

**DRAFT**

**Agenda Item 2  
BG11/ 66**

**21 May 2012**

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

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Minutes of the meeting of the Board of Governors held at 1.30 p.m. on Monday 26 March 2012 in Room 024 Auditorium, Ground Floor, MEA House, Ellison Place.

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

Apologies: David Buffham, Professor Peter Golding, Chris Sayers.

Secretary: Philip Booth

In attendance: Professor Paul Croney, Adam Dawkins, Jane Embley, Professor Ian Postlethwaite, Chris Reilly, Lucy Winskell.

Dan Monnery, Jo Purves and Chris Watts [for Minutes 11.66-70], Trevor Thurlow and Lesley Salkeld [For Minutes 11.88-89].

**Preliminary Business**

- 11.63 On behalf of the Board, the Acting Chair:
- i. welcomed Ian Brown and Alasdair Corfield to their first meeting as full Board members;
  - ii. congratulated Jo Rhodes on her re-election as President of the Students' Union for 2012/13 and resulting re-appointment as a Board member;
  - iii. thanked David Buffham for his contribution to the work of the Board and Audit Committee. David would be standing down at the end of his first three-year term of office on 17 May 2012;
  - iv. requested the Board's authority to permit David to serve as a co-opted member of Audit Committee until its last meeting for 2011/12 on 09 July 2012.

11.64 **Resolved:**

- i. That thanks be conveyed to David on behalf of the Board;
- ii. That David serve as a member of Audit Committee on a co-opted basis until its last meeting on 09 July 2012.

Minutes: meeting of the Board of Governors on 6 February 2012.

**Resolved:**

11.65 **Minute 11.65 is confidential**

**PB/JE**

**Summary Action List (and Matters Arising)**

11.66 The Board noted the Summary Action List (and the following Matters Arising from the Minutes).

**Vice-Chancellor's Report**

- 11.67 The Vice-Chancellor reported the following:
- i. in light of the postponement of the publication HE Bill, it would be interesting to assess the extent and pace of reform without the requirement for legislative change;
  - ii. the AAB A-Level tariff in 2012, for unrestricted recruitment of student numbers was unlikely to be adjusted downwards to ABB in 2013, the outcome of which would have placed higher numbers of Northumbria students in contention than currently. The decision was informed by the Treasury's caution about the affordability of the new system. The 'squeezed middle' of institutions near the lower end of the research-intensive universities, were likely to be most affected by the decision. It had been confirmed that the UG tuition fee for 2013/14 would be capped at £9k;
  - iii. data indicated that on a national level, 2012/13 recruitment remained relatively undamaged by the new funding system, and had not significantly deterred applicants from backgrounds in socio-economic classifications 4-7. The University's 2012/13 applications were in a comparatively strong position to date, with an 8% fall against 2011 and a 0.05% decrease against 2010. The number of applicants from outside the region had increased at a faster rate for 2012 than in both 2010 and 2011;
  - iv. HEFCE had commenced consultation on the Spending Review for 2014/15, which would be taken forward as part of the Interim Regulatory Partnership to manage the transition to the new regulatory and funding system. The government's HE reform programme was also subject to a gateway review, and members of UUK including the Vice-Chancellor, had been invited to provide evidence to the process;
  - v. Durham, Exeter, Queen Mary, University of London and York had been invited to join the Russell Group. The departure of the institutions from the 1994 Group would prompt reflection on its future role, mission and composition;
  - vi. the Budget had announced £100m funding to foster improved university-business collaborations, including increased engagement between universities and Small-to-Medium

- Enterprises (SMEs);
- vii. the HEFCE grant letter indicated funding for 2012/13 broadly in line with expectations, reflecting the incremental reduction in HEFCE Teaching (T) Grant, as direct costs were transferred to students. The letter would be circulated to Board members once the embargo was lifted;
- viii. a £250k donation had recently been received to fund a post in Newcastle Business School, and an overview of appointments to senior academic posts since January 2012 was appended to the Report, for separate circulation for future meetings.

## **Strategic Item**

### **Analysis of Markets and Recruitment**

- 11.66 The Board considered a report and presentation on the University's student recruitment markets and action plan for its strategic development.
- 11.67 The Deputy Vice-Chancellor (Strategic Planning) reported that the Report and presentation included further analysis requested at the November Board meeting, which would inform:
  - i. the review of the Corporate Strategy 2009-14;
  - ii. the work to develop a new framework for determining the University's academic provision and delivery and recommendations for portfolio change;
  - iii. the current marketing and recruitment strategy;
  - iv. future planning cycles;
  - v. revision of the International Strategy.
- 11.68 The presentation from the Head of Policy and Directors of Marketing and Recruitment and the International Office included the following key points:
  - i. analysis of options to develop each customer segment, including income, market changes, customer positions, future student demographics, potential new international markets and the effectiveness of marketing in student recruitment;
  - ii. a breakdown and analysis of 2010/11 funding sources of academic income, the largest of which were £56.3m [30% of the total] from the HEFCE block grant, Home FT UG tuition fees of £46.m [25%] and NHS contracts of £22.2m [12%]. Potential and known threats to future income across the core customer groups were identified, to mitigate risks and identify emerging and new funding sources and markets;
  - iii. targeted Home/EU market and recruitment analysis had been undertaken across 18 out of 50 FT UG subject areas, including comparative data on growth, market share relative to market size and A-level or equivalent points. Emerging themes identified would be subject to exploration through evaluation of the 32 remaining subject lines;
  - iv. international market opportunities were analysed on the basis of economic growth, capacity to afford and attitude towards overseas

study, the match between educational systems, in-country supply and cost-effectiveness of recruitment. The four top international markets of China, Malaysia, Hong Kong and India yielded more than two-thirds of the University's international student income. Analysis of the top 10 countries based on market share indicated the need to grow under-developed subject areas in China, Vietnam, Bangladesh, maintain market share of students from Malaysia and Hong Kong and target potential markets including Canada, Kurdistan, Turkey and Norway;

- v. strategic priorities for 2012/13 included maintenance of market share and development of new markets. The analysis would inform the University's International Strategy, the Pillar for which would be reviewed as part of the Corporate Strategy, and lead to an evaluation of the objectives set for development of the University's international agenda. This would inform strategic decisions to grow, reduce or concentrate its international markets, develop its collaborative partnerships or consider the establishment of an off-shore campus. More detailed objectives would be included in the International Strategy, and would include initiatives such as the Centre for International Development.

11.69 The Board noted that:

- i. the analysis and identification of key strategic risks and objectives was valuable and provided an insight into the basis for and monitoring of strategic performance, as well as the potential for integration into the ADP/SDP process. More information to understand the marketing activity and the relationship between investment and recruitment outcomes was recommended for future presentations. The 'One University' approach to marketing and recruitment was supported, provided that this was based on shared objectives across which accommodated diversity across Schools;
- ii. the SWOT analyses of subjects and markets provided valuable intelligence, which should be communicated to Programme Teams to inform and ensure convergences with, ongoing curricular review and development to respond to market changes;
- iii. the University's capacity to respond to demographic changes and its impact on applicant profiles was key, as was the academic framework and portfolio review, particularly following the critical choices to be made by prospective applicants from 2012/13 onwards with wider access to comparative data following the Key Information Set ('KIS') initiative;
- iv. the review of the International Strategy should include evaluation of the use of, and contractual relationships with, international agents. **PC**

11.70 **Resolved**

- i) That the plan for using this analysis be endorsed;
- ii) That the Board consider high-level analysis on at least an annual basis.

## **For Approval**

### **Financial Regulations**

- 11.71 The Finance Director reported that:
- i. the Regulations had been reviewed by Employment and Finance Committee and Audit Committee at their respective February and March 2012 meetings, with observations incorporated into the revised text. This included explicit reference to compliance with the HEFCE Financial Memorandum, review of the Section on Corporate Governance and clarification of procurement guidance including contract expenditure and value;
  - ii. the Regulations would be reviewed in 2012/13 to reflect the introduction of the new SAP system and introduction of the e-market place;
  - iii. further non-substantive amendments had been identified by the Executive following circulation of the draft to the Board. Establishment of a sub-group of the Board was proposed to consider final amendments to the Regulations. An opportunity would be provided for additional final feedback from members to inform the final revision;
  - iv. a training programme would be delivered by 30 April 2012, for launch of Regulations on 01 May 2012.

### **Resolved:**

- 11.72 That the sub-group comprising the Acting Chair, Chairs of the Employment and Finance Committee and Audit Committee would be established in consultation with the Finance Director, with delegated authority on behalf of the Board to approve the Financial Regulations.

**CR**

### **Remuneration of Members of the Board of Governors: Update**

- 11.73 The Board considered a proposal to amend the University's Instrument of Government and introduce an associated regulation in order to provide for the remuneration of members of the Board of Governors.

- 11.74 The University Secretary reported that:
- i. the proposal was restricted to amendment of the Instrument to include the power to remunerate members of the Board of Governors, which was subject to Privy Council approval. Any subsequent decision of the Board to exercise the power would require further Privy Council approval;
  - ii. the proposed additional paragraph as 10 (2) of the Instrument, and detailed regulation on the circumstances in which the power should be exercised, reflected standard wording approved by the Charity Commission. A minor amendment was required to the wording of Regulation 5(b) to replace the reference to 'Charity' with 'University'.

**PB**

11.75 **Resolved:**

That:

- i) The Board approve the amendment of the Instrument of Government of the University, through the insertion of an Additional paragraph 10 (2) as detailed in the paper;
- ii) The associated Regulation for remuneration of members of the Board of Governors, as detailed in Appendix 2 of the report be Approved;
- iii) The Resolution passed be submitted to the Privy Council to request that Her Majesty approve these amendments and any further amendments as requested by Her Majesty.

**PB**

**Re-appointment of the External Auditors 2012/13**

11.76 The Chair of the Audit Committee reported that:

- i. indicative feedback from the External Audit evaluation that a number of members included in the wider sample for the survey were not clear about aspects of the role of the external auditors. This provided an opportunity to confirm the role and performance of the external auditors, and Audit Committee's remit to oversee their work. The engagement of the external auditors centred on the auditing of the annual Financial Statements and associated controls. The auditors had provided relevant and timely feedback to the Executive and the Committee, attended each meeting, and added significant value by drawing on external knowledge and experience gained from working with other HEIs and sectors;
- ii. in light of the evaluation and wider assessment of KPMG's performance, the Committee recommended to the Board that KPMG's contract be extended for a period of 12 months from 1 August 2012.

**Resolved:**

11.77 That KPMG's contract as the University's external auditors be extended for a period of 12 months from 1 August 2012.

**CR**

**Reports and Committee Minutes**

**Students' Union Annual Impact Report 2011**

11.78 The President of Northumbria Students' Union reported that:

- i. the Report summarised the significant achievements of the Students' Union in the reporting period, the most significant of which was winning the National Union of Students (NUS) HE Students' Union of the Year 2011. Northumbria had been the first post-1992 university Students' Union to win this accolade. Other major achievements included influential campaigns including working with the University to improve transparency in relation to additional course fees; over 40,000 hours donated by students for volunteering activities and £69k raised for Raising and Giving ('RAG') activities;

- ii. since the publication of the Report a number of other major achievements merited reporting, including a record election turnout of over 4000 students in 2012; the award of Silver Status for Investors in People and achievement of 25<sup>th</sup> position in the 2012 Sunday Times 100 Best Not-For-Profit Organisations.

11.79 The Board congratulated the Students' Union President, Sabbatical Team and staff for the outstanding achievements as summarised in the Report and presentation. The visibility and proactive of the Students' Union enriched the student experience. The University and Students' Union should highlight to staff and students the co-operation and synergies between initiatives which both organisations were delivering on.

#### Equality and Diversity Annual Report 2010/2011

11.80 The Human Resources Director reported that:

- i. the Equality and Diversity Report for 2010/11 was the fourth annual report of its kind, and outlined the University's equality and diversity developments and achievements during the period. The Report was produced for a number of stakeholders, including the Board, and demonstrated statutory compliance with the Equality Act 2010;
- ii. reflecting Board feedback in 2011, the Report included additional equality and diversity data analysis, including benchmarking against the other regional universities.

11.81 The Board noted that:

- i. it was impressed by the variety and depth of initiatives in the Report, which merited pro-active communication to staff and students;
- ii. creation of a means through which Board members could advise on, and contribute to the equality action plans would be welcomed. Integration of some initiatives into the Board's School and Service Visits programme was encouraged, to provide members with greater exposure to the activities underway.

**JE**

**JE/PB**

#### Academic Board: Minutes of the meeting held on 25 January 2012

11.82 The Board noted the minutes of the meeting, and in relation to Minute 11.24 discussed the wider accessibility of ADP/SDP Plans to staff. It was confirmed that the documents produced for this purpose were confidential business planning tools and should not be made fully available across the University community. The Deputy Vice-Chancellor (Strategic Planning), Head of Policy and Lesley Bessant would consider communication matters as part of the Corporate Planning Framework project. However, it was also noted that Deans and Service Directors were not prevented from producing summary communications for staff in their areas.

**IP/LB**

- 11.83 Audit Committee: Minutes of the meeting held on 12 March 2012  
The Board noted the minutes of the meeting.

Employment and Finance Committee: Minutes of the meeting held on 27 February 2012

- 11.84 The Board noted the minutes of the meeting and the following key points:
- i. the role of the Committee in continuing to monitor the outcomes and benefits of the Strategic Investment Fund (SIF), should be emphasised;
  - ii. the full Board had not been informed of plans for the forthcoming Voluntary Severance Scheme (VSS) for academic staff. However, it was recognised that the Committee had delegated responsibility from the Board for approval of such schemes, and it was therefore not considered appropriate to consult the wider Board, or report on plans to launch the Scheme, other than through the reporting of the Committee minutes.

Financial Performance and Forecast

- 11.85 The Board noted the University's Financial Performance to 31 January 2012.

Nominations Committee: Update on the Selection Process for the Chair of the Board of Governors

- 11.86 The Board received an oral update from the Human Resources Director on progress with the selection process for the Chair of the Board of Governors. The closing date for applications for the role of Chair was Monday 19 March 2011. The Shortlisting Panel had met to consider applications, and informal sessions with Board members, student representatives and the Vice-Chancellor would be held in advance of formal interviews scheduled for 02 May 2012. Should governors who had not put themselves forward still wish to participate in the informal stage of the selection process, they would need to contact David Clipsham or Jane Embley as a priority.

Performance and Risk Committee: Minutes of the meeting held on 13 February 2012.

- 11.87 The Board noted the minutes of the meeting and in particular the informative presentations from the School of Design on its Region, Engagement and Partnerships activities, and the work of the League Table Working Group, which the Board would benefit from receiving information on.

Health, Safety and Environment: Update

- 11.88 The Board considered the Health, Safety and Environment Update Report. The Head of Health and Safety and Director of Campus Services reported the following:
- i. two serious incidents had occurred since the Report was produced which had been notified to the Chair of the Board and Chairs of Audit Committee and Employment and Finance Committee, both of



- which had health and safety implications;
- ii. a coach crash carrying Team Northumbria's Netball Team had occurred on Saturday 17 March 2012. Whilst it had been confirmed that the University would not face insurance liability, the coach company was not on the University's authorised contracts framework and should not have therefore been used. This amounted to a breach of the Financial Regulations and as an outcome the University's vetting procedures for private coach hire had not been undertaken which would not satisfy its general duties as an employer under Sections 2 and 3 of the Health and Safety at Work Act 1974;
- iii. the second incident was a fatality caused by a heart attack at Coach Lane Campus West during a football match on Tuesday 20 March 2012. The Health and Safety Executive (HSE) was notified about the incident and it was unlikely that any further information would be required in relation to this tragic accident. A defibrillator was not on site, and this was not a requirement to have one, based on a risk assessment which had been undertaken and the proximity of the nearest one to the site. However, following the incident a new risk assessment would be undertaken to assess if a defibrillator should be available at the site;
- iv. there had been a 28% decrease in accidents from 2011, indicating improved staff awareness as an outcome of training initiatives;

11.89 The Board noted that:

- i. it wished to convey its gratitude to the netball coach, Lisa Stanley who had prevented the coach from major collision, and condolences to the family of Tim Lamb which should be expressed in a letter from the University;
- ii. it wished to specifically thank all staff involved in managing these two incidents and recognised their professionalism under trying circumstances;
- iii. it supported the reporting of both incidents to Audit Committee to receive assurance on the controls in place arising from the incidents, and breach of the Financial Regulation to Employment and Finance Committee;
- iv. the breach of the Financial Regulations in relation to the unregulated coach hire and related health and safety risk exposures was significant. Confirmation was welcomed that the Finance Director, Director of Campus Services and Head of Health and Safety would conduct a wider sample check to ensure that high-risk contracts had been procured in line with the Financial Regulations. The incident highlighted the importance of effective training in the Financial Regulations which would commence in the near future.

**PB**

Any other relevant business

11.90 Meeting Review

The Board noted that the venue for the meeting was an improvement on previous venues. However, the air-conditioning adversely impacted on

audibility, and the visual displays for presentations needed to be larger.

Remuneration Committee: Confidential Minutes of the meeting held on 13 February 2012.

11.91 **Minutes 11.91 and 11.92 are confidential**

11.92