

CARDIFF METROPOLITAN UNIVERSITY

MEETING OF THE BOARD OF GOVERNORS: TUESDAY, 8 JULY 2014

MINUTES

Present: Miss B. Wilding (Chair), Mr.P.R.Williams (Vice-Chair), Professor.A.J.Chapman (Vice-Chancellor & Principal), Ms.K.Beas, Mr. P. Davies, Baroness Finlay of Llandaff, Professor S. Fleming, Ms.R Foster, Mrs.M.Hassan, Ms.S.Hay, Mrs.A.Hayes, Mr.F.Holmes, Rev Canon R.Morrison, Mr.J.F.Thomas (Vice-Chair Elect), Dr.M.Waring and Mr.G.Yorston.

Attendance: Mr.J.Barnett (Student President Elect), Ms.J.Berry (Support Staff Representative Elect), Professor D.Brooksbank (PVC Enterprise), Mr.J.Cappock (Chief Operating Officer), Rev. Dr. P. Fitzpatrick (Chaplain – for item 1463), Mrs.J.Hare (Deputy Vice-Chancellor & Director of Student Experience), Professor S.Hanton (PVC Research), Mr.S.Kelly (Student Vice-President Elect), Professor M. Loutfi (PVC International), Mr.D.C.Price (PVC Strategy & Performance) and Mr.R.D.G.Walters (Secretary & Clerk to the Governors).

Before the commencement of formal business the Chair welcomed Mr.Josh Barnett, Ms.Jo Berry and Mr.Stefan Kelly as observers prior to their becoming members of the governing body on 1 August 2014.

1461. Apologies for Absence

Apologies for absence were received from Ms.N.Amery, Mr A.Clark, Mr.S. Jones and Mr. S. Kidwai.

1462. Declarations of Conflict of Interest

There were no declarations of conflict of interest.

1463. Presentation on the Implementation of the Prevent Strategy

Professor Scott Fleming, Chair of the University Ethics Committee, and the Rev. Paul Fitzpatrick, University Chaplain and the named Prevent co-ordinator, gave a presentation on the University's implementation of the national Prevent strategy and its legislative and government policy context, including counter-terrorism.

The presentation outlined the key role of chaplaincy team and summarised the recognised routes into radicalisation and the University's protocols and practices to minimise the opportunity for radicalisation. It was recognised that radicalisation provided both reputational and security risks and confirmed that such risks were reflected in risk registers. Assurance was given that, although the University's procedures were in accordance with accepted best practice and that there was no evidence of radicalisation at the University's campuses, steps were taken to keep abreast of the ever-changing security environment and respond to Home Office advice. The University's procedures were supported by its Ethics Framework and students' access to the chaplaincy team which included an imam in the person of the part-time Deputy Co-ordinating Chaplain.

It was suggested that the adequacy of chaplaincy provision be reviewed as an element of continuing due diligence of the Prevent agenda and the protection of vulnerable people from radicalisation.

Resolved that the presentation be received.

1464. Minutes of the Board of Governors:

.1 1 April 2014

The minutes of the meeting of 1 April 2014 were confirmed as a correct record and signed. There were no matters arising from the minutes.

.2 3 June 2014

The minutes of the special meeting of 3 June 2014 were confirmed as a correct record and signed.

Matters Arising

.1 Approval of Fee Plan Submission for 2015/16 (min. 1460)

David Price reported on feedback and suggestions received from HEFCW since the submission of the Fee Plan for 2015/16. Noting that the Funding Council's suggestions would not change the substance of the Fee Plan as approved by the Board on 3 June, it was agreed that the final version of the Fee Plan would be formally approved by the Vice-Chancellor.

1465. Standing Items

.1 Report of the Chair of the Board of Governors

The Chair's written report presented details of:

meetings and events attended by the Chair since the last meeting of the Board of Governors;

action taken by the Chair on 23 June 2014 to amend the Resources Committee's Terms of Reference by the removal of the requirement for attendance of two members each from the former Finance & Estates and Human Resources Committees thus providing for quorum to be achieved through attendance by four members;

the business of the meeting of the Stakeholder Forum held on 24 June 2014 which had included a presentation on widening access;

the business of the meeting of the Strategic Planning & Performance Committee of 24 June 2014 which had included consideration of the Welsh Government's Remit Letter to HEFCW for 2014/15, a report on the National Assembly for Wales Higher Education Funding Inquiry, agreement on priorities for the performance agenda for 2014/15 (with endorsement of proposals for revised KPIs) and approval of changes to the University's strategy architecture;

the business of the TNE Sub-Committee meeting of 24 June 2014 which had included details of progress under the TNE Provision Business Plan, consideration of risk matrices for one third of partnerships; an oral report on the opening of the China Office, consideration of the University's partnership with the London School of Commerce (LSC) and the continuing number and proportion of certificates of acceptance for study the University could issue to the LSC, and the proposal to change the status of the TNE Sub-Committee to that of a full Committee of the Board (min. 1471.2 below refers).

Resolved that:

- .1 the report be received;
- .2 Chair's Action be noted;
- .3 the business of the most recent meetings of the Strategic Planning & Performance Committee, TNE Sub-Committee and Stakeholder Forum be noted.

.2 **Report of the Vice-Chancellor**

A written report presented information on progress made across the University since the 1 April 2014 meeting; activities were reported in the context of the Corporate Strategic Plan 2012-17. Appended to the report were the confirmed minutes of the Academic Quality and Standards Board (AQSB) meeting of 2 April 2014 and the Academic Board meeting of 9 May 2014 and the unconfirmed minutes of the AQSB meeting of 14 May 2014 and the Academic Board meeting of 3 June 2014.

Particular attention was drawn to:

receipt of a positive letter dated 6 June 2014 from the QAA giving key findings of the recent Institutional Review – the first draft of the formal report had been received for confirmation of accuracy;

positive recruitment statistics for 2014/15;

newspaper league table performance – a composite report covering all league tables was to be presented during the Autumn Term 2014;

the University's ranking in the International Student Barometer as the best in the UK for overall international student support for the fifth year running;

consideration of the establishment of an additional Academic Board sub-committee with specific focus on internationalisation;

the recent joint initiative between Cardiff Met Sport and Cardiff City Council to deliver the Local Sport Plan for the City;

the local authority's deferment of the planning application regarding the Llandaff playing fields and the University's formal objection to the Village Green application.

Resolved that the report be received.

.3 Students' Union

(i) Report of the Students' Union President

The Student President's final written report provided details of the annual review of the representation structure and the recruitment of School Representatives, and the Student Union's collaboration with the University in preparation for the QAA Institutional Review and more generally with Cardiff & the Vale College and Bridgend College. Details were provided also of recent Awards events and student experience activity, collaboration in the development of Cardiff Met Sport to provide more opportunities for all students across the University, and planning arrangements for 2014/15 covering *inter alia* the utilisation of additional resource emanating from the Fee Planning regime.

Resolved that the report be noted.

(ii) Financial Outturn 2013/14 and Provisional Budget 2014/15

A written report, which had been endorsed by the Resources Committee, submitted the Students' Union's projected financial outturn for the Financial Year ending 30 June 2014 and the provisional budget for 2014/15. Both sets of accounts included consolidated figures for Futura Marketing & Promotions Ltd, the Students' Union's wholly-owned trading subsidiary, and were supported by detailed notes and a summary of planned developments.

It was reported that the projected outturn for the 2013/14 Financial Year was a surplus of £24,545 which would maintain the sequence of positive outcomes generated in recent years and clear the balance sheet deficit. The provisional budget for 2014/15 forecasted a targeted surplus of £21k and reflected the disposal of the Howard Gardens operation.

Resolved that the projected outturn for 2013/14 and the provisional budget for 2014/15 be noted.

.4 Report by the Chair of the Resources Committee

The Chair of the Resources Committee, Mr. John Foster Thomas, presented an oral report on the business of the Committee's meeting held on 17 June 2014. The unconfirmed minutes had been presented for information.

Items of the Committee' significant business not otherwise recorded in these minutes were:

Strategic Estates Plan and Capital Project Update – the Committee noted i) the completion of the new building at Llandaff for the Cardiff School of Art & Design within the allocated budget of £14m, ii) the Local Authority's deferment of the planning application hearing regarding the Llandaff Sports Pitch, iii) the exchange of contracts for the sale of Howard Gardens with the sale conditional upon the granting of planning approval, iv) the placing of orders for a modular two storey facility with an approved budget set over the ten year lease term of £2.1m for additional sports accommodation at Cyncoed, v) progress under a prioritised programme of works for the implementation of the Estate Strategy and vi) the completion of work with consultants on the development of options for the development of the residential estate;

Corporate Communications Update – receipt of a written report which had provided an update on progress under the Communications Strategy during 2013/14 and an indication of future key activity;

Home/EU Full-Time Student Applications for 2014/15 Entry – receipt of a positive written report which had provided a summary of Home/EU full-time student applications for the 2014 entry by School and overall;

Human Resources Strategy Review and Monitoring – receipt of a written report which had provided an update on activity in support of the Staff Performance Agenda focused on the three initiatives of Academic Workload Model, Staff Performance Review Scheme and Staff Profiles System which were all to be implemented fully for the academic year 2014/15;

Succession Planning and Talent Management – receipt of a written report containing the outcomes of a consultation exercise with senior managers in relation to succession planning and talent management arrangements across the University and within individual Schools and Units and a summary of the Staff Development Unit's detailed response;

Future Accounting Changes: receipt of a briefing paper on planned changes to the accounting framework under which the University prepares its financial statements from 2015/2016 arising from the introduction of FRS 102 in March 2013 and consequent changes to the education SORP - a presentation on the impact of FRS 102 was to be given to the Governors' Away Day on 25 September 2014.

Resolved that the oral report be received.

1466. Risk Management

.1 HEFCW Institutional Risk Review Letter

A written report presented HEFCW's annual Institutional Risk Review Letter dated 4 June 2014 which provided the Funding Council's assessment of the University's risk exposure in 2013/14; this assessment represented no change in the Funding Council's risk opinion since 2013.

It was noted that HEFCW considered that the University did not "commit appropriately" in terms of increasing part-time and flexible undergraduate student numbers and had referred to a more than one third decrease in part-time students in 2012/13. However, closer inspection of the underlying data showed that:

there had been modest growth in part-time home/EU students between 2011/12 and 2012/13;

the decrease in total part-time students related to overseas PGT students – the University had grown this category of students to respond to a market opportunity which had been time-limited and transient in nature.

The report recorded that HEFCW had complimented the University's performance in respect of international student experience and had offered support in the preparations for Estyn's re-inspection of Initial Teacher Training provision (later confined to the preparation of documentation). Meetings were planned with both the Funding Council

and the University of South Wales to prepare for the Estyn re-inspection.

Resolved that the report be noted.

.2 **Strategic Risk Register: Implications and Actions**

A written report presented a revised format of the Strategic Risk Register, the reasons for change and four risks meriting particular attention. Confirmation was given that VCB supported the introduction of the new format, which would assist the Board in its consideration of risk assessment, and that the format did not conflict with the current Risk Policy and was aligned with the proposed new Risk Management Policy (min. 1470.1 below refers).

Appendices to the report presented the summary and detailed Strategic Risk Registers; no 'red', highest priority risks had been identified. Assurance was given that the Risk Management Committee, VCB and the Audit Committee had assessed the Strategic Risk Register (in its new format) on 2 June, 9 June and 1 July respectively.

It was noted that the Resources Committee had received a written report on Succession Planning and Skills Management and agreed that the current perceived lack of succession planning in key areas was a risk worthy of record in risk registers.

Resolved that the report and the contents and revised format of the Strategic Risk register be noted.

1467. Finance Reports

.1 **Outturn 2013/14: Third Review**

A written report, which had been endorsed by the Resources Committee, provided an updated financial projection for the University's Outturn together with a commentary covering performance to date. Appendices illustrated the income and expenditure account for 2013/14 together with cash management, balance sheet and capital expenditure expectations

The forecast surplus for the year had been revised upwards by £453k to £722K from the previous forecast of £269K (and the original budget figure of £105K). It was reported that the forecast had been revised on a prudent basis and in recognition that, as the year-end approached, the risk of any significant negative variation from the expected result was reduced, particularly in relation to pension provision and the assessment of collectable debt. In these circumstances refurbishment work at the Plas Gwyn residences had been brought forward for commencement within year.

It was noted that it had not been possible to account for the sale of Howard Gardens in the 2013/14 financial year and that consequently the sale price was likely to add significantly to the 2014/15 surplus.

Resolved that the report be approved.

.2 **Budget Proposals for 2014/15**

A second written report set out budget proposals for 2014/15 in the context of the transition to a new funding regime whereby HEFCW grant for full-time undergraduate home students was being replaced by tuition fees.

Assurance was given that the proposals met all the financial strategy targets and that the proposed budget would allow for the achievement of a significant surplus, thus generating the cash needed to fund the University's infrastructure aspirations.

Appendices to the report presented the Income and Expenditure Account, cashflow forecasts for the year, consolidated balance sheets, the capital budget and an analysis of expenditure by area. It was reported that the University's income was forecast to increase by circa £10.2m (12%) to £94.85m through a continued decline in HEFCW grant income to £2.67m (2.8% of turnover) balanced by an increase in student tuition fee income by £12.4m, mainly as a result of the increase in the home tuition fees. Forecast total budgeted expenditure amounted to £90.4m, of which pay would account for £54.8m. Pay as a % of income was 57.8%, below the financial strategy target threshold of 60%.

It was confirmed that proposals for revisions to the Financial Strategy would be presented during 2014/15 and that consideration was being given to the earlier release of funding for capital expenditure at Cyncoed.

Resolved that the proposed budget be approved

.3 HEFCW Financial Forecasts

Members were advised that HEFCW required the Corporate Strategic Plan to be supported by financial forecasts over the five-year planning period. A written report, which had been endorsed by the Resources Committee, provided an overview of the forecasts and the trends contained therein.

It was noted that the format of the HEFCW forecasts was similar to previous years, with differences attributed to HEFCW's requirement for a more detailed analysis of HEFCW grants and tuition fees. Appendices to the report contained the draft HEFCW financial forecasts, the graphs of the KPIs and a commentary on the forecasts in the format required by HEFCW.

Assurance was given that the forecasts had been compiled in a prudent manner to ensure the maintenance of the financial health of the University and to achieve the required surplus and cash flow.

Resolved that the proposals be endorsed for incorporation into the University's strategic plan submission to HEFCW.

1468. Audit Committee Business

.1 Internal Audit Strategy 2012/2013 - 2014/15

A written report, which in an earlier draft had been presented to the Audit Committee on 1 July 2014, confirmed that the contract for the provision of internal audit services had been extended for an additional year to 31 July 2015. It was noted that the current Internal Audit Strategy included provision for 2014/15 which had been used as a starting point for discussions on the development of the Internal Audit Plan for 2014/15.

It was confirmed that current and potential risk and issues had been used to determine assurance priorities and identify where internal audit input would be most beneficial. It was noted that the Plan as endorsed by the Audit Committee had been revised by the addition of a review in the Summer Term 2015 of the University's preparedness for FRS 102.

Resolved that the revised Internal Audit Strategy for 2012 – 2015 and the internal Audit Plan for 2014/15 be approved.

.2 **Report by Audit Committee Chair**

The Audit Committee Chair presented an oral report on the business of the Audit Committee meeting held on 1 July. The unconfirmed minutes were presented for information.

Items of the Committee's significant business not otherwise recorded in these minutes were:

External Audit - approval of the External Audit Plan for the audit of the 2013/14 accounts;

Internal Audit – notice of good progress under the Internal Audit Plan for 2013/14 as confirmed by the draft Annual Report which was to be presented in final form during the Autumn Term 2014 and would provide a positive opinion in respect of governance, risk management and control.

Resolved that the oral report be received.

1469. Welsh Government: Higher Education (Wales) Bill

A written report provided an overview of the purpose of and timetable for the Higher Education (Wales) Bill. It was considered unlikely that Royal Assent would be received before March 2015. Appendices presented a briefing note on the Bill prepared by Higher Education Wales (HEW) and legal advice commissioned by HEW.

On the recommendation of SPPC it was agreed that: i) the University would support HEW's actions where these were compatible with the University's interests and were being effectively discharged; ii) the University would not rule out acting in conjunction with the other two Higher Education Corporations in Wales (Glyndwr University and the University of South Wales); the University would strive to avoid unilateral action.

It was noted that the University had commissioned its own legal advice in relation *inter alia* to the extent to which the Bill was proportionate, the Bill's implications for NPISH and charity status and the potential for the additional powers given to HEFCW through the Bill and/or subordinate legislation to conflict with competition law.

On a further recommendation of SPPC it was agreed that a working group of governors, senior staff and professional advisers similar to that set up during 2011/12 to oversee the University's response to the threat of dissolution would be established under Chair's Action to monitor the progress of the Bill and identify and respond to developments as required. It was agreed similarly that, as during 2011/12, a team of legal professionals would be established should the need arise and that Chair's Action would be taken to commission additional external specialist advice as required.

A Powerpoint presentation elaborated on the contents of the written report and contrasted the relevant provisions of the Further and Higher Education Act 1992 and the Higher Education (Wales) Bill. The presentation identified HEW's concerns about, *inter alia*, the lack of definition and liberal use of the negative resolution procedure, the wide scope for ministerial and HEFCW influence over institutions' operations and strategy, the potential for the provisions to conflict with individual institutions' charitable status and effect ONS reclassification as public sector. Given the potential for loss or diminution of institutional control over matters of operation and strategy, it

was suggested that preliminary consideration be given to alternative legal structures which could provide greater levels of autonomy than that inherent in higher education corporations.

Resolved that the report be noted

1470. Policy and Strategy Development and Review:

Assurance was given that equality impact assessments had been undertaken for the three policies and one strategy presented for periodic review and approval.

.1 Risk Management Policy

A revised Risk Management Policy, which had been endorsed by the Audit Committee, was presented for approval.

Resolved that the revised Risk Management Policy be approved and further reviewed within a period of three years.

.2 Anti-Bribery and Gifts and Hospitality

The meeting was advised that the Anti-Bribery Policy and the Gifts and Hospitality Policy had been established during 2011 and were thus due for periodic review. It was confirmed that both policies has been reviewed and were presented for further approval without change.

Resolved that the Anti-Bribery Policy and the Gifts and Hospitality Policy be approved and further reviewed within a period of three years.

.4 The Student Charter 2014/15

A written report presented a revised Student Charter which, in its content and review process, complied with HEFCWs requirements for 2014/15. It was confirmed that the version as presented had been endorsed by the Students' Union, Academic Board and the Nominations & Governance Committee.

Resolved that the revised Student Charter be approved for 2014/15.

.5 Research Strategy 2014-19

A written report set out the consultation process followed to draw up and agree a revised Research Strategy for the period 2014 to 2019 (thus aligning the new Strategy with the next REF submission period). It was reported that the final draft of the Strategy and the Action Plan had been presented to the Academic Board on 9 May and to SPPC on 24 June.

Resolved that:

.1 the revised Research Strategy for 2014-19 be approved;

.2 the action plan noted.

1471. Governance Issues

The meeting received the Clerk's periodic written report on governance issues.

.1 Board Membership

The written report set out details of recent appointments and re-appointments to the Board of Governors (min. 1455 of 1 April 2014 refers) and advised that as of 1 August 2014 there would be vacancies for one independent governor and one co-opted governor against establishment.

The Nominations & Governance Committee, acting on the proposals of the working group set up during the Spring Term 2014 (min. 1455.2.2 above refers), recommended that the current search for new governors should continue with a view to bringing forward recommendations for Board membership which would improve gender and ethnicity balances and/or secure membership of a governor with extensive professional experience of higher education.

Notice was given that in addition to the retirement of Baroness Finlay (independent governor) on her taking up the Presidency of the BMA (min. 1455.2.1 refers), the terms of office of three governors were due to expire on 31 July 2014, viz. Mrs Anna Hayes, Support Staff Representative since August 2011, Ms Ruth Foster, Students' Union President since August 2012 and Ms Katie Bees, Students' Union Vice-President since August 2013.

It was reported that recent elections for academic and support staff representatives for the three-year period starting 1 August 2014 had resulted in the re-appointment of Dr. Matt Waring as academic staff representative and the appointment of Ms. Jo Berry as support staff representative.

.2 Committee Structure

The Nominations & Governance Committee, as proposed by the working group, recommended:

.1 Resources Committee

that there be an immediate revision of the Terms of Reference under Chair's Action to revise quorum through the removal of the requirement for attendance by two members of each of the two former committees – this recommendation had been met under Chair's Action taken on 23 June 2014 (min. 1465.1 above refers);

that there be more emphasis on medium-term (five year) and longer-term planning and that the Committee during 2014/15 be invited to consider the introduction of requirements to a) consider and advise the Board of Governors in relation to the long term estimates of income and expenditure, working capital and capital commitments (with consideration given to the definition of 'long-term') and b) consider and advise the Board of Governors in relation to the University's Estates Strategy – it was agreed that the Committee would be invited to consider the above proposals at its first meeting during 2014/15;

.2 Strategic Planning and Performance Committee

that the number of meetings each year be reduced from six to four, with two meetings in the Autumn Term and one in each of the Spring and Summer Terms – this recommendation was approved and reflected in the version of the rolling calendar presented under min. 1472 below;

in the context of long-term planning and sustainability, that there be early discussions during 2014/15 on options for structural change;

.3 TNE Sub-Committee

that the TNE Sub-Committee should become a full Committee of the Board of Governors in recognition of the growing importance of the Internationalisation agenda - this recommendation was approved and reflected in the version of the rolling calendar presented under min. 1472 below;

.4 Student Experience Liaison Group

that a small group of governors be established to meet members of the student representative structure (course and year representatives) on a termly basis before Board meetings to discuss the student experience - this recommendation was approved and reflected in the version of the rolling calendar presented under min. 1472 below;

.5 Task and Finish Group

that a Task and Finish Group be established, its functions and membership to be determined from time to time by the Chair.

.3 Committee Membership

It was agreed that Committee membership for 2014/15 would be as set out in Appendix 1 to the report.

.4 Reviews of Effectiveness

It was reported that, in accordance with the resolution of the last meeting, agreement had been reached with Mr Eddie Newcomb for a review of the effectiveness of the governing body, such review to commence in the Autumn Term 2014. It was agreed that details of the review would be put to the Chair for approval and an overview of the format of the review presented to governors at the September 2014 Away-Day. The review was to encompass reviews of the effectiveness of the Audit and Nominations & Governance Committees.

.5 Governor Training

Training arrangements for 2014/15, as endorsed by the Nominations & Governance Committee, were agreed.

Details were provided of governor development sessions to be presented by the Leadership Foundation and of HE circulars posted on the HEFCW website since the last report.

Resolved that:

- .1 the report be noted;
- .2 the current search for governors continue with a view to improving gender and ethnicity balances and/or securing membership of a governor with extensive professional experience of higher education;
- .3 the appointment of academic and support staff representatives as co-opted governors be approved;
- .4 recommendations of the Nominations & Governance Committee for the committee structure and the frequency of meetings be approved;
- .5 proposals for committee membership and governor training for 2014/15 be approved.

1472. Any Other Business

.1 Restricted Business

Resolved that the following items retain restricted status:

HEFCW Institutional Risk Review Letter
Strategic Risk Register: Implications & Actions
Outturn 2013/14: Third Review
Budget Proposals 2014/15
HEFCW Financial Forecasts
Internal Audit Strategy 2012/13 to 2014/15
Higher Education (Wales) Bill

.2 Board Membership

At the conclusion of the meeting the Chair paid tribute to the four members who were attending their last meeting before retirement from the Board of Governors on 31 July 2014, viz. Baroness Ilora Finlay, Mrs. Anna Hayes, Ms. Ruth Foster and Ms. Katie Bees. Tribute was paid also to Mr Peter Williams, Vice-Chair since 1 August 2012, who was to relinquish the position of Vice-Chair on 31 July 2014 but would remain an independent governor.

1473. FOR INFORMATION

The following documents were provided for information:

- .1 Rolling Calendar of Meetings: 2014/2016
- .2 HEFCW Remit Letter 2014/15
- .3 Minutes of the Resources Committee: 17 June 2014
- .4 Minutes of the Strategic Planning Committee: 24 June 2014
- .5 Minutes of the Audit Committee: 1 July 2014