



**St Mary's**  
**University**  
**Twickenham**  
**London**

## **BOARD OF GOVERNORS**

Minutes of a meeting of the Board of Governors held on 21 June 2018 in the Waldegrave Room, St Mary's University, Twickenham.

### **Present**

Mr Conal Baxter – SU President

Professor Francis Campbell – Vice Chancellor

Mrs Noreen Doyle

Fr Richard Finn

Mrs Sue Handley-Jones

Mr Dave Hartnett

Ms Claire McDonnell

Rt Rev Richard Moth - Chair

Professor Anne Moran

Mrs June Mulroy

Mrs Kristen Pilbrow – Staff Governor

Professor Anthony Towey – Staff Governor

### **In Attendance**

Mrs Elizabeth Bell – Director of Strategic Planning

Mrs Jo Blunden- Senior Director of People

Mr Andrew Browning – Clerk to the Board and Company Secretary (Minute Taker)

Professor John Charmley – Pro Vice-Chancellor (Academic Strategy)

Ms Sharron Costley – Finance Director

Dr Symeon Dagkas- Dean of SHAS

Miss Natalie Hobkirk – SU President - elect

Rt Hon Ruth Kelly – Pro Vice-Chancellor (Research and Enterprise)

Mr Samuel Massiah – Chief Information Officer

Mr John Unsworth – Chief Operating Officer

The meeting opened with a prayer by the Chair.

## **1. WELCOMES AND APOLOGIES FOR ABSENCE**

**Apologies:** Professor Edward Acton, Mr Jeff Cottle, Professor John Brewer

The Chair welcomed Symeon Dagkas the recently appointed Dean of SHAS who was attending the meeting as an observer. The Chair also welcomed Sammy Massiah the Chief Information Officer who was speaking to the meeting in relation to item 12 on the Agenda (SRS System Approval).

The SU President-elect was also welcomed to the meeting. She will be taking up the post of SU President on 1 July and will be joining the Board for the duration of her term.

## **2. DECLARATIONS OF INTEREST**

The Vice-Chancellor said that he would be abstaining from voting on item 13 of the Agenda (Sale of 34 Clive Road) as he had previously lived in the property.

## **3. CHAIR'S BUSINESS**

3.1 The Board were informed that Sue Handley-Jones would be stepping down as a governor following the meeting. The Chair expressed his thanks for her service as a member of the Board, Chair of Finance and Resources Committee, and Vice Chair.

3.2 There are now currently three vacancies on the Board. The election of the new Vice-Chair will take place at the next meeting. To fill the space on Finance and Resources Committee, Pietro Palladino was going to be co-opted on to the Committee as part of his training to become a full member of the Board in the future.

## **4. MINUTES OF PREVIOUS MEETING**

The minutes of the Board meeting that took place on 26 April were approved by the Board.

## **5. MATTERS ARISING**

In relation to M9.7 relating to a potential mini away day the 11 September had provisionally been booked for this to take place. This did however now clash with the first formal RDAP visit which meant that both the Vice-Chancellor and the PVC (Research and Enterprise) may be unavailable. It was therefore decided that the Clerk would circulate alternative dates.

## **6. VICE CHANCELLOR'S REPORT**

*Paper 1 refers*

6.1 The Vice Chancellor's Report covered the following:-

- i) HEFCE Visit
- ii) RDAP Application
- iii) Delivery of Efficiencies
- iv) Student Recruitment
- v) Academic Board Report
- vi) SLT Away Day

6.2 The Vice Chancellor said that the visit from HEFCE was taking place on 4 July 2018.

6.3 The Governors were reminded that graduations were taking place on 18 and 19 July and that all governors were welcome to attend. The Cardinal (University Chancellor) would also be attending one ceremony.

## **7. LEAGUE TABLE REPORTS**

*Papers 2, 2i, and 2ii refer*

7.1 This was presented by the Director of Strategic Planning. The Board were told that there had been significant rises in both the Complete University Guide (16 places) and the Guardian league table (25 places).

7.2 The Board were told that for there to be further improvement work needed to be done on retention. Employability also needs to improve as other universities were improving in this area more quickly than St Mary's. The University was also behind on research however little could be done about this until the next REF submission.

7.3 The Director of Strategic Planning said that at subject-level only two courses were in the 10<sup>th</sup> decile and the University had three courses in the 4<sup>th</sup> decile. Within the University's competitor group St Mary's was third out of six in the Guardian league table.

7.4 The Board asked if the Pro Vice-Chancellors could come to Finance and Resources Committee to give updates on how the work being done to improve the University's position in the league table as this is a key factor in the recruitment of students. The Director of Strategic Planning said that a league table strategy group had been set up to work on maintaining and improving the University's position in the league tables.

7.5 It was noted by the Board that there had been a slight dip in the responses to the NSS. The SU President said that take up had been 1-2% lower but this may have been just due to one class not completing the survey. He cautioned that the NSS had taken place during the time of the restructure so there was a risk that the responses may not be as positive as previous years. The Director of Strategic Planning said that the response rate had still been high.

## **8. RECRUITMENT UPDATE**

*Paper 3 refers*

- 8.1 This was presented by the Director of Strategic Planning. She said that for Foundation Students the University the number of acceptances was up 24% on the previous year and was currently 8 students short of target. For undergraduate programmes the University was currently 124 students short of target being 9% down on 2017 overall although international numbers were higher. For postgraduate students the University was currently running at 35% up from where it was last year and the number of accepts were currently 260 away from target.
- 8.2 The PVC (Academic Strategy) said that the Foundation Year was performing particularly well this year and has done well on its attrition figures with 90% of foundation year students going through to the next year.
- 8.3 The Board asked about the drop in the number of PGCE applications. The Director of Strategic Planning said that the drop in applications for PGCE was not as high as it had been nationally. She said that the University was currently between 20 – 30 students short and it had made up a similar gap last year. It was asked whether there had been any feedback from the OFSTED visit. The Vice-Chancellor said that the first visit had taken place but that the second would not take place until September. It was therefore not possible to read what the outcome would be. The Board said that the period between the two visits was an opportunity to remedy any issues that may have come up in the first visit.
- 8.4 The Board asked where geographically the University was doing well in its international recruitment. Kristen Pilbrow said that the key market was in North America and there had also being increases in acceptances from Brazil and China. She said that there were a high number of accepts in the African markets but conversion is often lower.
- 8.5 The Board said that follow-up on the postgraduate market was crucial. The Dean of SHAS said that thought was being given to how taught post-graduate courses were being run with options relating to multi-delivery of courses being considered. The Dean of SHAS also said that it was important to nurture talent within postgraduate courses.

*(The Pro Vice-Chancellor (Academic Strategy) left the meeting)*

## **9. MANAGEMENT ACCOUNTS**

*Paper 4 refers*

- 9.1 The management accounts were presented by the Finance Director. She informed the Board that there were no surprises as to the current financial position of the University. EBITDA was currently at £3.1m to the end of April which was £800k below budget and there was a £(0.2m) net deficit which was £(0.9m) adverse to budget.
- 9.2 The Board were referred to page 3 of the paper which showed the forecast for 2017/2018 as still being broadly the same. Costs were tracking better than forecast and income was also tracking slightly better. The Board were referred to the tables

detailing the potential income risks £(0.7m) which could be offset by the cost saving opportunities of £0.6m.

- 9.3 The Finance Director said that capital spend was currently below budget. Savings that were made this year would be rolled forward into 2018/2019 budget and mostly allocated to the Student Record System.
- 9.4 The Board were told that cash levels were currently in-line with forecasts being at £2.3m. At one point they had tracked close to zero prior to the final payment being received from the Student Loans Company.
- 9.5 The Finance Director said that invoicing was currently high and would go some way to offset the debt levels. She said that the University was also putting out the message to employees asking them to ensure that cost levels were kept down.

## **10. BUDGET 2018/2019 FORECASTS TO 2020/2021**

*Paper 5 refers*

- 10.1 This was presented by the Finance Director. She said that the same paper had been before the Finance and Resources Committee who had recommended approval of the Budget and Forecasts.
- 10.2 The proposed revenue budget was for there to be an operating surplus of £2.9m by the end of financial year 2018/2019. Income was to be budgeted at £53.3m and costs were at £50.4m. Income levels were expected to be similar to 2017/2018 but there was to be a £7m reduction in costs from the previous year.
- 10.3 The staff ratio to income was being reduced from 71% to £64.5%. The budget for capital was £2.4m which had a £1.8m base with the balance being made up with the under-spend from 2017/2018.
- 10.4 The Finance Director said that the cash balance was expected to be £4.0m (29 days) by 31 July 2019. There was a budgeted outflow of £0.6m in August and September to cover the remaining voluntary severance and redundancy payments from the previous financial year. The University was likely to go deep into its overdraft in February 2019 and April 2019.
- 10.5 The Finance Director told the Board that based on acceptances it was expected that tuition fee income would be increased for foundation year students, flat for undergraduate students, increased for postgraduates and flat for PGCE.
- 10.6 The forecasts for student numbers for 2019/2020 and 2020/2021 were that there would be no growth in undergraduate/foundation recruitment in 2019/2020 and 2% growth in 2020/2021. No growth was expected in PGCE and 15% growth was expected in Postgraduate. The University would look to show an improvement in retention of 1.5% in 2019/2020 and 1.25% in 2020/2021.

- 10.7 Other (non-tuition fee) income was budgeted to be £10.7m for 2018/2019 up from £9.8m for 2017/2018. There was going to be reduced external provision for residences which should increase income from accommodation. A void rate of 5% had been budgeted however there was a risk of up to 10% void rate. There were no assumptions for growth in catering, conferences and Sport St Mary's.
- 10.8 The non-staff costs were forecast to be held at 0% and the cost of implementing a new SRS system would mean that cash would be constrained. It was expected that there would be a £6.4m cash balance by 31 July 2021.
- 10.9 A base budget of £1.8m had been set aside for capital expenditure with the underspend from 2017/2018 be rolled over to bring the total budget to £2.4m. The Student Records System was expected to receive £800k and receive more in 2019/2020. There would also be a focus on spending on the "student heart" project by Estates.
- 10.10 The Board asked whether the University was confident that it could meet its budget of 64.5% staff costs as a percentage of turnover. The Finance Director said that the planning meetings that had taken place had informed the restructuring process and that she had a high degree of confidence that this could be achieved. She said that there was a risk that there would be a slight lag into the early part of 2018/2019 which would mean that not all of these cost savings would be achieved.
- 10.11 The Board asked what was being done in relation to the fall in demand for accommodation. The Senior Director of People said that whereas the University had previously entered in a number of nominations agreements with student accommodation providers it now only had one nomination agreement with an external provider. She said that there had been some take up from second and third year students as well as postgraduate but further work needed to be done.
- 10.12 The Board were informed that in addition to the forecasts that had been provided for 2019/2020 and 2020/2021 the University was also required to provide to the OFS forecasts for 2021/2022 and 2022/2023. All of these forecasts had to be submitted by 17 September. The Finance Director therefore proposed that these forecasts be approved by the Finance and Resources Committee when it next met on 12 September 2018.
- 10.13 The Board's attention was drawn to Appendix G of the paper which detailed the core assumption for 2019/2020 and 2020/2021. The Finance Director said that the student numbers forecast fell short for 2019/2020 compared to the previous year. She said that the University would need to look at how to bridge those poor assumptions while maintaining an operating surplus of £2.9m.
- 10.14 The University was forecast to have no growth in undergraduate/foundation recruitment in 2019/2020 and 2% growth in 2020/2021. No growth was expected in PGCE but a 15% growth was expected in Postgraduate generally. The University would look to show improvement in retention by 1.5% and the cost contingency of £0.4m would be maintained. It was assumed that the staff to turnover ratio would remain at 64.5%.

10.15 Referring to paragraph 3.3 at page 8 of the Paper the Board asked what initiatives would be undertaken to grow income to reduce the £566k income gap to the 2019/2020 £2.9m income target. The Finance Director said that at 3.11 of the paper stated potential growth opportunities including new January cohorts for postgraduate programmes, collaborations, and further growth in Enterprise and Development as well as new programmes.

10.16 The Board was asked to approve the following resolution stated at page 13 of the paper:-

- i. 2018/19 Income and Expenditure budgets resulting in an EBITDA of £2.9m and Capital Expenditure budget of £2.4m
- ii. Forecasts for 2019/20 and 2020/21 resulting in EBITDA of £2.9m and £4.2m respectively and the assumptions used including capital spend of £1.8m in each year
- iii. That a written resolution will be circulated by email to the Board seeking approval of the income and expenditure forecasts for 2021/22 and 2022/23 (to be used in recommendation iv. below)
- iv. Delegate review and approval of the OfS submission template and commentary to the Finance and Resources Committee

The Board voted as follows:

In favour: 13

Against: 0

Abstentions: 0

The Board therefore **approved** the resolution.

## **11. APPROVAL OF FINANCIAL REGULATIONS**

*Papers 6, 6i, and 6ii refer*

11.1 This was presented by the Finance Director. She told the Board that the Financial Regulations had last been amended in 2015 and were therefore in need of a re-fresh. The proposed changes had already been considered and approved by the Senior Management Team and Finance and Resources Committee.

11.2 The Board asked that two amendments be made to the draft regulations:-

- i) That the words “and the Board of Governors” be added after the word “management” in paragraph 2.3.
- ii) That further consideration be given as to what the thresholds should be for reporting any potential litigation to the Board. It was suggested that this should include where the University faced significant reputational consequences.

- 11.3 The Board unanimously **approved** the amended Financial Regulations subject to the suggested amendments being approved by the Finance and Resources Committee.

## **12 SRS SYSTEM APPROVAL**

### *Paper 7 refers*

- 12.1 This was presented by the Chief Information Officer (“CIO”) and the Chief Operating Officer (“COO”). The Board were told that current Student Records System (“SRS”) was now 13 years old. The age of the system meant that there were challenges with its functionality and it now hinders efficient operations. A Programme Board consisting of the PVC (Academic Strategy), the Director of Finance, the COO, the CIO, and the Registrar had now been set up implement a new system.
- 12.2 The University had explored options of how best to procure a new SRS and had chosen to go through a pre-selected framework of suppliers. 5 suppliers were considered.
- 12.3 The paper recommended that Tribal’s system, SITS, be selected for procurement by the University. It was felt to be a market leader and was already used by 90 higher education institutions. It was a tried and tested product with a simpler integration than the other products in the market.
- 12.4 The budget for the system was expected to be £2.1m in total which would be spread over 3 financial years. It was hoped however that the implementation of the system would be a catalyst for more effective and efficient working within the University.
- 12.5 At page 19 of the paper there was an indicative timeline. It was felt that an implementation date of early 2020 would be sensible.
- 12.6 The Board asked what the length of life of the new system would be. The CIO said that SITS was an ongoing concern but this would need to be looked into as part of the due diligence process. It was expected that it would have a minimum of 10 years lifetime.
- 12.7 It was asked by the Board what the training provision would be for the system. The CIO said that the “train the trainer” approach would be taken. There would be on-line training and regular refresher training. The Board advised that the change management and training was key when implementing such a system to ensure that the system was used effectively.
- 12.8 The Board advised that the more time spent on pre-implementation the better. It also advised that a less bespoke “vanilla” system would have a higher probability of success as the more bespoke a system was the harder it would be to support.
- 12.8 The Finance and Resources Committee had already recommended approval of procurement of the system. The system also had the approval of the Senior Management Team. The Board were told that there would be regular updates given to both the Committee and the Board on the progress of the system.



- 12.9 The Board voted on whether there should be the direct award of the contract to Tribal, subject to appropriate contractual arrangements. The vote was as follows:

In favour: 13 votes

Against: 0 Votes

Abstentions: 0

The Board therefore **approved** the resolution.

### **13. USE AND/OR DISPOSAL OF UNIVERSITY ASSET – 34 CLIVE ROAD**

*Paper 8 refers*

- 13.1 This was presented by the Chief Operating Officer (“COO”). The Board were informed that 34 Clive Road was a house situated on the edge of the University Estate. It has formerly been the Vice Chancellor’s residence but has not been used since 2017. A similar paper had been put before the Finance and Resources Committee on 12 June 2018 and the Committee had recommended that the Board of Governors approve the sale of the property.
- 13.2 The COO told the Board that the potential sale value of the property would be between £1.1m and £1.2m. There was a need to increase capital finance within the University and the proceeds of any sale were expected to be used to improve facilities on campus in particular student accommodation and the “student heart” area.
- 13.3 The Board asked what scope there would be for renting out the property noting that the current housing market was flat and whether consideration should be given to renting out the property for a period of time and then selling. The COO said that if the property were let it would generate income of around £30k per annum which would not be of significant practical use to the capital budget. He said that it would be possible to do more with a single lump sum of £1m. There was also a risk that the market would further soften.
- 13.4 The Board asked whether consideration had been given to keeping the proceeds of sale in a deposit account until such time as it was needed to provide any future new Vice-Chancellor with accommodation. The Senior Director of People said that many universities were moving away from providing accommodation for the Vice Chancellors. Potentially the University would have to provide accommodation on a temporary basis to any new Vice Chancellor but it was unlikely that a permanent residence would form part of any remuneration package.
- 13.5 The Vice Chancellor confirmed that he would not be voting on the issue due to his having previously used the property as a residence. He said that the property was not the type of property that you could use to formally receive guests of the University and in any event the University’s own facilities can be used for this. He said that while there was potentially an accommodation issue for any new Vice Chancellor who was moving to the area this should not deter the Board from deciding to sell the property. He said

that it was not ideal living on the University and he felt that if a future Vice Chancellor required accommodation then an appropriately sized apartment could be provided by the University on a temporary basis.

- 13.6 The Clerk informed the Board that for the sale of land or buildings belonging to the University, where these had been purchased by either the Catholic Church or the Catholic Education Service it was necessary for approval of such a sale be obtained from the Members of the St Mary's University Company. It is unclear how the property had been purchased and therefore it was sensible to obtain a written resolution from the members to approve the sale.

- 13.7 The Board therefore voted on the following resolution:-

**“That the property at 34 Clive Road, Twickenham, TW1 4SG be sold subject to the approval of such a sale being given by the Members of St Mary's University, Twickenham”**

The Board members voted as followed:-

In favour:	10
Against:	1
Abstain:	1

The resolution was therefore **approved** by the Board.

## **14 SU President's Report**

### ***Papers 9 and 9i refer***

- 14.1 This was presented by the SU President. He said that the paper was intended to provide the Board with a review of the Student Union's activities over the past year. The paper also included the strategic plan for the Students Union. The SU President said that the intention of the strategy was ensure cohesion even when there were changes in sabbatical officers. The themes contained within the strategy were expected to fit into any potential officer's manifesto. There was also going to be an annual operating plan for the SU.
- 14.2 The SU President said that he felt that the new OFS regime may lead to a culture where students would be expecting a good class of degree because they had paid their fees and regardless of their educational attainment while at their institution of study. He said that this should be a matter of concern throughout the sector.
- 14.3 The Vice-Chancellor said that on behalf of all the staff he would like to pay tribute to the sabbaticals. They had displayed a professional level of engagement and their contribution to the University had been appreciated.

## **15 HEFCE PREPARATION**

- 15.1 The Clerk informed the Board that the participants in the HEFCE review had met that day to discuss what to expect. Packs were being produced for all of the participants to brief them in advance of the visit on 4 July 2018.

## **16 RDAP UPDATE**

*Paper 10 refers*

- 16.1 This was presented by the Pro Vice-Chancellor (Research & Enterprise). She said that the University had passed the preliminary hurdle in having its application accepted and would be assessed over the next 18 months as to its suitability to have Research Degree Awarding Powers.
- 16.2 The Board were told that a preliminary meeting had taken place between Melinda Downey and members of the senior management team to discuss the process. The RDAP Scrutiny panel will considering issues including the following:-
- The implementation of TDAP
  - Whether QAA recommendation been embedded in the institution.
  - Financial sustainability
  - How the university supports its doctoral students
  - Whether there is effective governance of research
- 16.3 The Pro Vice-Chancellor (Research & Enterprise) said that members of the panel would be attending meetings of the Board and its Committees over the year.
- 16.4 The Board asked whether the restructure would have an effect on the supervision of research students. The Dean of SHAS said that every step was being taken to maintain continuity for all research students. Where the identity of supervisors were not known following the restructure their identity would be known soon. Supervisors could also potentially continue their supervision even after they had left the University.

## **17 ANY OTHER BUSINESS**

- 17.1 The Board were reminded that the graduations were taking place on 18 and 19 July and that members of the Board were encouraged to attend.

## **18 VALEDICTIONS**

- 18.1 Sue Handley-Jones was thanked for her service to the Board in particular as Vice Chair and in the past as the Chair of the Finance and Resources Committee.
- 18.2 Sharron Costley was thanked for her work as Finance Director and the Board wished her all the best for the future.
- 18.3 Conal Baxter was thanked by the Board for his service as a Board Member and SU President. The Board wished him all the best in his future studies.

**19    DATE OF NEXT MEETING**

5 October 2018