

Confirmed



BOARD OF GOVERNORS OF THE HE CORPORATION
Minutes of the Board of Governors' meeting held on
Wednesday 13th October 2021 via Microsoft Teams

Present: Mr D Bagley (Independent Governor), Professor P Cullen (Senior Independent Governor, Deputy Chair of the Board of Governors), Mr R Dawson (Independent Governor), Mr J Finnigan (Independent Governor, Chair of the Board of Governors), Ms A Handa (Independent Governor), Ms K Malone (elected Student Governor), Mr N Ramshaw (Independent Governor), Professor C Pickles (Independent Governor), Dr D Reid (Independent Governor), Ms N Rumball (Independent Governor), Dr S Taylor (Governor nominated by the Academic Board), Ms C Tuton (Students' Union President/ Student Governor), Mr B Warden (elected & co-opted Staff 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), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources) and Professor R Whittaker (Pro-Vice-Chancellor Academic).

PART I - Items to note

1.0 Apologies for absence. Apologies for absence were received from Mr M Riley (Independent Governor).

The Chair welcomed Ms Tuton (Students' Union President/ Student Governor) and Ms Malone (elected Student Governor) to their first Board of Governors' meeting.

2.0 Declaration of interests & code of conduct report. The following standing declaration of interests were noted: Mr Bagley (Council member, University of Sheffield, Gradcore Limited); Professor Cullen (trustee Royal School of Needlework); Mr Dawson (Director Potter Group Limited, Director RWD Consulting Limited); Ms Handa (Anj Handa Associates, Chair of Freedom Studios Bradford); Ms Malone (student, Leeds Arts University); Professor Pickles (Provost, Laureate Online Education for the University of Liverpool Online & the University of Roehampton Online); Mr Ramshaw (Director, You Prosper Ltd, trustee East Street Arts); 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); Ms Rumball (employee Uniac, trustee of University of Bristol Students' Union); Dr Taylor (employee, Leeds Arts University); Ms Tuton (Students' Union President, Leeds Arts University); Mr Warden (employee, Leeds Arts University); Mr Whitehead (employee (CEO & Principal), Leeds College of Building); Professor Wonnacott (employee, Leeds Arts University (Vice-Chancellor), director/trustee GuildHE Ltd, member Ukadia (a GuildHE sub-group), director/trustee

HESA Ltd, director/trustee Yorkshire Universities, partner a staff member and daughter a student at the University).

PART II - Items for approval

- 3.0 Minutes of the previous meeting.** The minutes of the meeting of the Board of Governors held on 30th June 2021, including the confidential minutes were approved: proposed Ms Handa, seconded Dr Reid.
- 4.0 Action plan update & matters arising.** The Board of Governors considered the action plan attached to the above minutes, noting that all actions had been completed or had a future completion date.

PART III - strategic items for consideration &/or information

- 5.0 Chief Executive's report.** The Vice-Chancellor, Professor Wonnacott presented the CEO's report for October 2021. Governors noted, in particular, the following areas covered by the report.
- i. The Times & The Sunday Times Good University Guide
The Vice-Chancellor reported a significant drop in the University's ranking in the Guide, which was discussed.
 - ii. Coronavirus
The Vice-Chancellor reported that: the University was continuing to work closely with Public Health officials in Leeds, Environmental Health and the Council; the University's Covid-19 outbreak plan had been approved by Public Health and submitted to the Department for Education.

In response to Governors' questions it was noted that, while the Office for Students (OfS) had suggested that providers might survey students' Covid-19 vaccination status, the University had taken the decision not to undertake a survey as the majority of the University's students would not yet be eligible for a second vaccination; the University's own track and trace team had, however, asked students with whom they came into contact if they had been vaccinated, with indications that vaccination take up was high.
 - iii. Skin's Chancellor Scholarship
The Vice-Chancellor reported that: the first year of Skin's Chancellor Scholarships had been awarded to three students who had started their undergraduate studies at Leeds Arts University in 2021/22.
 - iv. Research
Governors commended staff for the significant amount of research noted in the report.
 - v. Successes
Governors commended the significant number of student successes contained in the report and detailed on social media and thanked staff for their support for and work with the University's students which had contributed to their success.

Governors discussed in particular the annual Leeds Arts University Sustainability Awards.

The Board of Governors received the CEO's report for October 2021.

- 6.0 Strategic Review.** The Vice-Chancellor presented the report on the Strategic review,

noting that the University's strategic plan covered the period 2017 to 2023. Governors considered and discussed the report, including the review of key performance indicators (KPIs).

Governors noted that, having previously made very good progress against the KPIs accompanying the strategic plan, 2020/2021 had been a more challenging year for the University and not all KPIs had been positive, with the continuing pandemic and lockdown between the start of January 2021 and March 2021 having had a more substantial impact on the student experience;

Governors considered a table showing a comparison of the University's overall satisfaction score in the NSS against specialist and regional institutions.

Governors noted that:

- The University's NSS results were below the University's expectations and benchmarks, with the University's previously high overall satisfaction score reduced significantly;
- Work streams and projects were being undertaken by the University to address the issues that the survey highlighted and to return satisfaction to its historically high level;
- Safety remained a priority but students were being encouraged to attend on site as much as possible to encourage a sense of community, collaboration between courses and to take part in student societies.

Governors noted that the University's undergraduate non-continuation rate remained low compared to the institutional benchmark and the Creative Arts and Design subject area, which was positive.

Governors noted that: the Graduate Outcomes survey, which was managed nationally by Graduate Outcomes, had taken place between September 2020 and November 2020; results had been affected as graduates had struggled to find highly skilled jobs during the pandemic.

Governors noted that: due to the pandemic, the FE Learner Satisfaction Survey had not taken place; overall achievement rates in FE had remained positive, with an overall rate of 91.8%, which was slightly above the FE sector benchmark, with rates above 90% having been sustained at the University over the last 5 years.

Governors noted that the University had submitted to the Research Excellence Framework (REF) and would know the outcome in May 2022.

Governors noted that: the University had successfully expanded its postgraduate provision.

Governors noted that the latest undergraduate international enrolment numbers were in line with the University's target, which was a positive achievement, taking into account the pandemic and the restrictions in many countries, including the UK, which had affected student recruitment nationally.

Governors noted that:

- Home undergraduate enrolment (including returners) was positive, despite the pandemic, although the applicant conversion rate was lower than the aspirational target which had been set in the original plan.

In response to Governor's questions it was noted that:

- The next Teaching Excellence Framework (TEF) exercise had been postponed until 2023;
- With reference to graduate careers, the University provided careers and employability support to graduates for 5 years after graduation, including access to the University's online system and the ability to book sessions with staff members;
- The pandemic meant that work experience and opportunities had been unavailable but the Careers, Enterprise and Employability team were working hard to offer internships and placements now that restrictions had eased and the industry was opening up again;
- In relation to the reference in the Academic Board minutes (minute 5, Periodic Review) to the importance of supporting students to develop resilience and self-management as set out in the Subject Benchmark Statements, it was noted that work was being done with course teams to develop students as autonomous learners;
- With reference to the continuing relevance of the measures in the University's strategic plan, it was noted that the plan covered the period 2017 to 2023, which meant that the University was currently halfway through the plan, with a strategic discussion planned for the Governors April 2022 Informal meeting;
- The University had not expected the fall in overall satisfaction seen in the NSS to be as significant and had put a range of measures into place to improve this,
- Although the NSS headline figure for student satisfaction had been low, there had been a number of the University's courses which had performed well.

The Vice-Chancellor confirmed that the University's immediate focus was improving student satisfaction and graduate outcomes but the future remained uncertain and challenging, both in relation to the pandemic and its aftermath and possible future changes in Government policy.

The Board of Governors received the report on the strategic review.

Professor Pickles left the meeting.

PART IV - academic items: for information

- 7.0 Academic Board report.** The Board of Governors received the minutes of the Academic Board meeting held on 24th June 2021.

The Board of Governors received the minutes of the Academic Board meeting held on 24th June 2021.

PART V - finance & audit items: for information & review

- 8.0 Management accounts.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the management accounts and commentary for the year ended 31st July 2021, including a review of financial KPIs, which was considered.

Governors noted that:

- The year-end operating surplus was higher than budget but in line with 2019/20;
- Income was above budget as a result of the undergraduate tuition fee non-collection rate being better than the prudent budget assumptions;
- The balance sheet was strong and the University had good cash reserves.

It was noted that student numbers had continued to increase as a result of 2020/21 being the third year of the new undergraduate courses and that there had also been an increase in postgraduate students, with academic staffing having increased as a result

of increased student numbers.

The impact of the pandemic in 2020/21 was noted in discussion of the July 2021 monthly accounts with the following being noted in particular:

- The budget for external exhibitions had not been spent;
- Expenditure on events had included the cost of two graduation ceremonies;
- There had been a lower spend on materials and course consumable costs but an increase in the materials allowance paid to students compared to budget.

In response to Governors' questions concerning investment by the University and student satisfaction, the Vice-Chancellor reported that: during the pandemic, the University had supported students, increased the University's hardship funds and the student materials allowance and had invested in equipment and resources; student tuition had continued to be provided although, where necessary, online; there had been some student dissatisfaction with student accommodation during the pandemic, which related to private accommodation providers as the University had no accommodation of its own.

With reference to the University's reserves and future plans to invest in its estates, it was noted that these would be reviewed later in the year when there should be greater clarity about a number of Government policy decisions which could affect the University's financial situation.

[Confidential minute]

The Board of Governors received the management accounts for the financial year ended 31st July 2021.

- 9.0 TRAC benchmarking.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the TRAC benchmarking report that had been issued by the Office for Students (OfS), together with a report analysing the sector TRAC data for 2019/20.

Governors noted that the sector data showed 92.5% of TRAC full economic costs recovered, with the University's above this figure and in line with the average for the University's peer group (F).

The Board of Governors received the TRAC benchmarking report.

- 10.0 KPMG Teachers' Pension certificate report.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the KPMG Teacher's Pension Certificate Report for the year ended 31 March 2021, which was received.

PART VI - governance items: for approval

- 11.0 Revised Board of Governors' standing agenda item list 2021-22.** The Clerk to the Board of Governors presented the revised standing agenda item list for 2021/22, which was considered.

The Board of Governors approved the revised standing agenda item list for 2021/22: proposed Mr Whitehead, seconded Dr Reid.

- 12.0 Board of Governors' combined governance policies document: recommendations on delegation & committee terms of reference.**

(i) Committee terms of reference

The Clerk to the Board of Governors presented the combined governance policies

document, reporting that: during June 2021 the Audit Committee, Remuneration Committee, and the Search and Nominations Committee had undertaken their annual review of their terms of reference; the Remuneration Committee and the Search and Nominations Committee were recommending that their terms of reference should remain unchanged; the Audit Committee was recommending that their terms of reference should be revised to better align them with the model terms of reference in the Committee of University Chairs' *Higher Education Audit Committee Code of Practice* (published May 2020).

The Board of Governors noted that the Office for Students (OfS) had confirmed that a committee of the University's governing body would no longer have to confirm compliance with the Transparent Approach to Costing (TRAC) requirements and approve the TRAC return and agreed that the following paragraph should therefore be removed from the Audit Committee's terms of reference 'r) Reviewing and approving the University's Annual Transparent Approach to Costing and TRAC(T) return'.

The Board of Governors approved the revised terms of reference for the Audit Committee with the amendment noted above: proposed Ms Handa, seconded Dr Reid.

Action: Clerk

(ii) Delegation in relation to the signing of auditors' letters of engagement

The Clerk to the Board of Governors presented a recommendation that in future, unless there was something which was particularly contentious/novel which the Audit Committee thought needs to be considered by the Board of Governors, all letters of engagement from the external and/or internal auditors addressed to the Board of Governors should be signed by the Vice-Chancellor on behalf of the Board of Governors following review of the letter by Audit Committee members (either at an Audit Committee meeting or by e-mail) and confirmation from the Chair of the Audit Committee that the Audit Committee was happy for the letter to be signed.

The Board of Governors approved the recommended procedure noted above concerning delegation in relation to the signing of auditors' letters of engagement: proposed Ms Handa, seconded Dr Reid.

- 13.0 Membership matters: Search & Nominations Committee recommendation on term of office for co-opted committee members.** The Chair of the Search and Nominations Committee, Ms Handa, reported that: to date no limit had been set with reference to the number of terms an external co-opted committee member could serve; the Search and Nominations Committee was recommending that external co-opted committee members should serve a maximum of two 4-year terms of office.

The Board of Governors approved a recommendation from the Search and Nominations Committee that co-opted committee members should serve a maximum of two 4-year terms of office: proposed Dr Reid, seconded Ms Rumball.

PART VII - governance items: for information

- 14.0 Report on Chair's action.** It was noted that, under section 3.6 of the Board of Governors' Standing Orders, the Clerk recorded any action taken by the Chair of the Board of Governors between meetings and included the action as an agenda item at the next ordinary meeting of the Board of Governors.

The Board of Governors noted that the following action had been taken by the Chair of the Board of Governors since the meeting of the Board of Governors on 30th June 2021: following e-mail consultation with Audit Committee members undertaken by the Clerk, the Chair of the Board of Governors, Mr Finnigan, taking Chair's action, had authorised

Professor Wonnacott, as Vice-Chancellor, to sign KPMG's Teachers' Pension Scheme return letter of engagement dated 12th August 2021 with an amendment increasing the limit on KPMG's liability.

- 15.0 Report on use of the University seal.** The Board of Governors noted that the seal had not been used since the Board's previous meeting.
- 16.0 Report on written resolutions.** The Board of Governors noted that there had been no use of written resolutions since the Board's previous meeting.
- 17.0 OfS reportable events report.** The Board of Governors noted that there had been no reportable events since the Board's previous meeting.
- 18.0 OfS conditions of registration document.** The Pro-Vice-Chancellor Assurance and Director of Finance, Ms Bailey presented a report on the University's compliance with the Office for Students (OfS) ongoing conditions of registration.

Governors noted in particular that:

- The OfS was currently consulting on changes to conditions relating to Quality & Standards;
- All current Teaching Excellence Framework (TEF) awards had been extended until publication of the outcomes of the next TEF exercise and it was expected that the new awards would be published in early 2023, subject to OfS consultation;
- Universities had been told by the OfS not to promote or use the extended awards to inform student choice once the 2021 student application cycle had been complete in September 2021 and the University had therefore removed reference to the TEF award from its website.

The Board of Governors received the University's report on compliance with the Office for Students (OfS) ongoing conditions of registration, noting that all conditions had been met.

PART VIII - Documents/links: items for information

- 19.0 Documents/links from regulators &/or other outside bodies** The Board of Governors received the following documents/links for information:
- The OfS published data deadlines for 2022-23 in July 2021, confirming that the deadline for the annual financial return for 2022 would be within 5 months and 2 weeks of the end of a provider's financial year i.e. no later than mid-January 2023 in the University's case.
<https://www.officeforstudents.org.uk/publications/deadlines-and-requirements-for-2021-22-data-returns-and-annual-financial-return-2022/>
 - OfS: *Financial sustainability of higher education providers in England* (published 25th June 2021) <https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2021/>
 - Notification from the OfS issued in September 2021 confirming that a committee of the University's governing body would no longer have to confirm compliance with the Transparent Approach to Costing (TRAC) requirements and approve the TRAC return.

PART IX - Committee minutes & reports: for receipt

- 20.0 (i) Board of Governors Committee minutes.** It was noted that there no committee minutes to be considered.

(ii) Board of Governors Committee reports. The Chair of the Search & Nominations Committee, Ms Handa, gave a verbal report on the Search & Nominations Committee meeting held earlier on 13th October 2021, reporting that the Committee had considered: Independent Governor vacancies arising between October 2021 and September 2022; the vacancy for a Senior Independent Governor (SIG), with the Committee noting that, due to the required independence of the role, the SIG should not be a Committee Chair or the Chair or Deputy-Chair of the Board of Governors; the Governor Code of Conduct, agreeing that no revisions was required; Governor training, including the Governor training session on IT systems and infrastructure scheduled for February 2022; the Committee's 2020/21 performance checklist, noting that the Committee was compliant; the need to hold an Extraordinary meeting to consider recommendations to Governor vacancies before the Committee's next scheduled meeting in June 2022.

Mr Finnigan, as Chair of the Board of Governors, noted that the Search & Nominations Committee's October 2021 meeting had been Ms Handa's final scheduled Search & Nominations Committee meeting and expressed the Board of Governors' thanks for Ms Handa's work as Chair of the Committee.

PART X - Final matters

21.0 Any other business. The Chair noted that the current meeting was Mr Ramshaw's final meeting as an Independent Governor and expressed the Board of Governors' thanks for Mr Ramshaw's contribution to the work of the Board of Governors.

22.0 Risk Management. The Board of Governors considered any new items of risk identified at the meeting.

[Confidential minute]

23.0 Date of next meeting. It was noted that the Board of Governors was next due to meet on: Wednesday 24th November 2021 at 1.30pm by Microsoft Teams.

PART XI - Reserved Matters

24.0 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 C Tuton (Students' Union President/Student Governor), Ms K Malone (elected Student Governor), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), Dr S Taylor (Governor nominated by the Academic Board), Mr B Warden (elected & co-opted Staff Governor), and Professor R Whittaker (Pro-Vice-Chancellor Academic).

25.0 Reserved Matters: Board of Governors' minutes. The Board of Governors noted that the Reserved Matters minutes of the meeting held on 30th June 2020 were in the public domain and had been considered for approval at agenda item 3 above.

26.0 Reserved Matters: Remuneration Committee minutes of 30 June 2021. Dr Reid, as Chair of the Remuneration Committee drew particular attention to the following matters considered at the Committee's June 2021 meeting: the decision not to commission an independent reward consultant for 2021/22; approval of the revised procedure for the *Recruitment and Selection of Senior Postholders*; review of the updated *Discretionary Policy on Salary Supplements in Lieu of Pension Contributions for Senior Postholders*; the decision to recommend the revised *Senior post-holder remuneration procedure* to Board of Governors for approval; a review of transparency in relation to staff and student Governor involvement in senior post-holder

remuneration matters; the inclusion of a standing agenda item on each agenda of the Committee reviewing the equality and diversity impact of decisions made at the meeting.

It was noted, with reference to staff and student Governor involvement in senior post-holder remuneration matters, that the Board of Governors' current practice was that: staff and student Governors were excluded from membership of the Remuneration Committee; senior post-holder matters, including Remuneration Committee minutes, would normally be considered under the confidential reserved matters section of the Board of Governors' agenda, during which staff and student Governors would be required to withdraw; the Board of Governors, including staff and student Governors, considered the Remuneration Committee's annual report for adoption and the report was published on the University's website; the University's annual financial statements, which included full details of the Vice-Chancellor's remuneration and the remuneration of the Pro-Vice-Chancellors expressed within a salary range, were approved by all Governors, including staff and student Governors, and were published on the University's website.

The Board of Governors received the minutes of the Remuneration Committee held on the 30th June 2021 and agreed that the *Recruitment and Selection of Senior Postholders* procedure should be made available to all Governors e.g. by placing it on eStudio.

Action: Clerk

- 27.0 Reserved Matters: revised senior post-holder remuneration procedure.** The Chair of the Remuneration Committee presented the draft revised senior post-holder remuneration procedure, reporting that the proposed revisions were minor updating changes.

The Board of Governors approved the revised senior post-holder remuneration procedure on the recommendation of the Remuneration Committee: proposed Ms Handa, seconded Ms Rumball.

Action: Clerk

- 28.0 Any other business arising from the Reserved Matters agenda.** There were no items of business arising from the Reserved Matters agenda.
- 29.0 Risk Management.** There were no new items of risk identified during consideration of the Reserved Matters agenda.

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Wednesday 24th November 2021 via Microsoft Teams**

Present: Professor P Cullen (Senior Independent Governor, Deputy Chair of the Board of Governors), Mr R Dawson (Independent Governor), Mr J Finnigan (Independent Governor, Chair of the Board of Governors), Ms A Handa (Independent Governor), Ms K Malone (elected Student Governor), Dr D Reid (Independent Governor), Ms N Rumball (Independent Governor), Dr S Taylor (Governor nominated by the Academic Board), Ms C Tuton (Students' Union President/ Student Governor), Mr B Warden (elected & co-opted Staff 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), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources) and Professor R Whittaker (Pro-Vice-Chancellor Academic).

1.0 Apologies for absence & declaration of interests. Apologies were received from Mr D Bagley (Independent Governor) and Mr M Riley (Independent Governor).

The following standing declaration of interests were noted: Professor Cullen (trustee Royal School of Needlework); Mr Dawson (Director Potter Group Limited, Director RWD Consulting Limited); Ms Handa (Anj Handa Associates, Chair of Freedom Studios Bradford); Ms Malone (student, Leeds Arts University); Professor Pickles (Provost, Laureate Online Education for the University of Liverpool Online & the University of Roehampton Online); 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); Ms Rumball (employee Uniac, trustee of University of Bristol Students' Union); Dr Taylor (employee, Leeds Arts University); Ms Tuton (Students' Union President, Leeds Arts University); Mr Warden (employee, Leeds Arts University); Mr Whitehead (employee (CEO & Principal), Leeds College of Building); Professor Wonnacott (employee, Leeds Arts University (Vice-Chancellor), director/trustee GuildHE Ltd, member Ukadia (a GuildHE sub-group), director/trustee HESA Ltd, director/trustee Yorkshire Universities, partner a staff member and daughter a student at the University).

Mr Finnigan and Professor Pickles declared an interest in agenda item 20.

PART I - procedural matters: items for approval

2.0 Minutes of the previous meeting. The minutes of the meeting of the Board of Governors held on 13th October 2021 minutes were considered and the following minor typographical amendments noted: at minute 3.0, 'M' should read 'Ms'; at minute 5, 'low at' should read 'low' and the fifth paragraph should begin 'Governors noted that: the Graduate Outcomes Survey'; at minute 8, 'continue to' should read 'continued to'; in the action table, the implementation

date at action 2 should read 'Jan. 2022' and at action 8 should read 'Nov. 2021'.

Action: Clerk

The minutes of the meeting of the Board of Governors held on 13th October 2021 were approved with the amendments noted above: proposed Ms Handa, seconded Professor Pickles.

- 3.0 Action plan update & matters arising.** The action plan attached to the above minutes was considered, with Governors noting that actions had been completed or had a future completion date. There were no other matters arising from the minutes.

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

- 4.0 Chief Executive's report.** The Vice-Chancellor, Professor Wonnacott presented the CEO's report for November 2021. Governors noted, in particular, the following areas covered by the report.
- i. Coronavirus
The Vice-Chancellor reported that: the University was continuing to work closely with Public Health officials in Leeds, Environmental Health and the Council; Covid-19 case rates remained low for those in the 18-24 age group.
 - ii. Research
Governors commended staff for the significant amount of research noted in the report. In response to Governors' questions, it was noted that staff had contributed to the conferences listed, which would be clarified in future reports.
 - iii. Successes
Governors commended the significant number of student successes contained in the report and detailed on social media and thanked staff for their support for and work with the University's students which had contributed to their success.

The Board of Governors received the CEO's report for November 2021.

PART IX- Students' Union matters: for approval

- 19.0 Students' Union annual report & accounts.** It was agreed that item 19 should be considered at this point on the agenda as Ms Tuton, Students' Union President and Student Governor would have to leave the meeting early.

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 31st July 2021, noting that the report had been prepared by Ms White, 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 2021: proposed Professor Cullen, seconded Dr Taylor.

- 5.0 Key performance indicator (KPI) report.** Governors noted that, as the KPI report remained unchanged from the report presented to the October 2021 Board of Governors' meeting, there was no update to be given.

PART III - Reports on academic matters: for information

- 6.0 Academic Board report.** Governors noted that the November 2021 Academic Board minutes

would be presented to the January 2022 Board of Governors' meeting.

PART IV - Finance matters: items for consideration

- 7.0 Management accounts.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the management accounts and commentary for the 3 months to the 31st October 2021, including a review of financial KPIs, which were considered.

Governors noted that:

- Income overall was better than budget to date and the current forecast was above budget;
- HE Home and EU enrolments were below budget but HE Overseas enrolments and FE Home recruitment were above budget;
- Pay and non-pay costs were below budget due to timing issues;
- Accommodation void costs were expected to be lower than budget;
- Cashflow was good and the balance sheet was strong.

[Confidential minute]

The Board of Governors received the management accounts for the 3 months up to the 31st October 2021.

PART V - Governance matters: for information (Part I)

- 8.0 Code of Governance & Statement of Primary Responsibilities report.** Governors noted that: the summary checklist against the Committee of University Chairs (CUC) Higher Education Governance Code was an extract from the full checklist for 2020/21, which had been approved by the Audit Committee at its November 2021 meeting; the report noted that the Board of Governors had generally applied the 6 Elements of the Code; the report against the Statement of Primary Responsibilities indicated that the Board of Governors had applied the responsibilities in the Statement.

The Board of Governors received the Code of Governance and Statement of Primary Responsibilities Report.

PART VI - Finance & assurance matters: for adoption or approval

- 9.0 Remuneration Committee annual report.** The Chair of the Remuneration Committee, Dr Reid, presented to the Board of Governors the Remuneration Committee Annual Report.

Dr Reid, as Chair of the Remuneration Committee, reported that:

- The Remuneration Committee had approved at its meeting on the 10th November 2021, its annual report on senior post-holder remuneration for the financial year ended 31st July 2021 for presentation to the Board of Governors;
- The report set out how the Committee had discharged its responsibilities during 2020/21 and, in doing so, how it had complied with the CUC's *The Higher Education Senior Staff Remuneration Code* and the *Higher Education Code of Governance*;
- The report included details of the Vice-Chancellor's remuneration and the pay multiples of the Vice Chancellor's salary against the median salary of staff for 2020/21 and the previous year;
- Governors were reminded that all pay was frozen during this year, no staff received an increase in 2020/21 and senior postholders voluntarily requested no increase;
- Although basic salary had been unchanged, total remuneration rose because of the rate of pension contributions in the Local Government Pension Scheme (LGPS) and Teachers' Pension Scheme increasing for all members.

In response to Governors questions it was noted that the post of University Chancellor was un-

remunerated.

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 2021: proposed Professor Cullen, seconded Dr Taylor.

Action: Clerk

10.0 Audit Committee annual report. The Chair of the Audit Committee, Dr Reid, presented the Audit Committee Annual Report 2020/21, including the following appendices: the internal audit report from HWCA for the year ended 31st July 2021, the external auditors' report to the Audit Committee from KPMG for the year ended 31st July 2021, and the University's risk register for September 2021.

Dr Reid drew Governors' attention to the sections of the Audit Committee's annual report which outlined the work that the Committee had undertaken during the year, together with a review of the documents attached as appendices. It was noted, with reference to the membership of the Committee, that Independent Governors Ms Rumball and Mr Dawson had joined the Committee during the year.

Dr Reid reported that the Audit Committee's annual report included a review of the work of the internal auditors, noting that section 7.3 of the report should record that Haines Watt Controls and Assurance (HWCA) had been the University's internal auditors since 2019/20.

Action: Clerk

It was noted that HWCA's annual report for 2020/21, which had been considered by the Committee at its October 2021 meeting, included an overall positive opinion.

Dr Reid reported that the University's risk register was reviewed 3 times annually by the Audit Committee. The risk register had been reformatted at the end of the year, as a result of a recommendation by the internal auditors, and the new version had been reviewed in October 2021 by the Committee.

Dr Reid reported that the Audit Committee had considered a year-end report for 2020/21 (the ISA 260 report) issued by the University's external auditors, KPMG at its meeting on 10th November 2021; the Committee had noted that KPMG anticipated issuing an unqualified audit opinion in the standard format subject to completion of consideration of going concern up to the date KPMG signed the accounts and receipt of a signed management representation letter following approval by the Board of Governors.

Dr Reid reported that section 8 of the report provided Information about fees, and the independence of the external auditors, KPMG. It was noted this included no recommendations. Dr Reid reported that a closed meeting had been held at the Committee's November 2021 meeting with the internal and external auditors without executive management present, with no issues to report.

Dr Reid reported that data quality and Value for Money (VfM) continued to be issues of interest to the Committee and sustainability was a new area of focus and one on which the Committee was providing an opinion to the Governors, drawing on audit work and management assurances.

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;

- sustainability, economy, efficiency and effectiveness (value for money);
- and the management and quality assurance of data submitted to regulators and funding bodies'.

Dr Reid thanked members of the Committee for their diligence and for their valuable contributions during the year and the Vice-Chancellor and Pro-Vice-Chancellor Assurance & Director of Finance, who had attended meetings to assist the Committee.

Mr Finnigan, as Chair of the Board of Governors, thanked the Committee for their work on behalf of the Board.

The Board of Governors considered and received the Audit Committee's Annual Report for 2020/21 and approved it for adoption, amended as agreed.

11.0 Members' report & annual financial statements for the year ended 31.7.21. The Chair of the Audit Committee, Dr Reid, presented the University's annual report and financial statements for the year ended 31st July 2021.

Dr Reid reported that the November 2021 meeting of the Audit Committee had noted that:

- The outturn for the financial year in the financial statements did not differ from the July 2021 management accounts presented to the Board of Governors at its October 2021 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 2021;
- The University's external auditors had identified no issues in relation to the regularity of the University's expenditure and, subject as noted earlier in the agenda, the University's external auditors had identified no issues in respect of the University's status as a going concern and anticipated issuing an unqualified audit opinion on the financial statements, subject to their approval by the Board of Governors.

The Board of Governors approved, on the recommendation of the Audit Committee, the University's Annual Report and Financial Statements for the financial year ended 31 July 2021: proposed Professor Pickles, seconded Ms Rumball.

It was noted that the approved Annual Report and Financial Statements signed by the Chair of the Board of Governors, the Vice-Chancellor, and the external auditors would be submitted to the OfS and placed on the University website.

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

12.0 Letter of representation to the external auditors. Dr Reid, as Chair of the Audit Committee, reported that the Committee had considered the letter of representation to the external auditors at its November 2021 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 November 2021 meeting of the Audit Committee had received management representations from the Senior Management Team, 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 Whitehead, seconded Professor Pickles.

Action: Chair/PVC Assurance & Director of Finance

- 13.0 Annual financial return.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented to the Board of Governors the updated financial forecasts and commentary for submission to the OfS.

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 (i.e. the Vice-Chancellor); any material changes to historic or forecast financial data or performance following this financial submission being treated as a reportable event under condition F3.

Governors noted, with reference to the papers received, that appendix 1 set out the main statements (income and expenditure, financial position and cashflows), the commentary to be submitted to the OfS had been included at appendix 2, with the full financial return placed on the Governance section of eStudio for information.

The Board of Governors approved the updated financial forecasts, together with the annual financial return and commentary for submission to the OfS: proposed Mr Whitehead, seconded Professor Pickles.

Action: PVC Assurance & Director of Finance

- 14.0 Covenants.** The Pro-Vice-Chancellor (PVC) Assurance & Director of Finance, Ms Bailey, reported to the Board of Governors that, under the terms of the revolving credit facility, the University was required to comply with the financial covenants, supply a signed covenant certificate and supply a signed financial statement certificate to accompany the financial statements.

The Board of Governors approved the signing of the covenant certificate and the signing of the financial statement certificate, proposed: Mr Whitehead, seconded: Professor Pickle.

It was noted that the covenant compliance certificate had been signed by the Chair of the Audit Committee, an Audit Committee member and by the Vice-Chancellor. The financial statement certificate to accompany the financial statements had been signed by the Chair of the Board of Governors and the Vice-Chancellor.

- 15.0 LIBOR transition - HSBC loan.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented to the Board of Governors a report on the LIBOR transition of the HSBC loan.

After due consideration of all the circumstances and on being satisfied that it is for the benefit of the Higher Education Corporation of Leeds Arts University (the "University") and in the interests of the University for the purpose of furthering its charitable objects, education mission and carrying on its activities to enter into an amendment agreement (the "Amendment Agreement") between, amongst others, HSBC UK Bank plc (the "Lender") and the University.

It was **NOTED** that the University entered into a loan agreement dated 26 January 2017 (the "Original Loan") between, amongst others, the Lender and the University and that the terms of the Original Loan would be amended once the University entered into the Amendment Agreement;

It was **NOTED** that the basis for calculating interest in the Original Loan would be obsolete and inappropriate following the LIBOR calculation ceasing to be recognised from 31 December 2021;

It was **NOTED** that the effect of the Amendment Agreement, would be to amend the terms of the Original Loan to provide for a transition from LIBOR to the Bank of England Base Rate (as defined in the Amendment Agreement); and it was **RESOLVED** by the Board of Governors of the University that:

1. the terms of, and the transactions contemplated by, the draft Amendment Agreement were approved;
2. the terms of all draft ancillary or supporting documents as considered in the Amendment Agreement were approved;
3. the University's entry into the Amendment Agreement was approved;
4. any two of the authorised signatories listed below (each an "**Authorised Signatory**") be authorised to negotiate, finalise and approve the final version of the Amendment Agreement with the Lender and to sign the Amendment Agreement and any other ancillary or supplemental documents required by the Lender in connection with the Amendment Agreement.

List of Authorised Signatories:

Professor Simone Wonnacott, Vice-Chancellor
John Finnigan, Chair of the Board of Governors

The Board of Governors approved the amendment agreement for signing by the Vice-Chancellor and Chair of the Board of Governors: approved Dr Reid, seconded Mr Dawson.

Ms Tuton left the meeting.

PART VIII - Other finance, audit, regulatory matters: for approval (continued)

- 16.0 William D Ford Direct Loan Program - KPMG & representation letter.** The Board of Governors noted the following information which had been provided with the papers for the meeting:
- KPMG had completed their agreed procedures in relation to the one William D Ford Direct Loan Program student which the University had in 2020-21;
 - KPMG's report had noted that there had been no instances of material non-compliance identified in its review;
 - Before signing their report, KPMG required a letter of representation from the Board of Governors.

The Board of Governors noted management assertions and the clean KPMG opinion and approved, for signing by the Vice-Chancellor the letter of representation to KPMG relating to their compliance report in relation to the William D Ford Direct Loan Program: approved Mr Whitehead, seconded Mr Dawson.

- 17.0 Annual internal audit plan.** The Chair of the Audit Committee, Dr Reid reported that the Audit Committee had considered HWCA's draft internal audit strategy 2021/22 - 2023/24 at its October 2021 meeting and were recommending the internal audit plan 2021/22 to the Board of Governors for approval.

Members noted that it was proposed that the plan would be undertaken in 2 blocks in 2021/22

and would include the following reviews: follow up, student wellbeing, estates/contract management, corporate governance, quality and data management, core financial controls, and international office.

The Board of Governors approved the internal audit plan for 2021/22, on the recommendation of the Audit Committee: proposed Professor Cullen, seconded Professor Pickles.

- 18.0 Annual Prevent duty report.** The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, who was the University's Senior lead for the Prevent Duty, reported that the University was required to submit an annual Prevent monitoring return to the OfS. Governors noted that: the purpose of the report was to enable the Board to have confidence that the University was carrying out its duties in relation to Prevent and managing this area appropriately; the Prevent annual monitoring report being presented to the Board of Governors outlined how the University met its duty between 1st August 2020 and 31st July 2021.

Governors considered the report, including the following documents to be submitted to the OfS: the Prevent monitoring accountability statement; Prevent accountability data return. It was noted that the report included new information required by the OfS for 2020/21 relating to the number of speakers or events declined (and the reasons), the number approved to speak subject to mitigations, as well as the number of prevent referrals, their nature and type, which were nil in all cases.

In response to Governors' questions, Professor Russell outlined the nature and frequency of Prevent duty training undertaken by staff.

The Board of Governors received the University's Prevent duty monitoring report for 2020/21 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 by the deadline of 1st December 2021: proposed Ms Handa, seconded Professor Pickle.
Action: Chair/PVC Student Experience & Resources

PART IX- Students' Union matters: for approval

- 19.0 Students' Union annual report & accounts.** It was noted that this item had been considered earlier on the agenda.

PART X - Governance matters: for approval

- 20.0 Recommendations on Independent Governor re-appointment &/or terms of office.** It was noted that: under the Instrument of Government, Independent Governors should normally serve at most two consecutive terms of 4 years, subject to satisfactory attendance, but an extension could be granted where a Governor took on a new and more senior role such as Chair of the Board of Governors; under the Board's Standing Orders, appointment following election as Chair of the Board of Governors was for 4 years, subject to annual re-appointment.

The Chair of the Search and Nominations Committee, Ms Handa, presented the following recommendations from the Committee:

- The re-appointment of Professor Pickles for a second and final 4-year term of office from 21st March 2022;
- The extension of Mr Finnigan's current term of office to 16th July 2024.

Professor Pickles left the meeting.

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the re-appointment of Professor Pickles for a second and final 4-year term of office from 21st March 2022: proposed Professor Cullen, seconded Mr Whitehead.

Professor Pickles returned to the meeting.

Mr Finnigan left the meeting.

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the extension of Mr Finnigan's current term of office to 16th July 2024 i.e. to be co-terminus with his 4-year term of office as Chair: proposed Ms Rumball, seconded Professor Cullen.

Mr Finnigan returned to the meeting.

PART XI - Governance matters: for information (Part II)

- 21.0 Report on Chair's action.** Governors noted that no action of the type specified had been taken since the Oct. 2021 meeting of the Board of Governors.
- 22.0 Report on use of the seal.** Governors noted that the seal had not been used since the Oct. 2021 meeting of the Board of Governors.
- 23.0 Written resolutions.** Governors noted that no written resolutions had been sent to Governors since the Oct. 2021 meeting of the Board of Governors.

PART XII - Documents/links: for information

- 24.0 Chair's report on CUC event held on 14.10.21.** The Chair to the Board of Governors presented a report on the Committee of University Chairs event that had been held on the 14th October 2021.
- 25.0 Documents/links from outside bodies.** The Board of Governors received the following documents and/or links from the OfS:
- **Letter to providers: Requirement to report reportable events to the OfS (dated 20th Oct. 2021).** This letter implemented revised reportable events requirements for registered providers, with effect from 1st January 2022, replacing the reduced reporting regime applicable during the Covid-19 pandemic. <https://www.officeforstudents.org.uk/publications/letter-to-providers-requirement-to-report-reportable-events-to-the-ofs/>
 - **Regulatory advice 16: Reportable events.** Updated guidance which applied from 1st January 2022. <https://www.officeforstudents.org.uk/publications/regulatory-advice-16-reportable-events/>
 - **Regulatory advice 15: Monitoring and intervention.** Updated guidance which applied from 1st January 2022. <https://www.officeforstudents.org.uk/publications/regulatory-advice-15-monitoring-and-intervention/>
 - **11 Nov. 2021: OfS consultation on new 3-year strategy (deadline for responses: 6 Jan. 2022)** <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/office-for-students-consults-on-new-strategy/> and <https://www.officeforstudents.org.uk/publications/consultation-on-ofs-strategy-for-2022-25/>

PART XIII - Committee minutes: for receipt

- 26.0 Board of Governors: committee minutes & reports.** The Board received the following minutes, which were presented by Committee Chairs.

26.1 Search & Nominations Committee (SNC), 13.10.21. The Board of Governors received the draft minutes of the meeting held on 13th October 2021, which have been confirmed by the Chair of the SNC, and noted that recommendations arising from the meeting had been considered earlier on the agenda at item 20.

26.2 Audit Committee. 13.10.21. The Board of Governors received the confirmed minutes of the meeting held on 13th October 2021 and noted that: a recommendation arising from the meeting had been considered earlier on the agenda at item 17 (approval of internal audit plan); the re-formatted risk register had been considered, Block 3 internal audit reports had been received and contained no significant issues.

26.3 Audit Committee, 10.11.21. The Board of Governors noted the minutes of the meeting held on 10th November 2021 would be presented to the Board of Governors meeting to be held in January 2022. Reports and recommendations arising from the meeting had been considered earlier on the agenda at agenda items 8 and 10-12.

Action: Clerk

PART XIV - Final matters

- 27.0 Any other business.** The Chair noted that the current meeting was Ms Handa's final Board of Governors' meeting as an Independent Governor and expressed the Board's thanks for Ms Handa's contribution to the work of the Board of Governors and for her work as Chair of the Search & Nominations Committee.
- 28.0 Risk Management.** There were no new items of risk identified at the meeting.
- 29.0 Date of next meeting.** It was noted that the Board of Governors was next scheduled to meet on Wednesday 26th January 2022 at 1.30pm.

PART XV - Reserved Matters

- 30.0 Exclusions.** There were no exclusions necessary prior to consideration of any subsequent items on the Reserved Matters agenda.
- 31.0 Reserved Matters minutes of the previous meeting.** The Board of Governors noted that the Reserved Matters minutes of the meeting of the Board of Governors held on 13th October 2021 were in the public domain and had been considered for approval at agenda item 3.
- 32.0 Remuneration Committee minutes of 10th Nov. 2021.** The Board of Governors noted that the minutes of the Remuneration Committee meeting held on 10th November 2021 would be presented to the January 2022 meeting of the Board of Governors. The Remuneration Committee report approved at the meeting had been considered earlier on the Board of Governors' agenda at item 10.
- 33.0 Any other business.** There were no other matters of business relating to the Reserved Matters agenda.
- 34.0 Risk Management.** There were no new items of risk identified at the meeting under the Reserved Matters agenda.