

Confirmed



**BOARD OF GOVERNORS OF THE HE CORPORATION
MINUTES OF THE MEETING HELD ON
WEDNESDAY 9TH OCTOBER 2019**

Present: Mr D Bagley (Independent Governor), Mr C Clements (Independent Governor, Chair of the Board of Governors), Professor P Cullen (Co-opted Governor, education), Ms G Edge (elected & co-opted Staff Governor), Mr J Finnigan (Independent Governor, Deputy Chair of the Board of Governors), Ms O Motema (elected Student Governor), Ms A Palmer-Jones (Students' Union President/ Student Governor), Professor C Pickles (Independent Governor), Mr N Ramshaw (Independent Governor), Dr D Reid (Independent Governor), Mr D Whitehead (Independent Governor) and Professor S Wonnacott (Vice-Chancellor).

In

attendance: Mrs F Bagchi (Clerk to the Board of Governors), Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance), Ms J Hearnshaw (Secretary to the Vice-Chancellor) and Professor R Whittaker (Pro-Vice-Chancellor Academic).

- 1.0 Apologies for absence.** Apologies were received from the following Governors: Mr Bates (Governor nominated by the Academic Board), Ms Handa (Independent Governor). Apologies were received from the following senior management team member: Professor Russell (Pro-Vice-Chancellor Student Experience & Resources).
- 2.0 Declaration of interests & code of conduct report.** The following standing declarations of interest were received); Mr Bagley (University of Sheffield Council member, Gradcore Limited); Mr Clements (partner, Deloitte); Professor Cullen (trustee and Board Member, Open College of the Arts); Ms Edge (employee, Leeds Arts University); Ms Motema (student, Leeds Arts University); Ms Palmer-Jones (Leeds Arts University Students' Union President); Professor Pickles (employee, Laureate Online Education for the University of Liverpool Online); Mr Ramshaw (employee (Managing Director), Thompson Brand Partners); Dr Reid (Director of Bank Saderat plc and an Independent member of the probate (regulatory) committee of the Institute of Chartered Accountants of England and Wales); Mr Whitehead (employee (CEO & Principal) Leeds College of Building); Professor Wonnacott (employee, Leeds Arts University, Director GuildHE, Director Yorkshire Universities, UCEA Board member, Trustee HESA Board. Related parties: staff member, student member).

The following declarations of interest were made during the meeting: at agenda item 5, Mr Bagley stated during a discussion of graduate employment that he was a Director of Gradcore Limited; at agenda item 12 at which the appointment/election

of committee Chairs was discussed, Mr Finnigan and Dr Reid, as current committee Chairs, declared an interest and left the meeting.

PART I - Procedural matters: items for approval

- 3.0 **Minutes of the July 2019 Board of Governors' meeting.** The minutes of the meeting of the Board of Governors held on 3^d July 2019 were approved: proposed Dr Reid, seconded Mr Whitehead.
- 4.0 **Action plan update & matters arising.** Governors considered the action plan attached to the above minutes, noting that actions not already completed were on the agenda or had a future completion date. [*Confidential minute*].

PART II - Items for consideration and monitoring

- 5.0 **Chief Executive's report.** The Vice-Chancellor, Professor Simone Wonnacott, presented the CEO's report for October 2019. Governors noted, in particular, the following areas covered by the report:
- (i) The Times & The Sunday Times Good University Guide
The Vice-Chancellor reported that the University had been ranked 56 out of 131 universities, having been ranked being 54th in the previous year, which was noted to be a positive position taking into account the fact that the University did not currently have a research rating. It was noted that the University had been ranked 20th for teaching quality.
 - (ii) Academic enrolment, retention and success rates
It was noted that enrolments would be discussed at agenda item 6, when reviewing key performance indicators.
 - (iii) Research
Governors noted that the mock Research Excellence Framework (REF) assessment outlined in the institutional Code of Practice had taken place and that the exercise had been useful in identifying where additional targeted research mentoring was required ahead of the formal submission. Governors noted the significant amount of research work recorded since the July 2019 report.
 - (iv) Estates
Governors noted that the refurbishment projects due to take place during the summer had been completed, including the consolidation of all the MAC suites into one area.
 - (v) Access & Participation Plan update
Governors noted that the University's Access and Participation Plan had been submitted to the Office for Students (OfS) in July 2019, which had requested further clarification in August 2019, with a telephone conference also taking place. The Vice-Chancellor confirmed that, following this first re-submission, a response had been made to a second set of OfS queries in September 2019, and the University was now awaiting the OfS's final decision.
 - (vi) Successes
Governors considered and noted the section in the report on student successes, congratulating those involved. The high number of successes recorded since the July 2019 report was noted. Governors also noted that the University had been shortlisted for two Times Higher Awards in relation to research developments

i.e. Outstanding Strategic Planning Team and Technological or Digital Innovation of the Year.

Governors discussed the University's ranking in The Times and The Sunday Times Good University Guide in relation to job prospects for students, noting the Vice-Chancellor's report that the metrics used had been taken from the previous year's survey, which was now managed centrally by Graduate Outcomes. It was recognised that creative graduates often had a portfolio career and many were self-employed. The complexities of capturing this type of employment profile were noted. The different activities with the enterprise and employability function were discussed.

Mr Bagley declared at the start of the above discussion on graduate employability that he was a Director of Gradcore Limited.

The Board of Governors received the CEO's report for October 2019, congratulating the University for being ranked 20th for teaching quality in The Times and The Sunday Times Good University Guide.

6.0 Annual report against the Strategic Plan indicators & KPIs. The Vice-Chancellor presented the second annual report against the strategic plan 2017-2023 and key performance indicators (KPIs). Governors considered and discussed the report, including an update on enrolment data.

(A) Strategic Aims

Strategic aim 1: to provide student-centred teaching and learning in a studio and practice based environment which nurtures excellence, leads to graduate success, and supports economic growth and artistic enrichment.

Governors noted that, to support this aim, several indicators had been used to assess how the University was performing, noting in particular the following:

- With reference to National Student Survey (NSS) overall satisfaction, teaching, assessment and feedback and resources scores had been used;
- With a score of 81%, the University had performed better for overall satisfaction than the creative arts benchmark (80%) and the institutional specific benchmark (80%) but worse than the HE sector benchmark (84%);
- Non-continuation had risen to 4.8%, which was still a good result and above benchmark, but the area was being closely monitored, particularly with reference to the retention of under-represented groups;
- The University's further education (FE) Learner Satisfaction Survey results had exceeded national benchmarks i.e. the University's interim result for the year was 89.3% (2017/18: 90.7%), with the FE sector average for the subject category arts media and publishing being 80.5% and the FE sector average being 82%;
- As previously noted, the Destination of Leavers from Higher Education (DLHE) was now being managed centrally by Graduate Outcomes, with results from the survey of 2017/18 graduates due in spring 2020 i.e. there was currently no update on the figures from the 2016/17 graduate survey;
- The University's FE achievement rates had remained high, with an overall rate for FE of 91.4% (2017/18: 94.2%), which was above the FE sector benchmark.

Governors noted that in 6 of the 27 NSS questions, the University had performed better than benchmark.

The Vice-Chancellor reported that: the University was broadly aware of the reasons for the fall in student satisfaction and steps had been put in place to improve the areas identified; feedback from students would also be carefully monitored; while the overall satisfaction result was positive, the University intended to concentrate on improving it further; with regard to the score for assessment and feedback and resources, the University had performed better than benchmark.

It was noted in response to Governors' questions concerning whether a culture change from school to university might also be responsible in part for a fall in student satisfaction that: actions included explaining the learning and teaching approach within the University to students and course action plans addressed this point where relevant.

It was noted in response to Governors' questions concerning the delay in the opening of the new building at Blenheim Walk that this did not appear to have affected the student satisfaction score.

It was noted in response to Governors' questions on higher education (HE) retention and under-represented groups, that the monitoring of data on non-continuation was being improved for use in relation to the University's Access and Participation Plan targets and any retention issues relating to under-represented groups would be reviewed in detail; a full report on retention and under-represented groups in further education (FE) would be included in the FE self-assessment report to be presented to the January 2020 Board of Governors' meeting.

Strategic aim 2: to continue to develop and progress relevant research practice which enhances teaching and learning, is globally significant and contributes positively to society.

Governors noted that, to support this aim, several indicators had been used to assess how the University was performing, noting in particular the following:

- Preparation was continuing for REF2021, with targeted support to assist staff in generating peer reviewed research output;
- Engagement with Open Access continued to improve, with the University now able to collect robust research data to inform strategy;
- There had been an increase in the University's postgraduate cohort due to a number of factors, including the introduction of a number of specialist Masters and the introduction of the postgraduate student loan.

Strategic aim 3: to consolidate our reputation as an influential specialist arts university, collaborating with external partners to support student success and cultural advancement.

Governors noted that the latest undergraduate international enrolment numbers were in line with the University's target. It was noted there had been a high number of deferrals this year which might relate to the post-university work visa being reinstated in 2020 and with the current uncertainty of Brexit.

(B) Strategic enablers

Strategic enabler 1: to foster a dynamic and professional culture which attracts, recruits and retains student-centred staff who actively engage in self-development and make a full contribution to the University.

Governors noted that:

- Currently the percentage of HE academic teaching staff with a Higher Education Academy (HEA) Fellowship was just below the target minimum set and was slightly lower than in the previous year due to the recruitment of new staff who would need to be supported through the HEA Fellowship process;
- FE academic teaching staff with HEA Fellowship was above target;
- The aim for 100% of staff progress reviews to be completed by the given deadline had been achieved.

Strategic enabler 2: to have a high quality physical environment and underlying infrastructure that supports students and staff in their aspirations and increases engagement with the wider community.

Governors noted that the indicator relating to the percentage of property insurance replacement value invested in capital and maintenance had been exceeded, with a focus on buildings and refurbishment in recent years, and the aim for 100% of the estate to be in condition A or B achieved in 2018/19.

Strategic enabler 3: to ensure institutional sustainability by generating sufficient surpluses and using funding effectively so that appropriate investment can take place.

Governors noted that:

- The total number of Home/EU undergraduate students, including returners, was in line with the forecast target for 2022/23, the new courses had all recruited well;
- The number of Home/EU FE students including returners was below the target set due to a variety of known reasons;
- The conversion rate target for Home/EU students was aspirational, interview/audition practices were reviewed annually to help maximise the conversion rate;
- The overall conversion rate was below the target, although some courses had achieved it;
- The University's annual surplus was lower than in 2017/18 but better than the budgeted surplus and in line with the target set for 2022-23;
- With reference to net debt to income and cashflow available to service debt to debt service costs, the University had not yet had to draw the loan down;
- Payroll costs were below the maximum set and were carefully managed to ensure staffing was retained at an appropriate level.

The Board of Governors received the annual report against the University's strategic plan indicators and key performance indicators (KPIs).

Part III - Academic Board report: for information & approval

7.0 Academic Board report. The Vice-Chancellor presented the Academic Board minutes of 26th June 2019.

Governors noted that: under the Articles of Government, the membership of the Academic Board of the University was set out in rules or bye-laws approved by the Board of Governors; the June 2019 meeting of the Academic Board was recommending that Governors should revise the membership of the Academic Board to include the new post of Head of Postgraduate Studies.

The Board of Governors approved, on the recommendation of the Academic Board, the addition of the post of Head of Postgraduate Studies to the membership of the Academic Board: proposed Mr Whitehead, seconded Professor Cullen.

Action: Clerk

Governors noted that the minutes of the Academic Board meeting held in June 2019 also recorded that:

- Changes to the terms of reference of the Academic Board had been agreed;
- The BA (Hons) Creative Writing had been approved and the BA (Hons) Textile Design had been re-approved;
- A revised further education (FE) Self-Assessment Report template had been approved;
- The Concordat to Support the Career Development of Researchers, Gap Analysis and Action Plan update had been approved;
- The Diploma in Visual Arts, which was a level 2 precursor to the Access to Higher Education Diploma in Art and Design, had been closed for recruitment from September 2019.

In response to Governors questions, it was noted that:

- The BA (Hons) Textile Design had been re-approved subject to three conditions, one of which had been that course documentation should be revised to include the embedding of teaching on intellectual property rights within the course;
- It was intended that the above change would also be applied to other courses documentation as they went through the periodic review process;

The Board of Governors received the minutes of the Academic Board meeting held on 26th June 2019.

PART IV - Financial & risk matters: items for review & information

8.0 Financial matters: management accounts. The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented the management accounts for 31st July 2019, including a review of financial KPIs, which was considered. It was noted that the management accounts to 31st July 2019 reflected the pension scheme adjustment but were unaudited.

Governors noted that:

- The year-end operating surplus before the actuarial loss was 10% of income (£2.1 million), which was higher than the budgeted surplus of 6% but lower than the 2017/18 surplus of 18%, primarily due to the FRS 102 service cost increase and an increase in costs related to the new build, refurbishment costs and new equipment costs;
- Income was lower than budget due to lower than budgeted recruitment, which was partly offset by a strong retention rate, with a fees non-collection rate of 2.5% compared to a budget assumption of 5%;
- The University income stream had grown in line with the University's curriculum portfolio, with a corresponding increase in costs and staffing;
- The pension deficit has increased significantly due to an actuarial loss, mainly as a result of a reduction in the discount rate, with the potential costs of the McCloud judgment having been included in the expenditure line provisionally until the outcome of the judgment was known;
- The University had net assets of £27.5 million;
- The balance sheet had remained strong and cashflow had remained healthy;

- Cash reserves had remained high and the level of bad and doubtful debts had remained low.

The Pro-Vice-Chancellor Assurance & Director of Finance reported that the OfS had still to confirm the 2018/19 financial returns it required, including submission dates.

Governors discussed in detail the University's surplus, with reference to their responsibilities as charity trustees, including investing for the benefit of current and future students. It was noted that the University's financial strategy included surpluses in the range of 3-10% of income. The Pro-Vice-Chancellor Assurance & Director of Finance highlighted the fact that, due to investment in the new build, the 2018/19 surplus was the lowest surplus in recent years, with surpluses in 2017/18 and 2016/17 having been 18% and 16% respectively. The Vice-Chancellor confirmed that sustainability and value for money were at the forefront of all planning and budgeting and that it was hoped that there would be greater clarity on funding at the latest by the date of the Governors and Executive meeting in April 2020 to inform strategic discussions on future investment in resources.

Action: Vice-Chancellor

Governors noted, in discussion of pay expenditure, that employer's contributions to the Teachers' Pension Scheme (TPS) had increased to 23% and the possibility of future increases in employers' contributions to the Local Government Pension Scheme (LGPS).

The Board of Governors received the management accounts for 31st July 2019, noting the positive year-end position.

- 9.0 OfS annual risk assessment.** The Board of Governors noted that an annual risk assessment report from the OfS had not been received in 2019 to date.

PART V - Committee reports & minutes: for information

10.0 Board of Governors: committee minutes & reports:

(i) Search & Nominations Committee. Mr Clements, as a member of the Search & Nominations Committee, gave a verbal report on key issues considered at the Committee meeting which had taken place earlier on 9th October 2019.

Governors noted, with reference to items considered at the above meeting that: in the absence of Ms Handa, the current Chair of the Committee, Mr Clements had been appointed as temporary Chair for the meeting; the Committee had considered current vacancies for 2 Independent Governors i.e. a vacancy for an Independent Governor with a creative background and for an Independent Governor with a financial/legal background; with reference to Board diversity, it had been noted that the Board of Governors was currently gender balanced; the Committee had noted, with reference to succession planning, that Mr Bagley's first 4-year term of office would end on 12th April 2020 and Mr Clements' final term of office would end on 16th July 2020. Mr Clements reported that Mr Bagley had confirmed that he would be happy to be considered for a second 4-year term of office.

It was noted in response to Governors' questions that: the vacancy for an Independent Governor with a financial/legal background had been advertised on the University website and externally, including on the Committee of University Chairs (CUC) website and the Women on Boards website; the closing date for applications was 31st October 2019.

Mr Clements reported that the Committee had also considered vacancies for a member of the Search & Nominations Committee and for the role of Senior Independent Governor, which had arisen on the retirement of Mr Flathers from the Board of Governors. To enable the Committee's recommendations to be considered, Professor Cullen and Professor Pickles left the meeting.

The Board of Governors approved, on the recommendation of the Search & Nomination Committee, the appointment of Professor Cullen as Independent Senior Governor: proposed Dr Reid, seconded Mr Bagley.

The Board of Governors approved, on the recommendation of the Search & Nomination Committee, the appointment of Professor Pickles as a member of the Search & Nominations Committee: proposed Ms Edge, seconded Mr Whitehead.

Professor Cullen and Professor Pickles returned to the meeting.

The Board of Governors received a verbal report on key issues considered at the Search & Nominations Committee meeting held earlier on 9th October 2019.

PART VI- Governance matters: recommendations for approval

- 11.0 Revised committee terms of reference for inclusion in the Combined Governance Policies document.** The Board of Governors undertook its annual review of the terms of reference for its committees. Governors noted that the Audit Committee and the Remuneration Committee were each recommending revisions to their terms of reference.

Governors considered proposed revisions to the terms of reference of its committees and agreed the following additional amendments: the removal of the duplicate reference to 'and TRAC(T) returns' at new section r) in the Audit Committee's terms of reference; the inclusion in the 'Staff in attendance at meetings' section of the Remuneration Committee terms of reference of a clarificatory statement that the Vice-Chancellor attends the Remuneration Committee 'at the invitation of the Committee'; removal of Mr Flathers from the list of Remuneration Committee members and the addition of Ms Handa as an *ex officio* member (subject to her agreement to appointment as Chair of the Search & Nominations Committee); the removal of Mr Flathers from the list of Search & Nominations Committee members and the addition of Professor Pickles as a member.

The Board of Governors approved revised Committee terms of reference for inclusion in the Board of Governors' Combined Governance Policies document, with the amendments noted above: proposed Dr Reid, seconded Mr Finnigan.

Action: Clerk

- 12.0 Standing Orders: review of section 4.1.** Dr Reid, Chair of the Remuneration Committee, reported that the Remuneration Committee, when considering its standing agenda list at its July 2019 meeting, had considered a representation from the external co-opted committee member that the appointment of the Chair of the Remuneration Committee by the full Board of Governors was a more robust example of governance practice than election by committee members only. The Remuneration Committee was therefore recommending that Chairs of the Board of Governors' committees should in future be appointed by the Board of Governors and that each committee should then elect its own Vice-Chair.

The Clerk reported that: the current wording of section 4.1 of the Board of Governors' Standing Orders would permit the proposed practice being recommended by the Remuneration Committee, should the Board of Governors decide to adopt it; the Search & Nominations Committee, which had met earlier on 9th October 2019, had not appointed a Chair or Vice-Chair for 2019/20, pending the Board of Governors' decision on this matter.

The Board of Governors resolved that the Chairs of the Board of Governors' committees should be appointed annually by the Board of Governors, with committee Vice-Chairs continuing to be elected annually by each committee at the first committee meeting of the year: proposed Dr Reid, seconded Mr Finnigan.

Action: Clerk

Mr Finnigan, the current Chair of the Audit Committee, and Dr Reid, the current Chair of the Remuneration Committee, declared an interest and left the meeting.

The Board of Governors approved the appointment of Mr Finnigan as Chair of the Audit Committee for 2019/20: proposed Ms Palmer-Jones, seconded Mr Bagley.

The Board of Governors approved the appointment of Dr Reid as Chair of the Remuneration Committee for 2019/20: proposed Ms Palmer-Jones, seconded Mr Bagley.

The Board of Governors approved the appointment of Ms Handa as Chair of the Search & Nominations Committee for 2019/20, subject to her acceptance of the role: proposed Ms Palmer-Jones, seconded Mr Bagley.

Action: Clerk

Mr Finnigan and Dr Reid returned to the meeting.

- 13.0 Updated Code of Practice on Freedom of Speech.** The Board of Governors considered the University's revised Code of Practice on Freedom of Speech & Expressions, which reflected the University's obligations under section 43 of the Education (No.2) Act 1986 and under clause 8.2 of the Articles of Government, to have regard to the need to ensure that academic staff have freedom within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions without placing themselves at risk of losing their jobs or any privileges that they may have at the University.

Governors noted that: the University's current Code of Practice on Freedom of Speech was based on a model issued by Eversheds; Eversheds Sutherland had issued a slightly revised model Code of Practice on Freedom of Speech & Expression in September 2018 and the University's Code had therefore been amended accordingly i.e. a minor deletion was proposed at section 2.3. This change and an updated cross-reference at section 1.3 had been approved by the University's senior management team for recommendation to the Board of Governors.

The Board of Governors considered the updated Code of Practice on Freedom of Speech and agreed the following additional amendments: at section 1.5, the addition of a reference to artistic representation; at section 2.3 the removal of 'the majority of' in the first sentence; in the first bullet point of section 2.3, removal of the statement 'or otherwise be unlawful', as this was a duplication; removal of the redundant 'and' at point (b) of the second bullet point of section 2.3.

Members discussed the provision in the Code for decisions on meetings to be made

by the Pro-Vice-Chancellor Academic, with any appeal against a decision of the Pro-Vice-Chancellor Academic to be made to the Vice-Chancellor. It was agreed that the Clerk would review the practice of other higher education providers in this respect and would report to the Board of Governors.

Action: Clerk

The Board of Governors approved the updated Code of Practice on Freedom of Speech, with the additional amendments noted above: proposed Mr Whitehead, seconded Dr Reid.

Action: Clerk

PART VII - Governance matters: reports for information

14.0 Use of the University seal. As required under the Board of Governors' Standing Orders, the Board of Governors considered and received a report on the use of the University seal since the Board of Governors meeting held on 3rd July 2019 i.e. on the sealing and signing of the renewal lease for Geoff Hodgson House, JCT Design & Build Contract 2016 in respect of the MAC computer suites refurbishment and boiler replacement, nomination agreement with Liberty Park and Liberty Dock.

15.0 Chair's action report. As required under the Board of Governors' Standing Orders, the Board considered a report on Chair's action taken since the Board of Governors meeting held on 3rd July 2019 [*confidential minute*]. Governors noted that, under the University's Financial Regulations, any order over £100,000 required approval by the Board of Governors but, due to lead times and the start of the academic year in September, approval had been sought using the Chair's action. The Chair confirmed that he had been happy that the University's processes and procedures had been followed.

The Board received a report on Chair's action taken since the Board of Governors meeting held on 3rd July 2019.

16.0 Instrument & Articles of Government: role of the Privy Council. The Clerk reported that Privy Council oversight of HE governing documents had ceased on 1st August 2019 for higher education corporations, effected by Schedule 8 of the Higher Education & Research Act (HERA) 2017 which amended the Education Reform Act (ERA) 1988. It was noted that the amendment stated that a higher education corporation in England may 'vary, replace or revoke' its instrument or articles of government.

Governors noted that the Clerk had, however, recently received informal advice from Eversheds' Sutherland that, before a higher education corporation could make vary, replace or revoke' its Instrument &/or Articles of Government, it would need to revise those sections of the Instrument and Articles which referred to Privy Council approval, which would require submission of those changes to the Privy Council.

The Board of Governors agreed that the Clerk should seek formal advice from Eversheds Sutherland on the revisions which would be required to the University's Instrument & Articles of Government for submission to the Privy Council to enable the Board of Governors to subsequently 'vary, replace or revoke' its Instrument &/or Articles of Government as it may determine and as Schedule 8 of HERA 2017 permits: proposed Dr Reid, seconded Mr Bagley.

Action: Clerk

PART VIII - Documents from outside bodies: for information

- 17.0 Report on documents &/or links from outside bodies.** The Clerk reported that the Office for Students (OfS) annual accountability schedule would normally be presented to the Board of Governors' October meeting but, as it was now expected that the OfS would issue the 2019/20 schedule in mid-Oct. 2019, this would be presented to the Board of Governors' November 2019 meeting.

Action: Clerk

PART IX - Final matters

- 18.0 Any other business.** There was no other business.
- 19.0 Risk Management.** There were no new items of risk identified at the meeting.
- 20.0 Date of next meeting.** It was noted that the Board of Governors was next due to meet on Wednesday 27th November 2019 at 1.30pm. Mr Clements (Chair of the Board of Governors) and Mr Bagley gave apologies for the meeting.

Action: Clerk

PART X - Reserved Matters

- 21.0 Exclusions.** The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance), Ms G Edge (elected & co-opted Staff Governor), Ms O Motema (Elected Student Governor), Ms A Palmer-Jones (Students' Union President/Student Governor) and Professor R Whittaker (Pro-Vice-Chancellor Academic).
- 22.0 Reserved Matters: minutes of the Board of Governors meeting held on 3rd July 2019.** The confidential Reserved Matters of the Board of Governors meeting held on the 3rd July were approved: proposed Mr Ramshaw, seconded Dr Reid.
- 23.0 Action plan update & matters arising.** Governors noted that there were no actions or matters arising from the minutes to be considered and no update on the minutes to be received.
- 24.0 Reserved Matters: confidential Remuneration Committee minutes of 3rd July 2019.** It was noted that the approved confidential Remuneration Committee minutes of the 3rd July 2019 would be presented to the November 2019 meeting of the Board of Governors for information.
- 25.0 Annual review of confidential minutes.** It was noted that the confidential minutes review would take place at the Board of Governors' November 2019 meeting.
- 26.0 Any other business arising from the Reserved Matters agenda.** There was no other business.
- 27.0 Risk Management.** There were no new items of risk identified during the Reserved Matters section of the agenda.

Confirmed



**BOARD OF GOVERNORS OF THE HE CORPORATION
MINUTES OF THE MEETING HELD ON
MONDAY 25TH NOVEMBER 2019**

Present: Mr D Bagley (Independent Governor), Mr C Clements (Independent Governor, Chair of the Board of Governors), Professor P Cullen (Co-opted Governor, education), Ms G Edge (elected & co-opted Staff Governor), Mr J Finnigan (Independent Governor, Deputy Chair of the Board of Governors), Ms A Handa (Independent Governor), Ms O Motema (elected Student Governor), Ms A Palmer-Jones (Students' Union President/ Student Governor), and Professor S Wonnacott (Vice-Chancellor).

In

attendance: Mrs F Bagchi (Clerk to the Board of Governors), Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance), Ms J Hearnshaw (Secretary to the Vice-Chancellor), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources).

- 1.0 Apologies for absence.** Apologies were received from the following members of the Board of Governors: Mr F Bates (Governor nominated by the Academic Board), Professor C Pickles (Independent Governor), Mr N Ramshaw (Independent Governor), Dr D Reid (Independent Governor), Mr D Whitehead (Independent Governor).

Apologies were received from the following member of the senior management team: Professor R Whittaker (Pro-Vice-Chancellor Academic).

- 2.0 Declaration of interests & Code of Conduct.** The following standing declarations of interest were received: Mr Bagley (Council member, University of Sheffield, Gradcore Limited); Mr Clements (partner, Deloitte); Professor Cullen (trustee and Board Member, Open College of the Arts); Ms Edge (employee, Leeds Arts University); Ms Handa (Anj Handa Associates, Chair of Freedom Studios Bradford); Ms Motema (student, Leeds Arts University); Ms Palmer-Jones (Leeds Arts University Students' Union President); Professor Wonnacott (employee, Leeds Arts University, Director GuildHE Ltd, trustee HESA Board, Director Yorkshire Universities Board, Member Ukadia, partner a staff member and daughter a student at the University).

PART I - procedural matters: items for approval

- 3.0 Minutes of the previous meeting.** The minutes of the meeting of the Board of Governors held on 9th October 2019 were approved: proposed Mr Finnigan, seconded Professor Cullen.

- 4.0 Action plan update & matters arising.** Governors considered the action plan attached to the above minutes, noting that actions not already completed were on the agenda or had a future completion date.

The Clerk updated the Board of Governors on action 14, which related to a discussion at the October 2019 Board of Governors' meeting concerning the provision in the University Code of Practice on Freedom of Speech & The Clerk reported that she had reviewed the practice of other higher education providers, where this was publicly available, noting that most of those she had reviewed appeared to follow a similar procedure i.e. with the initial decision made by a member of staff below Vice-Chancellor level and an appeal at Vice-Chancellor level. The Vice-Chancellor confirmed that she and the Pro-Vice-Chancellor Academic were happy to administer the procedure as drafted. The Board of Governors received the action table report, noting that there were no other matters arising from the minutes.

PART II - CEO's report: items for consideration and monitoring

- 5.0 Chief Executive's report.** The Vice-Chancellor, Professor Wonnacott presented the CEO's report for November 2019. Governors noted, in particular, the following areas included in the report.

(i) Estates

Governors noted that the University had received confirmation that the final Building Research Establishment Environmental Assessment Method (BREEAM) certification for the Blenheim Walk extension had been achieved, with the development successfully retaining a BREEAM Very Good rating.

(ii) Research

Governors noted that: the University had received notification from Research England that its Code of Practice for selecting staff outputs for REF2021 had been approved; the University had also successfully retained the HR Excellence in Research charter. The positive amount of research that had taken place, which was highlighted in the report, was noted.

(iii) Tier 4 Sponsor status

Governors noted that the UK Visas & Immigration had informed the University that it had met all of the core requirements and had maintained its Tier 4 Sponsor status, which had to be applied for annually by the University to enable it to recruit international students.

(iv) Support provided for students who experience sexual harassment/assault

The Vice-Chancellor reported that Audit Committee members had noted at its October 2019 meeting, with reference to the possible inclusion of safeguarding as a potential area for future internal audit review, recent press reports on HE students and sexual harassment. It had been noted at the Audit Committee meeting that, while this would not fall to be considered under the heading of safeguarding, which was specifically concerned with students aged under 18 years and with vulnerable adults, the Vice-Chancellor would, however, include details of support provided to students in relation to this matter in her CEO's report to provide reassurance to Governors. A detailed report had therefore been included in the current report, which was discussed.

It was noted in response to Governors' questions that: The University had engaged with The Consent Collective for the last 12 months, which was a not-for-profit collaboration of experts, activists and performers who helped organisations and communities talk about consent, sexual harassment and domestic abuse, providing information, training and advice; The Consent Collective worked with HE institutions i.e. with institutions where students would normally be over the age of 18; with reference to student engagement with issues relating to consent and harassment, work was undertaken by the

University's Student Support team to facilitate student engagement generally and with the Students' Union specifically, with the materials provided by The Consent Collective very accessible; with reference to wider issues such as student mental health, in addition to other support, the University was now a subscriber to the Big White Wall, which offered 24/7 support for students and staff with their mental health.

It was agreed that Ms Handa, as the Lead Governor for Equality and for Safeguarding, would meet with the Vice-Chancellor to discuss the issues considered further as an update on the work she has previously observed.

Action: Vice-Chancellor/Ms Handa

(iv) Access and Participation Plan Update

It was noted that the University's Access and Participation Plan had now been approved by the Office for Students (OfS) and that a report was on the agenda.

(v) RIDDOR report

It was noted that the Health & Safety Executive (HSE) had not contacted the University to date concerning the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) report made in January 2019.

(vi) Prevent

It was noted that there had been no channel referrals or escalations of internal procedures regarding visiting speakers since the report given in October 2019.

(vi) Successes

The Chair of the Board of Governors, Mr Clements, drew attention to the section in the report on student successes, noting the significant number listed, noting also the quality of the photographic material illustrating the report.

The Board of Governors received the CEO's report for November 2019.

- 6.0 Key performance indicator (KPI) report.** Governors noted that, as the KPI report remained unchanged from that presented to the October 2019 Board of Governors' meeting, there was no update to be presented to the current meeting.

Part III - Reports on academic matters: for information

- 7.0 Academic Board report.** Governors noted that the Academic Board had met on the 18th November 2019 and that the minutes of the meeting would be presented to the January 2020 Board of Governors' meeting.

Action: Clerk

- 8.0 Annual report on student academic experience, student outcomes & degree standards.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the University's annual report on student academic experience, student outcomes and degree standards for 2018/19, for information.

Governors noted that historically HEFCE and the OfS had collected annual assurances from the governing bodies of higher education institutions, through the Annual Assurance Return, in relation to the student academic experience, student outcomes and standards of awards. Whilst the OfS no longer required the signed statement previously provided, a report had been produced by the University to ensure that Governors had sufficient information and context in order to assure themselves that conditions B1, B2, B3, B4 and B5 of the OfS ongoing conditions for registration had been met.

Governors noted that the Academic Board (as the most senior academic body with responsibility for advising the Vice-Chancellor on all matters relating to academic regulations, academic standards, quality, enhancement and the student experience) had approved the report as its meeting on the 18th November 2019.

Governors' attention was drawn, in particular, to the following:

- The report outlined the assurance approach and key features of the methodologies used to improve the student academic experience and student outcomes;
- The University's National Student Survey (NSS) overall satisfaction score was noted in the report to be above the Creative Arts and Design benchmark although slightly lower than the sector average satisfaction ;
- Student continuation was noted to be high, with low representation groups an area for future focus as set out in the Access and Participation Plan;
- To ensure OfS continuing registration, the University needed to meet the OfS baselines which applied to undergraduate and postgraduate provision;
- With reference to employability, the graduate outcome survey results would be available in spring 2020;
- In 2018-19 the proportion of first class and 2:1 degrees decreased and was slightly above the latest HESA benchmark;
- The University's external examiners' report had confirmed that degree classifications were in line with the quality of work produced and that 'marking is a fair representation of endeavor';
- During 2018-19, the University's internal auditors undertook an assurance review of course approval and periodic review, resulting in an award of Substantial assurance;
- The University's internal auditors would review Quality Management as part of the 2019/20 internal audit plan;
- The Annual Quality Report Action Plans 2018-19 and 2019-20, which were attached as appendices to the report;
- Areas of future focus were discussed.

In response to Governors questions:

- No systematic issues had been identified, with the University focusing on addressing issues identified in relation to a small number of courses;
- Student feedback had been reviewed by course teams and considered as part of Annual Course Evaluations;
- With reference to communication with students, the University's senior management team (SMT) had active engagement with the student body through meetings with student representatives and the Students' Union, and there was student involvement in the deliberative committee structure.

The Board of Governors received the University's report for 2018/19 on the student academic experience, student outcomes and degree standards.

PART IV - finance, including remuneration matters: items for consideration

9.0 Management accounts. The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the management accounts for the period ending 31st October 2019, including a review of the financial KPIs.

Governors noted that:

- HE recruitment had been better than expected for Home and EU students and there had been higher than expected Level 5 and Level 6 returners;
- Payroll was favourable against budget due to the timing of staff appointments;

- There had been a significant investment in resources;
- Cash reserves remained high;
- The level of bad and doubtful debts remained low.

The Board of Governors received the management accounts for 31st October 2019, including the financial KPIs, noting a positive start to the 2019/20 financial year.

10.0 Remuneration Committee annual report. Governors noted that the Committee of University Chairs (CUC) had issued guidance on senior staff remuneration in June 2018 i.e. *The Higher Education Senior Staff Remuneration Code; The Context for the Higher Education Senior Staff Remuneration Code; A Possible Outline Structure for a Remuneration Annual Report to the Governing Body*, which had been considered by the Remuneration Committee.

Mr Finnigan, as Vice-Chair of the Remuneration Committee, reported that the Remuneration Committee has approved, at its meeting on 13th November 2019, the annual report on senior post-holder remuneration for the financial year ended 31st July 2019 for presentation to the Board of Governors. Mr Finnigan reported that the report, if adopted by the Board of Governors, would be placed on the Governance section of the University's website, with appropriate links i.e. links to the University's Annual report and Financial Statements for the year ended 31st July 2019 and to the University's policy on income derived from external activities.

The Board of Governors approved for adoption and publication on the University website the Remuneration Committee's annual report for the financial year ended 31st July 2019: proposed Professor Cullen, seconded Mr Bagley.

Action: Clerk

PART V - finance & assurance matters: items for approval &/or submission to the Office for Students (OfS)

11.0 Audit Committee annual report. The Chair of the Audit Committee, Mr Finnigan, presented the Audit Committee annual report 2018/19, including the following appendices: the internal audit report from TIAA Ltd for the year ended 31st July 2019, the external auditors' report to the Audit Committee from KPMG for the year ended 31st July 2019, and the University's risk register for September 2019.

Governors noted that:

- The Audit Committee was required, under the Audit Code of Practice issued by the OfS, to provide assurance to the Board of Governors on the adequacy and effectiveness of: risk management, control and governance; economy, efficiency and effectiveness (value for money); and the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, OfS, Research England and other bodies.
- The Committee's Annual Report 2018/19 included a positive overall opinion.

Mr Finnigan noted that the Audit Committee's annual report included a review of the work of the internal auditors for 2018/19, TIAA Ltd, which had been considered by the Committee, noting that their work had resulted in the following opinion "TIAA are satisfied that sufficient internal audit work has been undertaken to draw a positive conclusion as to the adequacy and effectiveness of Leeds Arts University's risk management, control and governance processes. There was evidence to support the University's achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. In TIAA's opinion, Leeds Arts University has adequate and effective management, control and governance processes in place to manage the achievement of their objectives." It was noted that all reviews undertaken

during the year had resulted in an outcome of substantial or reasonable assurance, with all recommendations arising from the internal audit reviews having been implemented.

Mr Finnigan presented a review of the work of the external auditors, KPMG LLP UK, during 2018/19, noting that the audit report arising from the external audit for the year ended 31st July 2019:

- Indicated that KPMG anticipated issuing an unqualified audit opinion on the financial statements;
- Highlighted the University's overall positive financial position and noted that there was nothing arising from the audit which would lead KPMG to conclude that the use of the going concern basis of accounting was inappropriate;
- Noted that no significant adjustments had been made to the accounts following the audit;
- Recorded that KPMG's actuaries had reviewed the actuarial valuation for the West Yorkshire Pension Fund (which was the pension scheme applicable to the University's support staff), and noted that overall KPMG considered the assumptions adopted were within its benchmark range.

Mr Finnigan drew Governors' attention to Appendix A to KPMG's report concerning issues arising from the Lloyds Bank case on Guaranteed Minimum Pension (GMP) equalisation, which was expected to increase pension liabilities for public sector pensions, noting that: KPMG had noted during the course of its audit that the University's actuaries had applied an 'approximate' method when calculating the additional past service cost in relation to the GMP and, whilst KPMG had stated that they were not expecting there to be a material misstatement from the use of this methodology, they were recommending that in future accounting periods, the University should ask its actuaries to utilise a method of calculating tailored to its own membership composition. The Audit Committee had noted at its November 2019 meeting that the management response to KPMG's recommendation had stated that any provision required as a result of GMP was expected to be included in the actuaries' standard calculations from 2019/20 but, if this was not the case, the University would ensure that a separate calculation was prepared on an accurate rather than an approximate basis.

Mr Finnigan noted, with reference to the risk register, that this was compiled and regularly reviewed by the University's senior management team (SMT), reviewed 3 times during the year by the Audit Committee, with identification of new risks a standing agenda item for the Board of Governors and its committees.

Governors noted that the Audit Committee's overall opinion as stated in its annual report was that 'On the basis of the information presented to it, the Audit Committee is satisfied that reliance can be placed upon the adequacy and effectiveness of the University's arrangements for: risk management, control and governance; economy, efficiency and effectiveness (value for money); the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE OfS, Research England and other bodies'.

The Board of Governors considered and received the Audit Committee's Annual Report for 2018/19 and approved it for submission to the OfS: proposed Professor Cullen, seconded Mr Bagley.

Action: PVC Assurance & Director of Finance

- 12.0 Annual assurance return to the OfS.** The Board of Governors considered the University's 2018/19 Annual Assurance return to the OfS, which had been considered at the Audit Committee meeting held on 13th November 2019 for presentation to the Board of Governors.

The Board of Governors considered and received the University's 2018/19 Annual Assurance return and approved the signing of the return by the Vice-Chancellor, as the University's Accountable Officer, for submission to the OfS: proposed Professor Cullen, seconded Mr Bagley.

Action: Vice-Chancellor

13.0 Members' report & annual financial statements for the year ended 31.7.19. The Chair of the Audit Committee, Mr Finnigan, presented the report and financial statements for the year ended 31st July 2019.

It was noted that:

- Under its terms of reference the Audit Committee's remit included considering elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members; responsibilities and the statement of internal control, in accordance with the funding councils' accounts directions and recommending the annual financial statements to the Board of Governors for approval.

Mr Finnigan reported that the November 2019 meeting of the Audit Committee had noted that:

- The outturn for the financial year in the financial statements was unchanged from that included in the July 2019 management accounts presented to the Board of Governors at its October 2019 meeting;
- There had been an actuarial loss for the year in respect of the West Yorkshire Pension Fund (WYPF), noting its effect on the surplus shown in the Statement of Comprehensive Income for the financial year ended 31st July 2019;
- The University's external auditors had identified no issues in respect of the University's status as a going concern or in relation to the regularity of the University's expenditure and anticipated issuing an unqualified audit opinion on the financial statements, subject to their approval by the Board of Governors.

Governors noted the University's net pension liability had increased substantially from the prior year due to an actuarial loss suffered by the WYPF overall as a result of changes in the discount rate applied by the actuary. The effect of increasing employers' pension contribution costs had also been noted and their effect on overall pay costs.

Mr Finnigan drew Governors' attention to the statements in strategic report and public benefit statement, including the student achievements report, the Statement of Corporate Governance and Internal Control, and to the Notes accompanying the accounts, including at Note 6 (Key management personnel) a statement of the relationship between the Vice-Chancellor's basic pay and the median pay of all other employees expressed as a pay multiple, as required by the OfS.

The Board of Governors approved the Members' Report and the annual Financial Statements on the recommendation of the Audit Committee: proposed Ms Handa, seconded Mr Bagley.

It was noted that the approved Members' Report and Annual Financial Statements signed by the Chair of the Board of Governors, the Vice-Chancellor, and the external auditors would be submitted to the OfS by the 2nd December deadline.

Action: Chair/VC/KPMG/PVC Assurance & Director of Finance

14.0 Letter of representation to the external auditors. Mr Finnigan, as Chair of the Audit Committee, reported that the Committee had considered the letter of representation to the external auditors at its November 2019 meeting.

Governors noted that:

- The letter of representation confirmed that, to the best of Governor's knowledge and belief, relevant disclosures had been made to the external auditors, following relevant enquiries e.g. the October and November 2019 meetings of the Audit Committee had received management representations from the Vice-Chancellor, the PVC Assurance & Director of Finance, the PVC Academic and the PVC Student Experience & Resources on breaches of laws and regulations, actual or suspected frauds, and the existence of related party transactions, noting that none had declared that they were aware of any issues which should be brought to the Board of Governors' attention;
- Individual Governors had also provided year end declarations on related party transactions.

The Board of Governors approved the letter of representation to the external auditors, on the recommendation of the Audit Committee, for signing and submission to KPMG: proposed Mr Bagley, seconded Ms Handa.

Action: Chair/VC/PVC Assurance & Director of Finance

15.0 Financial return. The Pro-Vice-Chancellor (PVC) Assurance & Director of Finance, Ms Bailey, presented to the Board of Governors the updated financial forecasts and commentary for submission to the OfS.

Governors noted that: the process for providing financial year end and financial forecast information to HESA and the OfS had changed i.e. historically the financial forecasts had been submitted to OfS/HEFCE in July and in December a finance record return covering the previous two year ends had been submitted to HESA; the 2 returns had now been combined, new additional information on student numbers was required and the deadline for submission to the OfS was noon on 2nd December 2019 with a final sign off by noon on 10th January 2020.

Governors noted that the report of the PVC Assurance & Director of Finance recorded that the OfS Regulatory advice stated the following: 'The information about financial performance and position enables the OfS to:

- a. Assess a provider's financial viability and sustainability and make a judgement about the risk that it may breach condition D in future. This informs the mitigations that the OfS imposes on providers where the OfS identifies a higher risk of future breach of the condition.
- b. Assess the patterns and trends in financial sustainability of registered providers at a sector level. This enables the OfS to fulfil its statutory duty under section 68 of Higher Education and Research Act 2017 (HERA).
- c. Support evidence based policy making through provision of OfS advice to government, e.g. Department for Education, HM Treasury (the OfS won't share forecasts of individual providers with other bodies).
- d. Provide data relating to the last complete year to HESA for publication as an official statistic, which supports providers in benchmarking their performance against others. The provider will need to provide all the required information and to complete the financial return workbook in full'.

It was noted that the OfS requirements included: financial forecasts and commentary to be approved by the Board of Governors prior to submission and the sign off form signed by the University's Accountable Officer; any material changes to historic or forecast financial data or performance following this financial submission being treated as a reportable event under condition F3.

Ms Bailey reported that: the budget had been approved by the Board of Governors at the meeting on 3rd July 2019 and formed the basis of the financial forecasts which were being

considered by Governors at the current meeting; the approved budget had been updated for known factors such as the actual student recruitment position at October 2019, changes in staffing, and other volume related costs; the full financial return had been uploaded to the Governance section of eStudio.

In response to Governors' questions, it was noted that the increasing staff costs related to the increase in student numbers and the introduction of new courses to the portfolio, together with increases in employers' contributions to the Teachers' Pension Scheme (TPS) from September 2019, and that increased operational costs related to the new courses and summer refurbishment costs.

The Board of Governors approved the updated financial forecasts and commentary for submission to the OfS: proposed Mr Finnigan, seconded Professor Wonnacott.

Action: PVC Assurance & Director of Finance

PART V - finance & assurance matters: items for approval &/or submission to the Office for Students (OfS) (continued)

- 16.0 Students' Union annual report & accounts.** Governors noted that, under the Education Act 1994, the Board of Governors was responsible for ensuring that the Students' Union was accountable for its finances, including presenting financial reports to the Governors annually.

The PVC Student Experiences & Resources, Professor Russell presented the Students' Union report and accounts for the year ended 31.7.19, noting that the report had been prepared by Ms Cook, Students' Union Liaison Officer.

Governors commended the wide range of activities undertaken by the Students' Union during 2018/19, given its relatively modest budget, noting that the financial outcome for 2018/19 also showed little variance from budget.

Governors also commended the Students Union on their National Student Survey (NSS) score which remained consistently high.

The Students' Union President, Ms Palmer-Jones, expressed the Union's appreciation for the work undertaken by Ms Cook, Students' Union Liaison Officer.

The Board of Governors received the Students' Union annual report and approved the Students' Union accounts for the year ended 31st July 2019: proposed Mr Bagley, seconded Professor Cullen.

- 17.0 Internal audit strategy.** Mr Finnigan, as Chair of the Audit Committee, reported that: Haines Watts Controls & Assurance (HWCA) had been appointed by the Board of Governors as the University's internal auditors for a 3-year period from 2019/20; the Audit Committee had considered HWCA's draft internal audit strategy for 2019/20 at its October 2019 meeting and were recommending it to the Board of Governors for approval

Mr Finnigan reported that HWCA had met with the Pro-Vice-Chancellor Assurance & Director of Finance, the Head of Finance and the Chair of the Audit Committee prior to drafting the document and had considered strategy with reference to the University's risk register, key emerging themes for the higher education sector, and the need for ongoing assurance in relation to key aspects of internal control.

Mr Finnigan reported that the number of internal audit days had been increased for 2019/20.

The Board of Governors approved the internal audit strategy 2019/20, on the recommendation of the Audit Committee: proposed Ms Edge, seconded Ms Handa.

18.0 Annual Prevent duty report. The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, reported that the University was required to submit a Prevent monitoring return to the OfS by the 2nd December 2019.

To enable the Board to have confidence that the University was carrying out its duties in relation to Prevent and managing this area appropriately, a Prevent annual monitoring report had been produced which outlined how the University met its duty between 1st August 2018 and 31st July 2019. Governors considered the report, including the following documents to be submitted to the OfS: Prevent monitoring accountability statement; Prevent accountability data return.

Governors noted that the University's Prevent staff working group was chaired by Professor Russell as the University's Prevent Lead and that Professor Russell was also a member of the local Prevent Silver Group, which linked the University into partnerships across the City to share information, good practice and to promote dialogue. Governors noted that part of Professor Russell's role as the University's Prevent lead included reporting to the Board of Governors through an annual report and that, in addition, the Board of Governors also received at each meeting the Vice-Chancellor's report, which included a section on escalations of internal processes regarding referrals or visiting speakers, noting that there had been no escalations in 2018/19. It was noted that the University kept the Prevent risk assessment and action plan under regular review.

The Board of Governors received the University's Prevent duty monitoring report for 2018/19 and approved the Prevent accountability data return and the Prevent monitoring accountability statement for signing by the Chair of the Board of Governors and submission to the OfS: proposed Mr Bagley, seconded Professor Cullen.

Action: Chair/PVC Student Experience & Resources

PART VI - governance matters: items for approval

19.0 Legal advice on changes to the Instrument & Articles of Government & OfS reportable events sheet. The Clerk to the Board of Governors reported that Governors had noted at their October 2019 meeting that:

- Privy Council oversight of the governing documents of higher education corporations had ceased on 1st August 2019, effected by Schedule 8 of the Higher Education & Research Act (HERA) 2017 which had amended the Education Reform Act (ERA) 1988;
- The amendment stated that a higher education corporation in England may 'vary, replace or revoke' its instrument or articles of government;
- Informal advice from Eversheds' Sutherland was that, before a higher education corporation could make vary, replace or revoke' its Instrument &/or Articles of Government, it would need to revise those sections of the Instrument and Articles which referred to Privy Council approval, which would require submission of those changes to the Privy Council.

It was noted that the Board of Governors had agreed at its October 2019 meeting that the Clerk should seek formal advice from Eversheds Sutherland on the revisions which would be required to the University's Instrument & Articles of Government for submission to the Privy Council to enable the Board of Governors to subsequently 'vary, replace or revoke' its Instrument &/or Articles of Government as it may determine and as Schedule 8 of HERA 2017 permits.

The Board of Governors received and considered the following documents:

- Proposed revisions to the Instrument & Articles of Government prepared by

- Eversheds Sutherland for submission to the Privy Council for their approval;
- Advice from Eversheds Sutherland on the proposed revisions and advice that the revisions should be treated as a reportable event in relation to OfS condition E2 (The provider must have in place adequate and effective management and governance arrangements) of the OfS Conditions of Registration;
- A copy of the University's draft completed OfS reportable events form.

The Clerk reported that:

- Should the Board of Governors resolve to approve the revised Instrument & Articles of Government for submission to the Privy Council, it was proposed that a report to this effect should be made to the OfS following the current Board of the Governors' meeting, with a copy of the revised documents approved by the Privy Council submitted to the OfS following their approval by the former;
- OfS Regulatory Advice 16 (Reportable events) stated at paragraphs 21 & 22, with reference to condition of registration F3 (provision of information to the OfS'), that "21. Condition F3 requires a provider to notify the OfS of a reportable event 'as soon as reasonably possible once such an event is contemplated or the provider becomes aware of it, or that it is likely to occur. 22. In all cases, as set out in the enduring requirement in both the F3 Notice in Annex E of a provider's registration decision letter and the updated F3 Notice issued to registered providers on 15 October 2019, 'reportable events must be reported to the OfS within five days of the date that the event is identified or, if that is not possible due to exceptional circumstances beyond the control of the provider, as soon as reasonably practicable thereafter and without undue delay'".

The Board of Governors approved the following amendment to the draft revised Instrument of Government: that the reference to the OfS in the Interpretation section of the revised Instrument of Government should be amended to read "OfS" means the Office for Students, a non-departmental public body of the Department for Education, acting as the regulator and competition authority for the higher education sector in England or any successor body'.

Action: Clerk

The Board of Governors approved the proposed revisions to the Instrument & Articles of Government, amended as noted above, for submission to the Privy Council, and the proposed reportable events form for submission to the OfS: proposed Ms Handa, seconded Mr Bagley.

Action: Clerk/PVC Assurance & Director of Finance

- 20.0 Minor revisions to Senior Post-holder Remuneration Procedure.** The Vice-Chair of the Remuneration Committee, Mr Finnigan, noted that the annual review of the senior post-holder remuneration procedure had taken place at the Remuneration Committee's July 2019 meeting, with minor amendments agreed for recommendation to the Board of Governors. It was noted that the Remuneration Committee terms of reference included at Appendix A to the senior post-holder remuneration procedure, were the version approved by the Board of Governors in Oct. 2019.

The Board of Governors approved the revised senior post-holder procedure: proposed Professor Cullen, seconded Ms Handa.

PART VII - reports: for information

- 21.0 OfS: compliance with ongoing conditions of registration.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented a report on compliance with the ongoing conditions of OfS registration.

Governors noted that Ms Bailey's report confirmed that :

- From the 1st August 2019, all registered providers were required to comply with all of their ongoing conditions of registration;
- A table showing the list of conditions and their current status, which was attached as an appendix to the report, showed that all conditions had been met by the University to date [*confidential minute*].

Ms Bailey reported in connection with condition G3 (Payment of OfS and designated body fees), that the Chair of the Board of Governors had received a letter from the OfS dated 21st October 2019 which stated that the University had failed to make the payment of fees to the Quality Assurance Agency (QAA) as Designated Quality Body (DQB) on time, noting that 249 other providers had also failed to make this payment on time. The OfS letter stated that ' . . . the Quality Assurance Agency for Higher Education (QAA), had written to providers setting out the deadlines for submission for payment'. The letter noted that the OfS considered missing the payment deadline to be a breach of providers' conditions of registration but, as a transitional measure, the OfS would not take enforcement action against providers on this occasion and had instead requested that providers' governing bodies discuss the reasons for any missed deadline and the steps that had been taken to prevent a recurrence, with a record of the discussion to be submitted to the OfS as proof that it had taken place.

Action: Clerk/PVC Assurance & Director of Finance

Ms Bailey presented a detailed report in relation to the request for and payment of the relevant QAA fee, together with a copy of an email received from the QAA, dated 18th July 2019, noting that payment of the fee was overdue and stating that if the invoice had recently been paid no further action needed to be taken. Governors noted that the invoice had been paid by the University as part of a payment run which took place on 17th July 2019, with payment clearing on 22nd July 2019, and that the finance team e-mailed the QAA on 22nd July 2019 to inform them of this.

The PVC Assurance & Director of Finance confirmed that the University's QAA and Higher Education Statistics Agency (HESA) accounts had been set to immediate payment and that they had been contacted to request that invoices be sent directly to the finance department in future rather than to other staff within the University; a direct debit had already been set up to pay the OfS annual fee.

The Board of Governors discussed and noted a report from the PVC Assurance & Director of Finance on compliance with the ongoing conditions of OfS registration with reference to a letter from the OfS dated 21st October 2019.

The PVC Assurance & Director of Finance reported that a report on compliance with the ongoing conditions of OfS registration would in future be presented to the Board of Governors at least annually.

Action: Clerk/PVC Assurance & Director of Finance

- 22.0 OfS: Access & Participation Plan 2020/21-2024/25.** The Pro-Vice-Chancellor Student Experience & Resources, confirmed to the Board of Governors that: the University had now received notification that its five year Access and Participation Plan (APP) had been approved by the OfS for its first year of operation; approval for future years would roll forward on the basis that annual monitoring reports to OfS were deemed satisfactory.

As previously reported, it was noted that: OfS approval followed from an iterative process since the plan was first approved by Governors and submitted by the original deadline at the beginning of July 2019; with the exception of adjustments in response to OfS requests for clarification and some more detail that showed growth in widening participation activity over time, the main amendments to the original submission had been:

- The inclusion of a new target for the participation of IMD (Index of Multiple Deprivation) groups and an objective to increase the University's understanding of the barriers facing these groups, so that further targets in continuation and progression for these groups might be set in future plans;
- An objective to increase the University's understanding of the issues affecting progression to employment for students according to POLAR4 groups and to determine measures to address any gaps;
- Greater reference to the University's work with care leavers through its partnership with Go Higher West Yorkshire;
- Further reference to achieving parity of achievement between those with a disability and those without;
- A reference to ensuring that student involvement in monitoring the plan would include those from under-represented groups.

Governors noted that OfS approval was subject to enhancement monitoring that was specifically linked to the first 2 points outlined above, as well as the use of an OfS financial toolkit referenced in the APP, which correlated the award of financial bursaries to students and their continuation on their courses.

Professor Russell reported that: the first monitoring report against the plan was due to be submitted in January 2022 (following its approval by the Board of Governors); it was not yet clear how the OfS would require monitoring against the plans for 2018/19 and 2019/20 and Governors would be advised when this was known.

The Board of Governors received the University's report on the Access and Participation Plan 2020/21-2024/25.

23.0 Annual Health & Safety Report. The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, presented the Health & Safety Report 2018/19, which had been produced by the Head of Estates.

Governors noted that the report, which had been designed to give the Board of Governors assurance that its duties were being met under the terms of the Health and Safety at Work Act 1974, provided an account of the work of the University's Health & Safety Committee. Professor Russell stated that the report had been presented to the Health and Safety Committee in October 2019, with the Committee judging the report to be accurate and complete.

It was noted that: data on the overall number of reported incidents for both staff and students in the previous 3 years showed that incidents had increased, noting that this increase corresponded to a rise in number of students and staff in the reporting period; new comprehensive risk and safety guidance handbooks had been issued for areas and courses; there had been one reportable RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) incident in 2018/19.

It was noted in response to Governors questions that: the University had notified its insurers of the RIDDOR incident.

The Board of Governors received the University's Annual Health & Safety Report 2018/19.

24.0 Safeguarding Children & Vulnerable Adults Annual Report. The Pro-Vice-Chancellor (PVC) Student Experience & Resources, Professor Russell, presented the Safeguarding Children & Vulnerable Adults Annual Report which set out arrangements, activities and incidents in 2018/19 relating to the safeguarding of children aged under 18 and vulnerable adults aged 18 and over.

Governors noted that whilst Universities and HEIs were not specified as being subject to the Government's guidance 'Working Together to Safeguard Children' (2015) or the Care Act (2014, 2017), which set out the requirement for schools and colleges to produce an annual report with an analysis of the effectiveness of their safeguarding arrangements, the University considered it prudent that Governors should continue to receive an annual report in this area given the University's further education provision.

The PVC Student Experience & Resources reported that the University was committed to safeguarding the welfare of its students and staff, and to meeting its duties under the Counter-Terrorism and Security Act (2015) and the UK Government's associated Prevent strategy. Governors noted that the information in the report referred to the Prevent duty in relation to safeguarding children and vulnerable adults only and that a report detailing how the University met its wider Prevent duty as an institution was produced separately, with the report for 2018/19 considered earlier on the agenda.

The Board of Governors received the University's Safeguarding Children & Vulnerable Adults Annual Report 2018/19.

- 25.0 Code of Governance & Statement of Primary Responsibilities report.** The Clerk reported that: the June 2015 meeting of the Board of Governors agreed to adopt the CUC *Higher Education Code of Governance* (2014, revised 2018) (the *Code*) from 1 Aug 2015; the *Code* was premised on an 'apply or explain' basis i.e. a governing body must explain where it considers a whole primary element or a supporting 'must' statement inappropriate.

Governors noted that: the full 2018/19 report against the Code had been considered and approved by the Audit Committee at its November 2019 meeting, which had concluded that the primary elements in the *Code* and the responsibilities in the *Statement* had been applied; a summary version of the year-end report was being presented to the Board of Governors, for information, with the full report against the Code & Statement published on the University website.

Action: Clerk

The Board of Governors received the 2018/19 summary report against the Code of Governance & Statement of Primary Responsibilities report, noting that the primary elements in the Code and the responsibilities in the Statement had been applied.

- 26.0 Report on use of the seal.** Governors noted that the seal had not been used since the October 2019 meeting of the Board of Governors.
- 27.0 Report on Chair's action.** Governors noted that no Chair's action had been taken since the October 2019 meeting of the Board of Governors.
- 28.0 Report on CUC October 2019 plenary.** It was noted that: the University was a member of the Committee of University Chairs (CUC); the Chair of the Board of Governors was invited to attend national and local CUC events; where the Chair was unable to attend, events could be attended by other Governors on his behalf e.g. Mr Finnigan (Deputy Chair of the Board of Governors) had attended a Committee of University Chairs (CUC) Northern Group event on 3rd October 2019 at the University of Leeds and Dr Reid (Chair of the Remuneration Committee) attended the CUC autumn plenary in London, 10th to 11th October 2019. The Chair of the Board of Governors drew Governors' attention to the report on the CUC plenary submitted by the Chair of the Remuneration Committee.

The Board of Governors received a report on the CUC October 2019 plenary.

PART VIII - Documents/links from outside bodies: for information

- 29.0 Documents/links from outside bodies.** The Board of Governors noted the links to the following documents that had been published since their meeting in October:
- Office for Students (OfS) 'General ongoing condition of registration F3: Provision of information to the OfS - accountability return 2019' (28 Oct. 2019);
 - OfS Value for Money strategy 2019 to 2021 (18 Oct. 2019);
 - OfS Regulatory Advice 16: Reportable events (15 Oct. 2019);
 - OfS Regulatory Advice 15: Monitoring & intervention (15 Oct. 2019).

PART IX - committee reports & minutes: for receipt

30.0 Board of Governors: committee minutes & reports.

30.1 Search & Nominations Committee. The Board of Governors received the unconfirmed Search & Nominations Committee minutes of the meeting held on 9th October 2019.

30.2 Audit Committee. The Board of Governors received the confirmed minutes of the Audit Committee meeting held on 9th October 2019.

30.3 Audit Committee. The Board of Governors noted that the minutes of the Audit Committee meeting held on 13th Nov. 2019 would be presented to the January 2020 meeting of the Board of Governors.

PART X - final matters

31.0 Any other business. There were no new items of business.

32.0 Risk Management. There were no new items of risk identified at the meeting.

33.0 Date of next meeting: It was noted that the Board of Governors was next due to meet on Wednesday 22nd January 2020 at 1.30pm.

PART XI - Reserved Matters

34.0 Exclusions. The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Ms A Palmer-Jones (Students' Union President/Student Governor), Ms G Edge (elected & co-opted Staff Governor), Ms O Motema (Elected Student Governor), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), and Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance). The Vice-Chancellor was invited to remain in attendance.

35.0 Reserved Matters minutes of the previous meeting. The Board of Governors noted that the Reserved Matters minutes of the Board of Governors' meeting held on 9th October 2019 were in the public domain, having been approved at agenda item 3 above.

36.0 Remuneration Committee minutes of 3rd July 2019. The Board of Governors received, for information, the confidential approved Remuneration Committee minutes arising from the meeting held on 3rd July 2019.

37.0 Remuneration Committee minutes of 13th November 2019. The Board of Governors noted that the minutes of the Remuneration Committee meeting held on 13th November 2019 would be presented to the January 2020 meeting of the Board of Governors. It was noted that the main item considered at the meeting was the Remuneration Committee

report 2018/19, which had been considered earlier on the Board of Governors' agenda at agenda item 10.

Action: Clerk

38.0 Any other business. There were no any other business arising from the Reserved Matters agenda.

39.0 Risk Management. There were no new items of risk identified at the meeting under the Reserved Matters agenda.