

Enclosure to Agendum 1.1

7 March 2011

**University of Northumbria at Newcastle
BOARD OF GOVERNORS**

Minutes of the meeting of the Board of Governors held at 1.30 p.m. on Monday,
22 November 2010 in Board Room 1, Sutherland Building.

Present: Sir Les Elton (Chair), L Armstrong (Deputy Chair), L Bessant, D Buffham, G Gill, J Josephs, Professor P Mars, Dr M Norrie, A Serfontein, M Short, L Spencer, J Taylor, E Thompson, R Thompson, R Warburton, Professor A Wathey, A White

Apologies: Professor K McCourt, W Teasdale

Secretary: P Booth

In attendance: Professor P Croney, T Gabriele, Y Gascoigne, Professor P Golding, Professor I Postlethwaite, L Winskell

E McCrossan, Financial Planning Director, (for minute 10.10)
T Thurlow, Director of Campus Services, (for minutes 10.18,
10.19)

C Watts, Director of Student Services, (for minute 10.20)

Item	Action
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Preliminary Business	
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10.19	<u>Presentation : Transparent Approach to Costing (TRAC)</u>
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Members received a presentation from the Financial Planning Director, on the Transparent Approach to Costing (TRAC) Return, which is submitted by the University to HEFCE on an annual basis. The TRAC return is an agreed method for universities to return their costs of delivering activity to HEFCE. The next TRAC return is due to be submitted to HEFCE by 31 January 2011. The return would be considered, prior to submission, by the Audit Committee on 24 January 2011 and subsequently presented to the Board, which has ultimate responsibility for the return.

10.20	<u>Minutes:</u>
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Meeting of the Board of Governors on 4 October 2010

Resolved :

That the minutes of the meeting held on 4 October 2010 be approved as a correct record subject to the amendment of "Universities" to "private equity houses" at 10.12.

10.21 Report of the special Board meeting 1 November 2010

The Acting University Secretary presented a report on the special meeting of the Board on 1 November 2010, at which the members received a presentation from the Vice-Chancellor on the implications for the University of the Browne Review and the CSR, and subsequently considered the challenges, risks and opportunities arising with reference to the key objectives in the *Corporate Strategy*.

The following were noted in particular;

- There would be no present need to revise the University's *Corporate Strategy*
- The outcomes of the meeting would be taken forward for consideration in the development of the new Corporate Risk Register
- The new Corporate Risk Register would be presented to the next Board meeting on 7 March 2011
- A number of the strategic issues identified at the meeting would be considered further by the University Executive, and an additional workshop for governors should be organised, so that members could further discuss issues raised at the 1 November meeting.

PAB

Resolved:

- i) That the report of the special meeting held on 1 November 2010 be noted.

10.22 Vice-Chancellor's Report

The Vice-Chancellor presented his report to the Board, outlining some of the significant activities and events that had taken place since the previous Board meeting on 4 October 2010.

In particular the following were noted;

- There was currently uncertainty throughout the HE sector following the publication of the Browne Report and the Government's formal response, and the outcomes of the Comprehensive Spending Review. The Parliamentary vote on student funding is expected in December 2010.
- The University expected to receive its annual grant letter from HEFCE in December 2010, which will give an indication of financial arrangements for the transition period before the new student tuition fees come into operation in September 2012.

- Corporate Strategy presentations were taking place in every School and Service, with emphasis on the achievement of the University's key objectives in the context of the changing financial environment.
- The Vice-Chancellor expressed his thanks to Professor Paul Croney and Professor Jane Core for their management of the recent UK Border Agency visit. Initial feedback had been positive and it was anticipated that the University would have its 'highly trusted sponsor' status confirmed.
- The Board members would be informed of future inaugural professorial lectures. **PAB**

i) **Programme Charges Project.**

The members received a report from the Vice-Chancellor regarding a proposed project to determine the programme charges to be implemented by the University from September 2012.

Resolved:

- i) That the Vice-Chancellor's report be noted.
- ii) That the process and timescale set out for the Programme Charges Project be noted.
- iii) That project costs will be carefully monitored and controlled, within the original estimate, whilst prioritising the successful delivery of the project.

VCEG

Strategic Items

10.23 Fundamental Reviews : Progress Reports

Members received an oral report from the Deputy Vice-Chancellor (Strategic Planning) on progress being made in the two fundamental reviews currently being undertaken.

i) Academic Provision

The recommendations of the Review Group's report, agreed by the Board at its meeting on 4 October 2010, were being implemented. The following main developments were highlighted:

- The two new Schools, Life Sciences and The Built and Natural Environment, were fully operational.
- 3 major cross-disciplinary research projects had been commenced.

- The review of the Learning and Teaching Academy was ongoing. The LTA staff were being kept informed of developments. A detailed report would be submitted to the Employment and Finance Committee at its next meeting on 14 February 2011.
- A-level entry qualifications this year were the highest ever, expected to average around 320 points.

ii) Costs

- Four business process efficiency reviews were ongoing, each group comprising mainly School Deans and Service Directors. The outcome reports would be presented to the Board at its forthcoming meeting on 7 March 2011.

Resolved:

That progress being made in the University's Fundamental Reviews of Academic Provision and of Costs be noted.

10.24 Progress Reports

i) Data Management

Members received a report from the Deputy Vice-Chancellor (Strategic Planning) on progress being made in the University's Data Management. The following was mentioned, in particular:

- A head of the Data Assurance Unit had been appointed, and would be managing a specialist team to support this critical function.
- The internal auditors, UNIAC, were undertaking assurance reviews on the key University data returns, the results of which would be reported to the Audit Committee. Several reviews had already been undertaken and the remainder would be incorporated in to the Committee's work plan for the rest of the academic year.

PAB

i) Risk Management

Members received a report from the Acting University Secretary on progress being made in the University's risk management arrangements. A Performance and Risk workshop was held on 11 October 2010. The Deputy Chair extended an invitation to all members to attend the next workshop on 29 November 2010.

Resolved:

- i) That progress being made in the University's Data

- Management be noted.
- ii) That progress being made in the University's Risk Management be noted.

Monitoring of Performance

10.25 Annual Accountability Returns

- **2009/10 Financial Statements and Accounts of Subsidiary Companies**

The Vice-Chancellor introduced, and the Financial Accounting Director commended to members for approval, the Financial Statements of the University for 2009/10. The statements consolidated the operating results of the University with those of its subsidiary companies; UNN Developments Limited and Northumbria International Limited

The Chair of the Employment and Finance Committee confirmed the endorsement of the Financial Statements by the Committee on 19 October 2010, and the Chair of the Audit Committee confirmed that the Financial Statements had been approved by that Committee at its meeting on 8 November 2010, and commended to the Board for adoption.

It was noted that the University had achieved a strong financial performance resulting in an operating surplus ahead of budget. The University's external auditors, KPMG confirmed that they were satisfied with the University's accounting treatment.

Resolved:

That the financial statements of the University and its subsidiary companies for 2009/10 be approved, for onward submission to HEFCE.

- **Financial Results and Forecasts: Financial Commentary on Past Performance and Future Prospects.**

The Vice-Chancellor introduced, and the Financial Accounting Director commended to members for approval, the Financial Results and Forecasts to 2014 and Financial Commentary on Past Performance and Future Prospects, as required by HEFCE.

The Financial Forecasts took account of the funding reductions in future years, and certain assumptions had to be made due to the current uncertainties as to the future of student funding.

The Financial Commentary detailed the University's past financial

performance and future prospects.

The figures and commentary were considered and discussed by the Board. It was noted that the current forecasts were prudent. Updated forecasts would be provided to each meeting of the Employment and Finance Committee. HEFCE was allowing Universities up to 15 April 2011 to submit their final forecasts. It was agreed the University would submit the current forecast to HEFCE by 1 December 2010 and re-submit an updated forecast by 15 April 2011. **VCEG**

Resolved:

That the financial results and forecasts to 2014 and commentary on past financial performance and future prospects, be approved, for onward submission to HEFCE.

- **Audit Committee Annual Report 2009/10**

Mr Josephs (Audit Committee Chair in 2009/10) requested the members to approve the 2009/10 Audit Committee Annual Report, prior to submission to HEFCE.

Resolved :

That the Annual Report 2009/10 of the Audit Committee be endorsed, for onward submission to HEFCE.

- **Internal Audit Annual Opinion 2009/10**

The Audit Committee Chair, Mrs Thompson, commended the Internal Audit Annual Report for 2009/10 to the Board. In particular the Internal Auditors had recommended the University continue to enhance its data assurance and risk management operations.

Resolved:

That the Internal Audit Annual Report for 2009/10 be noted.

- **External Auditors' Management Letter 2009/10**

The Committee Chair commended the External Auditor Management Letter 2009/10 to the Board. It was noted that the Committee had found the document, and in particular the 'Matters for future Consideration' section, most helpful. The Committee was satisfied with the performance of the Auditors and reassured by their breadth of experience in the HE Sector.

Resolved:

That the External Auditors' Annual Management Letter for 2009/10 be noted.

- **External Auditors' Representation Letters 2009/10**

The letters had been recommended for Board approval by the Audit Committee on 8 November 2010.

Resolved:

That the External Auditors' Representation Letters 2009/10 be approved.

- **Annual Assurance Return 2009/10**

The Committee Chair confirmed that the Audit Committee was satisfied with the assurances given in the Return.

Resolved:

That the Vice-Chancellor's assurances, as indicated in the signed Annual Assurance Return 2009/10 to HEFCE, be noted.

10.26 Financial Performance : Update

The Financial Accounting Director presented the results of the financial performance of the University for the first three months of the financial year 2010/11, to the end of October 2010. The report contained detailed information on Income and Expenditure, Cash Flow and the Balance Sheet, and provided a comparison with the same period in the preceding financial year.

In particular, the following were noted;

- There was uncertainty over the level of HEFCE funding to the University from April to July 2011, which would be clarified upon receipt of the annual HEFCE funding letter.
- Overall expenditure was being very closely scrutinised.

Resolved:

That the financial performance of the University for the three months to 31 October 2010 be noted.

[Mrs Bessant, Mr Short, and Mrs Thompson left the meeting after agenda item 3.2.]

10.27 Estate Development : Update

Members received a report from the Director of Campus Services on progress in the delivery of Estate Development initiatives as at Friday 29 October 2010. Particular mention was made of the completed Students' Union building reconfiguration and refurbishment. The feedback from students had been extremely positive.

The completion of the Northumberland Road Pedestrianisation Project signalled the completion of the University's City Campus Master Plan, representing an overall investment of £200m. The Board formally expressed its congratulations and thanks to the Director of Campus Services and staff involved in this project for the excellent work carried out in implementing the Master Plan, and the exemplary manner in which they had dealt with any problems which had arisen over the course of the last five years.

With regard to other projects, the Director of Campus Services was asked to investigate and report back on the following;

- More effective methods of heating/conserving heat in older buildings on City Campus e.g. Pandon, Squires, Ellison.
- Options for the future use of the former Sports Centre

II

It was noted that the final account had been agreed with the contractor, Sir Robert McAlpine, in respect of the construction of Sport Central and that the official opening of the facility would be arranged for a date in Spring 2011.

Resolved:

That progress in the delivery of estate development initiatives be noted.

10.28 Health and Safety : Update

The Director of Campus Services presented a report on progress being made across the University in Health and Safety.

There was no new legislation to report since the last meeting on 4 October 2010. In particular, however, members' attention was drawn to a new Government report "Common Sense – Common Safety", which aimed to help organisations to counteract the litigation and compensation culture that had sprung up in recent years. The University is well prepared to progress the recommendations of the report as sensible health and safety has been widely promoted as part of the organisational culture and in the management of health and safety.

Resolved:

That progress being made across the University in Health and Safety be noted.

10.29 Student Recruitment : Update

Members received a report from the Director of Student Services on the current status of student recruitment for academic year 2010/11.

Resolved:

That the status of student recruitment as at 2 November 2010 be noted.

10.30 Barclays Bank – Variation to Facility Agreement

There was produced to the meeting a letter of variation (the Letter of Variation) from Barclays Bank PLC (the Bank) to the University setting out the amendments to a facility agreement dated 21 January 2010 pursuant to which the Bank has offered the Borrower (as defined in the Letter of Variation), the Facility (as defined in the Letter of Variation).

Resolved:

1. That the amendments set out in the Letter of Variation are in the interests of and for the benefit of the members as a whole and that such terms and conditions of the Letter of Variation be and are approved and accepted.
2. That the Chair of the Board and the Vice-Chancellor are authorised to sign the Letter of Variation on behalf of the University to indicate acceptance of the terms and conditions.
3. That the Bank is authorised to act in all matters concerning the Facility as amended by the Letter of Variation upon instruction from the University, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the University held with the Bank current from time to time.

Governance

10.31 Employment & Finance Committee: Minutes of the meeting held on 19 October 2010

Members received the minutes of the meeting of the Employment and Finance Committee held on 19 October 2010. The Chair

commented that considerable discussion had taken place with regard to the University's occupational pension schemes following a presentation from the University's external advisers.

Resolved:

That the work of the 19 October 2010 meeting of the Employment and Finance Committee be noted.

10.32 Audit Committee: Minutes of the meeting held on 8 November 2010

Members received the minutes of the 8 November 2010 meeting of the Audit Committee.

Resolved :

That the work of the 8 November 2010 meeting of the Audit Committee be noted.

10.33 Nominations Committee

i) Meeting of 19 October 2010

Members received the minutes of the meeting of the Nominations Committee held on 19 October 2010.

The Deputy Chair of the Board gave an oral update report on the governor recruitment exercise. In discussion, the following were noted, in particular:

- All governors, staff, students, and alumni had been invited to put forward nominations for new Governors.
- Further interviews would be arranged in December 2010/January 2011 to fill the remaining vacancies.
- A full report and analysis would be produced when the recruitment exercise was completed.

JE

The Chair confirmed that Board Committee memberships would be reviewed shortly by the Nominations Committee and invited members to express any preferences. The issue of staff and student governor membership of Committees would also be considered.

ii) Proposal for new appointments to the Board of Governors

- Members considered and agreed the recommendation of the Nominations Committee for the appointment of two new independent Governors:

- Mr David Alan Clipsham
- Mr Christopher Mark Sayers

Resolved :

- That the work of the 19 October 2010 meeting of the Nominations Committee be noted.
- That the oral update on the governor recruitment process be noted.
- That Mr David Alan Clipsham and Mr Christopher Mark Sayers be appointed to the Board of Governors.

10.34 Items for information

Governors' Developments : Update Report

Members received an update report from the Acting University Secretary on events and training organised for Governors during academic year 2010/11.

Governors were presently receiving invitations to University events from a variety of sources, and it was agreed, in the interests of consistency, that the Acting University Secretary would liaise with the Director of Corporate Communications and Development in the planning and co-ordination of Governor invitations to University and community events.

PAB/
JR

Resolved:

That the report on Governors' developments be noted.

10.35 Draft Agenda : Meeting of the Board of Governors 7 March 2011.

10.36 Any other relevant business

There was no further business. The meeting closed at 4.30 p.m.

Date and time of next meeting : Monday 7 March 2011 at 1.30 p.m.

Signature of Chair.....

Date.....