



BOARD OF GOVERNORS

Minutes of a meeting of the Board of Governors held online on Thursday 14 May 2020.

MINUTES

PRESENT

Dr Christine Campbell – Staff Governor
Mr Jeff Cottle
Fr Richard Finn
Mr Dave Hartnett
Mr Anthony McClaran – Vice-Chancellor
Ms Claire McDonnell
Mrs June Mulroy
Professor Anne Moran
Rt Rev Richard Moth - Chair
Mr Pietro Palladino
Mrs Kristen Pilbrow – Staff Governor
Mr Jack Ritchie
Mr John Unsworth

IN ATTENDANCE

Mrs Elizabeth Bell – Director of Strategic Planning
Mrs Jo Blunden – Chief Operating Officer
Mr Paul Bridge – PVC (Global Engagement)
Mr Andrew Browning – Clerk to the Board and Legal Counsel (Minutes)
Professor John Charmley – PVC (Academic Strategy)
Rt Hon Ruth Kelly – PVC (Global Engagement)
Mr Richard Solomon – Chief Financial Officer

MINUTES AND MATTERS ARISING

The meeting opened with a prayer.

69/19 WELCOMES AND APOLOGIES FOR ABSENCE

The new Vice-Chancellor, Anthony McClaran was welcomed to his first meeting of the Board.

John Unsworth, who served as the University's CFO from October 2017 to June 2019, was welcomed back to the Board.

Apologies had been received from David Brambell.

70/19 DECLARATIONS OF INTEREST

John Unsworth declared that he is the Chief Financial Officer of the University of Buckingham.

71/19 CHAIR'S BUSINESS

Election of Governors

The Nominations Committee had recommended that John Unsworth join the Board. His membership of the Board was unanimously **approved** by the Board.

72/19 MINUTES OF PREVIOUS MEETING

The minutes of the meeting which took place on 30 January 2020 were **approved** by the Board.

73/19 MATTERS ARISING

59/19 – Edinburgh Campus

The Vice-Chancellor has written to the Archbishop of St Andrews & Edinburgh to inform him that due to the coronavirus pandemic the University wishes to delay establishing its postgraduate campus at the Gillis Centre until 2021. The Vice-Chancellor has attended a meeting of the trustees of the Gillis Centre and has reiterated the University's commitment to the project. It is felt that the deferral will be of benefit to all parties.

60/19 – KPIs

The reasons for the high attrition rate of the Chelsea FC Coaching and Development Programme had been explained at the meeting of the Academic Scrutiny Committee.

65/19 – REF Update

The PVC (Academic Strategy) has now assumed responsibility for managing the REF process and for research generally. The PVC (Academic Strategy) said that a meeting of the University Research Committee had taken place that week and the Units of Assessment had been agreed as being English, Sport, Theology, and Social Policy. There would be enough case studies to be submitted to all of the Units of Assessment. Equality assessments had been completed and would be repeated later in the process. The Code of Practice was being applied and it was auditable. The date for final submission for REF had been postponed with the University supporting the proposal that the date to be moved to March 2021. The PVC (Academic Strategy) said that he expected that the University's submission should be completed by the agreed deadline of the end of the year.

ITEMS FOR DISCUSSION OR APPROVAL

74/19 VICE-CHANCELLOR'S REPORT

Paper 1 refers

The Vice-Chancellor started by thanking the Interim Vice-Chancellor and all those within SLT for their work prior to his arrival at the University in leading the response to the Coronavirus pandemic.

The Vice-Chancellor highlighted to the Board that the OFS was seeking to introduce an additional condition of registration in response to the pandemic as part of a series of measures to ensure stability in the sector and in particular during the admissions period. Part of this was to avoid unacceptable practices in recruitment. A package of measures had also been approved that were intended to assist the sector, with a cap on recruitment being introduced; however, it was debatable whether these were going to be helpful to the University. UCAS seemed to be becoming more proactive with the new Clearing Plus service potentially encouraging students to apply elsewhere, which was of concern. It appeared that the OfS moratorium on unconditional offers, which had now been lifted, would be modified retrospectively so that they could be made for courses where traditionally unconditional offers were made, such as those on the basis of an audition, but this had yet to be confirmed in writing. The Vice-Chancellor said that he would be meeting with the officer from the OFS who had been designated to liaise with the University.

The Board were told that the Academic Regulations had been amended by Academic Board in response to the pandemic. The regulations looked to uphold the “no detriment” principle while at same time not diluting academic standards and it was hoped that the aims of both of these principles had been met by the introduction of additional algorithms for calculating students’ final assessments.

Board members had been sent a short paper the previous day informing them of the 14% reduction in the OfS recurrent teaching grant. The Director of Strategic Planning explained that the drop in funding was partly due to the overall drop in the number of Home/EU students at the University. This drop had meant that the proportion doing “high cost” subjects had also fallen, meaning that the funding for those subjects had been reduced. The funding for WP students had also been reduced due to the number of WP students falling in a similar proportion to the number of home/EU students. The CFO said that an 11% cut had already been factored into the planning round, so the reduction had not come as a complete surprise and could be absorbed.

The Vice-Chancellor gave an update on the status of the University’s RDAP application. This is currently with the OfS awaiting their confirmation to the DfE that the University is financially sustainable. The OfS were apparently unwilling to give this confirmation at this time due to the uncertainty created for all universities by the Coronavirus pandemic. The Vice-Chancellor said that he believed that the University was in a financially sustainable position despite the challenge of the pandemic and representations were being made to the OfS to encourage it to give the necessary assurances to the DfE as soon as possible, particularly since further delay would incur more costs for the University. This would be discussed during a meeting with the designated officer from the OfS.

The Board **noted** the Vice-Chancellor’s report.

75/19 MANAGEMENT ACCOUNTS

Papers 2 and Paper 2i refers

The management accounts were presented by the CFO. The accounts were up until 31 March 2020 and therefore pre-dated the financial impact caused by the Coronavirus Pandemic. At the time of the accounts the University was £0.5m ahead of budget. The forecast that had been contained within the February accounts showed that the University would do better than budget; however, post-coronavirus the University was now looking to be £1.6m behind the

budget but with an operating profit of around £1.25m and still being compliant with the University's banking covenants. The cash position was still healthy, with the end of year cash position expected to be £6.3m which was well ahead of the OFS standard of 30 days. There was a possibility that the University may dip below that in August or September; however, that was without the University having to use its revolving credit facility, therefore meaning that it would not be necessary to report this to the OFS.

The Board **noted** the management accounts.

76/19 FINANCIAL IMPACT OF CORONAVIRUS

Papers 3 and 3i refer

The CFO presented a paper on the financial impact of the coronavirus on the University. It was looking at the budget for financial year 2020/2021 and the forecasts for the following four years. The University had been modelling student recruitment and believed that there would be a middle scenario drop of 6% compared to last year. Within the University's competitor group there was a view that it could be as much as 20%; however, there was optimism that this would not be the case due to much of the University's portfolio being vocationally-related (broadly in areas of student growth) and the low reliance on recruitment of international students. The CFO's view was therefore that the middle scenario was defensible but it was important to continue looking at the data flow and other evidence that may come through that may challenge that assumption.

The favourable, middle, and adverse scenarios had been modelled to establish what the cost levels should be to ensure the level of profitability was maintained in order to comply with the University's banking covenants and as may be required by other bodies such as the OFS and development funds for capital investment. FRC had supported the view that mitigation scenarios E and F contained within the paper of obtaining up medium-term finance in the region of £4m and reducing operating costs by around £3.75m would keep the University in a relatively strong position.

The Board asked about the compliance with the banking covenants and whether there was a level at which they would become problematic. The CFO said that currently the most meaningful covenant was on the Barclay revolver which required the University to have operating profits which were three times the interest expense, not including unwind on the pension items. This was manageable for the University as the minimum operating profits would need to be around £300k.

It was expected that for any future loans the covenants would require operating profits of around 4 - 5 times the interest expense. With interest likely to be up to 3%, the estimate for what operating profits the University would need was in the region of £1.5m. The CFO felt that the University should be able to meet this level of operating profit but should be aiming for £2.5m for 2020/2021.

The Board suggested that the University, when approaching the bank for finance, should present a strong long-term plan to enable any finance to be stretched out for a longer period and thereby reducing the financial pressure on the University.

The Board highlighted the need to communicate to students the value of what was being offered by the University during the current lockdown. It was likely that the University would need to have some form of blended learning approach in the autumn and there was a need to ensure that the value of this was communicated.

The Board was asked to vote to approve the University starting discussions with the bank to obtain up to £4m in lending. The vote was as follows:

In favour: 14
Against: 0
Abstentions: 0

The Board therefore **approved** the University starting discussions with the bank to obtain finance. **ACTION**

Given the need for the University to be able to respond strategically to circumstances of unprecedented uncertainty, It was proposed by the Chair that a joint working group be set up with members from the Board and members of SLT. The Board voted as follows:-

In favour: 14 votes
Against: 0
Abstentions: 0

The establishment of the working group was **approved**. The members of the Board attending the group on behalf of the Board would be June Mulroy, Dave Hartnett, and Anne Moran. **ACTION**

77/19 STUDENT RECRUITMENT UPDATE

Paper 4 refers

This was presented by the PVC (Global Engagement). He said that the extension of the UCAS deadline meant that many students had not made their decision as to which university offers they wanted to accept, meaning that the recruitment numbers were very uncertain.

Undergraduate applications were at around the same levels as last year. PGCE applications, for places which were uncapped, were 20% up on last year. Taught postgraduate applications had also risen. There was however a lot of uncertainty with year 13 students as to what they wanted to do in the next academic year. There still appeared to be a desire from international students to come to the UK to study; however, there was uncertainty as to whether they would be able to travel to the country. The outlook for study abroad was not positive.

The PVC (Global Engagement) said that the recruitment team were focusing on what was within the University's control by looking to stay in touch with prospective students through virtual tours, webinars, and other online events and messaging.

The Board **noted** the student recruitment update.

78/19 KPI UPDATE

Paper 5 refers

This was presented by the Director of Strategic Planning. The NSS results will be published as planned at the beginning of July unless the pandemic is found to have had a substantial effect on the results. The University had a very good response rate despite most students not being physically on campus.

In relation to entry tariff the hydraulic effect (whereby universities were generally lowering their entry requirements to attract more students) had meant that more higher tariff students were

being lost, although St Mary's still had higher entry levels than many of its direct competitors. The student numbers had remained largely the same but the number of international students had risen from 4% to 7%.

The University would be monitoring the effect that the no detriment regulation would have on the number of students attaining good honours. A report from the OfS on the subject of good honours was due to be published in April but this had now been postponed.

The Director of Strategic Planning said that, given where the University was in terms of the strategic plan, it was probably time to review the KPIs for the University, with these being approved by the Board in the autumn. **ACTION**

The Board **noted** the KPI update.

79/19 STUDENTS UNION REPORT

Paper 6 refers

This was presented by the Student Life President. He told the Board about the "At Home Together" campaign that the SU had been running to support and engage with students. There had been a weekly question and answer session with the sabbaticals which included questions relating to accommodation and the "no detriment" rule for which the Education President had produced an explanatory video. Fundraising for RAG was still ongoing. £7500 had been raised to date and the Union were still hoping to meet their target of £10,000.

Elections had taken place and the following new sabbaticals had been elected:

Student Life President: Charlie Canning
Education President: Niamh Moore
Sports President: Maisie Ward

There had been a 25% turnout which was the highest that the University had ever had. The sabbaticals would be assuming their roles on 26 June 2020.

The Board **noted** the Students Union Report and congratulated those elected to sabbatical posts.

80/19 GRADUATIONS

Paper 7 refers

This was presented by the Chief Operating Officer. The University has cancelled spring and summer graduations with the hope of running these in the autumn. The paper set out the options which were available for the autumn ceremonies. The COO said that she wanted to send out a holding message to graduates with potentially a more detailed message regarding graduation arrangements in 6 weeks-time.

The Board acknowledged the difficulties of social distancing at the ceremonies and that restrictions may not be lifted until the autumn meaning that there may need to be more smaller ceremonies or that it may not be feasible for them to take place at all. The Board considered the possibility of virtual graduations by Zoom or similar but also understood that not all students would have the necessary electronic equipment to access this. It was also noted that it may be possible to hold some form of event electronically at programme level.

The COO was asked to note the comments made by the Board and consider what the plan could be for graduations in the autumn and taking into account potential social distancing restrictions. The Board noted the issue of costs and that if the University was going to put on graduation ceremonies in the autumn then they should be held at the University. The Board asked that in the meantime a programme be put together to be distributed electronically to all graduates that would include messages from the Vice-Chancellor, the Chair of the Board and the Chancellor. **ACTION**

ITEMS FOR NOTE INCLUDING DECISIONS UNDER DELEGATED POWERS

81/19 FINANCE AND RESOURCES COMMITTEE

Paper 8 refers

The minutes of the meeting held on 6 May 2020 were **noted** by the Committee.

82/19 AUDIT COMMITTEE

Paper 9 refers

The minutes of the meeting held on 23 April 2020 were **noted** by the Committee.

83/19 ACADEMIC SCRUTINY COMMITTEE

Paper 10 refers

The minutes of the meeting held on 29 April 2020 were **noted** by the Committee.

84/19 GOVERNORS ATTENDANCE REGISTER

Paper 11 refers

The Governors attendance register were **noted** by the Committee

85/19 ANY OTHER BUSINESS

The Clerk informed the Board that he would be contacting members regarding updating their profiles on the governor's webpage.

86/19 DATES OF FUTURE MEETINGS

18 June 2020
7 October 2020
14 October 2020 (Away Day)
24 November 2021
28 January 2021
10 March 2021 (Away Day)
28 April 2021
16 June 2021

END