

## UNIVERSITY BOARD OF DIRECTORS

CONFIRMED

Minutes of the meeting held on 18<sup>th</sup> December 2019

**Present:** Mr G Donnelly (Chair), Miss F Aiken, Mrs E Bales, Ms K Brookes, Mr C Bush, Revd Canon C Butland, Professor L Challis, Professor J Lee, Mr I Looker, Professor J Mennell, Mr P Yates

**In attendance:** Dr J Brown, University Secretary  
Mr D Chesser, Chief Operating Officer / Deputy Vice Chancellor  
Mr A Heron, Deputy Director of Finance and Planning (until item 19:54 inclusive)  
Mrs M Leek, PVC (Director of Staff and Student Services)

**19:50 Apologies for absence** Verbal  
Apologies were received from Mr J Batty, Ms J Johnston, Ms J Stannard and Mr M Williams.

**19:51 Declaration of Interests** Verbal  
Mrs E Bales declared an interest in staff related matters, being a current member of University staff.

**19:52 Minutes of the previous meeting** UB19/34a & b  
The minutes and confidential minutes of the meeting held on 21 November 2019 were approved as an accurate record.

**19:53 Chair's Business** Verbal  
The Chair of the Board referenced the recent results of the general election, noting the potential impact on the University of the anticipated policies. The change to all Cumbria MPs, other than Tim Farron, being conservative was noted and the Vice Chancellor added that the Prime Minister's PPS was the MP for Copeland, Trudy Harrison.

The Chair of the Board went on to provide an overview of his engagements relating to the role since the last meeting of the Board:

- Approval of a bid to the OfS;
- Following feedback from Board members, approval of the creation of, and appointment to, the Deputy Vice Chancellor (Academic) role.

**19:54 OfS Financial Return** UB19/35

Received: The OfS Financial Return documentation for review and approval

The Chair of the Board thanked the Deputy Director of Finance and Planning (DDF&P) and COO/DVC for a very thorough and substantive piece of work. The reconciliation between what was set out at the November Board meeting and the documentation presented in the format required by the OfS was very clear and helpful.

The COO/DVC introduced the documentation. In addition to the financial forecasts and associated commentary, the OfS guidance had stated that a business plan was an option if the 2018/19 financial statements do not demonstrate viability or sustainability. A document had been prepared, as presented as appendix 4, with key elements of the narrative in the plan

included within the commentary to the financial forecasts, however the business plan was not going to be submitted to the OfS as it was not deemed to be required by the OfS. The financial tables were submitted to the OfS on 2 December, as required; the validation process was ongoing with all questions asked to date being straight forward to respond to. The deadline for submission of the tables and commentary was 10 January 2020.

The COO/DVC went on to speak to appendix 2 to the paper, the mapping of internal reporting for 2019/20 into the OfS tables. He explained that this required all contracts to be translated into student numbers, other than Robert Kennedy College numbers as these were not included in HESA student return made by the University. The situation with the police apprenticeships was set out, with the OfS stance being that the student numbers should all be returned through the lead university for the consortium, Middlesex University, although the other consortium members would be reporting the income they received from the contract.

The trends within the forecasts were noted, with investment planned in new staff in key discipline areas, while decreasing the number of administrative support staff. Overheads were reported as mainly being fixed, with a small growth forecast. The slight adjustment from the documentation received in November, relating to the McCloud pension changes, was outlined, with this adjustment resulting in the University not quite being forecast to be in surplus, on a full accounting basis, in the final year of the forecasts.

The COO/DVC stated that the forecasts were evidence based, with modest growth included, however the internal ambition was for greater growth.

Moving on to the balance sheet / cash flow, the COO/DVC set out that depreciation had been assumed at just under £4m pa, with the later years in the forecast seeing spending of this amount while still accumulating cash.

It was noted that Borderlands had not been included in the forecasts, other than the revenue costs for 2019/20.

In the discussion that followed the Chair noted that the bid into the Borderlands Growth Deal Initiative and the MoU with Lancaster University had both been notified to the OfS as reportable events, and that these should both be included in the last section of the commentary with a note to emphasise that no income or expenditure had been included in the forecasts in relation to either matter. **Action:** DDF&P / COO/DVC

A question was asked relating to the 2% growth in student numbers and increase in income alongside the total full-time numbers dropping. The Vice Chancellor explained that this was due to under-recruitment in previous years being larger than the projected increase, and due to apprentice numbers being reported elsewhere.

A section of the discussion has been recorded within a separate confidential minute.

In response to a question regarding the relationship between student numbers and income the DDF&P explained that the figures in tables 6 and 7 could not be divided to get to the income per student due to a number of factors. These included the inclusion of some students at FE Colleges where there was very little income to the University, and the inclusion of

the income but not the student numbers in relation to the consortium apprenticeship contracts, as set out earlier in the meeting.

In response to a question the tuition fee that had been assumed was confirmed by the COO/DVC to be as the current fee for full-time students, with part-time module fees and international fees increased by modest amounts. The staff costs vacancy factor was questioned, it was confirmed that 5% had been assumed, with the actual for 2018/19 having been 6%.

The Chair asked if there were any known inconsistencies with definitions used between this and other OfS documentation, particularly the Access and Participation Plan (APP). The DDF&P explained that the APP only relates to students that pay higher fees so is not directly reconcilable to the numbers presented in the forecasts. He noted that when asked the OfS had confirmed that they were not planning to do such a reconciliation.

It was agreed that the documentation was approved subject to the changes discussed. Unless there were material alterations prior to submission the Chair would approve, otherwise the documentation would return to the Board for approval.

**AGREED:** To approve the 2019/20 – 2023/24 financial forecasts, and the commentary to the financial forecasts, subject to the changes agreed.

**19:55 Pay Award Recommendation**

UB19/36

Received: The pay award recommendation for review and approval

The Vice Chancellor introduced the pay award recommendation paper. She set out how at the its last meeting, the Board had challenged the executive with how, through the pay award, it could reinforce the message that the University had never been in such a strong position without setting the University up for challenges later in the year with respect to the bank covenant.

She went on to set out how the recommendation was being made in light of the increased cost of the TPS, an extra £1m in 2019/20, and that staff have been given an additional three days leave over the Christmas period. The Vice Chancellor stated that the recommendation continues to give a positive but appropriate message to staff.

The Chair summarised the recommendation as the national pay award, as set out in the paper, to be paid from 1 January 2020 rather than the start of the academic year (1 August 2019), with the potential for a bonus at year-end.

The recommendation was agreed as a fair compromise.

**AGREED:** To implement the 2019/20 nationally negotiated pay award from 1 January 2020, not backdated to 1 August 2019, with the potential for a bonus at year-end.

**19:56 Any Other Business: Estates matters**

Verbal

The COO/DVC reminded the Board of the requirement for a campus master plan to be endorsed by the Lancaster City Council to facilitate the divestment of areas of the campus for alternative uses. The University has been working through UKSF on three aspects of developments for the site. He reported that it has now been determined that there is not demand for

one of the developments, the step-down hospital, however the Council has stated that there is a shortage of care-homes. The plans have therefore been changed, with the same land to be put up for sale, but for a different purpose.

The COO/DVC reported that it has taken longer to get to this point than anticipated, which meant that the contract with UKSF required extending. Chair's action would be requested for the extension once negotiations had been completed.

**AGREED:**

- To note the change of use for one of the areas to be divested, as proposed by Lancaster City Council
- To note the requirement to extend the engagement with UKSF.

**19:57 Minutes of the Previous Meeting**

UB19/34bii

The restricted minutes of the meeting held on 21 November 2019 were approved as an accurate record.

**19:58 Dates of future meetings**

Verbal

Tuesday 21<sup>st</sup> January 2020 Brampton Road Carlisle (Strategy Day)  
Tuesday 17<sup>th</sup> March 2020, Lancaster  
Tuesday 19<sup>th</sup> May 2020, Ambleside  
Thursday 9 July 2020, Carlisle