



Board of Governors

Minutes of a meeting of the Board of Governors held on 27th November 2014 in the Shannon Rooms 1 and 2, St Mary's University, Twickenham.

Present:

Rt Rev Richard Moth (Chair)
Sir Anthony Bailey
Mr Francis Campbell (Vice-Chancellor)
Mr John Dixon
Fr Richard Finn
Mr Mike Foster
Mr David Hartnett
Mrs Sue Handley-Jones
Mrs Maureen John
Mr Ryan Jones
Mr Stuart Kemp
Dr David Livesey
Ms June Mulroy
Mr Peter Pledger
Mr Simon Uttley
Mr Jonathan Walsh
Dr Tim Walsh

In attendance:

Mr Graham Fice (Clerk to the Governors)
Mr David Leen (Pro Vice-Chancellor)
Dr Claire Taylor (Pro Vice-Chancellor)
Mrs Jo Blunden (Director of HR)
Mr Terry Noys (Director of Finance)
Professor Bernard Weiss (Senior Advisor to the Vice-Chancellor)

Mr Owen Carew Jones (Winckworth Sherwood) (for M4 only)
Mr Dan Hurd (Ernst and Young) (for M4 only)
Mr Kyri Papatomas (Ernst and Young) (for M4 only)
Ms Caroline Nagel (Lexington Communications) (for M4 only)

Apologies: Cllr Tony Arbour, Mr Jeffrey Cottle, Mrs Helen Frostick, Dr Maureen Glackin, Mr Peter Thomas.

The meeting commenced with a prayer led by the Chair.

The Board recorded its congratulations to Anthony Bailey on the award of Knight Grand Cross of the Order of the Nation (Antigua and Barbuda) and to Simon Uttley on the award of a Papal Knighthood (Order of the Holy Sepulchre).

1 DECLARATIONS OF INTEREST

- 1.1 Stuart Kemp declared an interest in relation to M4 below and his intention to abstain from any substantive vote as his employer provided internal audit services to the institution.

2 MINUTES OF PREVIOUS MEETING

- 2.1 The minutes of the meeting held on 25 September 2014 were approved subject to amendment of M4.3 to record that conversion of offers in Clearing had dropped to 40% from 60%.

3 MATTERS ARISING

M3.1 Appointment of Pro-Chancellors

- 3.1 The Chair had discussed the names of three possible candidates for appointment as Pro-Chancellor with the Chancellor and two additional names had been suggested by Cardinal Nichols. The small group established by the Board to consider the names of possible candidates would reconvene before approaches would be made in confidence by the Chair and Vice-Chancellor.

M3.2 Membership of the Board and the Board's Committees

- 3.2 Meetings of the Nominations Committee had been arranged for January to review the terms of office of current members and to interview potential candidates for appointment.

M5.7 [Strategic partnership with another institution]

- 3.3 The Students' Union of [the proposed partner institution] had proposed a meeting with SMSU for the first week of December 2014.

M10 Board Handbook/M11 Scheme of Delegation

- 3.4 The Board had agreed to publish 'interim' versions of the *Board Handbook* and *Scheme of Delegation* pending publication of the *CUC Code of governance*. At its meeting held on 30 October the Chairs' Committee had noted that a revised version of the *Code* had been published for consultation. Publication of a final version of the *Code* was expected in early 2015; the Board would receive this and a mapping of compliance in April 2015.

Revision of the *Board Handbook* and *Scheme of Delegation* would be for the Board's July 2015 meeting to ensure new versions were in place for 2015/16.

4 [STRATEGIC PARTNERSHIP WITH ANOTHER INSTITUTION]

[Minute withheld]

5 VICE-CHANCELLOR'S REPORT

- 5.1 The Board received the Vice-Chancellor's report (paper 3). The report covered:
- Management structures and the composition of management

- Development of the new Strategic Plan (M8 below also refers)
- Speakers for the Board's Strategic Awayday (26 March 2015)
- An update on student numbers
- Recruitment for 2015/6 generally and international student recruitment in particular
- Ceremonial: installation of the Chancellor and Summer Awards Ceremonies
- Planning and preparation for QAA Higher Education Review in March 2015 and expected Ofsted inspection May - June 2015
- Arrangements for announcement of the results of the REF exercise, to be published nationally on 18 December 2015
- Significant issues considered by the Academic Board at its meeting on 5 November 2014 including no intake to the inhouse MBA for 2014/15 (noted that the MBA in collaboration with the Mountbatten Institute continued)

5.2 The Vice-Chancellor drew attention to the higher education sector in Australia; the country had removed a student number cap five years ago and a significant number of universities had experienced financial difficulties, including some bankruptcies. The Australian Catholic University (ACU) had grown from 14000 to 31000 students over the same period. The Vice-Chancellor of ACU, Professor Greg Craven, had visited St Mary's and had agreed to make a presentation to the Board's Strategic Awayday (by video link). Some members of the SMT would visit ACU to help preparation of St Mary's Strategic Plan and to better inform strategy.

6 FINANCIAL MATTERS

6.1 The Board received the following:

- Annual Report and Financial Statements for the year ended 31 July 2014 (paper 4)
- Audit Letter of Representation (paper 5)
- Letter of support to Directors of Strawberry Hill Enterprises Ltd (paper 6)
- HEFCE sustainability (ASSUR) report (paper 7)
- Financial Projections 2013/14-2017/18 (paper 8)

Annual Report and Financial Statements for the year ended 31 July 2014

6.2 The Accounts had been subject to audit by BDO LLP (External Auditors); the Accounts had an unqualified audit report and BDO had identified no deficiencies in internal control for inclusion in their management letter. The Annual Report and Accounts had also been subject to scrutiny by the Finance and Staffing Committee at its meeting held on 12 November 2014, and were recommended to the Board for approval by that Committee.

6.3 The Accounts (notably the accounting policies and statements on internal control and corporate governance notes) had also been reviewed in detail by the Audit Committee at its meeting held on 13 November 2014, and were recommended to the Board for approval by that Committee.

6.4 The Board noted **[detailed figures withheld – commercially confidential]**:

6.5 Overall the University had, and was forecast to continue to have, a very strong financial position with strong cash flow and liquidity. Both the Finance and Staffing Committee and the Audit Committee had recorded congratulations to the Director of Finance on the results

for the year and on the unqualified audit report. The Audit Committee had also noted the thanks of BDO (External Auditors) for the cooperation and integrity of the Director of Finance and his staff in finalisation of the Financial Statements.

6.6 The Board **agreed:**

- (i) **To approve the Annual Report and Financial Statements for the University for 2013/14 and their signature by the Chair and the Vice-Chancellor.**

Audit Letter of Representation for the year ended 31 July 2014

6.7 The Board received the Audit Letter of Representation to BDO LLP (External Auditors) in relation to the Financial Statements for the year ended 31 July 2014. The Board **agreed:**

- (i) **To approve the Audit Letter of Representation to BDO LLP in relation to the Financial Statements for the year ended 31 July 2014 and for the letter to be signed by the Chair.**

Letter of support to Directors of Strawberry Hill Enterprises Ltd

6.8 The Board noted that Strawberry Hill Enterprises Ltd was a wholly-owned subsidiary of the University. Confirmation was required that the University would continue to give the company such financial support and assistance, as and when necessary, in order that the company could meet its financial obligations, insofar as they fall within the charitable objects of the University, for a period of fifteen months from the date of the Board's meeting. The Annual General Meeting of Strawberry Hill Enterprises (of which the Directors were the Vice-Chancellor and the Pro Vice-Chancellor (DL)) would be held on the day following the Board's meeting.

6.9 The Board **agreed:**

- (i) **To approve the signing by the Chair of the Letter of Support to the Directors of Strawberry Hill Enterprises Ltd, to be received at the AGM of the company.**

HEFCE sustainability (ASSUR) report

6.10 Together with the Committee of University Chairs (CUC), HEFCE had recommended that institutions should provide an annual statement on institutional sustainability (ASSUR report). Submission of such a statement was not mandatory for 2014, but was good practice; the University had submitted an ASSUR report in 2013 and at its meeting on 25 September 2014 the Board had confirmed its intention to again submit a report in December 2014.

6.11 The report utilised five of the KPIs in the Annual Operating Plan (AOP) which were also included in the Annual Report and Financial Statements approved earlier. Three of the KPIs were rated green and two (NSS and space utilisation) rated amber; however NSS scores were improving and space utilisation was in the second quartile. The text for the ASSUR statement was that recommended by HEFCE.

6.12 Based on the KPIs and other information the Board **agreed:**

- (i) **That the University is sustainable.**
- (ii) **To approve the ASSUR report and for it to be signed by the Chair and the Vice-Chancellor prior to submission to HEFCE.**

Financial Projections 2013/14 - 2017/18

- 6.13 The Board received the Financial Projections 2013/14 - 2017/18. The Projections incorporated minor modifications to reflect final 2013/14 audited figures and an updated cash position based on 2013/14 audited numbers. However they were substantially the same as the Projections agreed by the Board in July 2014.
- 6.14 The Projections showed that the University was financially sustainable and would be formally submitted to HEFCE in due course (by 1 December 2014). The Board **agreed:**
- (i) To approve the financial projections 2013/14 - 2017/18 and for those projections to be submitted to HEFCE.**

7 AUDIT COMMITTEE ANNUAL REPORT 2013/14

- 7.1 The Board received the Annual Report of the Audit Committee for 2013/14 (paper 9). The draft Report and its appendices had been reviewed by the Audit Committee at its meeting held on 13 November 2014 and was recommended to the Board for approval.
- 7.2 Attention was drawn to the 'clean' audit report with no management letter points provided by the External Auditors (M6.2 above refers) and to the Internal Audit Annual Statement 2013/14 which gave 'green' assessments for governance and risk management and 'amber' assessments for control and for economy, efficiency and effectiveness. The Statement noted that the University had made adequate progress in implementing agreed recommendations from Internal Audit reports and that on corporate governance the overall opinion could be used within the Annual Report and Financial Statements for the year ended 31 July 2014.
- 7.3 The Audit Committee report stated that based on the information presented to the Committee, the Committee was satisfied with the adequacy and effectiveness of the University's arrangements for:
- Risk management, control and governance
 - Economy, efficiency and effectiveness (value for money)
 - Management and quality assurance of data submitted to HEFCE, HESA and other bodies
- 7.4 The Board **agreed:**
- (i) To approve the Audit Committee Annual Report 2013/14 and for it to be submitted to HEFCE as part of the Annual Monitoring Statement.**

8 ANNUAL OPERATING PLAN, KPIs AND TIMELINE FOR STRATEGIC PLAN

- 8.1 The Board received a paper from the Pro Vice-Chancellor (DL) (paper 10) setting out an update on:
- The Annual Operating Plan (AOP) 2014/15 and Key Performance Indicators (KPIs)
 - The timeline for development of a new Strategic Plan leading to the Board's July 2015 meeting
 - Review of the Risk Register by the Audit Committee aligned with ongoing work on the Strategic Plan

9.1 The Board noted that additional senior staff resource had been put in place to meet the demanding timeline (Vice-Chancellor's report M5 above refers). Brief comments were made on how the University demonstrated its identity, mission and values as a Catholic University (Strategic Aim 1) and on the format of the AOP.

10 SMSU REPORT

10.1 The President of the Students' Union presented the SMSU activity report (paper 11); a fuller report of SMSU activity had been presented to the Student Experience Committee at its meeting held on 4 November 2014.

10.2 The Board noted:

- The most successful and incident-free series of Freshers events
- SU input to the QAA Higher Education Review scheduled for March 2015
- A record number of student Programme Representatives (329)
- Nearly 1000 students participating in sporting activities
- Preparations for an innovative and community-focused Christmas Festival

11 OVERDRAFT FACILITY: FORMAL RESOLUTION

M8.7 of

the meeting held on 3 July 2014 refers

11.1 David Hartnett declared an interest as an Advisor to the Board of HSBC without executive responsibilities.

11.2 At its meeting held on 3 July 2014 the Board had noted that under the new funding regime cash flow was volatile compared with the past and the budget predicted cash balances fluctuating between £14m and £0.7m. The Board had agreed proposals to seek an overdraft facility to cope with the situation and the Director of Finance was delegated to pursue discussions.

11.3 Having taken professional advice the Director of Finance had secured an Agreement with HSBC and the Board noted the terms of the Agreement (paper 12). Based on its reading of the University's Articles HSBC required a formal resolution of the Board to enter into the Agreement and for the document to be signed by two full Directors (Governors); it was proposed that the Chair and the Vice-Chancellor should sign.

11.4 The Board **voted and unanimously agreed (David Hartnett abstaining):**

- (i) That it was in the opinion of the Board for the benefit of the University and for the purpose of or ancillary to its business that it should enter into the overdraft facility and that the authority to sign all relevant documentation was delegated to the Chair and the Vice-Chancellor.**

12 HEALTH AND SAFETY ANNUAL REPORT 2013/14

12.1 The Board received the annual Health and Safety report for 2013/14 (paper 13). The report had been prepared by the Health and Safety Committee which had merged, from 2014/15, with the Estates Committee.

12.2 Presenting the report, the Chair of the Health and Safety Committee, Simon Uttley, underlined the maturity of health and safety arrangements in the University and how the Operational Health and Safety Committee would continue to take forward the Board's

statutory responsibilities in this area. Attention was drawn to work to promote staff wellbeing which had been reported to both the Health and Safety Committee and the Finance and Staffing Committee but which in future would be focused through FSC.

13 ACADEMIC STRATEGY COMMITTEE

- 13.1 The Board received the minutes of the meeting of the Academic Strategy Committee held on 30 October 2014 (paper 14) and **agreed** Terms of Reference for the Committee as recommended for approval.

14 AUDIT COMMITTEE

- 14.1 The Board received the minutes of the meeting of the Audit Committee held on 13 November 2014 (paper 15) and **agreed** Terms of Reference for the Committee as recommended for approval.
- 14.2 The Vice-Chancellor gave further details on a matter reported to the Audit Committee under the Prevention of Fraud Policy. After consultation with the Chair of the Audit Committee, the Vice-Chancellor had referred the matter to the Internal Auditors. Some members recalled a previous report by, Deloitte the (then) Internal Auditors, but this had been broad in scope and had not focused on the area of current concern.
- 14.3 The Internal Auditors had been asked to report as a matter of urgency to the Vice-Chancellor and to the Audit Committee; however pending receipt of the report it was important to keep an open mind on the matter.

15 CHAIRS' COMMITTEE

- 15.1 The Board received the minutes of the meeting of the Chairs' Committee held on 30 October 2014 (paper 16) and **agreed** Terms of Reference for the Committee as recommended for approval.
- 15.2 The Board noted that the Chair had written again to the Cardinal Secretary of State seeking permissions for the proposed Benedict XVI medal.

16 ESTATES AND HEALTH AND SAFETY COMMITTEE

- 16.1 The Board received the minutes of the meeting of the Estates and Health and Safety Committee held on 3 November 2014 (paper 17) and **agreed** Terms of Reference for the Committee as recommended for approval, subject to deletion of responsibility for making recommendations on the desirable level of financial provision for estate expenditure including the general development of the grounds and buildings.
- 16.1 The Board noted progress towards occupation of Trackside House in September 2015; after consultation through a Project Board with stakeholders preliminary designs had been made available on the internal Staffnet and SIMMSpace networks. The Board looked forward to a formal opening and blessing of the building, and agreed to hold a Board meeting at Trackside House when appropriate.

17 FINANCE AND STAFFING COMMITTEE

- 17.1 The Board received the minutes of the meeting of the Finance and Staffing Committee held on 12 November 2014 (paper 18) and **agreed** Terms of Reference for the Committee as recommended for approval.

18 STUDENT EXPERIENCE COMMITTEE

- 18.1 The Board received the minutes of the meeting of the Student Experience Committee held on 4 November 2014 (paper 19) and **agreed** Terms of Reference for the Committee as recommended for approval.

19 DATES OF FUTURE MEETINGS

Strategic Awayday 26 March 2015

Thursday 16 April 2015

Thursday 2 July 2015