



MINUTES OF THE BOARD OF TRUSTEES

FRIDAY 27 May 2016

Present: Ms T Beech, Professor H Brady, Mr D Burn (Chair), Mr R Cowap, Ms J Goldstein, Dr M Hamlin, Mr P Hand, Dr S Harris, Dame D Holt, Sir R Kerr, Dr S-A Kitts, Professor B Lumb, Dr J Manley, Professor S Mann, Mr R Massie, Professor G Orpen, Mr A Poolman, Mr M Saddiq, Ms V Stace, Ms A Stephenson, Mr J Wetz.

In attendance: Professor N Canagarajah, Dr H Galbraith, Ms R Geller, Mr A Grice, Ms K Gullon (Clerk), Professor J Iredale, Professor N Lieven, Dr E Lithander, Mr A Nield, Ms L Robinson, Professor J Squires, Dr D Sturley.

Apologies: Ms L Ho

1. Welcome and announcements

1.1 The Chair welcomed members of the Board of Trustees to the meeting, and in particular welcomed Mr Darrell Sturley (Chief Information Officer) and Mr Andrew Grice (Acting Finance Director), in attendance.

1.2 The Chair advised the Board that this would be the final meeting for Dr Steph Harris and Dame Denise Holt. The Board reflected on the numerous contributions made by Dr Harris and Dame Denise, and thanked them warmly for their service to the University.

1.3 The Board noted that one of the substantive items for discussion was the University Strategy, which would mark the culmination of significant discussion by the Board (and others) that year. The Chair reflected that that level of discussion had, in part, led to Board meetings extending into afternoons throughout 2015/16. No decision had yet been made regarding the length of meetings for 2016/17, but members of the Board were requested to continue to hold the full days in their diaries pending confirmation of more precise timings in due course.

2. Apologies

2.1 NOTED.

3. Declaration of interests

3.1 Members were reminded that they had an obligation to disclose any pecuniary, family or other personal interest that they had in any matter under discussion at any meeting of the Board of Trustees as soon as practicable. Members were reminded of their fiduciary duty to avoid conflicts of interest.

3.2 As for previous meetings of the Board of Trustees, staff members disclosed their ongoing interest in matters related to the Universities Superannuation Scheme (USS) and the University of Bristol Pension and Assurance Scheme (UBPAS), where members of the schemes.

4. Minutes of meeting on 18 March 2016

4.1 CONFIRMED.

5. Matters arising and actions

5.1 There was nothing outstanding to report that was not otherwise being addressed at the meeting.

6. Chair's report

6.1 RECEIVED and NOTED (reference **CN/15-16/065**).

6.2 The Chair reminded the Board of Trustee members that, in keeping with the recommendations of the Council effectiveness review, the Board of Trustees had adopted a new system of marking items for discussion with a star on the agenda. Items not marked with a star have been considered to have received an appropriate level of scrutiny elsewhere, and will therefore be put to the Board of Trustees for note/approval etc without further discussion.

Chancellor Nomination

6.3 The Chair reminded the Board of Trustees that the Chancellor was appointed by Court, on the nomination of the Board. As previously discussed by the Board, a nominations panel had been convened to consider candidates, informed by a large-scale consultation exercise in which members of the University's community were invited to put forward suggestions for the University's next Chancellor.

6.4 The Chair reflected on the work of that nominations panel, and advised the Board that the panel had shortlisted a number of candidates. The Board was pleased to note that the first choice candidate had accepted, subject to formal nomination and approval, the University's invitation to act as its next Chancellor. The Vice-Chancellor highlighted the key achievements of the candidate, noting exemplary academic credentials and an excellent 'fit' with the University's values and vision.

6.5 After careful consideration, the Board unanimously **NOMINATED** the proposed candidate as the University's next Chancellor.

6.6 An extraordinary meeting of Court would be convened for the purposes of appointing the next Chancellor. It was anticipated that this would be held on Saturday 9 July 2016. Members of the Board were *ex officio* members of Court and so were strongly encouraged to attend the meeting in support of the Board's nomination.

Engagement with Convocation Representatives on Court (CRoCs).

6.7 The Chair reflected on successful meetings that had been held with CroCs, and with the Chancellor, with a view to imagining a refocused future structure/role for Court. It was hoped that preliminary proposals would be submitted to the Board at its next meeting for discussion. It was anticipated that consultation would then be undertaken in order to ascertain the University community's appetite for refocusing Court, and therefore deciding what (if any) proposal to submit to Court in 2016.

Use of Chair's powers

6.8 The Board **NOTED** the use of Chair's powers, under powers conferred upon the Board by Ordinance 17, as set out in the report.

7. Vice-Chancellor's report

7.1 RECEIVED and NOTED (reference **CN/15-16/066**).

7.2 The Vice-Chancellor introduced this report.

- 7.3 The Vice-Chancellor advised members of the Board of Trustees of a number of matters, in addition to the contents of the written report. In particular, the Vice-Chancellor highlighted the key features of the recently published Government HE White Paper:
- Introduction of the Teaching Excellence Framework (TEF) and link to rises in tuition fees
 - Changes to national research architecture
 - Social mobility as a cross-cutting theme.
- 7.4 For many universities, the proposals represented significant cuts to the autonomy of the sector and of individual institutions. The Russell Group was therefore launching a campaign to highlight this.
- 7.5 The Pro Vice-Chancellor (Education and Students) commented on the education elements of the proposals, in particular noting:
- The explicit introduction of marketisation into the language of the sector – with phrases such as ‘competition’ and ‘choice’ being key features of proposals.
 - It would be much easier for new providers to enter the ‘market’ and to gain degree-awarding powers. There would need to be corresponding powers to remove such awarding powers – and these would apply equally to long-established providers.
 - There was a real drive towards providing more information to students, in a bid to improve their choice within the ‘market’.
 - There would be consultation regarding proposals to make credit transfer between programmes (and institutions) easier, which raised questions about the integrity of institutions’ programmes.
 - Very specific goals would be introduced in respect of social mobility, but it was yet to be seen what targets would be set to achieve these.
 - In terms of the regulatory framework – the proposed “Office for Students” would really be a market regulator going forward.
 - The broad delivery framework for the TEF had been set out in the White Paper, although consultation was being undertaken as to how the TEF would assess teaching excellence (including the criteria that will define teaching excellence, as well as the evidence base and use of core metrics). The TEF would now be phased in; in year one (2016/17) and two (2017/18) of the TEF, universities that were rated as ‘meeting expectations’ would be able to raise their tuition fees in line with inflation; and formal assessments of institutions’ performance, leading to a series of differentiated fee caps would be undertaken from year three (2018/19). In addition, it was proposed that discipline-level assessments would be piloted from year three.
- 7.6 The Pro Vice-Chancellor (Research) commented on the research elements of the proposals, in particular noting:
- The recent Nurse review had made recommendations broadly in line with the current proposals, and the sector had generally responded positively to it.
 - A key proposal was the creation of another new body – UK Research and Innovation (UKRI). It was felt that UKRI would help to set strategic direction for research, but it was not clear how far it would support purely ‘blue sky’ research. Its first non-executive Chair would be John Kingman, son of the University’s former Vice-Chancellor Sir John Kingman.
 - The University welcomed the legislative protection for dual funding. The balance between streams of funding would be important in future, and the Russell Group would be briefing members of the House of Lords on this issue in particular.
 - In summary, although there did not appear to be less of a threat to autonomy in respect of research, there were still elements of the White Paper of which the University and the HE sector would need to be mindful.

- 7.7 The Board reflected that the University's Strategy should equip the University in the face of the sectoral changes currently proposed; particularly in view of the focus on student satisfaction and experience.
- 7.8 In respect of items contained in the Vice-Chancellor's written report, the Board noted in particular the excellent outcomes of the recent QAA Higher Education Review and the General Medical Council visit. Those involved in securing those outcomes were to be congratulated.
- 7.9 The Registrar reported on the recruitment of the Director of Planning, Strategy and Change, noting that interviews had been held and the University was in discussions with its preferred candidate.
- 7.10 Finally, the Vice-Chancellor reported on the recruitment of the University's Chief Financial Officer. Noting that authority for approving such an appointment was vested in the Board under Statute 9, the Board APPROVED the appointment of Mr Robert Kerse as Chief Financial Officer. Mr Kerse had impressed both the panel and focus groups with his understanding of the issues facing the University.

8. Consideration and approval of final Strategy *

- 8.1 RECEIVED and NOTED: (reference **CN/15-16/067**) and presentations (on file).
- 8.2 The Vice-Chancellor presented to the Board regarding the draft Strategy. The presentation highlighted the following points:
- The consultation conducted to date.
 - The rationale for the underlying vision of the Strategy: to bring our national and international reputation for education and the student experience to the same level as our reputation in respect of research.
 - The immediate-term actions already being undertaken, as well as key priority actions of the Strategy that were yet to be initiated.
 - The multiple interdependencies that would permeate delivery of the Strategy, noting the various 'go/no go' check points that would emerge over the coming months and years.
 - The need for the Strategy to be resilient in light of the changing external environment within which the University was working.
- 8.3 Overall, the Board was supportive of the Strategy as articulated and AGREED it in principle.
- 8.4 The Financial Adviser presented to the Board. In particular, the presentation highlighted the following points:
- Financial strategic objectives, noting that there would be individual decisions regarding key investment/disinvestment/transactions to be taken in due course.
 - Compliance and financial restraints.
 - Key levers and drivers, including a reminder of the University's pensions obligations.
 - Financial parameters, including existing debt, the factors to be borne in mind if assuming additional debt, and also pensions issues such as the current deficit exposure. Finance Committee had considered this in some detail recently, and concluded that the University had taken due regard of its pensions obligations in formulating the new Strategy. The Board could take comfort from this.
 - Financial Performance, including the current capex programme.
 - Choices/options, including strategic capex choices and strategic initiative choices.

- The modelling that had been done to date, including on a 'package' of assumptions such as HUG fees, HEFCE grants, pay awards, pension costs etc.
 - Key capital priorities, including a potential capex programme to 2024/25, including more modest interventions which were legacy projects, such as a medical school and plans for Geographical Sciences.
 - Operating costs initiatives, including in respect of capital, strategy initiatives and efficiency/disinvestment.
 - Key tensions.
 - A range of scenarios for the future, including capex programme, TQEZ and additional debt.
 - Next steps in development of financial plan, including more detailed student number planning, overall space planning requirements, specifications and costings of major capital projects (eg, library/Tyndall Place), and the need to finalise opex strategy. Depending on Board discussions today, an updated budget would be brought to the Board in July for approval.
- 8.5 The Vice-Chancellor outlined the key rationale for the prioritisations that had been initially suggested in the Strategy. The Chair reflected that the Finance Committee had considered financial risks and felt broadly comfortable, but it was for the Board to consider overall risk/feasibility. The Board noted that, although not all of the Strategy was financially viable at present, there would be a number of decisions which could be taken on the basis of more specific business cases at the relevant points in time.
- 8.6 Members of the Board made the following observations:
- It would be important to balance the capex initiatives with opex resources, especially in respect of professional services. With respect to cost savings, the University should take care to ensure that they did not impact upon the delivery of the Strategy in unintended ways.
 - Some of the priority actions within the Strategy had a fairly long lead-in time, and it would be helpful to begin to leverage those 'stories' before investment began.
 - The University should take care to be resilient in the face of Bristol's political changes, such as the vision and strategy to be implemented by the new Mayor and the views of the public about student growth within the city overall.
 - **[REDACTED: likely to prejudice commercial interests]**
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- 8.7 The Chief Information Officer (CIO) presented to the Board regarding IT strategy and digital innovation. The presentation highlighted the following points:
- **[REDACTED: likely to prejudice commercial interests]**
 - A number of Strategic goals which impacted on IT – some of which were simply issues of scale, others of which would require a genuinely innovative approach to implementation.
 - The importance of digital technologies for and in education, including 'gamification' – re flexible and inclusive learning, and the importance of adaptive/responsive learning technologies. The University could grow in confidence and competence as new activities and technologies were changed/trialled.
 - The importance of the University's digital strategy, which would need to leverage the University's talent as well as making use of partnerships as appropriate. There was a need to provide a pedagogical insight into flexible and inclusive learning.
 - Stages in the development of the University IT Strategy.
 - An outline of modernisation programmes – moving to Office 365, for example. Moving to outlook would be a good test for both our ability to deliver change and our capacity for change.

- Consequences and risks of strategy (including legacy issues re software and systems).
 - Overall, there was much to be positive about the future.
- 8.8 The Chair reflected again on the importance of the IT strategy, particularly in the context of delivery of the wider Strategy, and members of the Board praised the level of urgency, as well as the clarity and content of the CIO's presentation. Members of the Board also commented positively on the work of the IT Committee and its forward-looking approach.
- 8.9 The Registrar reported on the Enterprise Resource Planning (ERP) project, **[REDACTED: likely to prejudice commercial interests]**
- 8.10 The Pro Vice-Chancellor (International and Student Recruitment) presented to Board. The presentation highlighted the following points:
- The global outbound HE market and its forecast for growth. In particular, the UK's market share and projections for growth in other competitor countries.
 - In particular respect of PGT students, the Board noted projections for growth and a global trend for postgraduate (PGT) mobility. This was partly linked to increasing quality of UG programmes in some key markets, such as China, which indicated a shifting market towards PGT mobility.
 - It was felt that the UK has been hurt by its visa regulations. It could be contrasted with Australia, where PGT graduates get a three year working visa without needing a job offer.
 - Although the market for PGT students overall was contracting, business schools were becoming more attractive and a growing market. A 'flight to quality' was particularly notable.
 - **[REDACTED: likely to prejudice commercial interests]**
- 8.11 The Board praised the excellent presentation and underlying high-quality analysis. **[REDACTED: likely to prejudice commercial interests]**
- 8.12 The Board particularly endorsed the University's attitude of listening to the perspectives of international students rather than simply trying to promote the 'British way'.
- 8.13 The Director of Planning and the Pro Vice-Chancellor (Strategy) presented to the Board regarding outcomes/measuring success. The presentation highlighted the following:
- The proposed overall approach to implementation of the Strategy, noting in particular the number of (express and implied) actions; interdependencies and the need to ensure their delivery. The governance and oversight of implementation would be integral to success.
 - An outline timeline for implementation, together with initial considerations regarding resource.
 - The proposed approach to defining and monitoring 'success' – including how the Board could/will receive appropriate assurance that the Strategy was being delivered. In particular, the Board noted an illustrative institutional strategic scorecard together with more detail about the possible indicators behind items on that scorecard.
 - The suggested approach to targets was generally to map to the Russell Group top quartile – with some stretch targets too. Timelines/milestones for those targets might also be appropriate. Where possible, metrics would map to sector norms – such as those used in the TEF. It would be important to look for targets that were achievable, and so stress testing was being undertaken.

- A more thematic approach to the annual cycle of Board business was suggested, to allow the Board to take a 'deeper dive' into the projects, programmes, risk and key indicators for each Strategic theme.
- 8.14 The Board expressed support for the proposed approach and welcomed the more dynamic elements in particular. Members of the Board noted consultation yet to be undertaken with Schools and recent discussions at Senate about the need for the Strategy to be a genuine University-wide strategy. In order to do so, it would be important to get targets and incentives right at a local level.
- 8.15 Finally, having regard to all preceding discussions and presentations, the Board unanimously (on a show of hands) APPROVED the University Strategy. All those involved in its development were commended.

9. Next Steps*

- 9.1 The Vice-Chancellor summarised the plans for the launch of the Strategy: in particular, for the launch of a physical document detailing the University's vision and priority actions.
- 9.2 The Strategy would be launched 'internally' (ie, to staff and students) in a number of ways, including by thank-you events and visits by the Vice-Chancellor to key groups such as Faculties.
- 9.3 To external stakeholders, the Strategy would be launched in a more targeted way, focusing on specific themes/initiatives relevant to particular groups. Such 'launches' might be supported by the full Strategy document, but also by a shorter summary. This more nuanced approach might take several months.
- 9.4 The Board confirmed its support for the approach proposed.

10. Financial Matters *

RECEIVED and NOTED (reference **CN/15-16/068**).

- 10.1 The Board of Trustees NOTED:
- The finance dashboard for March 2016
 - A report on the financial health of the HE Sector
 - Update on the latest pension changes and developments
 - Update on endowments and fossil fuels
 - Proposed property acquisitions and disposals
 - ERP update,
- each as set out in the report.
- 10.2 The Board was reminded of the impact of the new HE SORP on the way in which operating cashflows were presented. These differences would be explained in detail at the November Board meeting, in order to support the Board's understanding.
- 10.3 The Board was advised that reparations in respect of 33 Colston Street had been agreed. The Board was also informed of the likely timescale for works and the contractor which would be appointed.
- 10.4 The Board particularly noted the current position regarding UBPAS in light of the 2015 initial July 2015 actuarial valuation results. Proposals which had been put forward for discussion with union representatives would consider both the position if UBPAS was

closed to future benefit accrual and an alternative if UBPAS remained open to future benefit accrual. The Board acknowledged and complemented the level of dialogue between the University and the union representatives regarding these issues.

- 10.5 Approval of the Bristol SU budget for 2016/17 *
RECEIVED and NOTED (reference **CN/15-16/069**).
- 10.6 The Board noted that the budget had already been approved by the Board of Bristol SU itself, which had recommended it. The student members of the Board felt that the budget would support the SU to plan and look forward appropriately.
- 10.7 The Board APPROVED the Bristol SU budget for 2016/17.
- 11. University budgets, financial plans and capital programme ***
- 11.1 RECEIVED and NOTED: (reference **CN/15-16/070**).
- 11.2 The Financial Director presented to the Board. The presentation highlighted the following points:
- The broad business objectives for the University in the year ahead, including its capital objectives. The Board reflected on the achievement of the previous year's business objectives.
 - The key financials, including a review of overall financial performance in 2015/16 and peer group comparisons, to provide a flavour of the financial dynamics at play.
 - Budgets and plans on an 'as is' basis, with the Board noting in particular the impact on staff costs of changes to the National Insurance regime.
 - Key assumptions made in the budget and financial plans, including in respect of student numbers.
 - A reminder of pensions issues, noting that a further actuarial review would be undertaken in respect of USS in March 2017.
- 11.3 The Board noted that Finance Committee had considered the proposed high-level University operating budget for 2016/17, together with the outline financial plans for 2017/18 and 2018/19, at its recent meeting and recommended them to the Board for approval.
- 11.4 The Board noted that students had been protesting outside of the meeting, in response to perceived unfair increases to University rents. Members of the Board reflected that the quality and cost of accommodation was becoming more and more important to the student experience.
- 11.5 It was recognised that Bristol was an expensive city in which to live, but that the University was seeking to ensure a spread of rents across the residences and to provide affordable accommodation to students. It was also recognised that there were difficulties in communicating to students (though the University was trying to address these) exactly what their rent was spent on. For example, students often did not take into account the cost of refurbishment, activities and support provided by other parts of the University and/or depreciation – all of which had to be accounted for.
- 11.6 The Board encouraged the University to keep the matter under consideration, and to continue dialogue with Bristol SU. The importance of this issue to student satisfaction was noted, and should be borne in mind in the context of the new Strategy. To assist with this, it would be important for the University to be as open and transparent as possible regarding accommodation costs.

- 11.7 After careful consideration, the Board of Trustees APPROVED the draft Budget 2016/17 and Financial Plans 2017/18 and 2018/19 and Capital Programme as a base to which the agreed impact of the Strategy Review will be overlaid.
- 12. Annual Risk Review ***
RECEIVED and NOTED: (reference **CN/15-16/071**).
- 12.1 The Board of Trustees considered the Annual Risk Review and Risk Register 2016/17. The Director of Planning provided an overview of the University's annual risk review process and summarised the written narrative provided to the Board regarding risks returned by risk owners throughout the process.
- 12.2 In particular, the Board noted that the Audit Committee now received regular updates on the 'mission critical' risks facing the University. It was proposed that these risks would be included on the institutional scorecard to be regularly considered by the Board, and the Board was supportive of this approach whilst noting that these risks might require further thought in due course as the Strategy was implemented.
- 12.3 The Treasurer, as Chair of the Audit Committee, endorsed the summary provided by the Director of Planning and advised that Audit Committee had commented favourably on the University's Annual Risk Review process. It was agreed that the regular updates received by Audit Committee regarding risk would be appended to the Committee's regular updates to the Board.
- 12.4 Members of the Board provided the following observations and comments:
- More regular high-level discussion of risk by the Board would be welcomed.
 - The work undertaken to develop the University's Risk Register and Annual Risk Review was acknowledged, but there might be scope for further improvement – for example, by including milestones/target dates for mitigating actions that had been identified but not yet implemented.
 - With respect to the specific risks captured on the University's Risk Register, the Board would welcome a more specific risk regarding student mental health being captured on the Risk Register in future.
- 13. Finance Committee * (spotlight)**
- 13.1 RECEIVED and NOTED: (reference **CN/15-16/072**).
- 13.2 The Chair of the Finance Committee reflected on the work of the committee, noting that it was slightly unusual in that much of its business was so directly discussed at the Board. The Board noted some of the more strategic matters that the committee had considered over the preceding year, such as the issue of fossil fuel divestment. The Board also noted the more procedural, though valuable, matters considered by the committee, such as treasury issues and reports to regulators.
- 13.3 A skills audit of the committee's collective skills and experience was being conducted, in a relatively light-touch way. Members of the Board were encouraged to think about candidates for co-option, or to volunteer themselves if appropriate, in due course.
- 13.4 The Chair perceived that, as the University developed and implemented its Strategy, a key role of Finance Committee would be to support and interrogate the financial elements of the Strategy. Members of the Board felt that the level of information it received from, and its confidence in the interrogation provided by, the Finance

Committee was appropriate. Finally, the Board thanked the Chair and other members of the Finance Committee for their work.

14. Audit Committee*

14.1 RECEIVED and NOTED: (reference **CN/15-16/073**).

14.2 The Chair reflected on the key business of the Committee at its most recent meeting, noting in particular the reports from the internal auditors. The Board noted the committee's discussions regarding ERP and SLSP.

14.3 The Registrar provided a further update on SLSP. **[REDACTED: likely to prejudice commercial interests]**

15. Estates Committee

15.1 RECEIVED and NOTED: (reference **CN/15-16/074**).

16. Ethics of Research Committee

16.1 RECEIVED and NOTED: (reference **CN/15-16/075**).

17. Student Affairs Committee Committee

17.1 RECEIVED and NOTED: (reference **CN/15-16/076**).

18. Report of Senate meeting 18 April 2016 *

18.1 RECEIVED and NOTED: (reference **CN/15-16/077**).

18.2 The Deputy Vice-Chancellor reflected on the key business that had been discussed at the meeting, including the CREATE programme and a lively discussion regarding the Freedom of Speech Code of Practice (which would be discussed again at the June meeting of Senate, before submission to the Board for approval at its July meeting).

19. Amendments to Ordinance 19

19.1 RECEIVED and NOTED: (reference **CN/15-16/078**).

19.2 APPROVED by way of special resolution, the amendments requested in the report.

20. Annual Report: Faculty of Engineering

20.1 RECEIVED and NOTED: (reference **CN/15-16/079**).

20.2 The Board recorded its thanks to the Dean of Engineering for a comprehensive and very interesting report.

21. Standing items

Equality and diversity implications

The Board of Trustees noted discussions regarding equality and diversity had arisen at various points throughout the meeting, and considered that such matters had received appropriate consideration at the time of discussion. The Board of Trustees encouraged the continual consideration of equality and diversity throughout the implementation of the University's Strategy.

Communication and consultation

The Board of Trustees was reminded that the appointment of the Chief Financial Officer and the nomination of the next Chancellor were to be treated with strict confidentiality. The Board further reflected on the consultation that had been conducted in respect of the Chancellor nomination and also the University Strategy.

Date of next meeting

The next meeting of the Board of Trustees would be held on Friday 1 July 2016.