University's risk management policy.

UB212 Corporate risk register 2009-10

212.1 The Board received the University's corporate risk register for 2009-10.

212.2 In discussion, it was noted that sustainable development and the management of student debt had been included as risks within the register.

212.3 RESOLVED: The Board agreed the corporate risk register for 2009-10.

UB213 Academic Board

213.1 The Board received a report of the business conducted at the Academic Board meeting held on 21 October 2009.

213.2 The following points were made in discussion:

(i) The request made by governors to receive information about the profitability of courses was intended to inform discussions about their sustainability, as one of a number of issues that needed to be taken into account. It was recognised that profitability should not be the sole criterion for determining whether a course was sustained, restructured or retired.

(ii) Funding for higher education had traditionally been led by student demand. The higher education framework highlighted the need to provide and recruit to courses that met national priorities but this posed challenges as such courses were not necessarily attractive to potential students.

(iii) A breakdown of Home/EU and international student numbers by mode of delivery would be helpful to explore the academic footprint of the University. However, analysing past performance was of limited use and the ability to forecast accurately was of greater value.

213.3 RESOLVED: The Board:

(a) noted the report.

(b) agreed that a summary should be prepared for the Board residential meeting in February 2010 that detailed how the academic portfolio, student numbers and student income had changed over time, demonstrating the University's upward trajectory.

UB214 Audit and compliance committee

214.1 The Board received a report of the business conducted at the meetings of the Audit and Compliance Committee held on 7 October 2009 and 11 November 2009.

214.2 The Chair thanked Dr Jasmin Jetha on behalf of the Board for her work whilst chair of the Audit and Compliance Committee.

214.3 The following points were made in discussion:

(i) All internal audits undertaken during the year had received full or substantial levels of assurance. This gave confidence that the University had robust and well managed internal systems of control.

(ii) The internal auditors would provide an assurance map to more explicitly link the risk register to audit activities.

214.4 RESOLVED: The Board noted the report.

UB215 Resources and employment committee

215.1 The Board received a report of the business conducted at the meetings of the Resources and Employment Committee meetings held on 29 September 2009 and 10 November 2009.

215.2 The following points were made in discussion:

(i) The size of the agenda considered by the Committee should be kept under review. It was important that the Committee's workload did not prevent it from devoting sufficient time to scrutinise matters of key importance.

(ii) Individual members had taken responsibility for particular remits within the Committee. This was helping to ensure that items received an appropriate degree of scrutiny.

(iii) The Committee was taking an ongoing interest in the sustainability of student recruitment.

215.3 RESOLVED: The Board noted the report.

UB216 Student experience committee

216.1 The Board received a report of the business conducted at the meeting of the Student Experience Committee held on 23 October 2009.

216.2 The following points were made in discussion:

(i) The committee planned to rotate the venue for its meetings between different University sites. This would help it to gain a better understanding of the student experience across the University.

(ii) Each of the committee's meetings would have a distinct theme that would be led by a different senior manager. This would help to ensure that the task of supporting the committee was shared by senior managers.

(iii) The committee's membership should be examined to identify whether greater representation from independent governors might be desirable.

216.3 RESOLVED: The Board noted the report.

UB217 Nominations and honours committee

217.1 The Board received a report of the business conducted at the meeting of the nominations and honours committee held on 15 October 2009.

217.2 The following points were made in discussion:

(i) Governors were encouraged to submit returns to the annual board effectiveness survey and the annual survey of governors' skills by the due date. Lack of responses hindered the use that could be made of such surveys.

(ii) The annual survey of board effectiveness had been broadly positive but the induction of new members continued to be identified as an area for improvement.

(iii) Nominations for honorary awards would be considered by the committee at its meeting on 14 January 2010. Governors were encouraged to submit nominations.

217.3 RESOLVED: The Board noted the report.

UB218 Estates Strategy Sub-group

218.1 The Board received a report of the business conducted at the meeting of the estates strategy sub-group held on 12 October 2009.

218.2 RESOLVED: The Board noted the report.

UB219 Balanced Scorecard

219.1 The Board received the balanced scorecard for the 2008-09 academic year which had now been completed and the new balanced scorecard that would be deployed for the 2009-08 academic year.

219.2 The following points were made in discussion:

(i) The scorecard understated the significant increases in research income that had been secured by the University. This impacted upon the performance reported against income from non-formulaic funding sources.

(ii) The University's ambition to outsource student accommodation would also result in a decline against from on-formulaic sources.

219.3 RESOLVED: The Board noted the report.

UB220 Matters for note

220.1 There were no matters for note.

UB221 Any other business

The HEFCE annual general meeting for chairs of governing bodies

221.1 The Vice Chair provided a report of matters discussed at the HEFCE annual general meeting held on 20 November 2009. Emphasis had been placed upon the complex challenges facing higher education. It had also acknowledged that the sector's achievements had and continued to be of great value to the economy.

221.2 The Chair invited individual governors to contact him if they wished to take forward ambassadorial or liaison roles on behalf of the governing body for particular strategic issues or with particular stakeholder organisations.

Board of governors' annual residential meeting – 19 and 20 February 2010

221.3 It was suggested that lessons for good practice in governance arising from events at London Metropolitan University should be considered at the annual residential meeting.

221.4 RESOLVED: The Clerk would write to all governors to seek their views on the topics to be addressed at the board of governors annual residential meeting.

UB222 Next meeting

222.1 The next meeting of the Board would be held on 19-20 February 2010 at The Node, Codicote.

Adrian Parry
University Secretary and Clerk to the Governors
10 December 2009