University of Central Lancashire

Unreserved Minutes of The Board Meeting Held On 21st November 2019, Commencing At 2.30pm At The Belsfield Hotel, Bowness-On-Windermere

Present:

David Taylor (Chair)

Fiona Armstrong
Graham Baldwin
Nicky Danino
Maria Darby-Walker
Jim Edney
Ridwanah Gurjee
Sue Ion
Suntosh Kaur
Ruth Lowry
Anne McCarthy
Lorraine Norris

In attendance:

Michael Ahern (Chief Information and Infrastructure Officer)
George Charles (Interim Chief Finance Officer)
Ian Fisher (University Secretary and General Counsel and Clerk to the Board)
Ken Lee (Chief People Officer)
Lynne Livesey (Deputy Vice Chancellor)
Peter McMellon (assisting the Clerk to the Board)
Anne Roberts (Executive Assistant to the Vice Chancellor)

UB789. Welcome and Apologies

The Chair welcomed all present to the meeting.

Apologies for absence had been received from Andrea Adams, Richard Hext, Lesley Lloyd and Bill McQueen. The Chair undertook to bring into the discussion at appropriate junctures the e-mail comments received from Mr Hext and Mrs Lloyd.

UB790. Declaration of Interests

There were no declarations of interests other than those recorded under UB801 (Pensions Update) below.

UB791. Chair's Announcements

The Chair confirmed that, following the discussion at the last meeting, there had been a rapid review of alternative hotel venue options. Mr Fisher reported on the venues considered. None had offered lower prices. The on campus option had also been reviewed, but the accommodation arrangements would have had to be on a separate off campus basis (and thus would be charged).

The Chair confirmed that it had thus been decided to proceed with the event already booked at the Belsfield Hotel. However, the equivalent booking at the Belsfield for May 2020 has been cancelled, with consideration now being given to holding the event at a hotel adjacent to the University's Burnley campus

(possibly combined with a visit to Training 2000 Ltd). The dates for the May 2020 remain unchanged (21st/22nd May).

UB792. Reserved and Unreserved Minutes of the University Board Meeting held on 9th October 2019

Resolved: That the Reserved and Unreserved Minutes of the University Board Meeting held on 9th October 2019 were agreed as a true record and signed by the Chair.

UB793. Matters Arising from the University Board Meeting held on 9th October 2019

(i) UB777(iii) - Matters Arising – Student Experience presentation

The Chair advised that a presentation on student experience at UCLan is included in the schedule for the second day of this residential event.

(ii) UB778 – Vice Chancellor's Report – Office for Students (OfS) Letter and HESA Return

Updates on the University's responses to the OfS's 'Change in graduate attainment' letter and on the HESA Return issue will be covered under substantive reports later in the agenda.

(iii) UB782 – Committee Chair's Update (Resources Committee) - Cyprus

It was noted that the report by the Chair of Resources Committee (UB802 below) will include an update on the position in Cyprus.

(iv) UB784 – Risk Register

Professor Baldwin confirmed that work continued on the upgrading of the contents, format and arrangements for use of the University Risk Register.

UB794. Vice-Chancellor's Report

Professor Baldwin presented his report. He advised that the format of his reports to the Board will include sections covering 'internal' and 'external' perspectives, together with an 'Awards/Achievements' compilation. He recognised that updates on developments subsequent to the report's distribution would occasionally be called for. He also pointed out that matters mentioned in his reports will occasionally be covered in more detail under separate items elsewhere in the agenda.

Professor Baldwin then drew attention to reported matters as follows:

- General Election – the University and the HE sector will inevitably be affected by the outcome of the impending election. The implications of the 'value of degrees', proposals for tuition fees and funding of universities in general are among the more prominent issues already emerging from the election campaigns. The need to anticipate the likelihood of a reducing unit of resource is evident.

- Brexit uncertainty (including that surrounding future movement of staff and students) continues.

- Industrial Relations – The HE sector will see strikes (eight days from 25th November 2019) although none are expected at UCLan. This inevitably translates into negative perceptions of the sector. There will be no further discussion on pay, but other matters (pensions, workloads, casualisation, gender gap etc) will be covered under ongoing discussions with the recognised trade unions.

- **Reserved Minute - Text Redacted**

- International Student Recruitment and Partnerships – Professor Baldwin reported on his visit to Hebei University (UCLan School of Media Communications and Creative Industries). He reminded the Board about his own earlier involvement at the outset of the establishment of this international partnership. His recent visit had coincided with the opening of a most impressive new teaching building. UCLan's reputation in China was certainly benefiting from this flourishing partnership. Unfortunately, the combined visit to UCLan's Hong Kong operations had been impaired by the ongoing unrest in the city. This had included cancellation of the graduation ceremony. Clearly, the challenging situation in Hong Kong necessitates much improvisation in the management of operations there. However, the UCLan's International Team (now under the Chief Marketing Officer – Mrs Connor) are controlling operations effectively and the position is under constant review. In response to Mr Edney's question, Professor Baldwin confirmed that all staff (and the single placement student) had been withdrawn from the city. He also confirmed the broad numbers of UCLan students in Hong Kong and in China.

- Engineering Innovation Centre (EIC) – the new EIC facilities had been successfully launched at an event on 18th October 2019. **Reserved Minute – Text Redacted.**

- MillionPlus – following a recent visit by the MillionPlus Chief Executive, arrangements for UCLan to become a member of that association are now proceeding. This is expected to provide better value for UCLan. Membership of the University Alliance will now be terminated.

- **Reserved Minute – Text Redacted**

- League Tables – further improvements in league table placings are very gratifying. More work around the league tables is still needed, but other avenues for showcasing UCLan's many merits also need to be established.

- University of Bolton (student accommodation fire) – UCLan management had made immediate contact with their counterparts at Bolton to offer support and assistance following the fire at the privately-owned student accommodation (The Cube) in the town. It was noted that Mrs Lloyd had asked about UCLan's own fire safety arrangements. In response, Prof Baldwin outlined the review of fire safety at UCLan accommodation. He advised that the Fire Service had confirmed that there were no issues with the UCLan buildings (and cladding used). Mr Ahern commented on the fire safety arrangements in place at UCLan. He also advised on the University's arrangements for vetting private student accommodation.

Mrs Darby-Walker suggested that future reports might also provide updates on press coverage of UCLan matters. Mrs Armstrong advised that useful media updates had systematically been presented in the past. Professor Baldwin undertook to arrange for such updates to be made available.

Reserved Minute – Text Redacted

Professor Baldwin also elaborated on arrangements for providing 'practical experience' (including external and in-house placement arrangements) for students.

Ms Kaur drew attention to 'language barrier' challenges which may impair the experience and prospects of a minority of overseas students. Professor Baldwin pointed to the strict requirements (for basic English language competence) applied by the UKVI, and he assured the Board that any evidence of fraudulent by-passing of the visa issuing arrangements would be reported to the appropriate authorities. Dr Livesey confirmed that the University is alive to the operation of 'rogue recruitment agents'. Furthermore, the University operated effective disciplinary processes for dealing with such occurrences. However, where

low standards of English occur (among legitimately admitted students), the University does offer effective additional support.

Professor Baldwin confirmed that, notwithstanding the University's wish to continue to recruit significant numbers of international students, recruitment at UCLan is managed responsibly in line with ever-closer scrutiny of this form of intake. He then commented further on Labour Party plans for abolition of tuition fees, confirming that this would only apply to home students. There would obviously be less concern if the proposed change included guaranteed (and commensurate) government funding in place of fees. Professor Baldwin reminded the Board that student living costs are considered by the students themselves to be at least as much a concern as the current tuition fees arrangements.

Reserved Minute – Text Redacted

The Chair thanked Professor Baldwin for his report and confirmed that the format of the report met the Board's expectations.

Resolved: That the Vice-Chancellor's report be received.

UB795. Finance Director's Update

Mr Charles (Interim Chief Finance Officer) presented the Finance Director's Update report together with an accompanying presentation. Copies of the report and presentation are set out in the Minute Book.

Mr Charles advised that new systems for finance reporting have now been introduced and that this will allow for monthly reports and reviews for use across the University's budgetary control hierarchy. He advised that, although the draft Quarter 1 (1 August – 31 October 2019) figures are now available, these have yet to be reviewed by the Vice Chancellor's Group (VCG). However, the draft figures will be included in the presentation. **Reserved Minute – Text Redacted**

(i) **Reserved Minute – Text Redacted**

(ii) Year to Date (YTD) October Month End Accounts

A full review of all processes in the Finance Team has been conducted. Work on the precise monthly apportionment of income is still ongoing, but the new arrangements will enable the addressing of queries and the assessment of performance on a monthly basis from hereon. This will provide much better control than the 'end-of year only' review.

Reserved Minute – Text Redacted

Mr Edney agreed that the introduction of the monthly reporting/reviewing arrangement was a significant forward step in budgetary control. He asked about the reliability of the figures as reported and Mr Charles confirmed that some small degree of caution is still called for at this early stage of implementation. He suggested, however, that the report/figures offered a valid broad indication of performance and that, as the figures are reviewed and verified at lower levels and under separate teams, the total reliability of the system and the figures will be established.

Professor Baldwin confirmed that routine availability of monthly figures (allowing queries to be immediately addressed) at all levels represents a much-needed improvement in budgetary control and management. He advised that the external consultant who had been engaged to review the efficacy of financial systems and controls had confirmed that the University can be increasingly confident about the new arrangements.

(iii) **Reserved Minute – Text Redacted**

(iv) **Reserved Minute – Text Redacted**

(v) Other priorities

Mr Charles updated the Board on the following:

(a) OfS Financial Return / 5 Year Planning Model

The Board noted the Model demonstrated by Mr Charles, including the 'drill down' facilities therein. Mr Charles advised on the integrated features of the Model and he confirmed that the design will meet the OfS requirements on reporting and forecasting. He explained how the drill down facility will be used together with individual conversations with budget-holders. In response to Mr Edney's question, Mr Charles advised on the growth assumptions and other strategic assumptions currently built into the Model. He reminded the Board that further work on the Model continues and that it is recognised that OfS will expect to see all key assumptions together with a narrative overview.

Professor Baldwin confirmed that there will be close integration with ongoing development of the new Strategic Plan.

On examining the detail of the Model spreadsheet figures, Mrs Lowry's caution about spreadsheets reliance was noted. Mr Charles also expanded on the figures shown for 2024/25 under 'Research Grants & Contracts'.

(b) TRAC and TRACT returns

(c) Review meetings with Budget Holders

(d) Finance Improvement Programme

(e) Procurement Review

The final report into procurement arrangements is now with the VCG. A plan for resolving identified inefficiencies will be produced and applied.

(f) Financial Regulations

A final draft from the ongoing review of the Financial Regulations is almost ready for consideration.

Finally, Mr Charles drew attention to the section in his report 'Non-compliance with regulatory deadline'.

The Board noted Mr Charles's detailed explanation for the late payment to the Quality Assurance Agency for Higher Education (QAA) and endorsed the arrangements which have now been put in place in order to prevent a recurrence of such delays to payments.

The Chair thanked Mr Charles for his presentation. He suggested that diligent work – by Mr Charles and the Finance Team and by the VCG – had already brought the University a long way forward in its management of the deficit and of finances in general. The application of a 'bottom up' approach to the development of better systems is a key factor in ensuring reliability and confidence.

Resolved: That the Finance Update report be noted.

UB796. Draft 2018-19 Consolidated Financial Statements and Letter of Management

Mr Charles presented the draft 2018/19 Consolidated Financial Statements. A copy of the Statements is set out in the Minute Book.

Mr Charles confirmed that the draft Consolidated Financial Statements had been examined at Audit and Risk Committee. Subsequent changes to the Statements were noted.

Mr Charles reported that the external auditor (KPMG) are very comfortable with the process and with the Statements as now presented, including the 'going concern' statements.

Ms Kaur drew attention to the need for the resignation date for her predecessor(Page 1) to be amended.

The recommendation that KPMG be reappointed as external auditor for the 2019/20 accounts was approved.

Resolved: That

(i) the Financial Statements for 2018/19 and the Letter of Management Representation be approved and be signed by the Chair on behalf of the Board;

(ii) the Financial Commentary be approved for submission to the OfS; and

(iii) KPMG be reappointed as external auditor for the 2019/20 accounts.

UB797. Annual Report of the Audit and Risk Committee

Mrs Lowry presented the Annual Report on behalf of the Audit and Risk Committee. A copy of the Annual Report is set out in the Minute Book.

Mrs Lowry reminded Board Members about the contribution which the Committee's Annual Report offers in the provision of assurances for when acceptance of the Consolidated Financial Statements is considered. She then briefly summarised the constituent elements of the Report, drawing attention to the inclusion of references to two data quality issues which had arisen during the period.

In conclusion, Mrs Lowry advised that the Committee offered the Annual Report as confirmation that it has fulfilled its responsibilities and had complied with its Terms of reference.

Resolved: That the Annual Report of the Audit and Risk Committee be received and the assurances therein be noted.

UB798. Annual Accountability Returns and Statutory Compliance Reports

Dr Livesey presented her report. A copy of the report is set out in the Minute Book.

Dr Livesey reminded the Board about the OfS requirements (as conditions of the University's registration) and she reported on the ongoing production of the Annual Accountability Return and the Annual Financial Return. Completion of the Returns needed to take into account a series of changes which were only notified late in the process. In order to meet the OfS submission deadline, the Board is requested to agree to delegation of final approval to its Urgent Business Committee.

Dr Livesey also reported that the previously reported issues with the HESA Data return had now been resolved. However, there remained the possibility that a financial penalty will be imposed on the University.

Finally, Dr Livesey drew attention to the 'Overview of key returns applicable to UCLan' schedule attached as an appendix to her report. The Board considered that the arrangements will ensure timely compliance with submission requirements.

Resolved : That

(i) progress in the production of the Annual Accountability Return and the initial Annual Financial Return be noted, and approval for final submission (including for the final Annual Financial Return) be delegated to the Urgent Business Committee;

(ii) the optional Business Plan should not be submitted; and

(iii) the arrangements for statutory reporting (including to the OfS) be noted.

UB799. Annual Report of Remuneration Committee

Mr Lee presented the Annual Report. A copy of the report is set out in the Minute Book.

Mr Lee confirmed that, as evident from the Report contents, 2018/19 had been a particularly busy year, including external recruitment exercises and operation interim cover arrangements.

Resolved: That the Annual Report of the Remuneration Committee be received.

UB800. Senior Staff Remuneration Issues

Mr Fisher presented his report on a number of changes relating to Senior Staff remuneration. A copy of his report is set out in the Minute Book.

Mr Fisher confirmed that the University has consistently followed the Committee of University Chairs (CUC) Code on HE Senior staff remuneration. He also indicated where the Terms of Reference (Remuneration Committee) needed to be revised if formal adoption of the CUC Code is approved.

Regarding the recommended designated and publication of senior remuneration details from the Annual Financial Statements as the University's 'Annual Remuneration Statement', Mr Fisher reminded the Board that the same details are already publicly available.

Mrs McCarthy's suggestions relating to transparency in the reporting of the University's addressing of any 'gender pay gap' were noted. Mr Lee confirmed that the University complied with statutory reporting obligations which contribute to the public availability of data on organisations with 250+ employees.

Resolved: That

(i) the report on Senior Staff Remuneration issues be noted;

(ii) the CUC Senior Staff Remuneration Code (June 2018) be adopted with immediate effect;

(iii) revised Terms of Reference for the Remuneration Committee be adopted with immediate effect; and

(iv) the Senior Remuneration details set out in the annual Financial Statements (amended as may be necessary) be designated and published as the University's Annual Remuneration Statement.

UB801. Pensions Update

Interests were declared in respect of this item as follows:

- Mr Edney and Mr Fisher – Members of the Local Government Pension Fund with no financial interest relating to the University's membership of the fund.

- Mr Ahern, Mr Charles, Mr Lee, Mr McMellon and Mrs Roberts - Members of the Local Government Pension Fund as employees of the University.

Mr K Lee provided a verbal update on matters which had previously been considered by the Board and the Resources Committee. He reported on the outcomes from the triennial valuation review of the LGPS and advised that the UCLan contribution level will be largely unchanged. Furthermore, the anticipated stability (for the next 3 years) will help to achieve and maintain financial sustainability. However, the possible fall-out from the McCloud judicial ruling includes retrospective and significant (circa £700k p.a.) liability from 2023 onwards.

Resolved: That the Pensions Update report be noted.

UB802. Committee Chair's Update

Resources Committee

Mr Edney (Chair of Resources Committee) reported on the matters covered by the Resources Committee at the meeting on 25th October 2019**.**

Reserved Minute – Text Redacted

Audit and Risk Committee

Mrs Lowry (Chair of Audit and Risk Committee) reported on the matters covered by the Audit and Risk Committee at the meeting on 30th October 2019. She confirmed that, as already reported (UB796 and UB797 above), time had been spent in examining and amending the Financial Statements and Accounts. Other matters addressed had included review of the final reports from the outgoing internal auditors (PwC) and the initial plan (put forward and amended) from the new internal auditor (RSM). The University's Public Interest Disclosure Policy and the draft Prevent Assurance Report (see UB803 below) had also been examined and approved.

Remuneration Committee

Mr Fisher reported on behalf of Mrs Adams (Chair of Remuneration Committee) on the matters covered by the Remuneration Committee at the meeting on 25th October 2019. These included the new senior management structure and the 2019/20 'cost of living' pay award for senior staff, and also reviews of several Human Resources policies including the Severance Policy and the Appeals Against Dismissals (Senior Staff) process.

Resolved: That the Chairs' Updates be noted.

UB803. Annual Prevent Assurance Report

Mr Ahern presented the draft Prevent Assurance Report for submission to the OfS. A copy of the report is set out in the Minute Book.

Mr Ahern suggested that the contents of the report (which is submitted annually to the OfS together with the Accountability and Data Return) should provide the Board with a high degree of reassurance as to the efficacy of the University's policies and processes.

Dr Ion drew attention to the incorrect figure included against the 'Number of staff identified as key to Prevent delivery' category in the draft Accountability and data return.

Mrs Armstrong reminded the Board that the presentations on the following day will include a session on "Wellbeing – a People-Centred Approach – Staff and Students" which is expected to touch on important mental health considerations.

Resolved: That, subject to the replacement of the incorrect figure in the 'Number of staff identified as key to Prevent delivery' category, the Prevent Assurance Report and the Accountability and Data Return be approved for submission to the OfS.

UB804. Appointments to Board and Committees

Mr Fisher presented proposals for filling vacancies of the Nominations Committee and the Audit and Risk Committee. He reminded the Board that Dr S Ion had now transferred from the Audit and Risk Committee onto the Resources Committee**.**

Resolved: That

(i) Mrs Andrea Adams be appointed with effect from 21st November 2019 to the Nominations Committee as that Committee's Chair, and

(ii) Mrs Lorraine Norris be appointed with effect from 21st November 2019 to the Audit and Risk Committee.

UB805. Masterplan Delivery Update

Mr Ahern presented the Masterplan Delivery Update report dated 21 November 2019. A copy of the report is set out in the Minute Book.

Mr Ahern drew attention to the new Programme which is now in place. He advised that further significant changes to the traffic flow at the Adelphi round-about site will take effect on 25th November 2019. He confirmed that the new Programme concludes with the occupation of the new Student Centre in early 2021, and with completion of the Highways element later in that year. He also reported on separate developments planned for Preston City Centre which, when completed, will serve to complement the Masterplan work and the University campus in general.

Dr Danino reminded Mr Ahern that any improvement to the car-parking facilities for staff would be particularly well received.

Finally, in response to Dr Ion's question, Mr Ahern explained how the reliability of the Scape framework documentation would determine whether or not the ERDF audit could be satisfactorily concluded.

Resolved: That the Masterplan Update Report be noted.

UB806. Any Other Business

(i) Athena Swan

Mrs Gurjee noted Dr Livesey's update on the current Athena Swan submission.

(ii) Reserved Minute – Text Redacted

(iii) Governance Portal

Mrs Armstrong urged that transfer to 'distribution' of Board meetings documentation via the Governance Portal should be expedited.

It was noted that, where individual Board members had activated and were prepared to use their personal UCLan e-mail addresses, most of the meetings' documentation is now accessible via the Portal in advance of meetings.

Mr Fisher undertook to contact Board members with further guidance.

UB807. Date and Time of Next Meeting

The next Board meeting will be on Thursday, 30th January 2020 in the Conference Room, Adelphi Building, Preston.

I M Fisher
Clerk to the Board