



St Mary's
University
Twickenham
London

St Mary's University, Twickenham Board of Governors

Minutes of a meeting of the Board of Governors held on Thursday 2 July 2015 in the Long Gallery, Strawberry Hill House, St Mary's University, Twickenham.

Present:

Rt Rev Richard Moth (Chair)
Mr Francis Campbell (Vice-Chancellor)
Mr John Dixon
Fr Richard Finn
Mr Mike Foster
Mrs Helen Frostick
Dr Maureen Glackin
Mr David Hartnett
Mrs Sue Handley-Jones
Mrs Maureen John
Mr Ryan Jones (President of SMSU)
Mr Stuart Kemp
Mr Zander Lavall (President of SMSU Designate)
Dr David Livesey
Mr Peter Pledger
Mr Peter Thomas
Mr Simon Uttley
Mr Jonathan Walsh
Dr Tim Walsh

In attendance:

Mr David Leen (Pro Vice-Chancellor)
Professor Anne Moran (Pro Vice-Chancellor)
Dr Claire Taylor (Pro Vice-Chancellor)
Mr Udey Chowdhury (Head of Business Support)
Mr Terry Noys (Director of Finance)
Mr Graham Fice (Clerk to the Governors)

Mr Francis Davis (for M8 only)

Apologies: Cllr Tony Arbour, Sir Anthony Bailey, Mr Jeffrey Cottle, Ms June Mulroy, Mrs Jo Blunden (Director of HR)

The meeting commenced with a prayer led by the Chair.

Zander Lavall was welcomed as President of SMSU Designate.

1 DECLARATIONS OF INTEREST

- 1.1 Stuart Kemp declared an interest in relation to M4 below as his employer provided internal audit services to the **[Name of Institution withheld]**. Jonathan Walsh had also declared an interest as his firm had provided services to a tenant of **[Name of Institution withheld]**.

2 MINUTES OF PREVIOUS MEETING

- 2.1 The minutes of the meeting held on 16 April 2015 were approved.

3 MATTERS ARISING

M3/M3.1 Appointment of Pro-Chancellors

- 3.1 The Chair reported that he had written to the Chancellor in connection with the appointment of Pro-Chancellors.

M9.4 CUC Code/Trading Companies

- 3.2 The appointment of senior staff as Directors of the trading companies had been carefully considered within the University. Given the size of the University and the turnover of Strawberry Hill Enterprises which existed only for the purposes of VAT recovery on the trading areas of the University (such as catering and conferencing), no change in current practice was recommended.
- 3.3 The Director of Finance would replace the Pro Vice-Chancellor (DL) as one of the two Directors of Strawberry Hill Enterprises, and the Vice-Chancellor would remain as the second Director.
- 3.4 Professor Anne Moran had replaced the Pro-Chancellor (DL) as one of the three Directors of the US Entity, the others being the Chair and the Vice-Chancellor (M16 also refers).

M10 Annual Academic Health Report from the Academic Board

- 3.5 The Academic Board and the Planning and Resources Committee of the Academic Board were monitoring progress in relation to the Institutional Enhancement Plan. Section 13 of the report had set out the areas and responsibilities for enhancement (M10 also refers).

4 STRATEGIC PARTNERSHIP WITH ANOTHER INSTITUTION

M4 refers

[Minute Withheld – Commercially Confidential]

5 VICE-CHANCELLOR'S REPORT

5.1 The Board received the Vice-Chancellor's report (paper 3).

Corporate Plan

5.2 Members noted preparations to deliver the new Corporate Plan. Some assumptions would have to be revisited in the light of the ending of discussions with **[Name of Institution withheld]** and there would be significant action required to follow up the QAA HE Review report (M10 below refers); the Board's September meeting would see a clear timetable leading up to adoption and implementation of the Corporate Plan in summer 2016.

Recruitment 2015

5.3 Attention focused on applications for admission in 2015 in the light of the lifting of Student Number Control, with St Mary's at +9.95% against a national figure +2.35% and competitors -1.80%. It was likely that the University would rely on Clearing as much, or more, than in 2014 but it should be an aim to move to a position of no or minimal reliance on the process, and to move the University to a higher position in league tables.

5.4 The Board was assured that while some candidates with lower tariff scores might be considered in Clearing by Programme Directors, the University did not intend to fill places through making significantly lower offers. The Pro Vice-Chancellor (CT) outlined arrangements for the support of students through induction and tracking; the University also remained a partner in the HE Academy project on retention.

5.5 The Board noted arrangements for the accommodation of new students on campus or through signposting to other options such as private landlords; distance to travel to the University was a factor in allocating accommodation. Accommodation was seen as a key factor in influencing student acceptance; the University was in discussion with a developer and the Estates Master Plan exercise had set out the possibility of an off-campus 'student village'.

Senior management

5.6 The Vice-Chancellor announced a revised senior management structure which would provide greater strategic and operational capability in the highly competitive HE environment:

- Pro Vice-Chancellor (Research and Enterprise): Ruth Kelly

- Pro Vice-Chancellor (Academic): Claire Taylor
- Pro Vice-Chancellor (Global Engagement): Professor Anne Moran
- Chief Operating Officer: Terry Noys
- Senior Director of People: Jo Blunden

In addition Roffey Park had been commissioned to deliver an extensive new leadership development programme.

Chancellor

- 5.7 Governors, staff and students had joined distinguished guests at the Installation of the Chancellor in Westminster Cathedral on 27 May and members were pleased to note the interest being taken in the University by Cardinal Nichols. A suggestion was made that he be invited to attend a meeting of the Governors at a suitable point in future.

6 ANNUAL OPERATING PLAN

- 6.1 The Pro Vice-Chancellor (DL) introduced a progress report on the Annual Operation Plan (AOP) (paper 4). In 2013/14 a much simplified format had been adopted which included both annual and three-year Key Performance Indicators (KPIs) but a number of the KPIs awaited publication of year-end data. The format of the AOP for 2015/16 was subject to ongoing work on the Corporate Plan as noted in the Vice-Chancellor's report.

- 6.2 There was brief discussion on Strategic Aim 1: To be a distinctive institution within UK Higher Education, providing a unique experience for our students and staff by virtue of our values and identity as a Catholic university. Members were reminded of the presentation by the Vice-Chancellor of the Australian Catholic University and a group of staff to the Board's Strategic Awayday; the group continued to meet and to contribute ideas to what was characterised as a work in progress.

7 ESTATES DEVELOPMENTS (COMMERCIALY CONFIDENTIAL)

M6 refers

[Minute Withheld – Commercially confidential]

8 ENTERPRISE STRATEGY

M7 refers

- 8.1 Francis Davis (Cathedral Innovation Centre and Interim Head of Enterprise) presented a detailed report on the Enterprise Strategy (paper 6). The Audit Committee had considered a high level review by the Internal Auditors of 'third stream' income at its meeting held on 30 March 2015 and had noted that the further report was being commissioned.

- 8.2 In the new HE marketplace a thriving culture of intellectual and commercial enterprise was essential to:

- Maintain and grow reputation in the modern HE and knowledge market

- Bring St Mary's closer to the global norms of outstanding university policy, behaviour and delivery, and enhance the total educational and employment offer of the institution
- Diversify the University's income and skills to protect its growth and reach and enable it to invest to enhance its offer across all of its activities

8.3 Francis Davis outlined the methodology used in preparing the report. Contacts outside the University had provided comments on current arrangements but the exercise had also generated possible leads. Talent had been identified within the University but challenges to be overcome, in addition to a culture change to focus on enterprise, were systems and processes, and authority.

8.4 While there were successes such as Sport St Mary's (and conferencing), the University was significantly out of line with other HEIs with research income less than 1% of revenues and total enterprise income no more than 5%. Some progress had been made over the past years but the University's low starting point made that progress, especially against other institutions, hardly noticeable. The Board noted a detailed Red/Amber/Green rated diagnostic assessment of:

- The central function
- Alumni and development
- Conferences
- Research, intellectual enterprise and commercialisation
- Finance, pricing and opportunity costs

8.5 Some activities appeared to generate an overall loss. Some consultancy appeared to be managed 'off the books', although there was a procedure for staff to obtain permission for this; it would be necessary to clarify any necessary distinction between private and University consultancy. Development of a shared view of costing and pricing would also be key.

8.6 Delivery of the report was timely with the appointment of Ruth Kelly as Pro Vice-Chancellor although some caution was necessary in expecting rapid transformation; a change in institution culture was required. The University needed a 'letter box' or clear contact point for external enquiries and for the coordination of work within the University; creation of a central Enterprise, Research and Innovation Unit was recommended. The Board noted a listing of opportunities and a detailed action plan, and looked forward to further reports through the Pro Vice-Chancellor (Research and Enterprise).

9 FINANCIAL FORECASTS 2014/15, BUDGET 2015/16 AND FINANCIAL PROJECTIONS TO 2018/19

9.1 The Head of Business Support presented the Financial Forecasts 2014/15, the Budget 2015/16 and Financial Projections to 2018/19 (paper 7). All had been scrutinised by the Finance and Staffing Committee at its meeting held on 10 June 2015 and had been recommended to the Board for approval.

9.2 The Board noted:

Financial Sustainability

- The Reforecast 2014/15 and Projections showed the University to be financially sustainable with an EBITDA margin (excluding exceptional items) of 9 - 10%
- Net cash flow was negative in 2014/15 becoming positive thereafter

Cash Flow/ Funding

- Under the current funding regime cash balances across the year have an exaggerated range (fluctuating between £0.9 million (September 2015) and £13.4 million (May 2016))
- The University's current funding structure did not allow it to make acquisitions of property without additional borrowing
- Whilst acknowledging the very attractive level of interest rates currently available, the Director of Finance advised against 'piecemeal' borrowing, preferring instead to develop a long term strategy on the back of the revised Strategic Plan

Staffing

- St Mary's staff costs at around 65% of income remained high against the sector average of 53% but, taking Estates and Catering staff costs into account (outsourced by many universities), St Mary's staff costs were broadly on a par with the sector
- SSRs were at a recent historic low of 21:1 and it was recommended that SSRs moved upwards to 22:1 (the higher the SSR the higher the level of profitability)

Marketing/ Recruitment/International/ Corporate Planning and RDAP

- The removal of the student number control represented a step into the unknown and additional resources were being invested
- Corporate Planning costs scheduled to be incurred in 2015/16 were one-off and additional resources would be required to support the University's efforts to achieve Research Degree Awarding Powers (RDAP)
- These initiatives suppressed profitability in the short term

9.3 In outline:

- The focus was on investing for the future
- Student numbers were projected to grow (home and overseas) to offset rising costs but the University was only able to set the level of overseas student fees, and not fees for home/EU students

- Some modest increase in research and contract income was assumed over the period in the light of the appointment of the new Pro Vice-Chancellor (Research and Enterprise)
- Following the recent Building Stock Condition Survey £20 million was planned for maintenance and enhancement over 10 years but the Forecasts made no assumptions about additional campus space pending the new Strategic Plan

9.4 The Finance and Staffing Committee had characterised the Forecasts as well managed but the riskiest in recent years:

- Student numbers as the key driver of most other numbers were the most uncertain element of the forecasts
- Staff costs represented the most significant costs of the University and there was uncertainty about the rate of rise in those costs (increments, pension contributions and overall numbers)
- A small shift in capital expenditure could see such expenditure fall into a different financial period than originally forecast (but cashflows essentially unaltered)
- The Budget and Projections took no account of any potential impact of FRS102

9.5 Failure to retain the current Ofsted ‘Outstanding’ rating in the School of Education, Theology and Leadership had been the focus of previous discussion both at Board level and in the Board’s committees. The Finance and Staffing Committee had noted the work being undertaken to prepare for Ofsted inspection and the Head of the School of Education, Theology and Leadership had made a presentation to the last meeting of the Audit Committee. A recent ‘no notice’ inspection of Phonics teaching had been successful for the University. The Head of the School of Education, Theology and Leadership drew attention to a new methodology adopted by NCTL for the allocation of ITT student places which had removed the previous link with Ofsted ratings; institutions could now bid for as many places as they wished.

9.6 Members discussed a number of points of detail. Noting the correlation between profitability and staff: student ratios (SSRs) the Board also noted the recommendation that staff: student ratios (SSRs) should not be allowed to fall further; going forward SSRs in all Schools (other than MSS) be increased. Some believed low SSRs contributed to student satisfaction and SSRs also featured in league table calculations. The Vice-Chancellor emphasised that the University would not move to the large class sizes seen in some institutions but SSRs would necessarily be examined each year during the planning round.

9.7 The Board **agreed:**

(i) To approve the following:

- **Reforecast for 2014/15**
- **The proposed Budget for 2015/16**

- **Projections for the period to July 2019 (also for submission to HEFCE)**
- **Conclusions with regard to Financial Sustainability**

10 QAA HIGHER EDUCATION REVIEW

M5 refers

10.1 The Board received the following (paper 8):

- Letter dated 11 June 2015 to the Vice-Chancellor from Dr Melinda Drowley, QAA Review Manager enclosing the QAA HE Review (HER) report for the University
- A (confidential) briefing note prepared by the Pro Vice-Chancellor (CT)
- The (second draft) HER report
- A draft Action Plan (jointly with SMSU)
- A draft of the proposed QAA Press Release to accompany publication of the HER

The Academic Board had received the same papers at its meeting held on 1 July 2015, and had endorsed the Action Plan.

10.2 As noted by the Board at its last meeting, the report confirmed that the University met UK expectations in three out of four areas:

- The setting and maintenance of the academic standards of awards
- The quality of student learning opportunities
- The quality of information about learning opportunities

The report also identified areas of good practice.

10.3 The University was one of the first institutions to experience the QAA HE Review methodology but HEFCE was currently consulting on a major review of quality assessment which might lead to significant changes, including greater institutional self-regulation involving governing bodies; the Board would be updated at its next meeting.

10.4 The Vice-Chancellor pointed to the collaborative relationship which had been developed with the QAA:

- The report before the Board was the second draft after QAA had responded positively to comments made by the University on the first draft
- The Vice-Chancellor had spoken to Dr Drowley at QAA who had commented that the University had 'come far'
- The report noted that the strategic planning work put in place by the Vice-Chancellor would provide an opportunity for the University to improve its approach to enhancement
- The report indicated QAA confidence that the University was capable of taking the required actions to improve its approach to enhancement

- Dr Drowley had been invited to attend a meeting of the Senior Management Team in October as a ‘critical friend’

The Vice-Chancellor had also asked Eddie Newcomb to review the Academic Board management committees and expected a report by early August; Eddie Newcomb had provided a report on governance for BIS and HEFCE in 2013 as part of the application for University Title.

- 10.5 The Academic Board had discussed the enhancement of student learning opportunities in some detail at its meeting held on 1 July. As defined in the glossary of the HER report:

Enhancement: the process by which higher education providers systematically improve the quality of provision and the ways in which students’ learning is supported.

While the judgement that the University had not met the expectation concerning enhancement was disappointing, the Action Plan provided a robust response and an opportunity to sharpen the University’s approach. The Academic Board and SMT would monitor the Action Plan and Governors should expect a report on progress

- 10.6 Attention turned to the draft Press Release and questions were raised over a broad statement relating to those who teach and/or assess, including postgraduate students. Members referenced the relevant parts of the QAA report and believed the wording of the Press Release could be clearer. After discussion the Board **agreed:**

- (i) To accept the recommendation of the SMT that no appeal be made against the QAA HE Review report but to request reconsideration of the wording of the draft QAA Press Release.**

11 REVIEW OF GOVERNANCE: UPDATE

M8 refers

- 11.1 At its last meeting the Board had agreed to establish a small Task Group under the Chairmanship of Stuart Kemp, Chair of the Audit Committee, to review matters of governance including the size of the Board, the range of the Board’s committees and the general efficiency of operations.
- 11.2 Stuart Kemp reported that the Group had had an initial meeting but the next meeting could not be realistically arranged before September. It would be necessary to consult widely in order to make any recommendations and as a consequence a report was unlikely before the autumn.

12 FREEDOM OF SPEECH: POLICY

M14.2 refers

- 12.1 Following earlier consideration by the Chairs’ Committee, the Board had briefly considered a draft Policy and Procedure on Freedom of Speech at its last meeting. Such a policy was legally required and was now expected under

the Counter Terrorism and Security Act (2015). The draft had been referred to the Academic Board and its Planning and Resources Committee for discussion. The draft now before the Board incorporated points made in discussion in the various forums (paper 9).

12.2 Further guidance on the responsibilities of HEIs under the Counter Terrorism and Security Act (2015) was awaited and national and local training events were being arranged. The SMT was reviewing necessary responses and the Board would be kept informed.

12.3 Mr John Dixon had some comments relating to the language of the draft Policy and Procedure but not the substance. The Board **agreed:**

(i) To approve the Policy and Procedure on Freedom of Speech and for the Clerk to incorporate comments as appropriate.

13 BOARD HANDBOOK: REVISED VERSION

13.1 The Board had approved an interim version of its *Handbook* one year ago, pending publication of the final version of the CUC *Code of Governance*. The final version of the CUC *Code* had been noted at the Board's last meeting (together with a mapping of compliance with the *Code*). The revised version of the *Handbook* reflected the new *Code* and the revised Statement of Primary Responsibilities adopted by the Board (paper 10).

13.2 A separate agenda item referred to the Standing Orders previously included in the *Handbook*. The Standing Orders had the same authority as the *Articles* whereas the *Handbook* provided information and guidance, and it was proposed to publish the Standing Orders separately along with all the other documents which regulated, or provided information on, governance.

13.3 The Board had approved an interim *Scheme of Delegation* one year ago but this referred to the Board's committee structure which was under review by the small Task Group (M11 above refers). The review of the Academic Board and its committees by Eddie Newcomb was also relevant; a revision to the *Scheme of Delegation* would be brought to the Board when appropriate.

13.4 The Board noted that members' current liability insurance was for £1million and asked that this be reviewed as part of the review of legal insurance cover being undertaken through the Finance and Staffing Committee.

13.5 The Board **agreed:**

(i) To approve the revised Board *Handbook* this would be published on the University website along with the other documents which regulate, or provide information about, governance.

14 BOARD STANDING ORDERS

14.1 Arising from the Board's consideration of the mapping of the CUC *Code* at its last meeting, and driven by events such as the agreement of the overdraft

facility with HSBC and the acquisition of Trackside House, two new Standing Orders had been approved by the Finance and Staffing Committee and were recommended to the Board for approval:

- The approval of legal documents
- Major financial expenditure

14.2 The Board's two extant Standing Orders had previously been set out in the Board *Handbook*:

- The conduct of the Board's meetings
- The co-option of people with requisite skills to the Board's committees

14.3 The Board considered all four Standing Orders which had been brought together into one document along with the statement of the Power of the Board to make such Orders from the *Articles* (paper 11).

14.4 In the light of the Vice-Chancellor's announcement of a revised senior management structure (M5 above refers) it would be necessary to revise the *Financial Regulations* and other key documents in due course, and to amend the Standing Orders where they referred to individuals; amendments would be brought forward through the Finance and Staffing Committee. With one minor correction the Board **agreed**:

- (i) **To approve the four Standing Orders with the statement of the Power of the Board to make such Orders from the *Articles*, for publication on the University website along with the other documents which regulate, or provide information about, governance.**

15 SMSU REPORT

15.1 The President of SMSU presented the SMSU report to the Governors (paper 12); the Student Experience Committee had received the report at its meeting held on 17 June.

15.2 The report highlighted:

- Approval of the new Constitution and Bylaws by the SMSU AGM
- Election of the new Executive with the new third Sabbatical Officer (Zander Lavall: President, Ryan Dowsett: VP Community, Hester Benham: VP Sports and Societies)
- Redevelopment of SU space in 'J' block
- A sell-out for SIMMStock and the Summer Ball with involvement of the local community in the former and no complaints from the local community for either event

- Work to provide a free cash machine in the Shannon corridor (the current machine charged for withdrawals)
- A new entertainment schedule and events in the Bar
- Launch of new societies
- A very significant increase in participation in sports
- Development of a sports mentoring programme involving staff
- Outstanding end of year sports results and the highest ever recorded attendance at Varsity at Brunel University
- A sports and societies conference and attendance by the AU President at a national meeting looking at increasing participation in Rugby League

15.3 The Board had earlier noted that the Action Plan in response to the QAA HE Review report was joint with SMSU, and implementation would be jointly monitored.

16 AUDIT COMMITTEE

16.1 The Board received the minutes of the meeting of the Audit Committee held on 15 June 2015 (paper 13).

16.2 The Audit Committee had had to defer a planned presentation by the Registrar on student recruitment (and replacement of the Student Records System) because of a Tier 4 inspection at short notice by UK Visas and Immigration.

16.3 No formal report was issued by UKVI but informal feedback had provided reassurance on the University's systems and processes. However there were national reports that UKVI would be far harder in its inspections going forward.

16.4 The Committee had received the annual HEFCE letter giving its assessment of institutional risk; St Mary's was classed as 'not at higher risk'.

16.5 The Committee had clarified the status of the US Entity which had now been set up following approval by the Board in September 2014. The 'St Mary's University London US Foundation' was a section 501(c)3 corporation under the US Internal Revenue Code and organised exclusively for charitable and educational purposes. It would 'engage and advocacy and promotion of: Catholic education, the Catholic religion and promote and support St Mary's University London in its religious, charitable and educational missions'.

16.6 A question was raised over the title of the Entity which did not reflect the name of the University as approved by the Privy Council: St Mary's University, Twickenham. The Entity was an overseas vehicle and the University had recently applied to trademark a number of variations on its title to guard against any attempted infringement by another institution in the growing HE marketplace. The Board's attention had previously been drawn to the situation of **[Name of Institution withheld]** College where a private provider had bought, and was trading upon the name of, **[Name of Institution withheld]** and school in London.

17 ESTATES AND HEALTH AND SAFETY COMMITTEE

- 17.1 The Board received the minutes of the meeting of the Estates and Health and Safety Committee held on 8 June 2015 (paper 14).

18 FINANCE AND STAFFING COMMITTEE

- 18.1 The Board received the minutes of the meeting of the Finance and Staffing Committee held on 10 June 2015 (paper 15).
- 18.2 Under delegated powers the Committee had agreed a paper from the Director of Finance setting out proposals for the treatment of major capital projects ('capex'):

For major projects capex only, an underspend on a major project in one year may be carried over the following year provided that:

- Capex projects in their entirety (taking both year 1 and year 2 together) remain within their original agreed budgets
- No additional capital expenditure is permitted in year 1 (to make up any shortfall due to any delay in the major project) unless first approved by FSC

The Director of Finance should have sole responsibility for authorising which projects may have part or all of their budgets deferred to a later period (and should report on this to FSC).

19 STUDENT EXPERIENCE COMMITTEE

- 19.1 The Board received the minutes of the meeting of the Student Experience Committee held on 17 June 2015 (paper 16).

20 VALEDICTIONS

- 20.1 The Board recorded its thanks and very best wishes to the following who were attending their last meeting:

- Ryan Jones, President of SMSU
- David Leen, Pro Vice-Chancellor

17 DATES OF FUTURE MEETINGS

2015/16

Thursday 24 September 2015 (5pm)

Thursday 26 November 2015 (5pm)

(Awayday) Thursday 17 March 2016

Thursday 14 April 2016 (5pm)

Thursday 30 June (5pm)