

BIRMINGHAM CITY UNIVERSITY

BOARD OF GOVERNORS

MINUTES OF THE MEETING HELD ON 17 JULY 2014

PRESENT: Mr Alex Stephenson (Chair)
Professor Cliff Allan
Mr Jim Beeston
Professor Stuart Brand
Mr Vic Cocker
Mr Mark Hopton
Ms Ann Jones (for items for items 1-6 and 13)
Mr Andrew Jowett
Mr Joe Kelly
Ms Jenny Ladbrooke
Ms Nicky Lloyd
Mr Niall Magennis
Mr Shaun Smith

APOLOGIES: Dr Waqar Azmi
Mr John Charlton
Lord Bruce Grocott
Professor Graham Henderson
Ms Jenny Loynton
Professor David Roberts
Mr Raaj Shamji

IN ATTENDANCE: Ms Christine Abbott, University Secretary and Director of Operations
Professor Mary Carswell, Pro-Vice-Chancellor
Ms Anne Hall, Interim Academic Registrar (for agenda item 11)
Professor Paul Ivey, Pro-Vice-Chancellor
Professor Bashir Makhoul, Pro-Vice-Chancellor
Ms Helen Matthews, Assistant University Secretary
Mr Graham Rhodes, Director of Estates (for agenda item 8)
Mr Richard Spilsbury, Director of Finance and Resource Allocation
Mr Robin Thomas, Managing Director, MorgenThomas Ltd Ltd (for agenda item 4)

41/14 MEMBERSHIP

The Chair informed members that Ms Nicky Lloyd would be retiring from the Board on 31 July 2014 as a result of increased work commitments. On behalf of the Board, the Chair thanked Ms Lloyd for her significant contribution to the Board and the University, including her work as Chair of both the Audit and Trustee Committees.

When in post as Head of the School of English, Professor David Roberts had been elected and appointed as the staff member of the Board of Governors for a period of office commencing on 1 April 2011 and ceasing on 31 March 2015. While there was no constitutional requirement precluding members of the senior management team from sitting on the Board, Professor Roberts' membership had been reviewed with the Chair and Deputy Chair following his permanent appointment as an Executive Dean. Given that Professor Roberts' current term of office was due to expire at the end of March 2015, at which point University-wide elections were due to be held, it had been agreed that he should remain on the Board until the conclusion of his term of office.

42/14 MINUTES OF THE MEETING HELD ON 10 APRIL 2014 (BGOV.14.07.01)

Minutes of the meeting held on 10 April 2014 were received.

RESOLVED:

That the Minutes of the meeting held on 10 April 2014 be confirmed and signed as an accurate record.

43/14 BUSINESS PLAN FOR THE REVISED INTERNATIONALISATION STRATEGY

Arising from Minute 24/14, the Board was advised that the first monitoring report on progress against the revised internationalisation strategy would be submitted to the Finance Committee in November 2014.

44/13 STUDENT ACCOMMODATION STRATEGY

Arising from Minute 26/14, the University Secretary and Director of Operations reported that the Student Accommodation Strategy would be submitted to the November 2014 meeting of the Board.

45/13 CONFIDENTIAL ITEM

46/13 REPORT FROM THE VICE-CHANCELLOR ON KEY BUSINESS ISSUES (BGOV.14.07.04)

The Vice-Chancellor presented the paper to the Board.

As anticipated following the 2013 NSS results, the University had been subject to a fall in rankings in the latest league tables to be published in the Complete University Guide and The Guardian. As previously reported to the Board, concentrated efforts were being made to target and improve the areas of weakness identified in the NSS in order to improve the student experience throughout the institution.

The University was enjoying buoyant full-time home recruitment with the number of applications, offers and firm acceptances all significantly higher than at the same point in the previous recruitment cycle. In consequence of these increases, it was anticipated that the University would be able to maximise its main cycle recruitment and be less reliant upon Clearing than it had been in previous years.

The recent Ofsted inspection of the School of Education, conducted under the latest evolving inspection framework, had rated the University's provision for Primary, Secondary and Post-Compulsory (Further Education) as 'Good' for all elements across all criteria and had identified a number of areas of exemplary practice. Whilst the move from 'Outstanding' to 'Good' was disappointing, the outcome reflected a general trend across the sector, particularly for large providers like BCU.

The School of Education had worked with some of the schools involved in the recent Trojan Horse investigations but the Board was assured that the situation had been monitored closely and action taken to ensure that no student was put at risk or disadvantaged.

47/13 FUTURE SIZE AND SHAPE OF THE UNIVERSITY (BGOV.14.07.03)

The Pro-Vice-Chancellor, Professor Bashir Makhoul, presented an update on the steps being taken to determine the University's future size and shape in terms of projected students numbers, expanded and refreshed academic portfolio and the internationalisation agenda. The proposals came forward in response to the 2020 Strategic Plan which sought to transform the University on a range of levels, including the provision of academic programmes.

The Board supported the steps that had been taken to date, which aimed to diversify income streams (thereby reducing the University's reliance upon income from full-time home student fees), improve the quality of provision, and increase graduate employability. Further discussion of the issues involved would take place at the Board Awayday in October 2014, prior to formal recommendations being considered by the Board at its meeting in November 2014.

48/14 FINANCIAL ISSUES (14.07.05)

The Director of Finance and Resource Allocation presented a report of financial issues, including treasury management and high value purchase orders.

The University's overall liquidity position remained strong, with cash at bank and on deposit ahead of budget at 30 June 2014. To ensure that cash reserves remained secure, counterparty credit reviews were undertaken on a monthly basis, with any consequential recommendations in respect of the University's approved lending list being taken forward to the Finance Committee for consideration.

49/4 FINANCIAL OUTTURN FORECAST FOR 2013/14 AND BUDGET ESTIMATES FOR 2014/15 (BGOV.14.07.06)

The Director of Finance and Resource Allocation presented a paper that invited the Board to consider the proposed group budgets for 2014/15 and provided an updated outturn forecast for the current year to 31 July 2014.

The proposed revenue budget for 2014/15 incorporated cautious assumptions and a centrally-held provision of £890k to allow for the possibility of an in-year cut in HEFCE funding.

Consideration of the budgets by the Finance Committee had included a lengthy discussion of the budgeted staff costs for 2014/15. In response to the Committee's request for the submission of more detailed information to the Board, Annex 3 to BGOV.14.07.06 provided a breakdown of uncommitted revenue expenditure provisions (in respect of both staff and non-staff costs). Release of spend against this uncommitted expenditure was subject to authorisation by the Vice-Chancellor (or the Board in the case of significant IT projects) and the overriding condition that the budgeted retained surplus of £7.1m would still be achieved. Updates in relation to the status of each of the expenditure provisions would also be submitted to the Finance Committee and Board in November 2014 and March and July 2015. Members recognised that additional resources were required to ensure the delivery of the 2020 Strategic Plan and noted that the total staff costs budget remained within the approved parameter set by the Board of less than 60% of total income. Nevertheless, it was agreed that further information on staff expenditure would be provided in due course to enable the Board to satisfy itself that additional resources were being used effectively and to allow consideration of the associated impact on staff student ratios, league table position etc.

On the basis of the information provided in the paper, and noting that detailed information on both large projects and staff costs would be submitted to the Board in due course, members supported the proposals put forward.

RESOLVED:

That the proposed revenue, capital and treasury budgets for 2014/15 be approved.

50/14 FINANCIAL FORECASTS AND COMMENTARY TO BE SUBMITTED TO HEFCE BY 31 JULY 2014 (BGOV.14.07.07)

The Director of Finance and Resource Allocation presented a paper that invited the Board to consider the updated financial forecasts to 2016/17 and to approve them for submission to HEFCE.

RESOLVED:

50.1 That the updated financial forecasts be approved and the tables at Annex 3 to BGOV.14.07.07 be submitted to HEFCE by 31 July 2014.

50.2 That the Vice-Chancellor and the Director of Finance and Resource Allocation be authorised to complete and submit an accompanying commentary to HEFCE incorporating the statements and information set out in paragraph 5 of BGOV.14.07.07.

51/14 CONFIDENTIAL ITEM

52/14 OPERATIONAL KEY PERFORMANCE INDICATORS (BGOV.14.07.09)

The University Secretary and Director of Operations presented the report.

Although projects such as Partners for Success had improved the University's retention, achievement and employment factors, recent comparator results showed improvements in these areas across the sector overall. As such it would be essential to ensure that efforts continued to improve student experience, learning and teaching and raise performance levels.

53/14 INTERNAL AUDIT PLAN FOR 2014/15 (BGOV.14.07.10)

The Board considered the 'core' draft Internal Audit Plan for 2014/15 prepared by PricewaterhouseCoopers and comprising 93 days of proposed internal audit resource.

The potential additional audit work identified in relation to the key strategic risks of the University would be considered in detail by the Executive with a view to submitting proposals to the Audit Committee in November 2014.

RESOLVED:

- 53.1 That the 'core' draft Internal Audit Plan for 2014/15 at Annex 1 to BGOV.14.07.10 based on an input of 93 days of internal audit resource be approved.
- 53.2 That authority be delegated to the Audit Committee to consider and approve any subsequent recommendations made by the Executive in respect of additional audit work to be undertaken in 2014/15 around the University's key strategic risks.

54/14 ACTION REQUIRED AS A RESULT OF CHANGES IN THE VICE-CHANCELLOR'S OFFICE (BGOV.14.07.11)

The University Secretary and Director of Operations presented a paper inviting the Board to consider the action to be taken in the light of the forthcoming phased retirement of Professor Mary Carswell and the appointment of Professor Fiona Church as Pro-Vice-Chancellor with effect from 1 October 2014.

RESOLVED:

- 54.1 That the authority of Professor Mary Carswell, under the Financial Rules, to act as an authorised signatory to the bank accounts of the University be withdrawn with effect from midnight on 30 September 2014.
- 54.2 That authority be delegated to Professor Fiona Church, under the Financial Rules, to act as an authorised signatory to the bank accounts of the University with effect from 1 October 2014.

55/14 COMMITTEE AND SUBSIDIARY COMPANY MEMBERSHIP (BGOV.14.07.12)

Proposals arising from the latest triennial review of committee and subsidiary company membership were received and considered. The Board was advised that any vacancies currently being carried by the committees had not been considered at this stage but would be addressed as part of a second stage review, to be undertaken in the latter part of 2014 following the appointment of new Board members.

RESOLVED:

- 55.1 That the proposed changes in respect of the Board's standing committees outlined in paragraphs 3.4 – 3.7 of BGOV.14.07.12 be approved.
- 55.2 That the members and chairs of committees proposed in Annex 1 of BGOV.14.07.12 be approved for a term of office commencing on 1 August 2014 and concluding on 31 March 2015 in the first instance.
- 55.3 That the individuals listed in Annex 1 be confirmed (until 31 March 2015 in the first instance) as the Board's nominees to the Boards of Directors of BCU Property Limited, BCU Trustees Limited, TIC, TIC Commercial Limited, ABBE, Birmingham School of Speech Training and Dramatic Art Limited, Birmingham City College Limited and Birmingham School of Speech and Drama Training Trust.

- 55.4 That Professor Paul Ivey be appointed as a Director of BCU Enterprise Limited for a period of office commencing on 1 August 2014 and concluding on 31 March 2015 in the first instance.
- 55.5 That Lord Bruce Grocott and Mr Richard Spilsbury be reappointed as Directors of BCU Enterprise Limited for periods of office commencing on 1 August 2014 and concluding on 31 March 2015 in the first instance.
- 55.6 That Professor Paul Ivey be nominated as Chair of BCU Enterprise with effect from 1 August 2014.
- 55.7 That Professor Fiona Church be nominated as an ex-officio Director of Birmingham City University Academies Trust with effect from 1 October 2014.
- 55.8 That Professor Kevin Mattinson be appointed as a Director of Birmingham City University Academies Trust with effect from 1 October 2014.
- 55.9 That Ms Ann Jones be nominated for re-appointment as an ex-officio Director of Birmingham City University Academies Trust for a period of office commencing on 1 August 2014 and concluding on 31 July 2017.

56/14 REVISED SENATE OPERATING PROCEDURES AND SUB-COMMITTEE STRUCTURE (BGOV.14.07.13)

The Interim Academic Registrar, Ms Anne Hall, was in attendance for this item and presented a paper seeking the Board's approval of a revised Academic Governance Structure and revised terms of reference for Senate and the Committee for the Conferment of Honorary Awards.

The changes proposed in respect of the University's Academic Governance structure came forward following consideration by Senate. The recommendations were designed to provide a greater clarity of purpose for each committee, establish clear reporting lines and ensure that detailed operational issues were considered at committee level thereby allowing Senate to focus on wider strategic academic issues.

The proposed terms of reference for the Committee for the Conferment of Honorary Awards (including a change in name to the Honorary Awards Committee) had been approved by Senate subject to the recommendation that the President of the Students' Union be included in the ex-officio membership of the Committee.

RESOLVED:

- 56.1 That the proposed Academic Governance Structure outlined in BGOV.14.07.13 be approved for implementation at the start of the 2014/15 academic year.
- 56.2 That the revised terms of reference for Senate at Annex 2 to the paper be approved.
- 56.3 That the revised terms of reference for the Honorary Awards Committee at Annex 3 to the paper be approved subject to the inclusion of the President of the Students' Union in the ex-officio membership of the Committee.

57/14 EQUALITY AND DIVERSITY REPORT FOR 2013/14 (BGOV.14.07.14)

The Board received a report on progress against the key equality objectives and actions for 2013/14 and considered the priority actions for the forthcoming year. A further opportunity to consider equality and diversity issues would be provided at the Board Awayday in October 2014 as part of the discussions surrounding the implementation of the University's Strategic Plan.

RESOLVED:

That the equality and diversity priority actions for 2014/15 outlined in paragraph 6 of BGOV.14.07.14 be approved.

58/14 ANNUAL REPORT OF THE STUDENTS' UNION FOR 2013/14 (BGOV.14.07.15)

The Annual Report of the Students' Union for 2013/14 was received for information. Relevant topics would be considered in more detail in October 2014 as part of the Awayday discussions on the delivery of the Corporate Plan.

59/14 REPORT ON COMPLIANCE WITH THE STUDENTS' UNION CODE OF PRACTICE (BGOV.14.07.16)

The Board received the annual report on compliance, noting that the Students' Union had adhered to the requirements of its Code of Practice during 2013/14 and made no recommendations for revisions at the present time.

The University Secretary and Director of Operations reported that the five-yearly review of the Students' Union Constitution was due to take place in the forthcoming year and that a paper would be brought forward to the Board for consideration in summer 2015.

60/14 CHAIR'S BUSINESS

The Chair reported that he had recently conducted his annual review meetings with Governors and would be providing members with a summary of the general issues raised in due course.

61/14 REPORT OF THE FINANCE COMMITTEE MEETING HELD ON 26 JUNE 2014 (BGOV.14.07.17)

A report was received of the business transacted by the Finance Committee at its meeting held on 26 June 2014.

In order to progress the development of the On Demand IT Services project, it was agreed that a small Scrutiny Group be established to interrogate the business case. Subject to the views of the Group, a full proposal would be brought forward for consideration and approval at a Board meeting to be held immediately prior to the Awayday in early October 2014.

RESOLVED:

That a Scrutiny Group be established (comprising Mr Alex Stephenson, Mr Mark Hopton and Mr Joe Kelly) to interrogate the business case for the On Demand IT Services project and, on the basis of this interrogation, endorse a

final detailed proposal for submission to the Board of Governors in October 2014.

62/14 REPORT OF THE AUDIT COMMITTEE MEETING HELD ON 2 JULY 2014 (BGOV.14.07.18)

The Chair of the Audit Committee, Ms Nicky Lloyd, presented a summary of the business transacted by the Committee at its meeting held on 2 July 2014. Attached to the report, at Annex 1, was the latest annual letter from HEFCE of their assessment of the University's risk following submission of the accountability returns for 2012/13, which confirmed that the University was not at higher risk.

63/14 ANNUAL REPORT OF THE COMMITTEE FOR THE CONFERMENT OF HONORARY AWARDS (BGOV.14.07.19)

A report was received which provided details of the current membership of the Committee and the honorary awards already conferred, or due to be conferred, in 2014. Potential recipients for honorary awards at the January 2015 awards congregations had been identified and information on the conferments to be made would be provided to the Board in due course.

64/14 REPORT OF THE MEETING OF SENATE HELD ON 7 MAY 2014 (BGOV.14.07.20)

A report was received of the matters considered, decisions taken and information received by Senate at its meeting held on 7 May 2014.

65/14 APPLICATION OF THE SEAL (BGOV.14.07.21)

A report of the application of the University Seal since the Board meeting in April 2014 was received as follows:

- i On 10 April 2014 to a Piling Sub-contractor to Employer Collateral to a Sub-contract relating to the Birmingham City University Phase 2 development at the City Centre Campus between M & D Foundations and Building Services Ltd, Birmingham City University and Wilmott Dixon Construction Limited.
- ii On 10 April 2014 to a transfer to effect surrender of leases at the NTI Building between the Chief Executive of Skills Funding and Birmingham City University.
- iii On 17 April 2014 to an Agreement in respect of the Birmingham Centenary Square Metro Extension and the Conservatoire and Adrian Boulton Hall at Paradise Circus, between The West Midlands Passenger Transport Executive (Centro) and Birmingham City University.
- iv On 8 May 2014 to a Sub-underlease relating to premises at Unit 4B, Level 4, The Hub 'Millennium Point', Jennens Road, Birmingham between Millennium Point Property limited and Birmingham City University.

- v On 5 June 2014 to a Sub-contractor to Employer Collateral to a Sub-contract relating to a development at Birmingham City University Phase 2 between Kone Plc, Birmingham City University and Wilmott Dixon Construction Limited
- vi On 5 June 2014 to an Appointment of Design Consultant relating to the Birmingham Conservatoire Project, Jennens Road, Birmingham between Birmingham City University and Hoare Lea and Partners.
- vii On 5 June 2014 to an Appointment of Design Consultant relating to the Birmingham Conservatoire Project, Jennens Road, Birmingham between Birmingham City University and Feilden Clegg Bradley.
- viii On 5 June 2014 to an Appointment of Planning Consultant for the Birmingham Conservatoire Project, Jennens Road, Birmingham between Birmingham City University and Brooke Smith Planning Consultants Limited.
- ix On 19 June 2014 to a Land Registry Transfer (TR5) in respect of houses in Oscott Road, Perry Barr between Birmingham City University (transferor) and Claremont UK Limited (transferee).

Application of the Seal to item viii above had been done under Chair's action under the authority delegated to the Chair to approve the application of the Seal between meetings of the Board and Committees in order to expedite transactions to which the necessary financial and other approvals had been granted.

66/14 DATES OF BOARD MEETINGS IN 2014/15

Meetings of the Board would be held on the following dates during 2014/15:

- Thursday 2 October 2014 (all day) (Board Awayday)
- Thursday 27 November 2014 at 4.00 pm
- Thursday 5 February 2015 at 4.00 pm
- Thursday 23 April 2015 at 4.00 pm
- Thursday 16 July 2015 at 4.00 pm

Chair:

Date: