

CARDIFF METROPOLITAN UNIVERSITY

MEETING OF THE BOARD OF GOVERNORS: TUESDAY, 10 OCTOBER 2017

MINUTES

Present: Miss B Wilding (Chair), Professor C. C.Aitchison (President & Vice-Chancellor), Ms.N.Amery (Vice-Chair), Ms.J.Berry, Ms.K.Chamberlain, Mr.W.Fuller, Mr.I.Gardiner, Mrs.S.Goodson, Mr.G.Hardacre, Mr.F.Holmes, Mr.U.Hussain, Dr.S.Jackson, Dr.M.James, Mr.S.Kidwai, C.Morgan, Dr.K.Nnoaham and Dr.C.Turner.

Attendance: Ms.J.Boddington (PVC Student Engagement), Mr.P.Boshier (Strategy Development Officer [Risk Management] until item at minute 1649), Professor S.Chang (Deputy Vice-Chancellor Academic), Professor S.Hanton (PVC Research & Innovation), Mr.D.Llewellyn (Director of Finance), Professor M.Loutfi (PVC International), Professor Leigh Robinson (PVC Cyncoed and Executive Dean) and Mr.R.D.G.Walters (Secretary & Clerk to the Governors)

The business recorded under minute 1659 below was treated as restricted and transacted by independent and non-staff/student co-opted governors (hereinafter 'lay governors') and the President & Vice-Chancellor only.

Before the commencement of formal business a welcome was extended to five new members of the governing body and to the three new senior post holders, as recorded at minute 1645 below, and to Mr. Phil Boshier who attended to present the item at minute 1649: Risk Appetite and Tolerance 2017/18.

The division of business into Parts A and B was confirmed.

Part A

1642. Apologies for Absence

Apologies for absence were received from Ms K. Chamberlain, Mr. G Davies, Ms. S. Hay and Mr. G. Yorston.

1643. Declarations of Conflict of Interest

There were no declarations of conflict of interest.

1644. Open Minutes of the Meeting of the Board of Governors held on 4 July 2017

The open minutes of the last minute were approved as a correct record. There were no matters arising from the minutes.

The restricted minutes of the last meeting were presented under Restricted Business at the end of this meeting at min. 1659 and confirmed as a correct record.

1645. Welcome to new governors and senior post-holders

The Chair welcomed formally and introduced:

three new independent governors: Mrs. Sian Goodson, Professor Kelechi Nnoaham and Dr. Chris Turner;

the new Students' Union Vice-President: Mr. Ieuan Gardiner

and the new Academic Staff Representative: Dr Malcom James.

Welcome was extended also to the three new senior post-holders whose appointments are recorded at minute 1646.1.3 below.

It was reported that the away-day scheduled for 15 February 2018 would provide an opportunity for the new senior post-holders to give presentations on their portfolios and action plans.

1646. Standing Items:

.1 Report of the Chair of the Board of Governors

.1 Meetings and Events

The Chair's periodic report set out details of events attended since the last meeting.

.2 Chair's Action

It was reported that during August 2017 the Chair had approved the repayment of relocation expenses to the Vice-Chancellor in accordance with the approved Relocation Scheme.

3. Senior Post-Holders

Following the governing body's approval during the Summer Term 2017 of the new senior management structure and the completion of negotiations on terms and conditions, new senior post-holders had taken up employment during the Autumn Term 2017 as follows:

Professor Sushila Chang as Deputy Vice-Chancellor Academic on 4 September 2017;

Ms. Jacqui Boddington as PVC Student Experience on 18 September 2017;

Professor Leigh Robinson as PVC Cyncoed and Executive Dean of the Cardiff School of Sport and Health Sciences on 2 October 2017.

It was reported that severance agreements had been negotiated over the summer months with senior staff whose positions had been removed from the management structure in accordance with the terms discussed with lay governors in private meetings on 11 April 2017 and 4 July 2017 and in compliance advice obtained in accordance with the Senior Staff Severance Policy.

4. Grant of Professorial Title

It was reported that in accordance with the procedure approved at the last meeting for the award of professorial title to senior post-holders, the following professorial titles have been awarded to two new senior post-holders for the duration of their employment at Cardiff Metropolitan University:

Sushila Chang: Professor of Food Safety, Security and Biotechnology;

Leigh Robinson: Professor of Sport Management.

5. Strategic Planning & Performance Committee

The 19 September 2017 meeting of the Strategic Planning & Performance Committee (SPPC) had been cancelled for want of significant business. SPPC was next scheduled to meet in November 2017.

Resolved that:

- .1 the report be received;
- .2 Chair's Action be noted.

.2 Report of the Vice-Chancellor

The Vice-Chancellor's periodic written report covered Higher Education policy on Student Fees, developments in the executive leadership of the University, the positive financial outturn for 2016/17 (minute 1647 below refers) and other outcomes from 2016/17 which included i) the adoption of new Strategic Plan, ii) the implementation of the new senior leadership structure, iii) a programme of Voluntary Severance, restructuring and rationalisation of senior management posts, iv) planning for the introduction of the Real Living Wage from 2018, v) the implementation of a cost of living pay award for all staff for 2017/18 and vi) the immediate redress of gender pay gaps at Level Three.

In respect of fees, the meeting noted the Welsh Government's approval for an increase in undergraduate (ug) fees in principle from £9,000 p.a. to £9,295 p.a. from 2018 but also the uncertainty caused by the Westminster Government's proposal to cap fees in England at £9,250 and other recent political announcements. Although there was uncertainty amongst some universities in Wales regarding the contractual entitlement to apply any increase to continuing students, i.e. those who entered into a contract with a university before notification of any planned or potential increase, it was suggested that this University had positioned itself to be able to increase fee for all ug students from 2018/19. It was noted, given the increase in fees in England from September 2017 to £9,250 p.a. and the inability of universities in Wales to increase fees at this time, that the impact on this University of no increase in fees until 2018/19 was equivalent to a reduction of c. £2m in income annually in comparison with universities in England. In these circumstances it was suggested that the University should plan to increase fees for all ug students from the Autumn Term 2018 and agreed that the matter would be referred to the next meeting of the Resources Committee for further consideration.

It was reported that work for 2017/18 would include i) a programme of strategic projects including a review of staffing across the University in consequence of voluntary severance, ii) a series of reviews of academic models and practices, iii) enhancements to student engagement activity, iv) the development of a new Internationalisation

Strategy to develop synergy between on and off campus provision and development of proposals for a campus in Egypt, v) the development of a new strategy for research, innovation of postgraduate research provision, vi) the development of the University's strategy for sport with the aim of securing a place in the UK's top 10 universities for performance sport and and vii) the establishment of a new campus in Cardiff City Centre to include provision for the Cardiff School of Technologies (min. 1650 refers). It was agreed that updates on progress under the programme of strategic projects and the establishment of a campus in Egypt would be presented at the next meeting.

The meeting noted with approval the University's accreditation by the Social Enterprise Foundation and the award of the Social Enterprise Mark, making the University one of only ten universities in the United Kingdom with such accreditation. The meeting was also pleased to note the achievement by Ms. Jenny Evans, a student at the Cardiff School of Art and Design, of the 2017 Santander Universities Entrepreneurship Awards for her work in setting up a textile design business. The meeting asked for the governing body's congratulations to be conveyed to the Director of Innovation, Mr. Matthew Taylor, and to Ms. Jenny Evans.

The Vice-Chancellor expressed her thanks to the Chair, Vice-Chair and other governors who had participated in recent processes for the recruitment of senior post-holders. Details were provided of the appointment of Mr. John Cavani as Level 3 Director of Marketing and External Relations, who was due to take up his position on 30 October 2017, and of the recruitment of a Dean of the Cardiff School of Technologies, in which case an offer had been made subject to negotiations on terms, conditions and references. Recruitment processes had commenced to the new position of University Registrar & Director of Planning and to the reconfigured position of Director of Estates & Facilities.

A list was provided of the Vice-Chancellor's engagements both on and off campus since the last report. Additional to the list were details of staff meetings called to introduce new senior managers and provide updates on recent developments.

Resolved that the report be received.

.3 Report of the Students' Union President

The 2017/18 Students' Union President's first written report to the Board of Governors provided an update on the activity of the Students' Union. The report covered:

- recruitment and training of the School Representatives Team, the Part Time Officer Team and the Officer team – it was agreed that when appropriate the School Representatives Team would be extended to encompass the new School of Technologies.
- the revised format of the induction week with Freshers' Fayre at Cyncoed and the MetFest at Llandaff;
- the composition and work of the Students' Union's Welcome Crew for the induction period;
- plans for 2017/18 including the launch of the 'Tell US' campaign;
- the establishment of more academic-based societies to help create working communities within Schools;

- Student Safety and Wellbeing including the continuation of the student safety initiative built around the night time economy in Cardiff;
- in respect of Mental Health, the continuation of work with Time to Change Wales and the commitment to financing a Student Minds group including the recruitment and training of students for peer to peer mentoring;
- planned growth in the level of student engagement in volunteering projects.

It was reported that the annual Students' Union Partner Visit was to take place between the 19 October and 1 November 2017 with visits to institutions in India, Sri Lanka and Singapore.

Resolved that the report be noted.

1647. Draft Outturn 2016/17: Final Review.

A written report, which represented the draft Management Accounts for 2016/2017 and focussed upon the performance of the Income & Expenditure Account, was submitted for information prior to the completion of the audit process. The report was presented subject to audit. The report's appendix provided summaries of the original budget and final forecast for the year, together with the summary of the actual financial performance during the year.

It was noted that the original budget for 2016/17 had been a surplus of £1.1m with associated cash generation through operations of £5.7m. The first outturn reassessment during the autumn of 2016 had resulted in a substantial negative revision to the original budget, to forecast a projected deficit of £4.1m and reduced cash generation through operations of £4m. The movement to a deficit position had been due in part to a shortfall in tuition fees and in part to an increase in the local authority pension deficit charges, accounting adjustments which did not impact on cash generation.

The final projection for the year had forecast cash generation of £6.2m (some £500k ahead of the original budget) and an accounting deficit of £1.9m. However, the actual year-end position showed a £2m improvement on the final projection with achievement of a modest surplus of £54k together with generation of more than £8.2m through operations (some £2.5m ahead of the original budget). The turnaround in the financial position was attributed to a range of factors including strict control on costs and improvements in core income streams including income from TNE.

It was acknowledged that the outturn highlighted the growing disconnect between accounting performance and the value of cash generated through operations.

With regard to fee levels for ug students (min. 1646.2 above refers), it was noted that the only mechanism for an increase in income in the absence of an increase in fees would be through growth in student numbers.

The final version of this item's report, revised as necessary to reflect the completed audit of the accounts, was to be submitted to the Resources Committee and the Board of Governors in November 2017.

Resolved that the report be noted.

1648. Student Recruitment Entry: 2017: Update

A written report provided an update on acceptances and enrolments for 2017 entry for Undergraduate and Postgraduate courses; final numbers would be available later in the term. It was noted that performance for 2017 demonstrated an improvement over that for 2016.

It was agreed that a report would be presented to SPPC on comparative UCAS tariff data.

Resolved that the report be noted.

1649. Risk Appetite and Tolerance 2017/18

A written report supported by a presentation invited the governing body to consider and approve the University's 2017/18 Risk Appetite and Tolerance Statement (Appendix 1) which built upon the 2015/16 and 2016/17 iterations. The report had been endorsed by Management Board on 3 October 2017.

It was noted that the Risk Appetite and Tolerance Statement ('the Statement') contained a Risk Management Strategy which adopted differential risk appetites across different types of University activity. It was agreed that the University would accept, as a general principle, higher levels of risk in relation to seeking and considering opportunities and rewards but less risk during the operational implementation of any chosen options. The University would adopt a hungry risk appetite with regard to strategic development activity and related funding options but would have no appetite for uncertainty regarding liquidity. At the same time the University would seek to avoid and manage down risk and uncertainty to academic standards and the regulatory compliance requirements it chose not to challenge or press.

It was acknowledged that the capabilities of the new Risk Management Software encouraged a more sophisticated determination of Risk Appetite than had been practicable hitherto. Assurance was given that the Statement and the appropriateness of related decision-making and behaviour would be monitored periodically by Management Board on a monthly basis and by the Board of Governors each term.

This item was to be further considered at the Governors' Away-Day scheduled for 15 February 2018.

Resolved that the 2017/18 Risk Appetite and Tolerance Statement be approved.

1650. One Cardiff Met: Update on School of Technologies

A written report examined the implications of the proposed development of the University's facilities and estate on both of the current campuses and the proposed third campus. The appendix to the report presented details of the proposal for the Central Quay Campus and the new Cardiff School of Technologies, developments necessary to achieve the growth and diversification set out in the Strategic Plan 2017/18 – 2022/23.

It was acknowledged that the scope and scale of these changes necessitated a thorough review of the entire University estate, supported by the establishment of a new Master Plan, and that the finance required for both a new City Centre/Central Quay Campus and the redevelopment of the Cyncoed Campus, including the development of new student residences at both Central Quay and Cyncoed, was beyond the University's borrowing capacity. In these circumstances alternative funding arrangements were under consideration, including the scope for work with private providers to supply and run student accommodation.

The report set out proposed governance and executive arrangements required to co-ordinate the Master Plan and ensure that the new Cardiff School of Technologies developed to time and on budget. In this regard it had been agreed to form a One Cardiff Met Executive Board, which had first met on 9 October 2017, to provide executive management of the project, and a One Cardiff Met Programme Board, which had first met earlier on 10 October, to provide governance; terms of reference were under development. It was noted that the Executive Board was likely to receive significant input from an external project manager employed on a consultancy basis.

Detailed consideration would be given to this item at the February 2018 Away-Day by which time it was anticipated that a Project Manager and a master planning team would be in place and business planning and funding streams well advanced.

Resolved that the report and the proposed governance and executive arrangements contained therein be approved.

1651. Annual Review of League Tables

The meeting received a written report which reviewed the University's performance in UK league tables published during 2017. In summary the University's rankings had seen:

improvement by 5 places in the Complete University Guide to 67th position;

improvement by 4 places in the Guardian to 87th position;

a worsening of position by one place in the Times Good University Guide to 90th.

As a consequence of the foregoing performance the University's aggregate performance in a composite ranking of all three major league tables had improved by 3 places from 84th to 81st overall.

The report identified the factors which could be expected to impact adversely on future performance. Assurance was given that the University's performance was being analysed with a view to steps being taken to improve league table performance and the approach to collecting and reporting data.

It remained a priority to meet the criteria for inclusion in the Times Higher Education World University Rankings. This would be achieved through work under a project plan currently under development by the PVC Research & Innovation.

Resolved that the report be noted.

1652. National Student Survey Results 2017

A written report summarised the outcome of the 2017 National Student Survey (NSS).

The University had had a final response rate of 79%, giving an increase of 2% over the 2016 performance. Over 4000 student responses had been recorded across the five institutional student experience surveys, providing more student feedback and data than in previous years.

It was reported that the University's Overall Satisfaction score had increased to 84%. Although this provided a marginal increase in overall satisfaction score, it had translated into a stronger sector performance than expected given the movement downwards by many HEIs. This performance had resulted in a Times Higher Education ranking of joint 74th, an improvement of 40 places on 2016.

It was acknowledged that there had been substantial changes to the survey which prevented direct comparisons between historic and current NSS questions.

Resolved that the report be noted.

1653. The Quality Assurance Framework for Wales, Governing Body Annual Assurance Statements and Academic Governance

As reported to the governing body in April 2017, an element of the new Quality Assessment Framework for Wales required the governing body to provide annual assurance on matters of quality and standards. This development, it was noted, marked a significant step away from the Board's traditional focus on corporate governance as set out in legislation and the Instrument and Articles of Government and required a review by the Nominations & Governance Committee of the criteria for governor appointments and the composition of the governing body.

The Appendix to the report re-presented for information and discussion the briefing paper presented to the Board of Governors on 4 April 2017.

Although the first formal assurance statement was to be submitted to HEFCW during December 2018, for the 2017/18 academic year, an assurance statement was to be submitted in December 2017, for the year 2016/17, as part of HEFCW'S development year.

An oral presentation set out the five elements of the annual assurance statement. It was agreed that a draft assurance statement would be presented to the Board of Governors on 28 November 2017 for approval and subsequent submission to the Funding Council.

It was agreed that consideration would be given to mechanisms for the Board to verify information received and be in a position to provide the required assurance with confidence. These mechanisms, it was suggested, could include the establishment of a small group of governors with relevant experience to provide scrutiny and assurance to the Board on proposed annual assurance statements.

Resolved that:

- .1 arrangements for the submission of the first annual assurance statement to HEFCW in December 2017 be approved;
- .2 further consideration be given to arrangements for subsequent assurance statements;
- .3 the Nominations & Governance Committee be asked to consider future vacancies and recommendations for appointment in the light of the new requirement for annual assurance statements.

1654. Governance Issues

The periodic governance report presented an overview of current governance issues and made recommendations on Committee appointments.

The report covered new members of the Board of Governors, the appointment of a new Chair from 1 August 2018, Board and Committee membership for 2017/18 *et seq*, proposal for reviews of effectiveness and governor training, indicative arrangements for a governors' away-day on 15 February 2018, compliance with the Prevent agenda, the Clerk's Annual Report and recent HEFCW circulars.

Resolved that:

- .1 the report be noted;
- .2 the following appointments be made to Committees:

Mr Gareth Hardacre as a member of the Remuneration Committee for the period to 31 July 2020;

Mr. Adrian Piper as an external co-opted member of the Audit Committee for a further three-year term commencing on 11 October 2017.

1655. Any Other Business

- .1 Restricted Business

Resolved that papers for the following items of business would retain restricted status:

Draft Outturn 2016/17: Final review

Risk Appetite and Tolerance

Part B

Papers under Part B were not discussed at the meeting and any recommendations therein taken as approved.

1656. Clerk's Annual Report 2016/17

The Clerk's Annual Report for the year 2016/17 summarised the composition, structure and operation of the Governing Body and its compliance with the Instrument and Articles of Government during the last business session. The report included a summary of the governing body's responsibilities together with details of the approved procedure for the appointment of governors. The report also presented an open summary of the work of the Remuneration Committee during 2016/17

Resolved that the Annual Report be received.

1657. Equality and Human Rights Commission Publication: Delivering the Prevent Duty

The meeting received for information a guide for higher education providers in Wales on how to sue equality and human rights law in the context of Prevent.

Resolved that the EHRC publication be received.

1658. HEFCW: Institutional Risk Review Letter 2017

It was reported that the Funding Council's draft Institutional Risk Review Letter for 2017 had been received and would be submitted to the SPCC, the Audit Committee and the Board of Governors later in the Autumn Term 2017.

1659. Restricted Business

.1 Restricted Minutes of the Meeting of 4 July 2017

The business recorded under this minute was treated as restricted and transacted in private session by independent and non-staff/student co-opted governors and the President & Vice-Chancellor only.

The meeting received the Restricted Minutes of the meeting of 4 July 2017 and an oral report on progress since that date under the transition to the new management structure. It was noted with approval that all Level 2, senior post-holder, positions had been filled and that the appointees had commenced in post, and that severance negotiations had been completed in respect of all the senior staff (Level 2 and 3) whose positions had been removed from the structure.

Details of the remuneration packages for the three new senior post-holders and of the severance agreements for staff whose employment had terminated since the last meeting and who were covered by the Senior Staff Severance Policy were to be presented to the next meeting under Remuneration Committee business.

Resolved that the restricted minutes of the meeting of 4 July 2017 be confirmed as a correct record and the oral report received.