

**MINUTES OF THE BOARD OF TRUSTEES**

**FRIDAY 17 MARCH 2017**

Present: Ms T Beech, Professor H Brady, Mr D Burn (Chair), Mr R Cowap, Mx J Cross, Ms J Goldstein, Dr M Hamlin, Ms L Ho, 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, Professor J Squires, Ms V Stace, Ms A Stephenson.

In attendance: Mr G Barling (for item 9); Ms C Baylon (for item 8); Professor N Canagarajah, Mr S Chadwick, Ms R Geller, Ms K Gullon (Clerk), Mr A Harrison (for item 8); Mr R Kerse, Professor N Lieven, Dr E Lithander, Mr J Punter (for item 9), Mr L Reeve (for item 9); Ms L Robinson.

Apologies: Professor J Iredale, Mr J Wetz.

**1. Welcome and announcements**

1.1 The Chair welcomed members of the Board of Trustees to the meeting. It was noted that the meeting had been duly convened and that a quorum was present. In particular, it was confirmed that:

- notice of the meeting had been given to each member of the Board who was entitled to receive it; and
- each member of the Board who was not available to attend was aware of the purpose of the meeting and had agreed to the proposals to be considered at it.

**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 The Chief Finance Officer reminded members of the Board that he had an ongoing interest as a Trustee of the University of Bristol Pensions and Assurance Scheme (UBPAS). As previously, the Board felt that this interest did not amount to a conflict.

**4. Minutes of meeting on 27 January 2017**

4.1 CONFIRMED.

**5. Matters arising and actions**

5.1 All were noted as being either completed or in satisfactory progress.

**6. Chair's report\***

6.1 RECEIVED and NOTED (reference **BT/16-17/059**).

6.2 In particular, the Board noted updates regarding the recruitment of two lay members of the Board of Trustees from 1 January 2018. It was hoped that candidates for co-

opted positions on committees of the Board of Trustees could also be sourced through the recruitment process. The Board further noted that the Chair of the Board would step down (both as Chair and as a lay member of the Board) on 31 December 2018.

## **7. Vice-Chancellor's report\***

7.1 RECEIVED and NOTED (reference **BT/16-17/060**).

7.2 The Vice-Chancellor advised members of the Board of a number of matters in addition to the contents of the written report, including:

- The spring statement recently announced by Government, including policy in respect of university sponsorship of schools, more detail on its previously-announced maintenance grants for postgraduate research students, and its industrial challenge fund.
- The recent Student Union elections, which had achieved a record voter turnout.
- Latest developments in the Higher Education and Research Bill's passage through the House of Lords.

7.3 The Board of Trustees reflected on a number of the updates contained in the written report:

- Progress in respect of *Bristol Futures* was congratulated, with members of the Board particularly commending plans to engage with staff and drive significant change.
- Concerns were noted regarding response rates to the National Student Survey (NSS) and the impact of the NUS/Bristol SU boycott of this. The University would continue to monitor the situation, and liaise with HEFCE regarding the possible impact of the University not reaching its publication threshold for the NSS.
- The latest trends in admissions and recruitment, and in particular the decisions to be taken by the University in respect of whether to close certain programmes to applicants, were noted.
- The additional Student Mental Health Update (reference **BT/16-17/061**) was noted, and the Board reflected on the progress on the reviews that were taking place. The Board was pleased that Dr Moira Hamlin had agreed to join the panel for the forthcoming review of Student Services, which would be able to take into account the (by then) more fully-formed recommendations of the other reviews.
- Recent reports of racist behaviour towards University students, and the work of the University (together with other community leaders) in tackling this were noted with concern. The Board reflected, with regret, on the increase in hate/race crime since the referendum on the UK's membership of the EU.

## **8. Strategy Implementation: Internationalisation**

8.1 RECEIVED: Presentation (on file).

8.2 The Pro Vice-Chancellor (International) presented to the Board regarding 'internationalisation' elements of the University Strategy, and in particular the University's long-term international student recruitment objectives. The presentation highlighted the following:

- The key components of the University's internationalisation strategy.
- The size of the global market available, as well as an overview of its features including the UK's largest recruiters of international students and the top countries sending students to UK universities.
- The relative positioning of the University, including in comparison to the Russell Group average Bristol, the top 10 source countries for the University, the distribution of international students by Faculty, and the financial contribution made by international students to the University.

- External risk factors, such as Brexit (and associated perceived loss of openness/welcome to international students), relevance of the UK internationally, political and geopolitical instability, and UK government policy (particularly in respect of student visas and post-study work rights).
- The mitigation of those risks, including the University's capacity to increase its market share even within a stagnant recruitment market, the opportunities for diversification, and to ensure that the University's position in China (at least in the short term) remained strong.
- Recent initiatives being taken in order to implement those mitigating actions **[REDACTED: likely to prejudice commercial interests]**
- **[REDACTED: likely to prejudice commercial interests]**

8.2 Members of the Board provided the following comments and observations:

- It was relatively novel for an institution to utilise a range of initiatives, in the way that the University planned to, and this was encouraging.
- It would be important to continue to monitor the impact that the University's placing in TEF might have on international perceptions of the University, and therefore its potential attractiveness to applicants. It would also be important to continue to monitor Government policy on international recruitment numbers, and the use of the TEF in setting/limiting those.
- It would be important for the University to appropriately incentivise its staff with respect of international growth. As the International Office grows, it was hoped that more strategic internal communications in this regard would be possible.
- The Board would welcome the continued receipt of information regarding student recruitment, and the institution's plans for student growth. Information about projected growth at Faculty level would also be welcomed.
- Members of the Board reflected on the strategic importance of student recruitment to the University, and of the importance of clarity as to who bore the ultimate responsibility for delivering the institution's targeted growth.
- It was encouraging that the University did not perceive internationalisation to be purely in respect of student growth – members of the Board praised the benefits of a genuinely global student experience.

8.3 The Pro Vice-Chancellor (International) and colleagues were thanked for their informative and assuring presentation.

## 9. Financial Matters\*

### 9.1 Financing the Strategy

RECEIVED and NOTED (reference **BT/16-17/062**).

9.1.1 The Board reflected on discussions on this topic at its meeting the previous day, and at its previous meetings. **[REDACTED: likely to prejudice commercial interests]**

9.1.2 **[REDACTED: likely to prejudice commercial interests]**

9.1.3 **[REDACTED: likely to prejudice commercial interests]**

*Arrangements with Barclays Bank Plc*

9.1.4 **[REDACTED: likely to prejudice commercial interests]**

9.1.5 **[REDACTED: likely to prejudice commercial interests]**

9.1.6 **[REDACTED: likely to prejudice commercial interests]**

9.1.7 **[REDACTED: likely to prejudice commercial interests]**

9.1.8 **[REDACTED: likely to prejudice commercial interests]**

9.1.9 **[REDACTED: likely to prejudice commercial interests]**

9.1.10 **[REDACTED: likely to prejudice commercial interests]**

9.1.11 **[REDACTED: likely to prejudice commercial interests]**

9.1.12 **[REDACTED: likely to prejudice commercial interests]**

9.1.13 After due and careful consideration of the Consolidation, Amendment and Restatement Agreement IT WAS RESOLVED THAT:

- the terms of the Consolidation, Amendment and Restatement Agreement and any other documents ancillary to, or to be entered into by the University in connection with, the Consolidation, Amendment and Restatement Agreement (the "**Ancillary Documents**"), and the Discussion Paper and the Re-coupon Costs therein, be and are hereby approved;
- the following members of the University:

<b>Name of the Authorised Signatory</b>	<b>Title</b>
Hugh Brady	Vice-Chancellor and President
Guy Orpen	Deputy Vice-Chancellor and Provost
Robin Geller	Registrar, Secretary and Chief Operating Officer
Robert Kerse	Chief Financial officer

(the "**Authorised Signatories**") be and are hereby authorised (either alone or together) to:

- execute and deliver the Consolidation, Amendment and Restatement Agreement and the Ancillary Documents on behalf of the University with any amendments, variations or additions that he/she in his/her sole and absolute discretion thinks fit, including (without limitation) as to any break costs or re-coupon rates or costs;
- execute and deliver on behalf of the University any other document which may be required in connection with the Consolidation, Amendment and Restatement Agreement (including any certificate and any other document to be provided in connection with the Consolidation, Amendment and Restatement Agreement), and to make any amendments, variations or additions to those documents which he or she in his or her sole and absolute discretion considers appropriate; and
- do all such acts which such Authorised Signatories (either alone or together) consider necessary or expedient in connection with the execution of or performance by the University of its obligations under the Consolidation, Amendment and Restatement Agreement or the Ancillary Documents, including (without limitation): the negotiation and approval of the Re-coupon Costs and the subsequent execution of the relevant transaction documents.

9.1.14 **[REDACTED: likely to prejudice commercial interests]**

- 9.1.15 The Board noted that also required in connection with the aforesaid financing was an Officer's Certificate (the "**Officer's Certificate**") pursuant to Section 4.3 of the Note Purchase Agreement, certifying (i) the fulfilment of certain conditions precedent and (ii) the copy documents and resolutions attached thereto and other corporate proceedings relating to the authorisation, execution and delivery of the Note Purchase Agreement and other documents.
- 9.1.16 It was noted that the Note Purchase Agreement records the terms of the raising of finance by the University (the "**Financing**") by the issue and sale of the Notes to the Purchasers.
- 9.1.17 Drafts of the following documents were then produced to the meeting in connection with the consideration of the terms of the Financing:
- the Note Purchase Agreement;
  - the forms of the Notes; and
  - the Officer's Certificate.  
(together, the "**Documents**").
- 9.1.18 The Board of Trustees carefully considered (a) the terms of the Documents, including but not limited to the representations, covenants and events of default set out in the Note Purchase Agreement, and the fees, terms and other elements of the pricing of the Notes set out in the Note Purchase Agreement and (b) the benefits that would accrue to the University should it resolve to execute the Documents to which it was a party. **[REDACTED: likely to prejudice commercial interests]**
- 9.1.19 After careful consideration of the terms of the Financing set forth in the Note Purchase Agreement and the Notes and after further careful consideration of the terms of the other Documents, IT WAS RESOLVED THAT:
- **[REDACTED: likely to prejudice commercial interests]**
  - that the drafts of the Documents produced to the meeting be and are hereby approved and that the following members of the University be and are hereby authorised to negotiate, finalise, make amendments to, verify, execute and deliver the Documents to which the University was expressed to be a party:
    - the Vice-Chancellor and President;
    - The Deputy Vice-Chancellor and Provost;
    - The Registrar, Secretary and Chief Operating Officer; and
    - The Chief Financial Officer (each a "**Member**").(or, in the case of deeds, any two Members, be and are) hereby authorised to negotiate, finalise, make amendments to, verify, execute and deliver the Documents to which the University was expressed to be a party;
  - any Member be and is (or, in the case of deeds, any two Members, be and are) hereby authorised to negotiate, approve, make amendments, verify, execute and deliver any other documents in connection with or arising from the Documents and/or the Financing and to do all such acts and things as may be required to implement the Documents and/or the Financing and generally to sign all such deeds, certificates, instruments, notices, mandates, confirmations, requests, applications, letters, forms, appointments, powers of attorney, written resolutions, notices and any other documents as may be necessary or desirable in connection with the Financing and any related transactions, including any ISDA agreements, swap arrangements and/or any other documents required in relation to any legal opinions delivered in relation to the Financing and/or the Documents and the certification as true copies of any documents which may be required or otherwise regarded by them as necessary or desirable in connection with this transaction; and

- notwithstanding the generality of the paragraph above, any member of the Board of Trustees or any officer of the University, be and is hereby authorised to produce such certificates as are necessary in connection with this transaction.

9.1.20 IT WAS RESOLVED that any and all actions heretofore taken by any member of the Board of Trustees or any member of the University within the terms of any of the foregoing resolutions are hereby ratified and confirmed as the act and deed of the University.

9.1.21 **[REDACTED: likely to prejudice commercial interests]**

9.1.22 The Chair noted that the principal business of this scheduled meeting was to consider the financing of the University and that one of the significant matters arising was the consideration, and if thought fit approval, of the amendment and restatement of the Existing Facility Agreement pursuant to the terms of an amendment and restatement agreement to be entered into between the University and the Agent (the "**Amendment and Restatement Agreement**").

9.1.23 A copy of the Amendment and Restatement Agreement (which reference in these minutes shall, for the avoidance of doubt, include the amended and restated facility agreement, the form of which is set out in Schedule 2 of the Amendment and Restatement Agreement) was produced to the meeting and the terms of the Amendment and Restatement Agreement were then considered in detail by the Board.

9.1.24 **[REDACTED: likely to prejudice commercial interests]**

9.1.25 **[REDACTED: likely to prejudice commercial interests]**

9.1.26 After due and careful consideration of the Amendment and Restatement Agreement IT WAS RESOLVED THAT:

- the terms of the Amendment and Restatement Agreement and any other documents ancillary to, or to be entered into by the University in connection with, the Amendment and Restatement Agreement (the "**Ancillary Documents**"), be and are hereby approved;
- the following members of the University:

<b>Name of the Authorised Signatory</b>	<b>Title</b>
Hugh Brady	Vice-Chancellor and President
Anthony Guy Orpen	Deputy Vice-Chancellor and Provost
Robin Geller	Registrar and Chief Operating Officer
Robert Kerse	Chief Financial officer

(the "**Authorised Signatories**") be and are hereby authorised (either alone or together) to:

- execute and deliver the Amendment and Restatement Agreement and the Ancillary Documents on behalf of the University with any amendments, variations or additions that he/she in his/her sole and absolute discretion thinks fit, including (without limitation) as to any break costs or re-coupon rates or costs;
- execute and deliver on behalf of the University any other document which may be required in connection with the Amendment and Restatement Agreement (including

any certificate, bank mandates, utilisation requests and selection notices and any other document to be provided in connection with the Amendment and Restatement Agreement), and to make any amendments, variations or additions to those documents which he or she in his or her sole and absolute discretion considers appropriate; and

- do all such acts which such Authorised Signatories (either alone or together) consider necessary or expedient in connection with the execution of or performance by the University of its obligations under the Amendment and Restatement Agreement or the Ancillary Documents.

9.1.27 The Chief Financial Officer and his team was congratulated in respect of their work on these matters. The Board would receive updates in due course regarding the execution of the various agreements.

## **9.2 Finance Update**

RECEIVED and NOTED (reference **BT/16-17/063**).

9.2.1 In particular, the Board noted the financial performance for the six month period ended 31 January 2017, the proposed approach and timeline for the appointment of fund managers to implement the University's Endowment Fund Policy, and the progress of the Enterprise Resource Planning (ERP) project. In respect of the latter, it was noted that the small 'special committee' would consider Gateway One decisions in due course.

9.2.2 *[REDACTED: likely to prejudice commercial interests]*

## **9.3 Pensions Strategy**

RECEIVED and NOTED (reference **BT/16-17/064**).

9.3.1 The Chief Financial Officer reported on the discussion and consultation undertaken in respect of the Pensions Strategy, before its submission to the Board of Trustees.

9.3.2 CONSIDERED the update to the University's two key defined benefit pension schemes. In particular, the Board noted the importance of pension provision in attracting staff to the University. The Board was mindful of the importance of not seeming to create inequities between the University's pension schemes.

9.3.3 APPROVED the Pensions Strategy as set out in the written report.

## **9.4 Acquisition of Augustine's Courtyard**

RECEIVED and NOTED (reference **BT/16-17/065**).

9.4.1 The Chief Financial Officer reflected on the necessity of decanting professional services staff from Senate House, in order to take forward the creation of student-centred space there. The rationale for purchasing, rather than leasing, the building was noted and the Board further noted that the purchase was aligned with the financial framework previously agreed.

9.4.2 APPROVED the purchase of Augustine's Courtyard for £11.75m (plus VAT)  
SUBJECT TO:

- Satisfactory report on legal title;
- Satisfactory local and environmental search results; and
- A satisfactory building condition survey.

9.4.3 APPROVED fit out costs not to exceed £3.5m. In doing so, the Board was mindful of securing value for money. That said, it was noted that many staff moving to the new site would be more constrained (in terms of physical space) than they had been previously, and the fit out could help to ameliorate concerns about this.

## **9.5 Bristol and Bath Science Park**

RECEIVED and NOTED (reference **BT/16-17/074**).

9.5.1 The Chief Financial Officer outlined the background to, and the rationale for, the approvals sought. In particular, the Board noted the additional capacity that would be created by the University acquiring land and buildings at the Bristol and Bath Science Park. The Board reflected on the timeline for the acquisition, which had been outside of the control of the University.

9.5.2 RATIFIED the authorisations given by the Chair of the Board of Trustees outlined in paragraph 2.1 of the written report.

9.5.3 APPROVED the entry by the University into the Purchase Agreement(s) and the Options Agreement(s) each as defined in the written report, and each such approval subject to the conditions set out in the report.

9.5.4 DELEGATED TO THE CHIEF FINANCIAL OFFICER the authority to determine when those conditions were satisfied.

## **10. IT Committee (spotlight slot)\***

10.1 RECEIVED and NOTED (reference **BT/16-17/066**).

10.2 The Chair of the IT Committee reflected on the role and activities of the Committee, and its key function in providing assurance to the Board in respect of IT matters. The Committee was particularly mindful of the ways in which IT could enable the core elements of the University Strategy.

## **11. MAGG\***

11.1 RECEIVED and NOTED (reference **BT/16-17/067**).

## **12. Honorary Degrees Committee\***

12.1 RECEIVED and NOTED (reference **BT/16-17/068**).

12.2 In particular, the Board commended the Committee's demonstrated commitment to diversity in making the additional recommendations. It was hoped that the next recommendations put forward by the Committee would be similarly diverse.

12.3 APPROVED the recommendations for awards, as set out in the report.

## **13. HR Committee**

13.1 RECEIVED and NOTED (reference **BT/16-17/069**).

## **14. Estates Committee**

14.1 RECEIVED and NOTED (reference **BT/16-17/070**).

14.2 In particular, the Chair of the Committee commended the Bursar and his teams in delivering the capital projects detailed in the report.

## **15. Finance Committee**

15.1 RECEIVED and NOTED (reference **BT/16-17/071**).

**16. Audit Committee**

16.1 RECEIVED and NOTED (reference **BT/16-17/072**).

**17. Report of the February meeting of Senate**

17.1 RECEIVED and NOTED (reference **BT/16-17/073**).

**Standing items**

Equality and diversity implications

The Board reflected on various issues that it had considered which related to matters of equality and diversity: (1) the importance of ensuring diversity of candidates in Board recruitment (Chair's Report); student mental health/disability and support for allegations of racist behaviour (Vice-Chancellor's Report; Student Wellbeing and Mental Health); and (3) various elements of Internationalisation Strategy (presentation and report). The Board considered that it had given such matters due care and attention, and that items submitted to it for consideration had received due consideration of equality and diversity matters.

Communications and consultation

Members of the Board were reminded that a number of items that it had considered should be treated strictly confidentially. When appropriate, decisions taken by the Board would be communicated to stakeholders. The Board considered that items submitted to it for consideration had been appropriately consulted upon prior to submission.

There being no other business, the Chair declared the meeting closed.

**Date of next meeting**

26 May 2017.