

UNIVERSITY BOARD OF DIRECTORS

CONFIRMED

Minutes of the meeting held on 23rd February 2021 by MS Teams

Present: Mr G Donnelly (Chair), Miss F Aiken, Mr J Batty, Mrs E Bales, Revd Canon C Butland, Professor J Lee, Mr I Looker, Ms M McConnell, Professor J Mennell, Mr I Purdham, Mrs J Stannard, Ms P Tatlow, Mr M Williams, Mr P Yates.

In attendance: Dr J Brown, University Secretary
Mr D Chesser, Chief Operating Officer
Mr A Heron, Deputy Director of Finance & Planning
Mrs K McLaughlin-Flynn – Deputy Chief Operating Officer
Mr A Hanfi – Associate Director
Mr C Nall – Associate Director
Mr P Stafford – Associate Director
Mr M Renwick-Smith – Associate Director

The Chair welcomed everyone to the meeting noting that it was in two parts, the first part mainly concerned with the approval of the financial forecast in OfS format and Associate Directors were therefore observers. The second part of the meeting (minute 20:66 and 20:67) would be in webinar style focusing on Borderlands and therefore it would be useful for the Associate Directors to have heard the discussion on the financial forecast.

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| 20:59 | Apologies for absence
Apologies were received from Ms J Johnston. | Verbal |
| 20:60 | Declaration of Interests
Mrs E Bales in relation to her role as Director of Student Services. | Verbal |
| 20:61 | Minutes of the previous meeting
The minutes and confidential minutes of the 21 st January 2021 meeting were approved as an accurate record subject to a change to the wording of the declaration of interest. | UB20/35
a & b |
| 20:62 | Matters Arising
There were no matters arising. | Verbal |
| 20:63 | Chair's Business
The Chair updated the Board with matters he had undertaken as Chair since the last meeting which had related to dialogue with the Vice Chancellor, Chief Operating Officer and University Secretary in relation to matters on the agenda. | Verbal |
| 20:64 | Vice Chancellor's Report

Received A report from the Vice Chancellor

The Vice Chancellor briefed the Board on the government announcement of the previous day which meant that the majority of students across all year groups who were studying practical based programmes would be eligible to return to blended learning from 8 March 2021. This would leave the minority of the University's students on purely on-line delivery after this date. | Verbal |

The implications of the announcement were being worked through. Communications to students and staff continued to be undertaken on a regular basis including regular formal and informal communications with Trade Union representatives, which remained positive. Overall the University continued to be in a good position in its ability to enable students to complete the academic year.

The Vice Chancellor moved on to provide an update on the student recruitment position for 2021/22 entry, with applications increased on last year across all institutes other than the Institute of Arts, albeit that this had a small impact on the overall application position.

Student Director was asked if she had any matters to report: she commented that it was a quiet period, there was some concern over the return to campus for some students however the Students' Union would provide support as required.

AGREED: • To receive the update.

20:65 2020/21 – 2024/25 Financial Forecast

UB20/36

Received 2020/21 – 2024/25 financial forecast and commentary

The Chief Operating Officer gave the background to the preparation of the five year forecast, culminating in FRC endorsing the forecast, presented in the University's format, in January 2021. This had now been worked into the format required by the OfS and was presented to University Board for approval.

A section of this minute has been recorded in a separate confidential set of minutes.

The Chair thanked the team for their work on the forecast.

AGREED: • To approve the forecasts and related commentary for submission to the Office for Students.

20:66 Borderlands

UB20/37

Received A draft paper covering key matters in relation to the approval of the Borderlands Project and the Final Business Case.

The Chair introduced the item commenting that the timing of the discussion in relation to key decisions was such that the paper being shared was a draft of that which would be put to the Board when the request for approval came forward. The Vice Chancellor added that the final version of the paper would clearly sign-post to previously shared information, where not included within the paper.

The COO spoke to the paper, starting by noting that alongside the project scrutiny provided by partners and the Board, Barclays had commissioned BDO to undertake a financial due diligence exercise to inform their decision with respect to provision of a back-up revolving credit facility. An overview of BDO's work was set out, with a summary of key findings within the paper.

Growth in student numbers

The COO went on to take the Board through the key points of the first section of the paper relating to the growth in student numbers beyond 2024/25. How the numbers in the document had been built up from a range of inputs was set out. It was noted that the numbers were consistent with those in the SOBC.

A question was asked about the overall benefits of the project, and whether they were purely student number related. The COO responded that the benefits were in relation to the economic impact to the region as a whole. An economist had been working up the overall impact to feed into the economic case, which had comfortably reached the required threshold for government funding. It was noted that much of this information was contained within the SOBC, and would be a key element of the FBC.

A point was made that the benefits that the project was going to be monitored on over its lifetime needed to be decided. The COO agreed, adding that the project monitoring was in the process of being determined.

A comment was made that some of the student numbers forecasted relied on a greater proportion of individuals achieving more at level 3 so that they could enter higher education, with a question asked as to whether there was confidence that this would be achieved. The DCOO talked through the different components of growth, as set out in the paper. She noted that the University was involved in outreach work and through this work there were known to be people with appropriate level three qualifications who were not entering higher education. Further work to bring people through to higher education was required, alongside the range of projects ongoing throughout the County to increase skills levels.

A comment was made that it was not clear that the top-line growth in student numbers could not be achieved in a different manner, however the project was not a commercial one, and had wide reaching benefits.

Space

The Chair moved on to the space section of the paper, commenting that in July 2018 the Board had approved the Estates Strategy which set out how the sites in Carlisle were not fit for purpose which had led to looking for ways to achieve changes to the estate with minimal investment.

The COO spoke to this section of the paper, noting that the ask for space had reduced from that in the original scheme. He set out that the space available would work on the assumption that some specialist facilities remained at Fusehill Street campus, although work was ongoing to maximise the movement out of that campus. The space per member of staff / student would decrease from the current ratio, however the University was operating significantly above (i.e. worse than) the sector norms. He added that the detail of how the space would be used was not required for the FBC, but would be for the planning application in 12/18 months time. Input was being received from the Institute Directors, with optimal solutions being looked for, including that the site be digitally enabled.

The difference between the 13.8sqm gross space and 12.7sqm net space referenced in the paper was asked about. The COO responded that the net was after circulation areas had been taken into consideration. The Business Interaction Centre was not part of this space, the funding for this

was through the Carlisle Towns Fund bid and it would have its own dedicated space.

Some of the non-teaching facilities planned for the new campus were discussed, with a chapel not planned, but pastoral space would be included; other facilities, such as sports, would be via use of local gyms with discounted rates negotiated.

An idea of the utilisation rate was requested, with it proposed as a measure to be monitored. The COO set out how the utilisation rate was the multiple of frequency of use by occupancy of use. It was anticipated that the frequency of use would be relatively high from the start, circa 80%, however occupancy would be lower – perhaps 50-60%, with the occupancy rising as student numbers rise.

The various tensions impacting on space requirements were discussed, i.e. with respect to increasing efficiency of space use at the same time as looking to increase student numbers – with a nervousness that the University was looking to make the space available fit its requirements as that was what could be funded. Care was noted to be required in the design that the University was not constrained by the site. The need to ensure that the design worked for the University – that function was at the heart of the design – was raised. The COO noted the comments and set out how a user group of staff would be established to work with the project team on how the building would operate.

The Chair confirmed that further work to minimise the requirement to retain Fusehill Street campus was supported by the Board.

Project costs, affordability and funding

The COO spoke to this section of the paper starting by noting that the cost plan was close to finalisation, with the paper setting out the cost plan as it was currently i.e. with the full project cost of £75.8m, of which £18m was from the University. He detailed the position with the contingency included within the cost plan, with discussions ongoing with the County Council to agree on the final figure. One aspect of this related to the Woolworth façade and whether this was to be retained or a design sympathetic to the façade planned.

A section of this minute has been recorded in a separate confidential set of minutes.

The Chair concluded confirming that the paper accompanying the decision would have further information within it, with a detailed list of reference documentation for the Board to draw on.

AGREED: • To receive the draft paper

20:67 Overview of Project and Associated Risks

Verbal

Received a) BDO report – Summary of Findings
 b) A verbal report from the ARC meeting held on 9 February 2021

The Chair introduced the item noting that the draft BDO report had a summary of risks within it and that there had been an additional meeting of ARC to look at the risks related to the project.

The COO referenced the risks in the BDO report noting that there was also a risk register in place with the partners and a section in the University risk register on Borderlands. He noted that if the project proceeded full project management methodology would be employed.

The Chair of ARC then provided an overview of the additional meeting of ARC, with the Committee receiving a presentation with the latest information at that time. She noted that there had been further progress since the meeting, with it interesting to see BDO's summary of the risks.

ARC saw the project as a complex one, with a number of interdependencies. The key risks that the Committee had discussed were detailed, with the Chair of ARC noting that these risks had been provided to the executive and would be discussed further at the meeting of ARC on 9 March prior to a full report to the next meeting of the Board.

The Chair summarised, noting that the project started around three years ago, but had become more prominent recently. Two webinars had now been held to ensure full discussion and understanding. Some issues had been resolved, however there were some still to close off. The unusual nature of the project, with the application for public funding coming earlier within the normal project timeline was noted.

When it came to the decision, the Board would be provided with a focused paper with references to other documentation. There would be three elements to the decision:

- Support for the FBC to be submitted;
- Confirmation that the student number projections and space were appropriate and that the project was affordable for the University;
- A list of actions that needed to happen if the money was secured so that the partners understood the University's requirements.

The Vice Chancellor concluded by thanking the Board for their continued support and constructive challenge. She commented that the position the University was in was a good one, with the considerable progress evidenced by the bank's confidence in the University's ability to deliver the five year forecast with the growth set out within it.

The Chair concluded by thanking the executive for their work on the project and the documentation provided, and the Directors and Associate Directors for their continued support and challenge.

AGREED: • To note the assessments of risks provided.

20:68 Dates of Future Meetings

Verbal

Extra meeting(s) for approvals – date(s) to be determined
18 March 2021
20 May 2021
15 July 2021