

Plymouth University
Higher Education Corporation

Board of Governors

Minutes of the Meeting of the Board of Governors held on Tuesday 21 June 2016 at 2.30 pm.

Present: James Brent (Chairman) Dr Ranulf Scarbrough
Hamish Anderson Margaret Schwarz
Matthew Dark Dr Mike Sheaff
Ian Duffin Ruth Titmuss
Kate Jackson Henry Warren
Professor Judith Petts (Vice Chancellor) Denis Wilkins

Secretary: Matthew Jackson (University Solicitor and Interim Clerk to the Board)(**USIC**)

In attendance: David Alder (Chief Marketing Officer)
Alastair Matthews (Chief Financial Officer)(**CFO**)
Vikki Matthews (Chief Talent Officer)

Lowri Jones (incoming student governor)
Steph Wearne (incoming student governor)

Siân Millard (Interim Head of Governance and Secretariat)
Margaret Metcalfe (Governance Officer to the Board)(**MM**)

		Action
16/06/1	<p><u>Obituaries</u> Noted:</p> <ul style="list-style-type: none"> Robert Earley, a student on the BSc (Hons) Paramedic Practitioner programme, died of cancer on 6 June 2016. Rob had interrupted his studies due to his illness and was due to return to year three in 2016-17 until a sudden recurrence left him with only a few weeks to live. 	
16/06/2	<p><u>Membership</u></p> <p>2.1 Apologies for Absence Noted:</p> <ul style="list-style-type: none"> Apologies had been received from Barbara Fuller, Dr Rong Huang, Mary Palmer and Steve Pearce (Board members) and Professor Simon Payne and John Wright (Executive). Jane McCloskey had resigned from the Board on her appointment as Dean of Creative Industries at the University of South Wales in Cardiff. The Chairman had written to congratulate her on the Board's behalf. The Chairman welcomed Lowri Jones and Steph Wearne, the incoming student governors, who were attending the meeting as observers. <p>2.2 Notification of Any Other Business Noted:</p> <ul style="list-style-type: none"> One additional item of business relating to sports facilities had been raised (see item 16/06/6.1 below). The Chairman thanked UPSU for hosting lunch and providing the opportunity 	

	to meet the UPSU executive team and trustees.	
2.3	<p>Declarations of Interest</p> <p>Noted:</p> <ul style="list-style-type: none"> • The declarations of interest set out in Appendix 2 would apply. • No other potential conflicts of interest relating to matters to be discussed at the meeting had been identified. <p><i>[Secretary's note – see item 16/06/6.1 (first bullet point) below]</i></p>	
2.4	<p>Confidentiality Status of Agenda Items</p> <p>Noted:</p> <ul style="list-style-type: none"> • The following items were classified as strictly confidential on the grounds of commercial confidentiality: <ul style="list-style-type: none"> - Draft University Financial Plan for 2016/17 and Forecasts to 2018/19 (item 16/06/4) - Committee Minutes (items 16/06/5.1 to 5.4). 	
16/06/3	<u>Minutes</u>	
3.1	<p>Minutes of the Meeting of the Board of Governors held on 24 May 2016 (Enclosure A)</p> <p>Noted:</p> <ul style="list-style-type: none"> • The minutes were approved as a correct record of the meeting and signed by the Chairman. 	
3.2	<p>Necessary Redactions</p> <p>Agreed:</p> <ul style="list-style-type: none"> • The minutes could be published in full. 	MM
3.3	<p>Matters Arising (Enclosure B)</p> <p>Noted:</p> <ul style="list-style-type: none"> • The report, for information only, on various matters arising was noted. • QAA Higher Education Review (<i>Minute 16/05/4</i>): the Vice-Chancellor anticipated that the QAA's draft report would be received in confidence on 24 June. The University would then have three weeks to respond in relation to factual errors against the evidence listed in the report. 	
16/06/4	<p>Draft University Financial Plan for 2016/17 and Forecasts to 2018/19 (Enclosure C) (Strictly Confidential)</p> <p>Noted:</p> <ul style="list-style-type: none"> • The paper had been presented to the Finance Committee at its meeting on the morning of 21 June for review and comment before the draft University financial plan was finalised. • While the final plan would come to the Board for approval at its meeting on 26 July 2016, a draft plan had been provided at this stage to provide an opportunity for comment in advance of finalising the plan. • The draft plan was the culmination of a detailed planning process which had engaged with all the University's operations. That process had commenced in January 2016 with the Deputy Vice-Chancellor and CFO holding individual meetings with all the faculties and directorates. A second round of more challenging meetings had been held to identify and confirm targets. These had been followed by final meetings with the Vice-Chancellor to agree individual plans. These resulted in formal agreements to confirm understanding, acceptance and ownership of those plans. However, while formal, sufficient flexibility was built into the plans to permit any changes required as a result of future reviews and events, including student 	

	<p>recruitment.</p> <ul style="list-style-type: none"> • The following particular points were noted: <ul style="list-style-type: none"> - The surplus was likely to reduce next year (although increase in the ensuing two years) on account of significant pressures caused by proposed pay increases next year, changes in pension contributions, the impact of new National Insurance arrangements, and a modest increase in new entrants not offsetting the level of these in later years. - A 10% increase in research income was forecast although this would be challenging given the competitive environment. - Regional Growth funding was likely to fluctuate in view of the potential grant to the Greenwich School of Management of degree-awarding powers . The effect of this should be partially offset by activities with other partners. - Staff pay costs would remain broadly stable, based on an assumption of 1.5% this year and 1.25% in subsequent years. - Operating expenditure (excluding strategic investment funding and regional growth funding) would remain stable. - The sensitivity analysis in Appendix 3 showed the impact of various key risks, particularly student recruitment. - The capital plan was still being finalised. The final plan may require an increased expenditure of approximately £10m across the 3 years. The plan included investment of £16m in order to reduce the backlog of repairs. The plan also anticipated the likely scale of the evolving Estates Strategy with a total of £30m included in the latter 2 years in addition to the backlog investment. - The cash position remained positive with an improving surplus projected over the three years (although account should be taken of the likely effect of cashflow on the cash position at different points during the academic year). - Borrowing levels and liquidity would need to be further refined in accordance with University requirements and recognise any requirements of the new regulator but this would not be clear until next year. - Most of the savings made in 2015/16 were recurrent in nature. - The adoption of FRS 102 would depress the surplus by about £3.5m. - The plan was sensitive to student numbers, the likely indexation of student fees, the Teaching Excellence Framework and the OFFA position. The outcome of student recruitment would not be known until November and so it would be necessary to conduct a re-forecast at that time when some of the variables (including student numbers) and their likely impact on the surplus position could be better identified. • Finance Committee had discussed the plan at its meeting that morning, and had been supportive. <p><i>Comments:</i></p> <ul style="list-style-type: none"> • It was suggested that the narrative in Appendix 6 should be reviewed to ensure text had not been adopted from previous accountability returns without proper reflection. The Board was assured that Executive members had been asked to review and approve the text for which they were responsible but they would be asked to take another look. • The University was in the process of refreshing its strategy but key priorities and risks had been identified as part of the planning process. These would be 	CFO
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	<p>fed into the strategy review.</p> <ul style="list-style-type: none"> Operating costs such as travel expenses had been subject to robust analysis. Professional Services had been requested to reduce their operating costs by 3% in the first year. Each Dean/Director had agreed their budgets and any requested increase in staff posts/costs would be subject to a rigorous approval process. The University would look to reduce its staff cost/income ratio benchmarked against the sector average over time. The outcome of the EU referendum could have a very significant impact. In the event of a vote to leave the EU, substantial changes were likely. The University derived substantial income from its EU students (currently £5.8m per annum) who might decide that they no longer wished to come to the UK to study (not least as they could become subject to international student fees). Home students might no longer be able to participate in Erasmus student exchanges. 7% of the University's staff were citizens from other EU members and some academics in particular may decide to leave. Although not as exposed as other research-intensive institutions, 24% of the University's research funding was EU-related (current value £3.1m). While current EU grants were expected to continue, the rights of UK institutions to bid for further funding might be curtailed/changed. There could be an adverse impact on the region as a whole (e.g. ERDF funding) and the business sector in particular, affecting available placements and employment opportunities as well as business support to research. The proposed HE Bill may be delayed. <p>It was difficult to conduct contingency planning. UUK would be producing a paper next week in the event of a "leave" outcome, and the University would prepare a press statement. It would be necessary to consider the forecasts although, given the timeframe and likely uncertainty, this would be prepared as a separate sensitivity analysis.</p> <ul style="list-style-type: none"> The outcome of the EU Referendum would be an item for the agenda of the July Board meeting in any event. The evolving Estates Strategy would be discussed at the joint Board/UEG Away Day in October. <p>Agreed:</p> <ul style="list-style-type: none"> The Board thanked the CFO and his team for the helpful set of assumptions, and commended the quality of the planning. At the next Board meeting, the Vice-Chancellor would give a high-level view of what the October Away Day was proposed to cover. Board members should also consider what they wanted to get out of the discussion opportunity. 	<p>CFO</p> <p>USIC</p> <p>VC Governors</p>
16/06/5	<u>Committees Minutes (Strictly Confidential)</u>	
5.1	<p>Minutes of the Audit Committee meeting held on 24 May 2016 (Enclosure D)</p> <p>Noted:</p> <ul style="list-style-type: none"> A report of this meeting had been provided at the May Board meeting. 	
5.2	<p>Minutes of the Governance and Nominations Committee meeting held on 24 May 2016 (Enclosure E)</p> <p>Noted:</p> <ul style="list-style-type: none"> A report of this meeting had been provided at the May Board meeting. 	
5.3	<p>Report from the Governance and Nominations Committee meeting held on 21 June 2016</p>	

	<p><i>Presentation by the Senior Independent Governor</i></p> <p>Noted:</p> <ul style="list-style-type: none"> • The Committee had considered the appointment of the Chairman’s successor. • Saxton Bampfylde (SB) (who had been appointed as search consultants) had carried out a desktop survey which had produced a longlist of five potential candidates. These had been considered by the working group at its meeting on 17 June and from this list, three candidates had been identified for SB to have further discussions with. • SB would initiate those discussions. The shortlisted candidates emerging from that process would be invited to take part in discussions with the working party, staff and student governors, the Vice-Chancellor and Chancellor. • SB had also been asked to continue the search for other potential candidates. • The current Chairman of the Board was due to finish his term of office at the end of his academic year. Should there be a delay in appointing his successor, interim arrangements would be required. It was proposed to invite the current Chairman to extend his term of office until the new Chair had been appointed, and the Chairman confirmed that he would be willing to do this, if required. <p>Agreed:</p> <ul style="list-style-type: none"> • To approve the extension of the term of office of the current Chairman until the new Chair had been appointed in the event of any delay in that appointment beyond 31 July 2016. 	
5.4	<p>Report from the Finance Committee meeting held on 21 June 2016</p> <p><i>Presentation by Dr Ranulf Scarbrough (Chairman of the Finance Committee)</i></p> <p>Noted:</p> <ul style="list-style-type: none"> • The management accounts for month 9 had been reviewed. • The Committee had considered in detail the draft University financial plan for 2016/17 and forecasts for 2018/19 (see item 16/06/4 above). • The Committee had received an overview of the University’s pensions position and attendant financial risks, together with recommendations to improve long term financial sustainability. This issue would continue to be a challenge and the Committee had endorsed the continued investigation of the recommended options. • An update on the Derriford Research Facility had been provided. The specification for the project had incorporated a number of complex requirements. The <i>design and build</i> contract had not incorporated a costs ceiling. Changes resulting particularly from the need to increase the electricity supply provided for in the original specification had caused the current project budget to be exceeded. The Committee had approved additional funding to complete the project. • The Committee had been updated on the proposed grant of a lease for Block M at the Brixham site to an anchor tenant. The lease required recommendations for Board approval from both the Finance Committee and UEG. UEG had approved the lease subject to the results of a due diligence report from KPMG. The Committee had agreed to recommend to the Board the grant of the lease to the tenant proposed. • Dr Ranulf Scarbrough’s term of office as a governor and chair of the Finance Committee would end in July 2016. Ian Duffin would take over the role of 	

	<p>chair of Finance Committee from 1 August 2016.</p> <p>Agreed:</p> <ul style="list-style-type: none"> The Board approved the recommendation that the University proceed with negotiations to grant a lease of Block M on the Brixham site to the proposed tenant, subject to the Executive being satisfied with the results of a due diligence report from KPMG. 	
16/06/6	Any Other Business	
6.1	<p>Sports Facilities</p> <p>Noted:</p> <ul style="list-style-type: none"> The Chairman declared a potential conflict of interest in his role as Chairman of Plymouth Argyle Football Club. It was acknowledged that there was a need to improve sports facilities. This was a priority in terms of both student experience and student recruitment. To progress this issue, the University and UPSU had agreed to appoint a full-time Director of Sport (to be funded by them jointly). The role would be to identify sports facilities and opportunities in the City and beyond, and to enable University clubs and societies to maximise access to, and use of, available facilities. The role would be advertised during the week commencing 27 June 2016, with interviews scheduled for 25 July. The issue related not just to the provision of sports facilities but also to the question of travel to and from the available sports sites. A key part of the new role would be to implement a plan of action to improve the overall sports offering and student experience, and to establish and/or improve links with external organisations for this purpose. 	
6.2	<p>Student Governors</p> <p>Noted:</p> <ul style="list-style-type: none"> Ruth Titmuss and Matthew Dark had come to the end of their terms of office as student governors, and the Chairman conveyed the Board's thanks for their valuable contributions and wished them well for the future. 	
16/06/7	<p>Date of Next Meeting</p> <p>Tuesday, 26 July 2016, 1430-1730</p> <p><i>[Secretary's note: the scheduled start time on that date may need to be brought forward to accommodate an extensive agenda.]</i></p>	

Appendix 1: Action Plan

Minute		By	Deadline
16/06/3.2	Minutes of the Meeting of the Board of Governors held on 24 May 2016 to be published in full.	MM	As soon as possible
16/06/4	Draft Financial Plan: The narrative in Appendix 6 to be re-checked by relevant Executive members.	CFO	July 2016
16/06/4	Draft Financial Plan: Pending the outcome of EU Referendum, forecasts to be reviewed, focussing on providing appropriate sensitivity analysis.	CFO	July 2016
16/06/4	Draft Financial Plan: The outcome of the EU Referendum to be an item for the July Board meeting.	USIC	July 2016
16/06/4	October Away Day: The VC to give a high-level view of what was to be covered at the October Away Day; and Board members to consider what they would like covered/discussed.	VC Governors	July 2016

Appendix 2: Declarations of Interest

Name	Organisation	Role
James Brent	<p>Akkeron Group LLP</p> <p>Natatomisam Limited; Akkeron Leisure Limited; Oldway Mansion Limited; Five Directions Limited; HHP Nominee Limited; Akkeron Hotels Group Limited; Akkeron Hotels Management Limited; Saltrock Surfwear Limited</p> <p>Plymouth Argyle Football Club Limited</p> <p>Royal Devon and Exeter NHS Foundation Trust</p> <p>South West Ticketing Solutions Limited; The Plymouth Pavilions Limited; Resurgam (West End) Limited; Suite Hospitality Limited;</p>	<p>Chairman and CEO</p> <p>Director</p> <p>Chairman</p> <p>Chairman (non Exec)</p> <p>Director</p>
Hamish Anderson	<p>Norton Rose Fulbright LLP</p> <p>Nottingham Trent University</p> <p>Kingston University</p> <p>Le Page Architects Ltd</p>	<p>Consultant</p> <p>Visiting Professor</p> <p>Visiting Fellow</p> <p>Wife is a director</p>
Matthew Dark	<p>University of Plymouth Students' Union</p> <p>UPSU Trustee Board</p>	<p>Vice-President and trustee</p>
Ian Duffin	<p>Dean Close School</p> <p>IAD Management Services Limited</p> <p>Yoganic Limited</p>	<p>Trustee, Member of Council & Non Executive Director</p> <p>Director</p> <p>Director</p>
Barbara Fuller	<p>None</p>	
Dr Rong Huang	<p>Association for Tourism in Higher Education</p> <p>Tianjin University of Commerce</p> <p>Quality Assurance Agency Enterprises</p>	<p>Executive member</p> <p>Guest Professor</p> <p>Associate</p>
Kate Jackson	<p>Trethawle Enterprises</p> <p>Trethawle Renewables</p> <p>Clean Earth Trethawle Turbine</p> <p>Cornwall Care</p>	<p>Partner</p> <p>Director</p> <p>Director</p> <p>Interim HR Director</p>
Mary Palmer	<p>None</p>	
Professor Judith Petts	<p>Sir Alister Hardy Foundation for Ocean Science</p> <p>BBSRC</p> <p>NERC Innovation Board</p>	<p>Trustee</p> <p>Council member</p> <p>Member</p>

	University of Southampton University of Westminster	Visiting Professor Husband is Vice-Chancellor
Steve Pearce	Deputy Lieutenant of Devon Drake Foundation Devon and Cornwall Crimestopper Hamoaze House	Vice-Chairman Member Trustee
Dr Ranulf Scarbrough	BT Group PLC	Employee
Margaret Schwarz	Cornish Mutual Insurance Cornwall Partnership NHS Foundation Trust	Governance Lead Non-executive Director
Dr Mike Sheaff	brother is employed by the University (Prof Rod Sheaff in the School of Government, faculty of Business) Stoke Damerel Community College (one son is an employee) B&Q (one son is an employee) younger son has been selected by the Green Party to stand for election to Plymouth City Council in Drake Ward (in which the campus is located)	Staff governor
Ruth Titmuss	University of Plymouth Students' Union UPSU Trustee Board	President and trustee Chair
Henry Warren	Plymouth Science Park Advisory Board Plymouth Hospitals NHS Trust Fluvial Innovations Limited	Member Non-executive director Director
Denis Wilkins	Peninsula Medical Foundation Confidential Reporting Programme in Surgery (CORESS) Menheniot Old School Trust St John Ambulance Plymouth Son in Law Director at Ernst & Young	Chair Trustee Trustee President