



Minutes of the Meeting of the Board of Governors held on 3rd July 2017

The Chair thanked the University for organising the Summer Garden Party. The Board also welcomed Euan Morrison to his first meeting as a Board member.

1. APOLOGIES AND WELCOMES

- 1.1 For a record of the attendance and apologies, please see attached list.

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3. MINUTES AND MATTERS ARISING

- 3.1 The minutes were received and agreed by the Committee as an accurate record of the meeting held on the 2nd May 2017.
- 3.2 The Board was advised that the task and finish group on alumni relations and development work would be established during the summer. Two of the proposed new governors would, assuming the Board approved their appointment, be invited to be founder members of the group, based on their significant expertise in this area.

4. CHAIR'S BUSINESS

- 4.1 The Chair reported that he had attended a number of University events since the Board last met, including the annual degree show, a College of Fellows dinner and the Student Awards Evening.
- 4.2 Significant work has been undertaken in relation to governor recruitment. The number of quality applications received this year has been striking. Selection activity included organising and hosting visits to the University and interviews by the Nominations Committee of each short-listed candidate. The Chair thanked the Clerk for the work undertaken to ensure that the recruitment round was successful.

5. VICE CHANCELLOR'S REPORT

- 5.1 The Board received for information and discussion a written report prepared by the Vice Chancellor and Chief Executive. It was reported that, following the Grenfell Tower tragedy, a review of fire safety precautions has been undertaken by the Director of Facilities and Estates. This review confirms that the University continues to operate the highest standards. Further enhancements will be implemented, for example, replacing fire extinguishers with mist systems in parts of the University estate.
- 5.2 Student admissions continue to be positive. The number of undergraduate applicants accepting the offer made by the University is just slightly lower than at this time last year. PGCE acceptance numbers are higher (by 77) than last year. This means that the University is on track, currently, to achieving three successive years of good intake numbers. This position is as a result of a multifaceted strategy implemented by the University Executive in terms of:
- Changes to admission processes and applicant communications;
 - Judicious management of partnerships;
 - Continued and targeted use of student and graduate ambassadors in terms of schools and college liaison, other outreach work and widening participation activities.
 - Innovations in relation to promotional materials and use of social media.

It was noted that competition remains fierce, with more Universities choosing to make unconditional offers to improve applicant acceptances. The University of Worcester has chosen not to take this approach, but through the approaches detailed above, it has increased the number of offers made this year by 22%.

- 5.3 The Vice Chancellor and Chief Executive tabled a supplementary Press Report for May 2017. It was noted that the total Advertising Value Equivalent (AVE) of all press coverage in May equated to £1.48M. Of the 1311 articles published, 242 and 249 related to the Worcester Wolves Basketball Club and the Severn Stars Netball Club respectively. The report and supporting news stories will be placed in the Governors' Portal.

Action: Clerk to the Board

- 5.4 The Director of Communications and Participation provided a short presentation of some of the new promotional materials, including two short videos telling the stories of former students whose lives have been transformed by studying and earning a degree from the University. These are the first two in a series of short films which will show how one's personal potential can be fulfilled through University study. A recent UCAS survey of 78,500 students found that 92% of respondents used reviews when making their firm reply choice and 90% sought information from other students studying their subject. Films have been published on social media, popular platforms for applicants that provide opportunities for interaction and two-way communications. Marc Scriven's video has had over 120,000 views in the first month following its release. Sophie Carrigill's video has a different format - shorter with no voice over - because this will form part of a cinema campaign. The campaign will run until the middle of August for a targeted audience of circa 200,000 young people visiting cinemas locally.

- 5.5 The Board congratulated the Director of Communications and Participation on the quality of the work and the innovative dissemination plan. It was agreed that Board members should share the videos using their networks on social media.

Action: Board members

5.6 ***[Commercial in confidence]***

- 5.7 The Board received the results of the Teaching Excellence Framework (TEF) in which the University received an award of silver. The result was in line with the University's expectations based on the metrics, which had been discussed by the Board at its meetings in November 2016 and February 2017. The Board noted that the TEF reviewers had commended the University for the "excellent outcomes" achieved by students and had highlight good practice in terms of:

- course design (working with employers and students);
- teaching that encourages high levels of student engagement;
- high quality digital and physical resources for teaching and learning and;
- a University-wide culture that facilitates, recognises and rewards excellent teaching.

- 5.8 The Board thanked the Deputy Vice Chancellor, the Director of Quality and Educational Development and the wider team for excellent work in relation to TEF.

6. REPORT FROM THE STUDENTS' UNION

- 6.1 The Board received for information and discussion the report from the Students' Union.

- 6.2 The Union recently hosted a successful awards evening to celebrate the achievements of both students and staff. The Union is currently undertaking operational planning associated with the delivery of its Strategic Plan. A Governance review has been initiated covering the governing instruments, the role of committees and individual post-holders. Following a recent review, the Union has received a rating of very good in the NUS Green Impact Awards.

- 6.3 The Board noted the plans of each of the new officers. The President wishes to focus further support for students on professional courses, to lead an NHS bursary campaign and continue to build employability skills. The Vice President Education's focus will be on student representation (including a review of the STaRs

system), working with the University to enhance the Careers Fair and organising inclusive course-focused events to promote a sense of belonging for students. The Vice President Student Activities will be promoting more widely the benefits and range of opportunities for participation in sports, societies and volunteering. The aim is to promote higher levels of participation and attendance.

- 6.4 The Board welcomed the report and commended the officers for their plans. It was **agreed** that the Board would benefit from a presentation on the Strategic Planning work undertaken by the Students' Union at its Strategy Away Day in October 2017. The Clerk and Chair agreed to work with the officers to organise a workshop session.

Action: Chair and Clerk to the Board

7. UNIVERSITY BUDGET FOR 2017/18 AND THE HEFCE FINANCIAL FORECASTS

- 7.1 The Board received for formal approval the University Budget for 2017/18 and the Financial Forecasts for submission to HEFCE.

7.2 *[Commercial in confidence]*

- 7.3 The HEFCE financial forecasts cover the period: 2015/16-2019/20. They forecast income rising over the period from £100.5M in 2017/18, to £106.3M in 2018/19 and £115.5M in 2019/20, with forecast operating surpluses of £4.6M, £4.9M and £7.3M.

7.4 *[Commercial in confidence]*

7.5 *[Commercial in confidence]*

7.6 *[Commercial in confidence]*

7.7 *[Commercial in confidence]*

7.8 *[Commercial in Confidence]*

- 7.9 The Board **resolved to approve formally** the University Budget and Financial Forecasts. It was noted that some minor changes may be made to the introductory text as some fine detail is checked prior to submission to HEFCE. Therefore, the Board **resolved to delegate authority to the Chair** to approve any minor textual changes, should they be needed.

8. FORMAL APPROVAL ITEMS

8.1 Schedule of Delegation

- 8.1.1 The Board received and **approved** the revised Schedule of Delegation, effective from the 1st August 2017 onwards.

8.2 Statement of Primary Responsibilities

- 8.2.1 The Board received and **approved** the Statement of Primary Responsibilities. This was an action identified through the Review of Board Effectiveness, reported to the Board in February 2017. The Statement reflects the template published in the Committee of University Chairs' (2014), *Higher Education Code of Governance*.

8.3 Risk Management Policy

- 8.3.1 The Board received for formal approval the new Risk Management Policy, that had been developed with input from the Chairs of Finance and Development Committee and Audit Committee and the Internal and External Auditors. Models of risk management reporting had been reviewed from elsewhere in the HE sector, the Health Sector and the voluntary sector. The review had also been informed by PwC's recently published guide on *Managing Risk in Higher Education*.

- 8.3.2 The principal innovations in the new Risk Management Policy reflect new features:

- Inclusion of a Risk Appetite Framework

- Increase the number of reports to Audit Committee and the Board from six-monthly to three times per annum.
- Inclusion of information on information security risk management arrangements
- Simplification the language used in the Policy
- Amendments to the format and content of Risk Management Reporting to provide higher level summary pages at the beginning and concise descriptions in the Register.
- Inclusion of details of the innovations approved by the Board in May 2016 in the Policy.

8.3.3 It was noted that there had been considerably discussion at Audit Committee, particularly in relation to risk appetite. A range of views had been expressed. Some members had felt that the University should only be prepared to take risks in areas that are not core business, whilst other members believed that institutional resources and risk mitigation work should be focused on areas central to the delivery of the University’s strategy. Based on the discussion, parts of the risk appetite section of the policy were refined to affirm that risk taking would be in measured way directly related to the University’s strategic aims. Members of Audit Committee advised the Board that the version presented reflects the changes that had been discussed by the Committee.

8.3.4 The Board reviewed the descriptors for Risk Appetite thresholds:

- **Prepared:** willing to take calculated risks from prepared ground, to innovate, pioneer and maximise opportunities related to the delivery of the University’s strategy
- **Moderate:** open to taking some risks
- **Prudent:** cautious and in some cases avoiding risk so that effort can be focused in other risk areas.

8.3.5 The Board then reviewed the proposed thresholds for the Risk Areas identified in the proposed Policy and agreed that this represented an appropriate balance; with an appetite for more risk-taking in relation to learning and teaching, student experience and inclusive practice, being balanced by prudence in relation to financial health.

Key Risk Area	Risk Appetite Threshold
Learning and Teaching	Moderate/Prepared
Student Experience	Moderate/Prepared
Inclusive practice	Moderate/ Prepared
Financial investments in targeted long-term strategic developments (with approved business plans).	Moderate
Community engagement and outreach	Moderate
Research and Enterprise	Prudent/Moderate
Development and Commercial Activity	Prudent /Moderate
Partnership and external collaboration	Prudent /Moderate
Overall Financial Health	Prudent

These will be reviewed regularly to ensure that they remain aligned to the University’s strategic plans.

8.3.6 The Clerk advised the Board that there would be a workshop at the annual Strategy Away Day on the external environment and potential corporate risks. Intelligence from this workshop will be used to prepare a new University Risk Register to sit alongside the new Strategic Plan when it is approved. Other workshops at the Away Day will be concerned with Strategic Planning. It was proposed, therefore, that the new Risk Management Policy should be implemented when the new Risk Register and Strategic Plan is approved.

8.3.7 The Board **resolved to approve the new Risk Management Policy** and agreed that its implementation date should be when the new Strategic Plan and University Risk Register is approved formally.

8.4 Bye-Law 6: Vice Chair

8.4.1 The Board received and **approved** the new Bye-Law concerning Vice Chairs.

8.5 Appointment of new staff members

8.5.1 The Board received and **approved** a paper concerning the appointment of two new academic staff members for a period of four years. The appointment process had been conducted in accordance with Bye-Law 7 that the Board had approved in February 2017. Five members of academic staff were nominated and members of Academic Board voted for the appointment of Robert Dudley (Institute of Health and Society) and the re-appointment of Dr Des McDougall (Institute of Science and the Environment). The Chair noted that owing to historical practices, the terms of office of both academic staff governors had ended at the same time. The reappointment of Dr McDougall means that there will be continuity and experience of working on the Board amongst the staff governors, however two entirely new members could have been appointed. He proposed, therefore, that the terms of office should be staggered. The Board agreed and asked the Chair and the Clerk to discuss this with the two academic staff colleagues. [*Clerk's Note: Dr McDougall has kindly agreed to serve for three further years so that his term of office will end one year before Robert Dudley's*].

8.6 Board members of Subsidiary Companies

8.6.1 The Board received a report on the governance arrangements for the two active subsidiary companies: UW Developments Ltd and UW Worcester Wolves Ltd. It was also noted that UW Enterprises and NPARU Ltd are both now dormant. UW UP LLP (formerly known as UW Wrenbridge) will be dissolved shortly when the remaining partnership agreement between the University and Wrenbridge Land Ltd (the former partner in the joint venture), concerning a contract with Sanctuary Housing, will be terminated.

8.6.2 Following the retirement of John Yelland from the Board of Governors on 31st July 2017, the Board **resolved to appoint Ian Smith as Governor Observer** in attendance at meetings of UW Developments Ltd.

8.7 Sustainability Policy

8.7.1 The Board received and **approved** the Sustainability Policy, following its annual review.

9. REPORT ITEMS

9.1 Management Accounts (period 10)

9.1.1 The Board received the Management Accounts for period 10, ending on 31st May 2017. It was reported that the final Student Loans Company payment of £28.M has been received at the beginning of May. The final full year income forecast of £93.8M, compared to the budget income total of £95.7. This is an adverse variance of £1.9M and is as a result of actual income from partners and research activities being lower than in the budget. In terms of expenditure, the current pay forecast is £51.4M (an adverse variance of £3.1M and the current Non-pay forecast is £40.6M (a positive variance of £1.6M). The adverse variance in relation to pay is as a result of additional pension costs of £1.6M, based on the latest assumptions concerning the University's contributions to the historic deficit on the LGPS pension scheme. A further £0.9M relates to the appointment of new staff not included in the budget. These appointments have been off-set by a reduction in the general contingency fund. The remainder of the £1.8M contingency fund was utilised. The costs associated the RIBA Stage 3 design work (totalling £1.3M) have been expensed to the Income and Expenditure Accounts for the reasons discussed earlier (see para. 7.6 above). Overall, the current forecasts suggest that the University will make a full-year surplus of £1.8M, compared to the total of £5.3M in the budget. This is an adverse variance of £3.5M.

9.1.2 The Board noted that UW Worcester Wolves is forecast to achieve a deficit of £92K, but a trading surplus of £19K.

9.2 Sealed documents and contracts

- 9.2.1 The Board received a report on the use of the University Seal and the execution of major contracts signed during semester 2, covering the period 17th February 2017 to 21st June 2017.

10. BUSINESS OF THE SUB-COMMITTEES

10.1 Audit Committee

- 10.1.1 The Board received a verbal report of the meeting held on 19th June 2017. The Audit Committee received the action plan relating to the Management Reporting Audit discussed at its meeting in April 2017 and reported to the Board in May 2017. In addition, the Committee received an audit report concerning the University's preparation of the TEF submission. This audit was awarded the highest rating of: full assurance (blue). The Committee also received the annual report EcoCampus/ISO14001 and agreed the methodology and KPIs that will be used to review the quality of Internal Audit. The principal focus of discussion was the new Risk Management Policy discussed earlier in the Agenda.

10.2 Finance and Development Committee

- 10.2.1 The Board receive the minutes of the meeting of the Finance and Development Committee held on 12th June 2017. Discussion had focused on topics all covered elsewhere on the meeting of the Board: the accountancy treatment of the RIBA stage 3 costs, TEF and the University Budget and HEFCE Financial Forecasts. The Committee was pleased to be advised that the University has now been included in the national Register of Apprenticeship Providers.

10.3 HR Committee

- 10.3.1 The Board received the minutes of the HR Committee meeting held on 15th May 2017.
10.3.2 *[Commercial in confidence]*

10.4 Remunerations Committee (Senior Staff)

- 10.4.1 The Board received for formal approval a proposal presented by the Remunerations Committee (Senior Staff) and discussed with the membership of the Remunerations Committee (Board Appointees). The proposal was to retire the two current remunerations committees, that had been created in October 2015, and to create a single Remunerations Committee whose purpose is to review the remuneration of the Vice Chancellor and Chief Executive, The Deputy Vice Chancellor and the Clerk to the Board.
- 10.4.2 The Committee would hold two meetings per annum. At one meeting, the Committee would discuss the remuneration for the Clerk to the Board of Governors and the Deputy Vice Chancellor. The Vice Chancellor would be in attendance and would contribute to the discussion and decisions relating to remuneration for these two roles. A separate meeting would be held each year to discuss the remuneration of the Vice Chancellor. The Vice Chancellor would not be in attendance at this meeting. The HR Director will provide secretarial support and professional advice for the Remunerations Committee.
- 10.4.3 Remuneration for Senior Staff currently covered through the Remunerations Committee (Senior Staff) would no longer form part of the Remunerations Committee structure, but instead would be considered through the existing University arrangements for Senior Staff. In order to provide the Board with assurance that suitable arrangements are in place to attract, retain and reward senior staff, the Remunerations Committee would receive for information an annual report, setting out the process and outcomes of senior staff pay reviews (with reference to sector benchmarking data provided by UCEA).
- 10.4.4 The Board **resolved to grant formal approval** for the proposal concerning a new Remunerations Committee.

10.5 Academic Board

- 10.6 The minutes of the meeting held on 26th April 2017 and a verbal report of the meeting held on 28th June 2017. Discussion at the meeting June focused on the University's strategy in relation to TEF, following the announcement of the results, and the annual report of student achievement and retention. The plan is to prepare for a submission in January 2018, with the aim of securing an award of gold in TEF. Planning work will need to take into account new TEF metrics and the introduction of subject level review. Student retention rates have improved significantly this year as a result of dedicated cross-University project. Work will

continue to focus on offering fewer larger courses, attracting and retaining the best staff and tackling areas that do not meet the high standards elsewhere in the University. With the help of a specialist recruitment agency, the University has recently made two new senior appointments. Professor Michael Bradshaw (currently working at the University of Edgehill) has been appointed as the Head of Humanities and David Broster (a University of Worcester member of staff) has been appointed the new Head of Creative Arts. The Board were also advised of other academic appointments including visiting professors and an emeritus professor.

10.6 Nominations Committee

- 10.6.1 The Board received a report from the Nomination Committee, detailing work undertaken as part of this year’s recruitment round. It was noted that the quality of the field had been high and a number of prospective board members had been interviewed. The letters of application and Curriculum Vitae of the preferred candidates were tabled at the meeting.
- 10.6.2 On the recommendation of the Nominations Committee, the **Board resolved to grant formal approval** for the appointment of the following candidates for a term of four years from 1st August 2017:
- Dr Diana Beech – as a Co-opted member
 - Mr John Bothamley – as a Co-opted member
 - Ms Alice Brunt – as an Independent member
 - Mr Nadeem Khan – as an Independent member
 - Anna Hooper as Vice Chair for a period of two years, principally to deputise for the Chair at University-related events and other functions as an ambassador for the University and the Board.
 - Sarah Speck as Vice Chair for a period of one year in the first instance, based on her experience and her position as Chair of the Finance and Development Committee. The shorter initial term reflects the strategy to stagger appointments to senior Board positions.
- 10.6.3 The Board also reviewed again the proposed membership of the sub-committees in the light of the new appointments and resolved to **approve** the following arrangements for 2017/18:

<p>Audit Committee Members David Iddon (Chair) Gloria Agyemang John Bothamley Alice Brunt Douglas Dale (Co-opted external member)</p> <p>In Attendance Rob Bonham Alison Breadon (PwC) Steve Clark (EY) Professor Sarah Greer Faizaan Saleem (PwC) Mark Surridge (EY) Professor David Green (November and one other meeting) Dr Des McDougall Euan Morrison</p> <p>Secretary: Dr Simone Clarke</p>	<p>Finance and Development Members Sarah Speck (Chair) Carl Arntzen Anna Hooper Reverend Dr Alwyn Pettersen Ian Smith John Bateman (Ex Officio) Professor David Green (Ex Officio)</p> <p>In Attendance Rob Bonham Jane Britton Robert Dudley Professor Sarah Greer Ross Renton Jade Haley Helen Johnstone Sian Stroud</p> <p>Secretary: Dr Simone Clarke</p>
<p>Nominations Committee Members John Bateman (Chair) Professor David Green Anna Hooper David Iddon Sarah Speck</p>	<p>HR COMMITTEE Diana Gant (Chair) Nadeem Khan Zad Padda Charmian Di Nunzio Professor David Green (ex officio)</p> <p>In Attendance</p>

Secretary: Dr Simone Clarke	Adele Cope Odette Fielding Euan Morrison Secretary: Dr Simone Clarke
Remunerations Committee John Bateman (Chair) Diana Gant (Chair of HR Committee) David Iddon (Chair of the Audit Committee) Sarah Speck Secretary: Adele Cope	

[Clerk's Note: Following the meeting, the Chair took Chair's action to amend the membership of Finance and Development Committee. Based on other commitments, Carl Arntzen will step down and will be replaced by Dr Diana Beech.]

11. ANY OTHER BUSINESS

11.1 The Board thanked the following colleagues, who are retiring from the Board on 31st July 2017, for their exceptional contribution and continued support of the University:

- Douglas Dale
- Michelle Chamberlain
- Julie Swan
- Dr Richard Woolley
- John Yelland.

11.2 The Board also thanked Professor Heather Forland, who will be retiring as Pro Vice Chancellor International at the end of the academic year, for the significant progress she has made in advancing the internationalisation work of the University.

12. DATE OF NEXT MEETING

The date of the next meeting is 9th October 2017 (Board Away Day).

BOARD OF GOVERNORS ATTENDANCE – 3rd July 2017

Key

A = Absent with apologies.

INDEPENDENT MEMBERS APPOINTED BY THE BOARD OF GOVERNORS

	John Bateman OBE	(in the chair)	Chair of the Board of Governors
	Carl Arntzen		
	Michelle Chamberlain		Vice-Chair
	Douglas Dale		Vice-Chair
	Charmian Di Nunzio		
	Diana Gant		
	Anna Hooper		
	David Iddon		
A	Zadvinder Padda		
A	Reverend Dr Alwyn Pettersen		
	Ian Smith		
	Sarah Speck		
	Julie Swan		

CO-OPTED MEMBERS APPOINTED BY THE BOARD OF GOVERNORS

A	Professor Gloria Agemang		Nominated by the Board of Governors
	John Yelland OBE		Nominated by the Board of Governors
	Odette Fielding		Nominated by non-academic staff

VICE CHANCELLOR AND CHIEF EXECUTIVE

	Professor David Green		Vice Chancellor and Chief Executive
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MEMBERS OF UNIVERSITY STAFF NOMINATED BY THE ACADEMIC BOARD

A	Dr Derek McDougall		
	Dr Richard Woolley		

STUDENT MEMBERS NOMINATED BY THE STUDENTS' UNION

	James Gunther		Vice President, Education, Worcester Students' Union
	Jade Haley		President, Worcester Students' Union

CLERK TO THE BOARD OF GOVERNORS

	Dr Simone Clarke		Clerk to the Board of Governors
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IN ATTENDANCE

	Jane Britton		Director of Communications and Participation
	Adele Cope		Director of HR
	Rob Bonham		Director of Finance & Resources
	Dr Heather Forland		Pro Vice Chancellor (International)
A	Sophie Glenny		Vice President, Student Activities elect, Worcester Students' Union
	Professor Sarah Greer		Deputy Vice Chancellor
	Helen Johnstone		Acting University Secretary
	Euan Morrison		Vice President, Education elect, Worcester Students' Union
	Hemaka Pathirana		Vice President, Student Activities, Worcester Students' Union
	Ross Renton		Pro Vice Chancellor (Students)
	Sian Stroud		University Legal Counsel