

MINUTES OF THE BOARD OF TRUSTEES

FRIDAY 10 November 2017

Present: Professor H Brady, Mr D Burn (Chair), Mr R Cowap, Mr L Dube, Ms J Goldstein, Dr M Hamlin, Ms I Handa, Sir R Kerr, Professor B Lumb, Professor G Macdonald, Dr J Manley, Professor S Mann, Mr R Massie, Professor G Orpen, Mr A Poolman, Mr M Saddiq, Ms A Stephenson, Ms V Stace, Mr J Wetz.

In attendance: Professor N Canagarajah, Mr S Chadwick, Ms P Coonerty (Academic Registrar) for item 9, Ms R Geller, Ms K Gullon (Clerk), Professor John Iredale, Mr R Kerse, Dr E Lithander, Ms N McCabe, Mr A Raffel, Ms L Robinson, Professor J Squires.

Apologies: Ms T Beech, Professor K Facer.

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.

1.2 In particular, the Chair reminded the Board that this was the final meeting for Anne Stephenson and James Wetz, as their terms of office as lay members of the Board would come to an end on 31 December 2017. Members of the Board of Trustees extended their warm thanks to Ms Stephenson and Mr Wetz for their many years of service and support.

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 It was NOTED that members of the Board who were members of the Universities Superannuation Scheme (USS) would have an interest in any discussions regarding USS.

4. Minutes of meeting on 6 October 2017

4.1 CONFIRMED

5. Matters arising and actions

5.1 There were no immediate actions arising from the previous meeting and all actions were reported to be in hand.

6. Chair's report *

6.1 RECEIVED and NOTED (reference **BT/17-18/009**).

6.2 The Chair introduced his report.

6.3 The Board APPROVED, unanimously, the appointment of Mr Andrew Poolman as Treasurer from 1 January 2018 for a further year.

6.4 The Board NOMINATED TO COURT Dr Mary Prior as Pro Chancellor, for a second term from 1 January 2018 until 31 December 2020.

6.5 The Chair reported on discussions at the Committee of University Chairs (CUC) autumn plenary, and in particular on discussions amongst CUC members regarding the remuneration of university senior staff. The CUC would be developing a fair pay code in due course, and it was clear that this was a key issue in terms of current government policy.

Court

6.6 The Board AGREED the proposals to be submitted to Court, in respect of Court, at its annual meeting of 8 December 2017 and DELEGATED TO THE CHAIR authority to agree the final wording of the proposals.

Convocation

6.7 The Chair reflected on recent discussions in respect of Convocation and noted in particular that some members of Convocation had raised concerns about the robustness of the 'consultation' that had been conducted. Members of the Board considered the feedback received through that process, whilst noting that it should not be treated as being statistically significant, and affirmed the proposals that the membership, powers and name of Convocation should be modified.

6.8 The Board of Trustees noted that certain elements of the 'future way' for Convocation (including the future role of the Convocation and Alumni Association Committee, Hall Associations and other important, though subsidiary, matters of detail) would require further consideration once the views of Court were known. This should be made more clear in the papers to be submitted to Court. In developing new structures, it would be important to demonstrate that the University values and respects the alumni body.

6.9 It would be helpful to reinforce, in discussions at the annual meeting of Court, the necessity of ensuring good standards of governance. Whilst some members of Court and Convocation felt that both bodies had a role to play in University governance, the Board noted that it was important to make clear that accountability (as the University's governing body) rested with the Board itself.

6.10 Board AGREED the proposals to be submitted to Court, in respect of Convocation, at its annual meeting of 8 December 2017 and DELEGATED TO THE CHAIR authority to agree the final wording of the proposals.

Recruitment of Chair and lay members of the Board

6.11 The Chair explained that the University was reflecting on ways in which to engage members of the Board in the recruitment of the next Chair of the Board of Trustees – for example by way of a focus group as part of the interview process. It was clarified

that the next Chair could either be drawn from one of the three lay members yet to be recruited (that is, who will join the Board from 1 January 2019) or from the existing (and eligible to serve beyond 31 December 2018) members of the Board. The Board ENDORSED the approach to be taken to Chair recruitment and appointment, as set out in the accompanying report.

Governance of Major Projects

- 6.12 The Chair of the Board advised members of the Board that, in view of the occasional necessity to take Board-level decisions more quickly than the frequency of Board meetings (and, in some instances, the meetings of the Finance and Estates Committees) would allow, it was proposed that a Major Projects Task and Finish Group (MPTFG) be established as set out in the written report.
- 6.13 Since the circulation of the papers, some comments had already been received and the Chair had agreed should be actioned:
- The ability of the MPTFG to approve additional borrowings would be explicitly excluded.
 - It would be made clear that decisions should be taken by the MPTFG only when not practical to bring decisions to a Board meeting.
 - The Chief Financial Officer and the Registrar should be formally in attendance, though not members.
- 6.14 Members of the Board requested the following amendments to the proposal for the MPTFG as had been set out in the written report:
- It should be made clearer that professional advisers would attend meetings of the MPTFG as and when appropriate.
 - The quorum should be larger and more specific and it should be made more clear that technology would be used as far as possible to ensure as broad attendance as possible.
 - It would be important to ensure appropriate reporting from the MPTFG to the Board, and the Board should be notified when the MPTFG was being convened.
 - The MPTFG should be given as much contextual information to inform its decision-making as the Board would normally receive.
 - It was hoped that members would receive more than 48 hours' notice of meetings (the currently prescribed minimum) in practice.
 - There was some discussion as to whether the Treasurer ought to be a member of the MPTFG, although on balance it was agreed that the Treasurer should be a member.
- 6.15 Members of the Board noted that this was a major delegation of its powers, and so it was important to balance the need to take decisions quickly against the importance of robust governance. It was acknowledged that the MPTFG, if that balance was struck, could provide more robust decision-making (in that decisions between Board meetings would not solely rely on the exercise of Chair's powers).
- 6.16 There were some concerns that there was no proposed limit on the size of contract that the MPTFG could authorise, and it would be important for the Chair of the Board to carefully consider whether the MPTFG should be convened or whether a particular decision should be reserved to the Board itself. Wherever possible and appropriate, the full Board ought to have sight of relevant pre-contract information such as heads of terms, before decisions were taken by the MPTFG.
- 6.17 In view of the comments made, it was agreed that the Chair would further consider plans for the MPTFG and report to the next meeting.

7. Vice-Chancellor's report*

- 7.1 RECEIVED and NOTED (reference **BT/17-18/010**).
- 7.2 The Vice-Chancellor provided an overview of current issues, both internal and external to the University. In particular, the Board noted the following points:
- The recent trip to Asia had been tremendously successful, with young alumni being particularly engaged. The Vice-Chancellor had been pleased to hear from young alumni their needs and expectations of their *alma mater*. It was clear that investment in Asia by the University would pay dividends.
 - In respect of *Brexit*, it appeared that the government was beginning to take into account the views and lobbying of universities more than it had previously. Universities continued to push for clarity of the rights of EU citizens, and for continued involvement in the Erasmus scheme and research networks.
 - On a related note, the government was still considering whether students should be removed from its net migration figures.
 - The forthcoming Office for Students (OfS) had published a consultation paper on its future regulatory framework for higher education. The University would be submitting a response in due course, and the Russell Group and Universities UK had already circulated initial comments. Although the details of the regulatory framework would emerge in more detail following the consultation, it was clear that the OfS would adopt a different approach to that of the Higher Education Funding Council for England (HEFCE) in terms of its reporting and other requirements. This approach, combined with new initiatives such as the Knowledge Exchange Framework and a redoubled focus on value for money, suggested an increased administrative burden for institutions going forward.
 - The University continued to work with Bristol City Council, the Homes and Communities Agency and Network Rail in respect of the Temple Quarter Enterprise Campus (TQEC) and its relationship with the public realm. Although there was currently some uncertainty as to the location of the anticipated Bristol arena, it was expected that if the arena was not located at the originally proposed near to TQEC, the University would be involved in discussions as to the facilities that would be developed at that location.
 - It was emphasised that the 2021 target date for the TQEC was very much a stretch target, and that there were many risks to this being achieved. It was also important to note that not all development (in terms of capital, infrastructure and/or academic endeavour) would be complete on 'day one' of the new campus. If this target began to look unachievable, the Board would be informed.
 - A number of key academic appointments had recently been made, including to seven Head of School positions and one Dean position. Recruitment to Decanal positions had proven more time-consuming than originally hoped for, and it was clear that recruitment to such positions was increasingly competitive. The recruitment panel composition previously agreed by the Board for Decanal positions had not proved optimal: the panel felt too large, and did not allow for the appropriate mix of skills and experience (such as experience of running Schools/research groups, which would be hugely beneficial to such panels' decision-making). It was not therefore anticipated that panels for Decanal recruitment would include members of the Board of Trustees going forward. The University was working to formalise this over the coming months.
- 7.3 Finally, the Vice-Chancellor reflected on the key issues facing the University (and therefore the Board of Trustees), and noted that the Board received various sources of assurance and information regarding strategy implementation, risk and performance. To supplement that assurance framework, it was proposed that the Board should also consider a strategic priority topic in depth at each of its meetings going forward.

- 7.4 It would be important for the strategic priority topics to be jointly agreed by the Board and the Executive. A number of topics were proposed, for discussion over the next 12-18 months, and members of the Board were encouraged to provide feedback on these over the coming weeks:
- Higher Education regulatory framework and government measurement of HEI performance
 - IT Strategy
 - Major capital programmes
 - Research Strategy
 - Student recruitment
 - Education Strategy
 - Student experience.
- 7.5 The Chair of the Board commented that the idea of co-created strategic priority topics had emerged as part of the light-touch effectiveness review conducted earlier in the year. Another initiative being taken forward as a result of that activity was discursive dinners, to be held before Board meetings perhaps twice a year, to which Board members would be invited on a rotating basis.
- 7.6 Members of the Board of Trustees provided the following comments and observations:
- It was noted, with some concern, that the University-sponsored Merchants' Academy had recently been deemed 'inadequate' in its most recent Ofsted report. In the ensuing discussion, it was acknowledged that the University would need to engage more directly with the school going forward. However, it was important to recognise that the University had committed to working with schools with a significant educational disadvantage and it would be necessary to continue to support such schools through any difficult times as part of the University's broader civic mission. In the context of the Merchants' Academy, the Board was reminded that the University had recently taken over co-sponsorship of the Merchants' Academy Trust. The Trust was aware of the issues facing its schools, and was undertaking a range of actions in respect of the issues raised by Ofsted (including better supporting the interrogation of data by governors). Mr Wetz declared an interest in the discussion, as a non-executive director of Learning Partnership West, although this was not considered to amount to a conflict.
 - Members of the Board commented on the delay in respect of the Student Lifecycle Support Programme (SLSP). In the ensuing discussion, it was noted that programme reshaping was underway, and that the lead auditor from Deloitte would be reviewing the University's revised plans in due course as a means of providing assurance.
 - Members of the Board queried whether the difficulties in Decanal recruitment might indicate a larger problem. It was acknowledged that recruitment to senior academic positions was becoming more difficult across the sector, with 'wooing' of candidates now much more commonplace in view of the competition between institutions. The University was now considering its talent pipeline much more robustly, and proactive succession-planning was taking place. That said, despite challenges in this area, it was felt that the recent Dean and Head of School appointments were excellent and that the new processes in place had helped in improving the gender balance of such appointees.
- 8. Strategy Implementation: Strategic Performance ***
- 8.1 RECEIVED and NOTED (reference **BT/17-18/011**) and presentation (on file).
- 8.2 The Director of Strategy, Planning and Change presented to the Board. In particular, the presentation highlighted the following:

- An overview of the Strategic Performance Indicators (SPI) dashboard, including the key issues indicated by the SPIs of which the Board should be mindful:
 - In respect of Black and Minority Ethnic (BAME) student satisfaction, the Pro Vice-Chancellor (Education) explained that work was being undertaken to identify the trajectory and to interrogate the reasons for it. At discipline level, there was a significant variance in the student experience and also volatility year on year, but also relatively small numbers of students – making for fairly ‘noisy’ data. There was a rich data set, suggesting a very wide set of issues at play, and the University was committed to better understanding the needs and expectations of its BAME students.
 - The Pro Vice-Chancellor (International) highlighted the changes implemented in the preceding year to better support student recruitment and reminded members of the Board that internationalisation was more broad than simply the recruitment of international students, and included providing a vibrant and international experience for home students as well as appropriately supporting international students in Bristol.
 - **[REDACTED: likely to prejudice commercial interests]**
- Contextual analysis of underlying reasons for certain of the variances (positive and negative). In particular, it was noted that the Board should be mindful of the timelag affecting the data in future years. For example, in respect of the Research Excellence Framework (REF), the delay between actions taken by the University and the impact on REF positioning could be up to ten years.
- An overview of the newly-implemented Integrated Planning Process (IPP).

8.3 In response to questions from members of the Board, the following points were noted:

- The Board was reminded that action plans in respect of National Student Survey (NSS) feedback were developed at School and Faculty level, and that the University had developed tiers of monitoring. The Board would be pleased to see more data regarding the improvements being made at School and Faculty level.
- Admissions of BAME students were increasing and the Bristol Scholars initiative was helping to shift the admissions profile of the University – although there was variation across disciplines.
- In discussion of strategic priority topics, it would be helpful to engage external experts where appropriate and to consider how committees of the Board might also engage with those topics.
- Members of the Board would appreciate greater time at a future meeting to discuss and understand the SPIs that related to metrics used in TEF and REF.
- It would be important for the Board, and the University more broadly, to consider the spread of staff and the resulting culture across the Clifton and TQEC campuses. This might not neatly translate to SPIs, but it would be necessary to find a way for this to be understood by the Board going forward.

8.4 The Chair of the Board reflected on the volume of work being undertaken across the University, and on the levels of information and assurance being brought to the Board now. Whilst there were undoubtedly areas in which the University could improve, the Chair wished to record thanks to the Vice-Chancellor and the Executive for their continued hard work and success in implementing the Strategy thus far.

9. **Accountability Returns***

9.1 **Audit Committee Annual Report**

9.1.1 RECEIVED (reference **BT/17-18/012**)

- 9.1.2 The Board of Trustees was reminded that this report was a key source of assurance in the lead-in to approving and the signing off the annual report and financial statements. The Treasurer reminded the Board of the three elements that the Audit Committee was asked to consider by HEFCE in the preparation of its report, as noted in the report.
- 9.1.3 In particular, the Treasurer affirmed the Audit Committee's approach to scrutiny and reminded members of the Board that although members of the Executive attended its meetings, the lay members of the Committee met alone before each meeting – and felt that being able to 'look members of the Executive in the eye' at meetings was assuring.
- 9.1.4 It was clarified that the audit conducted by Mazars in respect of student visa compliance, as noted in the report, had been superseded by the audit recently conducted by the Home Office. Members of the Board commented that the results of fire safety audits conducted in student residences ought to be referenced in the next year's report.
- 9.1.5 The Board of Trustees APPROVED the Annual Report of the Audit Committee for 2015/16.

9.2 **Annual report and financial statements**

- 9.2.1 RECEIVED (reference **BT/17-18/013**).
- 9.2.2 The Chief Financial Officer introduced the report, firstly drawing the attention of the Board to the Letter of Representation to the External Auditors PriceWaterhouseCoopers. In particular, this had been modified from previous years to reflect the organisational structure of the institution. The Treasurer reminded members of the Board of their responsibilities in approving the annual report and financial statements, as noted in the Letter of Representation.
- 9.2.3 The Board of Trustees APPROVED the Letter of Representation to the External Auditors PriceWaterhouseCoopers.
- 9.2.4 The Chief Financial Officer outlined to the Board the key features of the annual report and financial statements, and reminded the Board that the External Auditors had concluded that the adjustments and assumptions made this year had been appropriate. In particular, the Board was reminded of the accounting treatment in respect of the prepayment made to Barclays Bank plc earlier in the year, which had had an impact on the reported surplus.
- 9.2.5 The Board of Trustees NOTED the report of the External Auditors.
- 9.2.6 The Board of Trustees APPROVED the Annual Report & Financial Statements and AUTHORISED the Chair and the Vice-Chancellor to sign the Annual Report & Financial Statements on its behalf.

9.3 **Financial Commentary**

- 9.3.1 RECEIVED (reference BT/17-18/014).
- 9.3.2 The Board of Trustees APPROVED the Financial Commentary for submission to HEFCE, subject to any comments from Finance Committee.

9.4 **HEFCE Sustainability (ASSUR) return**

- 9.4.1 RECEIVED (reference **BT/17-18/015**).

9.4.2 The Board of Trustees APPROVED the ASSUR report for submission to HEFCE.

9.4.3 The Board of Trustees AUTHORISED the Chair to sign the return on its behalf.

9.5 **Annual Assurance Return**

9.5.1 RECEIVED (reference **BT/17-18/016**).

9.5.2 The Academic Registrar joined the meeting for this item. The Board was reminded that the next report listed on the agenda (*'Academic Quality and Standards'*, paper ref. BT/17-18/017) had been prepared in support of this item, to facilitate the Board in giving the assurances required in this return. The Board noted that paper ref. BT/17-18/017 had been considered by Student Affairs Committee in its early stages, before being further developed by Senate and Education Committee for submission to the Board of Trustees.

9.5.3 The Board of Trustees APPROVED the Annual Assurance Return 2017.

9.5.4 The Board of Trustees AUTHORISED the Vice-Chancellor to sign the Annual Assurance Return 2017 on their behalf.

9.6 **Academic Quality and Standards**

9.6.1 RECEIVED and NOTED (reference **BT/17-18/017**).

9.6.2 The Board of Trustees NOTED the evidence provided to it in respect of the University's Annual Assurance Return.

9.7 **Annual Report: Prevent Duty**

9.7.1 RECEIVED (reference **BT/17-18/018**).

9.7.2 The Deputy Registrar reminded the Board of the background to the report, and the government's stated aims in this area.

9.7.3 Members of the Board commented that further information regarding training that had been conducted (particularly percentages of staff who had received training, rather than absolute numbers, and the training that had been provided to safeguarding leads) would be welcomed.

9.7.4 Subject to that information being included, the Board of Trustees APPROVED the 2016-17 Prevent Annual Report for submission to HEFCE and AUTHORISED the Chair of the Board to sign it on behalf of the Board of Trustees.

10. Financial Matters:*

10.1 **Finance Update***

10.1.1 RECEIVED and NOTED (reference **BT/17-18/019**).

10.1.2 The Chief Financial Officer introduced the report and advised the Board of the financial performance for the first two months of financial year 17/18 (ie, to 30 September 2017) as set out in the written report. In particular, the Chief Financial Officer drew the Board's attention to the exceptional award of capital funding made to the National Composites Centre (NCC) and the charge to be made in respect of USS.

10.1.3 The Board considered again (further to its previous meeting) the University's plans to create a co-sourced Internal Audit Service. This was agreed to be a compromise

between internally- (cost saving) and externally- (robustness and rigour) supported internal audit. The Treasurer noted that this had been the view of Audit Committee, but noted that the number of days work to be provided would require further discussion.

10.1.4 The Board APPROVED that the University procures a co-sourced Internal Audit Service.

10.1.5 The Board NOTED the USS pension update as set out in the written report.

10.1.6 The Board NOTED the liability cap agreed with the External Auditors for non-audit work.

10.2 **TQEC: Commercial Delivery Options**

10.2.1 RECEIVED and NOTED: (reference **BT/17-18/020**)

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

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

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

10.3 **Endowment Unitisation Report**

10.3.1 RECEIVED and NOTED (reference **BT/17-18/021**)

10.3.2 The Board APPROVED the schedule of investment unit values for the period 1 August 2016 to 31 July 2017.

10.4 **Retendering of External Auditors**

10.4.1 RECEIVED and NOTED (reference **BT/17-18/022**)

10.4.2 The Board of Trustees AGREED to commence the process to retender the University's external audit contract.

11. **Audit Committee Report***

11.1 RECEIVED (reference **BT/17-18/023**).

11.2 The Treasurer reflected on changes to risk reporting in the preceding year, and noted that going forward the risk summaries received by the Audit Committee would be appended to the reports of the Audit Committee to the Board.

11.3 The Board of Trustees NOTED the report from the Audit Committee, and commented on the compulsory training that members of staff were required to undertake. Whilst the increase in the number of training modules was welcomed, the University was encouraged to reconsider whether bribery and corruption training should also be made compulsory in view of the reputational risk to the University of such issues.

12. **Student Affairs Committee Report***

12.1 RECEIVED (reference **BT/17-18/024**)

12.2 The Chair of Student Affairs Committee reminded members of the Board of the recommendations made by KPMG regarding Student Affairs Committee in the context of the Governance Review.

- 12.3 It was noted that, in the context of the future strategic priority topics, it would be important to consider the balance of topics considered at committee level and by the full Board. Whilst there might be some topics which would benefit from detailed scrutiny by committees, the Board would need to ensure that topics did not 'disappear' into committees as most issues would be pertinent to the Board as a whole.
- 12.4 The Board of Trustees NOTED the report and AGREED IN PRINCIPLE the recommendations of SAC in respect of its future composition and operation.
- 13. Senate Report***
- 13.1 RECEIVED and NOTED (reference **BT/17-18/025**)
- 14. Finance Committee Report**
- 14.1 RECEIVED and NOTED (reference **BT/17-18/026**)
- 15. Estates Committee Report**
- 15.1 RECEIVED and NOTED (reference **BT/17-18/027**).
- 16. IT Committee Report**
- 16.1 RECEIVED and NOTED (reference **BT/17-18/028**)

Standing items

Equality diversity and inclusion (EDI)

The Board of Trustees noted that it had considered a number of matters relating to EDI, including the satisfaction and admission of BAME students; and recruitment to senior academic positions. The Board considered that issues submitted to it for consideration had taken due account of matters of EDI.

Communications and consultation

Members of the Board were reminded of the importance of treating certain of the papers strictly confidentially, as identified in the papers, including in respect of commercial options for TQEC.

Date of next meeting

26 January 2018.