

## **UNCONFIRMED NON-CONFIDENTIAL MINUTES**

**Agenda Item 1  
BG12/01**

**8 October 2012**

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

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Minutes of the meeting of the Board of Governors held at 4.00 p.m. on Monday 23 July 2012 in Room D111, School of Built and Natural Environment, City Campus West.

Present: Lucy Armstrong (Chair), Professor Andrew Wathey (Vice-Chancellor and Chief Executive), Alison Allden, Lesley Bessant, Ian Brown, Lorraine Brown, David Clipsham, Alasdair Corfield, Dr Graham Hillier, John Josephs, Peter Judge, Professor Kath McCourt, Dr Maureen Norrie, Jo Rhodes, Holly Seabrook, Michael Short, Linda Spencer, John Taylor, Claire Templeton, Ruth Thompson.

Apologies: Adam Serfontein

Secretary: Philip Booth

In attendance: Adam Dawkins, Professor Paul Croney, Jane Embley, Dan Monnery [Minutes 11.118-123], Melissa Pattinson [For Minutes 11.124-126], Professor Ian Postlethwaite, Chris Reilly, Lesley Salkeld [see Minute 11.133], Lucy Winskell.

### **Preliminary Business**

Minutes: meeting of the Board of Governors on 21 May 2012 [BG11/81]

### **Resolved:**

- 11.118 That the minutes of the meeting on 21 May 2012 be approved.

### **Matters arising and Summary Action List [BG11/82]**

- 11.119 The Board noted the Matters Arising and Summary Action List. In relation to Minute 11.95 the University Secretary reported that the Privy Council had given its formal approval to the amendments to the Instrument and Articles of Government, including incorporation of the provision for payment of external governors. It was confirmed that the power could be exercised for the purpose of providing the annual payment to the new Chair of the Board of Governors with effect from 23 July 2012.

### **Vice-Chancellor's Report [BG11/ 83]**

- 11.120 The Vice-Chancellor reported that:
- i. the outcome of the Department for Business, Innovation and Skills (BIS) consultation on the future regulatory environment for HE reinforced the key role of HEFCE in the regulation of the HE sector, and the close working

- relationships required with the Student Loans Company (SLC). New accountability requirements anticipated included the extension of the existing Model Financial Memorandum to include SLC alongside HEFCE as the University's counter-party;
- ii. the qualifying threshold for university title had been reduced from 4000 to 1000 students;
  - iii. the Interim Regulatory Partnership Group (IRPG), comprising the heads of the sector bodies, and established to consider key recommendations in the HE White Paper would assume a more permanent role, as the Regulatory Partnership Group (RPG). Further clarification was awaited on how regulatory changes would be made following the long-term delay to the publication of the HE Bill. Allison Alden was represented on the Group as Chief Executive of the Higher Education Statistics Agency (HESA), and the Vice-Chancellor was in contact with the work of the Group as Chair of the Student Loans Company Stakeholder Forum;
  - iv. the lobbying of the Home Office by Universities UK (UUK) was beginning to gain traction, with a view to influencing UKBA policy which adversely impacted on international student recruitment;
  - v. the approach to student number controls in 2013/14 had been announced. This removed the bidding process which was part of the 2012/13 model, with future allocations of margin places made on a formula basis; it is anticipated that Northumbria will receive an allocation under these arrangements;
  - vi. the University had undertaken further analysis to advance its understanding of its performance in the 2010/11 HESA Employment of Leavers Performance Indicators (PIs) and take necessary action. A further report would be provided to the Board, following Performance and Risk Committee consideration, in the 2012/13 session;
  - vii. there were risks related to uncertainty in forecasting the UG entrant position for 2012/13, and the potential for overshoot if decisions on Northumbria's "insurance" candidates were made late as their first-choice institutions. It was also noted that the fines imposed on HEIs for exceeding their loans had been increased. PGT student recruitment also remained a risk area for the HE sector, following the transfer of PGT funding subsidy previously received through HEFCE 'T' Grant to the individual fee-payer, combined with reduced employer sponsorship. It was possible that the £92m City Deal recently announced by Newcastle City Council could provide additional support for PGT students in the region;
  - viii. in line with Vision 2025, the restructuring of the schools into four faculties: Arts, Design and Social Sciences, Engineering and Environment, Health and Life Sciences and Business and Law, had been announced. Awareness of the need to retain strong brands such as Newcastle Business School following the restructuring was key. The Executive Deans appointed to lead the four new faculties had been invited to serve on the VCEG with immediate effect and would formally take up their roles in line with the renaming of the Group as the 'University Executive' from 01 September 2012;
  - ix. the University had performed well in securing research grants following the previous report to the Board, including four (of a national total of 73) prestigious AHRC Fellowships, placing the University in the top ten HEIs in the country in this competition round.

11.121 The Board noted that:

- i. the lack of funding for high calibre undergraduates graduating from the University to progress to one of its PGT courses was disappointing and could lead to a potential talent drain within the institution, as well as loss of income;
- ii. the performance data appended to the Vice-Chancellor's Report was useful and would be subject to further consideration by Performance and Risk Committee in the course of 2012/13;
- iii. the Vice-Chancellor should be congratulated on his attendance at all of the Academic Congregations in 2012.

### **Strategic Discussion**

#### **Corporate Strategy 2013-2018** [Presentation]

11.122 The Vice-Chancellor delivered a presentation on the process for the development of the Corporate Strategy 2013-18, and reported the following key points:

- i. the presentation outlined the process and roadmap for development of the Corporate Strategy 2013-18, including the proposed framework, methodology and its link to Vision 2025;
- ii. as outlined at the last meeting of the Board, the Vision would be radical in its ambition, holistic and position the University as a professional, research-rich, business-focussed university, as an inspiration for the North East, and a major national and global player. This required a major step change in the University's academic quality (particularly research), its use of technology, and research and its international activities;
- iii. Vision 2025 had been widely communicated over the last ten weeks, through the Vice-Chancellor's Open Meetings and other media, including a special edition of Insight, microsite and production of online FAQs and answers generated as an outcome of the dissemination activities;
- iv. the Corporate Strategy 2009-14 had conveyed the vital message that academic quality was key and that research was a primary driver for this, along with the regional, national and international profile and objectives for the University. Lessons learned from delivery of the 2009-14 Strategy included the need for more effective joining-up between the Corporate Pillars and strengthening of their relationship with the top-level objectives;
- v. Performance and Risk Committee had played a key role in 2011/12 in reviewing the current Strategy to inform the development of the 2013-18 Strategy. Developing a corporate strategic framework for the identification, and interrelation of objectives, targets, actions and business outcomes going forward was important, and the correlation between strategic actions and business outcomes was key to success in delivery of the Strategy. The example provided of the Corporate Strategy map replaced the Corporate Pillars with radials or vectors representing a specific strategic objective. Each radial would contain segments representing the phases of time and resources required for delivery. 'International' was used as a worked example of a specific strategic outcome on which could be plotted a range of strategic actions and enablers, on or between the different radials and segments of the diagram;
- vi. the next stages included the development of the Strategy through setting the

- strategic outcomes; strategic objectives which would form the targets for achievement of the outcomes; agree the strategic enablers and business outcomes and identify the strategic actions which would form part of the strategic plans sitting underneath the Corporate Strategy. This work would be initiated through a two-day session of the new Executive Group on 24 September 2012, the findings of which would be brought back to the Board at the proposed Away Day on 01 October 2012 and meeting on 08 October 2012. A fuller discussion of the strategic outcomes and objectives for the Corporate Strategy would be brought to the Board meeting on 28 November 2012;
- vii. ensuring linkages between the development of the Strategy and other initiatives including the 'golden thread' work, planning process, leadership attributes was key. University-wide understanding of the strategy and its relevance to groups and individuals was also critical, and would provide a routemap for the development of teams and individuals, and inaugurate a more integrated and connected style of operation for the University. The creation of seven headline objectives consistent with the Vision 2025 would support University-wide understanding and engagement of the overarching direction.

11.123 The Board noted that:

- i. the process and framework for development of the new Corporate Strategy had the potential to create a more joined-up and integrated approach to strategic planning and delivery. However, the need to ensure a shared understanding of responsibilities for, definitions of and differences and relationships between, strategic objectives, outcomes and actions was key to success in its delivery;
- ii. professional project management skills and resource would be critical to support the effective delivery of each element of the Corporate Strategy, and monitor progress in its implementation. Assignment of high calibre staff to existing projects should be considered as part of the University's proposed Talent Management Programme;
- iii. the importance of a performance management framework which clearly delineated Board responsibilities from those of the Executive would be key, as was linkage of performance against the Strategy to staff appraisal at all levels of the organisation. However, in order to do this and maximise University-wide engagement with the Corporate Strategy, complexity would need to be minimised. It was important that both the core activities and purpose of the University, and the opportunity for innovation, were captured in the development of content and various strategic categories in the new Strategy;
- iv. delivery of the new Strategy constituted a significant change management programme. Whilst the Executive were the owners of the Strategy and accountable for its realisation, mobilising engagement of staff across the University was key, in order that its relevance to all in the University community was recognised as well as allowing staff to contribute ideas to support its delivery.

### **For Approval**

**Budget 2012/13 [BG11/84] and Financial Forecasts 2011/12-2014/15 [BG11/85]**  
**and Banking Arrangements: Cancellation of Facility and Variation of Hedging Arrangements[BG11/86]**

*Minutes 124-128 are confidential.*

**Membership of Board and Committees 2012/13 and Renewal of Governor Membership Term** [Oral Report]

11.129 **Resolved:**

That with reference to the recommendations contained in the tabled Nominations Committee minutes of its meeting on 23 July 2012:

- i. Lesley Bessant be appointed for a second three year term as an external member of the Board of Governors from 01 August 2012;
- ii. membership of the Committees of the Board for 2012/13 be approved.

**Appointment of the Internal Auditors 2012/13** [Oral Report]

11.130 **Resolved:**

That following the recommendation of Audit Committee at its meeting on 09 July 2012 [see Paper BG11/90 and the 'For Information Paper' - BGU11/28] that PwC be appointed as the University's internal auditors with effect from 01 August 2012.

**Other Matters**

**Board and Committee Evaluation Framework: Summary Report 2011/12** [BG11/87]

11.131 The Acting Chair and Head of Governance reported that:

- i. the Report provided an overview of the online evaluations of the Audit Committee, Employment and Finance Committee, Performance and Risk Committee and Board undertaken in 2011. Its purpose was to aid Board reflection on the effectiveness of governance arrangements and how it wished to build on existing successes and strengths going forward. Table 1 presented a traffic-light matrix to indicate perceived effectiveness with governance performance and arrangements were plotted against each of the seven LFHE enablers of effective governance;
- ii. positive performance as denoted by the 'Green' indicators was registered for four out of seven enablers: Commitment to effective governance; Effective governance structures and processes; effective governing body and committee membership and Future Governance. The majority of 'Amber' areas indicated sound performance and arrangements and a positive direction of travel in these areas. The areas highlighted 'Red' centred on the effectiveness of information and communication, particularly around the quality of papers and material provided to the Board and its Committees and the need to strengthen University-wide communications on the purpose, role and key outcomes of the discussion of the Board and Committees. The paper contains a summary of key actions and initiatives underway or planned for this specific area;
- iii. the cycle and methodology for the evaluation exercises would be reviewed based on feedback received and identified improvements to the existing model. Streamlining the existing process and menu of questions would also be undertaken for future evaluations.

11.132 The Board noted that:

- i. it supported the actions underway to strengthen University-wide communications on the purpose, role and key outcomes of the discussion of the Board and Committees, and looked forward to engaging in this further. The Insight rolling programme of articles on external governors should be extended to all members of the Board, irrespective of the membership category;
- ii. where response rates had not been as high as expected from specific categories of membership, this was partly attributable to concerns over anonymity of data. For the purpose of data capture no distinction should be made between different categories of governor, whilst retaining the important distinction between executive members and governors for the purpose of understanding Board-Executive relations.
- iii.

**Health, Safety and Environment: Update** [BG11/88]

11.133 The Head of Health and Safety reported that there had been a total of 56 recorded accidents involving staff, students and visitors between 22 April-30 June 2012, representing a 19% decrease on the same period in 2011. No accidents had been recorded during the 2012 Academic Congregations, or reported under RIDDOR during the period. The Board commended the recent improvement in this area.

**Other Matters**

**Committees of the Board** [BG11-89-93]

11.134 The Board noted the following minutes of meeting of the Committees:

- i. Academic Board: 20 June 2012
- ii. Audit Committee: 09 July 2012
- iii. Employment and Finance Committee: 21 May and 25 June 2012
- iv. Nominations Committee: 23 July 2012.
- v. Performance and Risk Committee: 11 June 2012
- vi. Student Appeals Committee: 09 July 2012 [Reserved]
- vii. Remuneration Committee: 23 July 2012 [Oral Report]

- 11.135 The following specific points were made in relation to the reports in Minute 11.134 above:
- i. Employment and Finance Committee: following e-mail circulation of papers to members of Employment and Finance Committee between 18 and 23 July 2012, the Committee had unanimously approved the award of a new insurance contract to UM Association Limited ('UMAL') with effect from 01 August 2012, and a contract from Brims Construction Limited for the extension to the City Campus Library. Both contracts have been awarded following a full tender exercise. The Board commended the significant financial saving achieved on the annual insurance premia as a result of the tender. The University Secretary confirmed that he would be circulating by e-mail a confidential update on the legal claim by Stamford College in advance of the mediation session on 11 September 2012;
  - ii. Audit Committee and Employment and Finance Committees: the Chairs of each Committee wished to thank all previous and current members of their respective Committees, and staff involved in supporting or contributing to these;
  - iii. Nominations Committee - 23 July 2012: the curriculum vitae of Paul Williams would be circulated, who had been approached and accepted the offer to serve as a co-opted member of Remuneration Committee;
  - iv. Remuneration Committee - 23 July 2012: the Committee had discussed the impact of limits on tax relief and tax-free benefits on occupational pensions. A future paper would be considered by Remuneration Committee and the Board in the Autumn. Alasdair Corfield had been involved in the development of the legislation linked to tax treatment of pensions in the Finance Act 2011 and confirmed that he would be happy to contribute to future discussions;
  - v. Student Appeals Committee – 09 July 2012: the Chair [Peter Judge] thanked Panel members and staff supporting the appeal. It was confirmed that in future all student appeals against exclusion and staff appeals against dismissal to the Board of Governors would be reported to Board meetings.

### **Other Business**

- 11.136 The Board congratulated:
- i. colleagues in Campus Services in winning the British Association of Cleaning in Higher Education (BACHE) Value for Money Award 2012;
  - ii. Professor Kath McCourt and Peter Judge who had respectively been awarded a CBE and MBE in the Queen's Birthday Honours List.
- 11.137 The Acting Chair thanked those members of the Board on behalf of the University and personally, who had stood down from membership during 2011/12 or for whom this was their last meeting: David Buffham, John Josephs, Dr Maureen Norrie, Holly Seabrook, Michael Short, Bill Teasdale and Ruth Thompson. She also thanked Steve Mason who was standing down as a co-opted member of the Audit Committee.
- 11.138 The Vice-Chancellor echoed these thanks and conveyed thanks on behalf of the University to Lucy Armstrong for her major contribution to the University in her time as an external governor, Committee Chair, Deputy Chair of the Board and as Acting Chair of the Board.

