BOARD OF GOVERNORS OF THE HE CORPORATION
MINUTES OF THE MEETING HELD ON WEDNESDAY 11TH OCTOBER 2017

Present: Mr J Cox (Students’ Union President/Student Governor), Mr F Bates (Governor nominated by the Academic Board), Mr C Clements (Independent Governor, Chair of the Board of Governors), Mr J Flathers (Independent Governor), Mr J Finnigan (Deputy Chair of the Board of Governors & Independent Governor), Ms A Handa (Independent Governor), Ms M Ojari (elected Student Governor), Dr D Reid (Independent Governor), Ms K Watson (Independent Governor), Professor S Wonnacott (Vice-Chancellor), Mrs C Wright (Independent Governor)

In attendance: Mrs F Bagchi (Clerk to the Board of Governors), Ms J Hearnshaw (Secretary to the Vice-Chancellor), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), Professor R Whittaker (Pro-Vice-Chancellor Academic)

1.0 The Chair welcomed Mr J Cox and Ms M Ojari to their first Board of Governors’ meeting and noted that Ms J Hearnshaw would be in attendance as note-taker.

Apologies for absence. Apologies were received from, Dr S Cottrell (Independent Governor), Ms G Edge (elected & co-opted Staff Governor), Mr N Ramshaw (Independent Governor), Mr D Bagley (Independent Governor) and from Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance).

2.0 Declaration of interests & code of conduct report. The following standing declarations of interest were received under this agenda item: Mr Cox (Leeds Arts University Students’ Union President); Mr Bates (employee, Leeds Arts University); Mr Clements (partner, Deloitte); Mr Flathers (partner, Irwin Mitchell); Mr 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 K Watson (artistic director, East Street Arts, Leeds); Professor Wonnacott (employee, Leeds Arts University, and Universities & Colleges’ Employers’ Association Board member).

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 5th July 2017 were approved: proposed Mr Reid, seconded Mr Flathers.

4.0 Action plan update & matters arising. The action plan arising from the above minutes was considered and it was noted that all actions had been completed or had a future completion date.
Chief Executive Officer’s (CEO’s) report. The Vice-Chancellor, Professor Wonnacott, presented the CEO’s report for October 2017. Governors noted, in particular, the following areas covered by the report.

(i) Academic enrolment, retention and success rates
The Vice-Chancellor reported that overall enrolments in HE and in FE, to date, were above budget, with overseas undergraduate enrolments slightly below budget.

Governors noted that overall FE achievement rates have again risen from 2015/16, congratulating the University on its performance.

(ii) University title
Governors noted the grant of University title, with the College receiving confirmation on 15th Aug. 2017 from the Privy Council that Leeds Arts University had been formally recognised as the new title for Leeds College of Art.

It was noted in response to Governors’ questions:
- With reference to the effect of university title on staff salaries, that the impact was slight as the University had undertaken job evaluation shortly after it transferred to the HE sector in Aug. 2011 and it had undertaken additional job evaluation of some posts during summer 2017;
- Since the institution had become a university, Open Days appeared to have increased in popularity and had seen the highest attendance figures to date;
- Staff and students had welcomed the award of university title;
- The first graduation for Leeds Arts University would be at the end of Nov. 2017 and the University’s own specially designed gowns would be worn by those graduating.

(iii) OFFA agreement
Governors noted that the University had submitted its Access Agreement to the Office for Fair Access (OFFA) on the 26th Apr. 2017, as required, and responded soon after to some points of clarification from OFFA (i.e. to clarify the institution’s stance in relation to sponsoring schools and academies and its approach to raising attainment in outreach work) with OFFA approving the new agreement in Aug. 2017.

(iv) Times Higher Education Awards
Governors noted that the University had been shortlisted in the International Impact Award category of the Times Higher Education Awards 2017, with the University’s entry being based on the work of former student, Ria Sharma, who would be joining University members at the awards ceremony in London on 30th Nov. 2017. It was noted this was the second time that the University had been nominated for an award but the first time on its own as an institution.

(vi) Estates
Governors noted that there was a detailed paper on the new build later on the agenda.

(vii) Successes
Governors considered and noted the section in the report on student successes.

The Board of Governors received the CEO’s report for October 2017.

October 2017 Report against the Strategic Plan 2012-2017. The Vice-Chancellor presented the report, highlighting the following points:
• Much progress had been made over the past 5 years, with most targets met;
• With reference to the National Student Survey (NSS), the University's overall satisfaction score was 91%, which was above the sector average of 84%, the University's KPI of 86% and the Creative Art and Design subject area of 80%, resulting in the University being the highest scoring university in Yorkshire and the highest scoring specialist arts university;
• Whilst the above was a huge achievement, there were 2 courses which had not met the target overall and actions were in place through the deliberative structure and SMT to maintain and improve the ratings where appropriate for future years;
• Overall achievement rates for the University's FE courses of 92.8% were significantly above the target of 80%, reflecting the sustained attention of FE staff and managers at all levels over the last few years;
• With reference to the Destination of Leavers from Higher Education (DHLE) survey, the rate had decreased to 89.3% which was below the University's Higher Education Statistics Agency (HESA) benchmark of 93.6% and the creative art and design subject area of 93.5% and this area was receiving concerted focus from SMT and academic managers together with the careers team;
• The University's research presence had continued to be enhanced by the significant increase in outputs being generated by staff and the University had been granted the HR Excellence in Research award during the year;
• University Title had been granted;
• The University had met its ratio of applications to places in HE despite increasing the number of students for which it was recruiting, and had exceeded its target of 50 international students (with 103 across all courses) in an increasingly uncertain and competitive environment;
• 100% of staff Annual Performance Reviews (APRs) had been completed in 2016/17;
• The University's carbon emissions were reducing in line with its plan, with a reduction of 29.4% against a target of 35% by 2020 but the opening of the new building at Blenheim Walk in 2018 would present further challenges.

It was noted in response to Governors' questions:
• With reference to carbon emissions that these were measured against a 2012 figure, a report was made to HEFCE but HE institutions could context where targets were not met;
• The University had international students from 59 countries;
• The Foundation Diploma, Fashion, Graphics and Viscom were popular with international student but this could vary from year to year and trends would be reviewed when sufficient historical data was available.

The Board of Governors received the report against the Strategic Plan 2012-2017.

7.0 Key performance indicator (KPI) report. The Vice-Chancellor presented a report against the new strategic key performance indicators (KPIs), which had been updated since June 2017 for the following information: 2017 NSS results; HESA benchmarks for Destinations of Leavers from Higher Education (DLHE) survey and highly skilled employment; FE achievement; enrolments to date, the percentages of HE Academic staff with Doctorates and Masters qualifications, of HE Academic teaching staff with HEA Fellowships, of FE Academic teaching staff with teaching qualifications; and financial Information.

Governors noted that:
• The NSS results had been considered earlier on the agenda as part of the Strategic Plan report, with reports on FE included in the CEO's report and on financial indicators in the management accounts report to be considered later on the agenda;
• Although the University's DLHE indicator had declined, the sector benchmarks had
shown a small increase at both the sector level and at the subject level;

- The University was undertaking an institution wide review of employability, new initiatives had been put in place over the last year which would be further developed over the next 12-24 months, including increased 1:1 career support, additional online access for students, and embedding more skills directly into the core curriculum;

- The percentage of staff with Masters/Doctorates was slightly lower than the target due to staff turnover, but was expected to rise as staff achieved qualifications undertaken with the University's support;

- The University had nearly reached its target of HEA fellowships and had met its target of staff with teaching qualifications.

Governors discussed the DHLE survey results, noting that outcomes related to employment 6 months' after graduation, and noting also Governor contacts and networks that might be used to help with student employability.

Mr Cox (Students’ Union President/Student Governor), reported that the Student Union had met with the University’s Careers, Employability & Enterprise team and would again take part in 'Work Week', which would take place in Jan. 2018.

The Board of Governors received the strategic KPI report for Oct. 2017.

**PART iii - Academic Board report: for information**

8.0 **Academic Board report.** The Vice-Chancellor presented the Academic Board minutes of 28th June 2017 and her accompanying report, which highlighted key issues discussed at the meeting.

Governors noted that key issues considered by the Academic Board included the approval of HE periodic review reports, approval of Academic Regulations for 2017-18 and of several FE procedures, approval of a new Academic Board external member, with action plans for HE and FE and the Teaching Excellence Framework (TEF) outcome discussed.

It was noted in response to Governors’ questions concerning 6 b) of the Academic Board minutes, which noted that the Academic Board had supported changes to the Academic Regulations which allowed for a full year of study abroad and the possibility of a 3+1 course structure, that the University undertook due diligence in relation to bi-lateral agreements, which were considered at SMT and Academic Board level.

Governors discussed the level of HE student tuition fees, the development of higher apprenticeships, and fast track degrees. It was noted in discussion that it appeared that most universities had not opted for fast track degrees because of the cap on tuition fees with, in the University’s case, additional sector factors mitigating against their introduction e.g. art and design courses were cost intensive, required access to facilities and workshop space, and production time was an essential part of the creative experience for students.

It was noted in response to Governors’ questions:

- With reference to the importance of costs to students when considering HE, that consultation with the University's students had established that help towards the cost of materials provided the most effective support and this type of support had been increased recently.

The Board of Governors received the Academic Board minutes of 28th June 2017 and the Vice-Chancellor’s accompanying report, agreeing that it should be minuted that the Board of Governors would keep student fees and costs under review.
**PART IV - Financial & estates matters: items for review & information**

**9.0 Financial matters: management accounts.** In the Pro-Vice-Chancellor Assurance and Director of Finance’s absence, the Vice-Chancellor presented the management accounts for the period ending 31st July 2017, including a review of financial KPIs, which were considered.

Governors noted that:
- The year-end surplus was £2.6 million, which was in line with the forecast and prior year;
- The balance sheet showed net assets £23.7 million and a healthy cash balance of £16.3 million;
- Fixed assets had increased as the new build continued and the pension deficit had reduced slightly due to an actuarial gain;
- Income was higher than budget and prior year, mainly due to strong FE and HE recruitment;
- Pay costs were slightly overspent and higher than prior year, with an outturn position of £38k over budget due to unplanned severance costs and a 10% increase in pay costs which was mainly due to salary increases and investment in additional staffing;
- Non-pay costs were lower than budget, with savings on exam fees (due to achieving TDAP), through efficiencies and procurement and managing refurbishment requirements;
- Higher income and lower costs had resulted in an improved cash position which was better than budgeted.

The Board of Governors received the management accounts for 31st July 2017.

**10.0 Building project update.** The Vice-Chancellor presented the building project update for Sept. 2017.

Governors noted that:
- Much of the structural steel had been erected.
- The contractor was currently 7 weeks delayed on the auditorium and pop music facilities, had agreed to delay their work by 7 weeks;
- Detailed discussions were underway between the design team to try to mitigate the delay, with it being anticipated that the building would be open for students starting in 2018-19.

It was noted in response to members’ questions that:
- The risk of adverse weather affecting the new build was being monitored;
- It was anticipated that the new building would be open in time for staff to move into and organise the new areas;
- There would be a celebration of the opening of the new build to which Governors and external guests would be invited.

Governors noted that interest in the new build and the grant of University title had increased the University’s profile.

The Board of Governors received the Building project update for Sept. 2017.

**PART V - Financial matters: items for approval**

**11.0 Bank resolution.** In the Pro-Vice-Chancellor Assurance and Director of Finance’s absence, the Vice-Chancellor presented proposed resolutions relating to the Lloyd’s bank mandate, in the name of Leeds Arts University, for approval.
Governors noted that the bank mandate permitted a combination of any 2 authorised signatures from the 4 senior management team (SMT) members, noting that, as worded, the 2 authorised signatories could be Professor Wonnacott and Professor Russell, who were related parties since the controls put in place had been internal ones in the finance department. The Governors noted that, given the small size of the SMT, this constituted a potential risk and considered possible amendments which could mitigate the risk e.g. a prohibition on Professor Wonnacott and Professor Russell as joint authorised signatories, the addition of the Chair and/or Deputy Chair of the Board of Governors as authorised signatories. The need for any solution to be transparent to external bodies was noted.

Professor Whittaker reported that he had confirmed with the Head of Finance that a decision not to approve the bank mandate at the current meeting would not cause any banking difficulties for the University.

The Board of Governors agreed that consideration of the item on resolutions relating to the Lloyds bank mandate should be deferred to the Board's Nov. 2017 meeting, to permit the PVC Assurance & Director of Finance to consider a solution to the risk outlined above.

Action: PVC Assurance & Director of Finance

### PART VI - Committee reports & minutes: for information

#### 12.0 Board of Governors: committee minutes & reports.

The draft Search & Nominations Committee minutes of 5th July 2017 approved by the Chair of the Committee, were received, noting that they had been approved by the Committee at a meeting held earlier on 11th Oct. 2017.

Mr Flathers, as Chair of the Search & Nominations Chair, highlighted the following which had been considered at the July 2017 meeting of the Committee: a recommendation on the re-appointment of Mr Bates as the Academic Board nominee to the Board of Governors (noting that Mr Bates had been re-appointed for a second 4-year term from 16th Oct. 2017 at the Board of Governors’ July 2017 meeting); a recommendation on the extension of Mrs Wright’s term of office as an Independent Governor (noting that the July 2017 Board of Governors had approved an extension of Mrs Wright’s current term to 10th Jan. 2018); Dr Cottrell had decided to resign as an Independent Governor from Jan. 2018; Professor Congdon’s final term of office as an Independent Governor had ended in July 2018.

Mr Flathers reported that the meeting of the Committee held earlier on 11th Oct. 2017 had noted that each of the 3 Independent Governors with terms of office ending between July 2017 and Jan. 2018 had an education background and the Committee was searching for candidates with equivalent expertise. The Committee had also discussed gender and Black, Asian and Minority Ethnic (BAME) representation on the Board of Governors. The minutes of the Committee’s Oct. 2017 meeting would be presented to the Nov. 2017 Board of Governors’ meeting.

The Board of Governors received the Search & Nominations Committee minutes of 5th July 2017 and a verbal report on key issues arising at the meeting of the Committee held on 11th Oct. 2017.

### PART VII - Governance: reports for information

#### 13.0 Use of the University seal.

The Clerk presented a report on the use of the University seal since the Board of Governors’ meeting held on 7 June 2017, noting the sealing and signing of 4 deeds of collateral warranty by sub-contractors relating to building works at the
University's Blenheim Walk site and the signing and sealing of a nomination agreement (executed as a deed) relating to student accommodation at Liberty Park, Leeds.

It was noted, in response to Governors' questions:

- With reference to providers of student accommodation, that the University had agreements with Liberty Park and Unipol;
- The University had undertaken appropriate due diligence in relation to the major contractors for the building project and that the Pro-Vice-Chancellor Assurance & Director of Finance would be asked to comment on the situation with regard to sub-contractors.

**Action: Clerk/PVC Assurance & Director of Finance**

The Board of Governors received the Clerk's report on the use of University seal.

14.0 University title & Instrument & Articles of Government. The Board of Governors received a report from the Clerk, noting that minute 17 of the Board of Governors' minutes of 5th July 2017 had stated that 'The Board of Governors discussed the process for submitting the draft revised Instrument and Articles of Government to the Privy Council should the Department for Education (DfE) confirm that the College met the criteria for university title, noting that the DfE/Privy Council’s education advisors would provide comments on the draft and agreeing that any proposed amendments should be incorporated in the final draft to be submitted to the Privy Council for approval'.

Governors noted the following documents: a copy of a letter dated 27th July 2017 from the Department for Education (DfE) confirming that the College had met the criteria for university title; a copy of a letter dated 15th August 2017 confirming that the Privy Council had approved modifications to the Instrument of Government to include a change of title to Leeds Arts University and had also approved modification to the Articles of Government.

The Clerk reported that modifications approved to the Instrument of Government, in addition to those proposed by the Board of Governors, included the following which had been required by the Privy Council: a cross-reference to the Education Reform Act 1988 in the Interpretation section of the Instrument; a reference at Instrument 6(1) that a Governor would not serve more than 2 terms of 4 years or 3 terms of 3 years unless they took up a new and more senior role (which was in line with the Committee of University Chairs' (CUC) guidance and with the Board of Governors' approved Governor appointment procedure); a reference at Instrument 4(3) that any determination of the composition of the Board of Governors would include at least one staff and one student member (which was in line with the Board of Governors' agreed practice).

In response to Governors' question concerning the arrangements in the Articles of Government for determining a quorum under Article 6.1 and 6.2, it was noted that the quorum for meetings of the Board of Governors was one-third rounded up to the next whole number of the total actual membership of the Board of Governors, with Independent Governors forming the majority of the quorum but, if a meeting was quorate but less than half the Governors present were Independent Governors, a majority of the Independent Governors present could require that a decision be deferred to the next meeting. It was noted that these arrangements were unchanged from the previous version of the Articles.

The Board of Governors noted and received documents confirming university title and the University's modified Instrument & Articles of Government in force and adopted from 16th August 2017.
15.0 Revised Committee terms of reference. The Clerk reported that:

- The Audit and Remuneration Committees had reviewed their terms of reference during summer term 2017 and were recommending updating changes;
- In addition, the Clerk was recommending updated references in the terms of reference of the Audit, Remuneration, Search & Nominations Committees to reflect the award of university status from Aug. 2017 (i.e. changing 'Principal' to 'Vice-Chancellor', 'Director of Finance' to 'Pro-Vice-Chancellor Assurance & Director of Finance' and 'College' to 'University') and the reference in the membership section of the Audit Committee terms of reference to the date on which Carolyn Wright's term of office will end had been updated to reflect the extension agreed at the July 2017 Board of Governors' meeting;
- The Search & Nominations Committee meeting held earlier on 11th Oct. 2017 were recommending that its terms of reference should be updated to reflect the fact that Mr Finnigan was now a member of the Committee and that the Chair and Deputy Chair of the Board of Governors and the Vice-Chancellor were members of the Committee ex officio.

With reference to the Remuneration Committee's terms of reference, it was agreed in discussion that the Committee should consider at its Jan. 2018 meeting whether the Pro-Vice-Chancellor Student Experience & Resources and the Pro-Vice-Chancellor Academic roles should also be designated senior posts. The Vice-Chancellor agreed to write a report for consideration.

Action: Vice-Chancellor

The Board of Governors approved the revised terms of reference for the Audit, Search & Nominations, and Remuneration Committees, with the amendments noted above, and the following additional revisions: in the Remuneration Committee's terms of reference the cross-reference in the quorum section should be to section f) and the membership section should be updated to show that Mr Finnigan was Deputy Chair of the Board of Governors and to add the Vice-Chair of the Audit Committee, Mr Reid, as a member: proposed Mr Flathers, seconded Mr Reid.

Action: Clerk

16.0 Any other business. The Chair of the Board of Governors drew Governors' attention to:

- A current vacancy on the Audit Committee, requesting that expressions of interest in joining the Committee be directed to the Clerk;
- eStudio had been updated and new logins would be circulated to Governors to allow access to the Board of Governors' section;
- Governors who had not yet done so should collect their new ID badges from reception;
- A Board of Governors' training session had been scheduled for 25th of April 2018, noting that the agreed start time was 1.30pm but a later start of 4.00pm would be considered;
- The Leadership Foundation for Higher Education (LFHE) Governor Development Programme (GDP) brochure, had been e-mailed to Governors, requesting that any expressions of interest in attending a GDP event be directed to the Clerk.

Action: Clerk

Mr Bates suggested that a presentation on the updated version of eStudio could be made to
17.0 Risk management. The Board of Governors noted the following area of potential risk which had been noted at the meeting: the proposed signatory list for the bank mandate considered earlier on the agenda at item 11.

18.0 Date of next meeting. It was noted that the Board of Governors was next scheduled to meet on Tuesday 27th November 2017 at 1.30pm.

**PART X - Reserved matters**

19.0 Exclusions. Mr Cox (Students’ Union President/Student Governor), Ms Ojari (elected Student Governor), Mr Bates (Governor nominated by the Academic Board), Professor Russell (Pro-Vice-Chancellor Student Experience & Resources) and Professor R Whittaker (Pro-Vice-Chancellor Academic) left the meeting before consideration of the Reserved Matters agenda.
Present: Mr J Cox (Students’ Union President/Student Governor), Mr F Bates (Governor nominated by the Academic Board), Mr C Clements (Independent Governor, Chair of the Board of Governors), Mr J Flathers (Independent Governor), Mr J Finnigan (Independent Governor and Deputy Chair of the Board of Governors), Mr D Bagley (Independent Governor), Ms A Handa (Independent Governor), Ms K Watson (Independent Governor), Professor S Wonnacott (Vice-Chancellor), Mrs C Wright (Independent Governor), Ms M Ojari (elected Student Governor), Ms G Edge (elected & co-opted Staff Governor) and Mr N Ramshaw (Independent Governor).

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

71.0 Apologies for absence. Apologies were received from Dr S Cottrell (Independent Governor,) and Dr D Reid (Independent Governor).

The Chair of the Governors noted that the current meeting would be Mrs C Wright’s final Board of Governors’ meeting and thanked her, on behalf of the Board of Governors, for her contribution to the work of the Board.

2.0 Declaration of interests & code of conduct report. The following standing declarations of interest were received under this agenda item: Mr Joe Cox (Leeds Arts University Students’ Union President); Mr Bates (employee, Leeds Arts University); Mr Clements (partner, Deloitte); Mr Flathers (partner, Irwin Mitchell); Ms K Watson (artistic director, East Street Arts, Leeds); Professor Wonnacott (employee, Leeds Arts University, and Universities & Colleges' Employers' Association Board member).

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 11th October 2017 were approved; proposed Mrs Wright, seconded Ms Watson.

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.

It was agreed that:
• Action point 4 should be marked as having been completed, noting that appropriate due diligence had been carried out on the principal contractor for the building project and, while the University had not carried out due diligence on sub-contractors, it did require warranties.

The Clerk reported that the external Governors login details for eStudio would be circulated.

The Board of Governors completed its review of the action table arising from the October 2017 Board minutes. There were no other matters arising from the minutes.

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

5.0 **Chief Executive Officer’s (CEO’s) report.** Mr Clements, as Chair of the Board of Governors, thanked staff and students who had made the graduation ceremony on 23rd November 2017 such a successful event, including those making speeches, and congratulated the graduands. It was noted that the event was the first graduation ceremony to have been held since the award of university title and the first at which the University's new graduation robes had been worn. The Vice-Chancellor, Professor Wonnacott reported that photographs and a video recording of the graduation would be uploaded to the University website shortly.

The Vice-Chancellor presented the CEO’s report for November 2017. Governors noted, in particular, the following areas covered by the report.

(i) **Academic enrolment, retention and success rates**
It was noted that an update on HE enrolments had been given at the October 2017 Board of Governors’ meeting and that FE enrolments were close to target.

(ii) **Research**
Governors noted the report on research progress.

(ii) **Estates**
Governors noted that regular meetings were taking place between the University, the contractors and the design team for the new build and, although there remained a delay at the current stage of the project, the University was still confident that the building would be completed on time.

In response to Governors questions concerning actions to be taken should the building not be completed on time, contingency planning, including provision for liquidated damages in contracts, was discussed.

(iv) **Prevent Duty**
The Vice-Chancellor spoke to her report on the Prevent duty, noting that there have been no Channel referrals or escalations of internal procedures regarding visiting speakers since her last report but that the University's Designated Safeguarding Lead had discussed a possible issue that had been reported to them with relevant partners, with it being concluded that no further action was required.

Governors noted that the University was required to make an annual report to the Higher Education Funding Council for England (HEFCE), including a signed declaration from the Chair of the Board of Governors that throughout the academic year and up to the date of approval, the University had had due regard to the need to prevent people being drawn into terrorism (the Prevent duty), had provided to HEFCE all required information about its implementation of the Prevent duty and had reported to HEFCE in a timely way all serious issues related to the Prevent duty.

Governors noted that there had been no relevant issues in 2016/17 to date, that the above
incident indicated that staff were aware of the University's procedures which had worked well in practice, with Professor Russell (Pro-Vice-Chancellor Student Experience & Resources) and the University's Designated Safeguarding & Prevent Lead reporting that the University's Prevent group continued to consider that the University remained low risk, which enabled the relevant declaration to be sent to HEFCE.

Governors noted that a review of the University's Prevent Strategy was scheduled for January 2018 as part of the 2017/18 internal audit plan and queried, taking into account the above, whether the review was required.

It was noted in response to Governors’ questions that:
- It was considered that the proposed internal audit review would provide a useful opportunity to access an external opinion on the University's approach, with the Prevent duty remaining a developmental area for the HE sector generally;
- In addition to the HE Prevent duty, the University followed relevant guidance in relation to safeguarding and the Prevent duty in relation to its FE students.

(v) Successes
Governors noted the section in the report on student successes.

The Board of Governors received the CEO's report for November 2017.

6.0 Key performance indicator (KPI) report
The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the strategic KPIs report, highlighting that:
- The enrolment figures showing progress against targets for 2022/23 had been updated since the report had been considered at the October 2017 meeting of the Board of Governors;
- The data for the percentage of annual performance reviews (APRs) had also been updated, with 99% completed against a target of 100%.

It was noted in response to members’ questions concerning how milestones against the 2022/23 enrolment targets were monitored, that student numbers had been included in the commentary to the 2017/18 budget and 2018-20 financial plan, which had been approved by the Board of Governors at its July 2017 meeting, and which were reported on in the commentary to the management accounts (see agenda item 9).

The Board of Governors received the KPI report.

Part III - Reports on academic matters: for information

7.0 Academic Board report. Governors noted that the Academic Board had last met on the 22nd November 2017, with the minutes of the meeting to be presented to the Board of Governors meeting on the 24th January 2018.

8.0 Annual report on student academic experience, student outcomes & degree standards.
Governors noted that HE institutions were required to submit an annual assurance return to the Higher Education Funding Council for England (HEFCE) by 1st December 2017 (see agenda item 11). It was noted that in 2015/16, HEFCE had introduced a new Part 2 to the return which required governing bodies to provide assurances concerning the student academic experience, student outcomes, and academic awards i.e. governing bodies were required to confirm that they had received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes, including evidence from the provider’s own periodic review processes, which fully involved students and included embedded external peer or professional review; that methodologies
used as a basis to improve the student academic experience and student outcomes were, to the best of the governing body's knowledge, robust and appropriate; and that standards of awards for which the governing body was responsible had been appropriately set and maintained.

The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented the University's report on student academic experience, student outcomes & degree standards for 2016/17, which was considered.

Governors noted that:
- The report outlined the assurance approach and key features of the methodologies used to improve the student academic experience and student outcomes;
- The wording of the report had changed slightly from previous years, to reflect the fact that the University had obtained Taught Degree Awarding Powers;
- The report had been approved at the Academic Board which had met on the 22nd November 2017 for presentation to the Board of Governors;
- Action plans were included as appendices to the report.

Governors noted that the report included a section on how the University met the expectations of the UK Quality Code for HE.

Governors noted with reference to the Quality Assurance Framework (Governance):
- The importance of interaction between the Academic Board and the Board of Governors, with the relationship facilitated by the following examples of joint membership: the Vice-Chancellor was both Chair of the Academic Board and a member of the Board of Governors, Mr Bates had been nominated to the Board of Governors by the Academic Board, and the Students' Union President, Mr Cox, was a member of the Academic Board and the Board of Governors.

It was also noted that the November 2017 meeting of the Academic Board had agreed that the outcomes of periodic reviews should be given to the Board of Governors and that it should be drawn to Governors attention that a student representative from another course was part of the periodic review panel, and that this should be highlighted this year in an addendum to the Annual Report on Student Academic Experience, Student Outcomes and Degree Standards.

Governors noted that the Assurance Approach included four main areas:
- Monitoring KPIs developed to track student experience, outcomes and degree standards;
- A review of the minutes of the Academic Board;
- Appropriateness and effectiveness of quality assurance processes operated by the HE Quality and Standards Committee, the Learning Teaching and Enhancement Committee and Academic Board; and
- External peer review.

Governors noted with reference to the following KPIs for tracking student experience, outcomes and degree standards that they were reported to the Board of Governors at each Board meeting and reviewed in detail at the annual review of the Strategic Plan in October each year:
- Student Satisfaction as measured by the National Student Survey (NSS) Overall satisfaction score;
- Non continuation of young full time students;
- Percentage of First and Upper Second Class degrees;
- The number of students per academic FTE;
• Employment of leavers and graduate destinations as per the Destination of Leavers from Higher Education (DLHE) survey.

It was noted that the KPIs demonstrated that in each area (with the exception of the DLHE data) the performance of the University had improved compared to the previous year and was better than the benchmark.

It was noted in response to Governors questions that:
• A report on continuous personal development for staff members was included in the annual Human Resources report to the Board of Governors rather than being included in the annual report on student academic experience, student outcomes & degree standards;
• With reference to the improvement of DLHE data, each individual course area had an employment action plan in their annual course evaluation, and employability is included in the action plan for 2018/19;
• The June 2017 Academic Board meeting had approved a new pilot assessment model for Fine Art which would look at learning outcomes holistically, which would be reviewed by the Academic Board at the end of the academic year, taking into account the views of student focus groups;
• The reference on page 4 of the report should be to the Board of Governors’ meeting on 12th October 2016 and on page 19 of the report, the reference in the first sentence of the final paragraph should be to the periodic review process being ‘complementary’ and informed by the annual course evaluations.

Governors commended the report for its clarity and usefulness to readers, noting that it helped to provide Governors with the degree of assurance required to enable the Board of Governors to make the declarations to HEFCE required in the Annual Assurance return (see agenda item 11).

The Board of Governors received the University’s report for 2016/17 on the student academic experience, student outcomes and degree standards.

**PART IV - Finance 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 2017, including a review of financial key performance indicators (KPIs), which were considered.

Governors noted that:
• The operating surplus at £795k was ahead of budget by £507k, with a favourable variance in both pay and non-pay costs, as well as slightly higher income compared to budget;
• With reference to income, it was noted that enrolment was generally on target with HE recruitment ahead of budget, international student numbers increased but below budget, and FE student numbers also slightly below budget;
• Staff pay costs were under budget, due to a number of vacancies at the beginning of the academic year;
• There was a favourable non-pay variance due to limiting expenditure on maintenance at the University’s Blenheim Walk site prior to the building being refurbished following the completion of the new build.

It was noted in response to Governors’ questions that the staff vacancies referred to above had now been filled.
The Board of Governors received the management accounts for the period ending 31st October 2017.

PART V - Finance & assurance matters: items for approval &/or submission to HEFCE

10.0 Audit Committee annual report. The Chair of the Audit Committee, Mr Finnigan presented the Audit Committee annual report 2016/17, including the following appendices: the 2016/17 internal audit report, the external audit management letter for the financial year ended 31st July 2017, and the University’s risk register (September 2017).

Governors noted that:
- The HEFCE Audit Code of Practice required HE institutions (HEIs) to have an Audit Committee which was required to produce an annual report for the governing body and the accountable officer covering the financial year and including any significant issues up to the date of signing the report, and including the Committee’s opinion on the adequacy and effectiveness of the University’s arrangements for: risk management, control and governance; economy, efficiency and effectiveness (VFM); management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE and other bodies;
- The Committee’s Annual Report 2016/17 included a positive overall opinion.

Mr Finnigan presented a review of the work of the internal auditors, TIAA Ltd, during 2016/17, noting that they had conducted an audit of 24 days which had resulted in the following opinion “TIAA is satisfied that for the areas reviewed during the year that Leeds College of Art has reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the College’s achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed.” 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 2016/17, noting that the management letter arising from the external audit for the year ended 31st July 2017:
- Indicated that KPMG anticipated issuing an unqualified audit opinion in the standard format 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, with no recommendations arising from the 2016/17 audit and the 2 recommendations arising from the 2015/16 audit having been implemented;
- 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, producing a net liability that was within its benchmark range, although the Consumer Price Index (CPI) assumption at 2.0% was, on its own, outside KPMG’s benchmark range.

Mr Finnigan reported that the Audit Committee annual report included a review of the independence of the external auditors, KPMG, noting that the Committee had considered, at its October 2017 meeting, a proposal for non-audit work relating to VAT advice to be undertaken by KPMG, agreeing that the proposed work would not impair the independence of the external audit opinion and giving approval for the work to be undertaken.
Mr Finnigan reported that the Audit Committee had held, at its November 2017 meeting, the Committee’s annual meeting with the auditors without senior managers being present, with the auditors noting a positive working relationship with senior managers.

It was noted that the report recorded that: the Audit Committee had considered the annual members’ report and financial statements for the year ended 31st July 2017 at its November 2017 meeting, recommending them to the Board of Governors for approval; had considered the 2016/17 data quality report at its November 2017 meeting, noting that the report had concluded that there were no material concerns relating to the contents of the data return schedule or the contents of the self-assessment questionnaires that the senior management team wished to draw to the attention of the Audit Committee; had noted at its October 2017 meeting that the internal auditor’s annual report had stated that they were satisfied that, for the areas reviewed during the year, there was evidence to support the institution’s achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed.

Governors noted that the October 2017 meeting of the Committee had also noted that the requirement to submit a Value for Money (VFM) report to HEFCE has been removed for 2017/18 and HEIs would instead have to submit an annual efficiency return by 31st January 2018.

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 and other bodies’.

The Board of Governors considered and received the Audit Committee’s Annual Report for 2016/17 and approved it for submission to HEFCE: proposed Mr Bagley, seconded Mrs Wright.  

**Action: Chair of the Audit Committee/PVC Assurance & Director of Finance**

Mr Clements, as Chair of the Board of Governors, thanked Mr Finnigan for his presentation of the Audit Committee’s annual report and thanked staff for their contribution to the positive outcome of the audits undertaken during the period covered by the report.

**11.0 Annual Assurance return to HEFCE.** The Board of Governors considered the draft completed Annual Assurance return to HEFCE.

Governors noted that the return was in 3 parts:
- Part 1 confirmed that the University had met its obligations under the Memorandum of Assurance and Accountability with HEFCE;
- Part 2 required the Board of Governors to provide assurances relating to the student academic experience, student outcomes and academic awards (see agenda item 8);
- Part 3 confirmed that the University was complying with its duties as a charity.

The Board of Governors received the completed return and approved the signing of the document by the Vice-Chancellor for submission to HEFCE: proposed Ms Handa, seconded Mr Flathers.  

**Action: Vice-Chancellor (VC)/PVC Assurance & Director of Finance**
12.0  **Members’ report & annual financial statements for the year ended 31.7.17** The PVC Assurance & Director of Finance, Ms Bailey presented the report and financial statements for the year ended 31st July 2017.

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;
- The Audit Committee had considered the draft Members’ Report and Financial Statements for the financial year ended 31st July 2017 at its November 2017 meeting, noting that there had been no adjustments from the previous management statements received by the Board;
- The Audit Committee had noted, at its November 2017 meeting, that the University’s external auditors anticipated issuing an unqualified audit opinion in the standard format on the financial statements;
- Minor typographical amendments proposed by Audit Committee members had been incorporated into the final draft version of the Members’ report & annual financial statement, which had been presented to Governors with the papers for the current meeting;
- The Audit Committee were recommending the Members Report and Financial Statements to the Board of Governors for approval.

The Board of Governors approved the Members’ Report and the Annual Financial Statements on the recommendation of the Audit Committee, proposed Mr Bagley, seconded Mr Flathers.

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 HEFCE by the 1st December 2017 deadline.

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

13.0  **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 2017 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 2017 meeting of the Audit Committee had received management representations from the Vice-Chancellor and the Pro-Vice-Chancellor Assurance & Director of Finance on breaches of laws and regulations, actual or suspected frauds, and the existence of related party transactions, noting that both had declared that they were not 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 Ms Watson, seconded Mrs Wright.

*Action: Chair/VC/PVC Assurance & Director of Finance*
14.0 Updated financial forecasts - Nov. 2017. The Pro-Vice-Chancellor Assurance & Director of Finance, presented for approval and submission to HEFCE, financial results tables for 2016-17. Governors noted that:

- HEFCE’s annual accountability schedule required HEIs to submit by 1 December 2017, a financial commentary which explained any significant variances between the audited financial statements submitted in December 2017 and the forecasts previously submitted in the July 2017 annual accountability return process;
- There were no significant differences to report.

The Board of Governors approved, for submission to HEFCE, the financial commentary, proposed Mrs Wright, seconded Mr Ramshaw.

Action: PVC Assurance & Director of Finance

15.0 Transparent Approach to Costing (TRAC): Statement of Requirements. Mr Finnigan, as Chair of the Audit Committee, presented a recommendation from the Committee on the arrangements for submission of the TRAC return Statement of Requirements to HEFCE in January 2018.

Governors noted that:

- HE institutions (HEIs) reported to HEFCE annually on the costs of their activities under the TRAC system;
- Under HEFCE guidance, the options available in relation to confirmation of compliance with TRAC requirements included approval at an Audit Committee meeting held before the 31st January 2018 TRAC submission deadline or approval under Audit Committee Chair’s action before 31st January 2018, with the Statement of Requirements presented to the spring meeting of the Audit Committee;
- The Audit Committee was recommending that the second option (which had been approved by the Board of Governors in 2016/17) should become the Board of Governors’ established practice from 2017/18, until such time as HEFCE’s guidance changed.

The Board of Governors approved, on the recommendation of the Audit Committee, that the TRAC approval process used in 2016/17 should become the Board of Governors’ established practice from 2017/18, until such time as HEFCE’s guidance changed: proposed Mr Flathers, seconded Ms Watson.

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 Pro-Vice-Chancellor Student Experience and Resources, Professor Russell presented the Students’ Union report and accounts for the year ended 31.7.17. It was noted that the report had been prepared by Emma Cook, Students’ Union Liaison officer.

Governors considered the range of activities undertaken by the Students’ Union during 2016/17, noting that: income from Freshers events and advertising had risen against previous years due to the growth in student numbers and increased attendance; there had been greater expenditure on Union Council and Student Representative training events and meetings but this still showed a favourable variance against budget; there had been an adverse variance in relation to expenditure on entertainment and events, which was due to the addition of a 170th anniversary celebration which had not been included in the original budget.
It was noted in response to Governors questions that the Students' Union was an unincorporated organisation and did not have a board of trustees, being below the turnover threshold at which it would be required to register as a charity by the Charity Commission. The Student union constitution states that The Executive Committee shall be the trustees of the Union’s funds.

The Board of Governors received the Students’ Union annual report and approved the Students’ Union accounts for the year ended 31st July 2017: proposed Mr Bagley, seconded Mrs Wright.

17.0 Internal audit strategic & annual plan. Mr Finnigan, as the Chair of the Audit Committee, reported that the Committee had considered the internal audit strategy and plan for 2017/18 at its October 2017 meeting, noting that there was also some flexibility in the plan e.g.it would be reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

It was noted in response to members’ questions concerning whether cyber security should be included in the internal audit strategy more frequently than every three years that:

• Ms Bailey reported that cyber security and controls would be considered when the University's risk register was updated, with the updated register to be considered at the Audit Committee's March 2018 meeting;
• The need to bring forward the current cyber security review or the need for more frequent review of cyber security in the internal audit strategy could be considered at the Audit Committee's March 2018 meeting.

Action: Clerk/ Pro-Vice-Chancellor Assurance & Director of Finance

It was noted in response to Governors questions concerning the new build that the PVC Assurance & Director of Finance was a member of the BUFDG fraud group and the finance team were aware of fraud risks in relation to building projects.

The Board of Governors approved the internal audit strategic and annual plan 2017/18, on the recommendation of the Audit Committee, proposed Mr Bagley, seconded Ms Watson.

18.0 Lloyds bank resolutions. Governors considered and agreed draft amendments presented by the PVC Assurance & Director of Finance concerning signatory arrangements and the proposed Lloyds bank mandate in the name of Leeds Arts University, which had been produced following discussion at the October 2017 Board of Governors' meeting. It was noted that the draft amendments had also been circulated to Governors by e-mail to allow any comments to be received by the PVC Assurance & Director of Finance in advance of the current meeting, with no changes being proposed.

The Board of Governors approved the resolutions relating to the Lloyds bank mandate which are detailed in full at Appendix A to these minutes: proposed Ms Handa, seconded Mr Finnigan.

19.0 Health & Safety Annual Report. The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell presented the Health and Safety report, noting that it had been presented to the Health and Safety Committee in October 2017, with the Committee judging the report to be accurate and complete.

The Governors noted the following points:

• As fire alarm activations had increased due to the new build, the University had
implemented a pre-alarm system, with the agreement of the West Yorkshire Fire Service, to reduce false activations;

- There had been no reportable RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) injuries in 2016/17.

It was noted in response to Governors’ questions that:

- All scheduled fire drills had been satisfactory;
- None of the staff and student injuries reported related to the new build;
- The infectious disease incidences noted in the report related to individual cases and were not classified as an outbreak.

The Board of Governors’ legal responsibility for health and safety matters was noted and the level of assurance received by the Board on health and safety matters discussed.

It was noted in response to Governors’ questions that:

- In addition to data relating to the year under review, the University's Health & Safety Annual report provided assurances to the Board of Governors that the University had appropriate processes in place;
- A RIDDOR report (including a nil report, as appropriate) was included in the CEO's report, which was considered at each Board of Governors’ meeting, with no RIDDOR incident having occurred since 2009/10;
- In addition, any serious health and safety incident would be reported to the Chair of the Board of Governors and the Chair of Audit Committee;
- Overseas trips fell within the Health & Safety Committee's remit, with comprehensive insurance for staff and students provided;
- Health and safety reviews were included in the University's internal audit plans.

The Board of Governors received the Health & Safety annual report.

20.0 Code of Governance & Statement of Primary Responsibilities report. The Clerk reported that: the June 2015 meeting of the Board of Governors had agreed to adopt the Committee of University Chairs (CUC) Higher Education Code of Governance (2014) (the Code) from 1.8.15; the Code was premised on an ‘apply or explain’ basis i.e. a governing body must explain where it considered a whole primary element or a supporting ‘must’ statement inappropriate.

Governors noted that: the full 2016/17 report against the Code had been considered and approved by the Audit Committee at its November 2017 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 to be published on the University website.

**Action: Clerk**

The Board of Governors received the 2016/17 summary report against the Code of Governance & Statement of Primary responsibilities, noting that that the primary elements in the Code and the responsibilities in the Statement had been applied.

21.0 Use of the seal. The Clerk presented a report on the use of the University seal since the Board of Governors’ meeting held on 11th October 2017, noting the sealing and signing of a deed of collateral warranty with a sub-contractor in relation to the building works at Blenheim Walk.

The Board of Governors received the Clerk’s report on the use of the University seal.
22.0 **HEFCE Assurance Review April 2018.** The Board of Governors received, for information, a letter, dated 4 October 2017, from HEFCE providing notification of the institution’s 5-yearly Assurance Review, as required under the HEFCE Memorandum of Assurance and Accountability. The Board noted that the review had been scheduled for 27th April 2018 and Governors who would be involved in the review had been informed of meeting times i.e. the Chair of the Board of Governors/Finance Lead, the Chair of the Audit Committee.

23.0 **HEFCE Annual Accountability Returns.** Governors noted that HEFCE required HEIs to submit a number of annual accountability returns to enable them to demonstrate accountability for the public funds distributed to them. The various returns covered financial performance, financial sustainability, risk management, control and governance, value for money, the managements and quality assurance of data, and the quality and standards of academic provision. It was noted that all relevant reports due to be submitted to HEFCE by 1st December 2017 had been considered at the November Audit Committee, with the TRAC return and annual efficiency return to be submitted by the 31st of January 2018.

The Board of Governors received, for information, HEFCE’s Annual Accountability Returns schedule 2017.

24.0 **HEFCE Financial Health of the HE sector: Executive summary.** The Board of Governors received HEFCE's executive summary on Financial Health of the HE sector, for information.

25.0 **Governor & committee member appointments.** Mr Flathers, as Chair of the Search & Nominations Committee, presented to the Board for approval the following recommendations from the Committee:

- The appointment of Professor P Cullen as a Co-opted Governor with expertise in the provision of education for a period of 4 years and her appointment as a member of the Audit Committee, noting that educational expertise on the Board and the Audit Committee would be lost when Mrs Wright’s final term of office ended in January 2018;
- The re-appointment of Ms A Handa for a second 4-year term of office as an Independent Governor from 22nd January 2018, noting that she had met the Board's re-appointment criteria and had indicated that she was willing to be considered for re-appointment.

Governors noted that Professor Cullen had been an independent educational consultant since 2007, having previously been Director of Learning and Teaching/Professor of Learning Innovation/Director C4C CETL at York St John University, and that she had a wide range of educational experience, including consultancy work undertaken for the Higher Education Academy (HEA) and the Leadership Foundation for Higher Education (LFHE). It was noted that the Committee considered that Professor Cullen’s existing appointment as a trustee and Board Member with the Open College of the Arts within the University of the Creative Arts did not constitute a conflict of interests which would prevent her appointment as a Governor of Leeds Arts University.

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the appointment of Professor P Cullen as a Co-opted Governor with expertise in the provision of education for a period of 4 years: proposed Mr Bates, seconded Ms Watson.  

*Action: Clerk*
The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the appointment of Professor P Cullen as a Committee member, subject to her being eligible to accept and accepting appointment as a Co-opted Governor: proposed Mr Finnigan and seconded Mrs Wright.

**Action: Clerk**

The Board of Governors agreed that Ms Handa should remain in attendance during consideration of the recommendation on her re-appointment.

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the appointment of Ms Handa as an Independent Governor for a second 4-year term, proposed Mr Flathers and seconded Mr Finnigan.

**Action: Clerk**

### PART VIII - committee reports & minutes: for receipt

#### 26.0 Board of Governors: committee minutes & reports.
The following minutes and reports were received.

26.1 and 26.2 **Search & Nominations Committee:** Mr Flathers, as Chair of the Committee, presented the unconfirmed minutes of the Search & Nominations Committee meeting held on the 11th October 2017, highlighting the following areas which had been reviewed: vacancies for Board members with educational expertise; Governor succession planning; continued monitoring of Board diversity; Governor training.

Mr Flathers presented the unconfirmed Search & Nominations Committee minutes of the extraordinary meeting held on the 15th November 2017, at which the appointment of Professor Cullen had been discussed (see agenda item 25).

26.3 and 26.4 **Audit Committee:** Mr Finnigan, as Chair of the Audit Committee, presented the confirmed minutes of the meeting held on the 11th October 2017 and the draft minutes of the meeting held on the 15th November 2017 approved by the Committee’s Chair, noting that reports and recommendations arising from the minutes had been considered earlier on the agenda.

### PART IX - Final matters

#### 27.0 Any other business.

**Name change**
It was noted in response to Governors’ questions that, following the award of university title and the institution’s change of name to Leeds Arts University, references to the University’s name in policies and procedures and on the website had been updated. The Vice-Chancellor reported that planning permission has been granted for the signage on the front of the University’s Blenheim Walk site to be updated.

#### 28.0 Risk management.
It was noted, with reference to new items of potential risk considered earlier on the agenda, that the Pro-Vice-Chancellor Assurance & Director of Finance would consider cyber security when updating the University’s risk register.

#### 29.0 Date of next meeting.
It was noted that the Board of Governors was next scheduled to meet on Wednesday 24th January 2018 at 1.30pm.
30.0 **Exclusions.** The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Mr J Cox (Students’ Union President/Student Governor), Ms G Edge (elected & co-opted Staff Governor), Mr F Bates (Governor nominated by the Academic Board), Ms M Ojari (elected Student Governor), Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), Professor R Whittaker (Pro-Vice-Chancellor Academic).

31.0 **Confidential Reserved Matters minutes of the previous meeting.** The confidential Reserved Matters minutes of the meeting of the Board of Governors held on 11th October 2017 were approved, proposed Professor Wonnacott, seconded Mr Flathers.

32.0 **Action plan update & matters arising.** It was noted that the action plan arising from the meeting had been completed. There were no other matters arising from the minutes.

33.0 **Any other business (AOB).**

**AOB: general Board of Governors’ matters**
It was noted in response to Governors’ questions concerning Board of Governors’ business that: while the second autumn meeting was mainly concerned with compliance issues and HEFCE returns, discussions of more strategic issues were scheduled for later in the year e.g. at the Governor training session on 28th February 2018 and at the Governor development/Governors and Executive meeting on 28th April 2018. Governors noted that the University’s Strategic Plan 2017-23, which had been approved at the Board of Governors’ June 2017 meeting, would also continue to be subject to regular review and monitoring.

**AOB: Reserved Matters agenda**
It was noted that there was no other items of business arising from the Reserved Matters agenda.

34.0 **Risk Management.**

**Risk management: issues arising from the main agenda**
It was noted in response to Governors’ questions concerning areas of potential risk: with reference to the University’s equality duties and the University’s supply chain, that contractors were made aware of relevant University policies and procedures, as appropriate; with reference to alumni fund-raising and data protection issues, that the Head of Marketing, who was a member of the University’s General Data Protection Regulations (GDPR) working group, would consider relevant issues in relation to the GDPR.

**Risk management: issues arising from the Reserved Matters agenda**
It was noted that no new items of risk arising from the Reserved Matters agenda had been identified at the meeting.
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 28th November 2017, including the Reserved Matters minutes, were approved with an amendment on page 11 i.e. the removal of a redundant ‘that’; proposed Mr Reid, seconded Mr Bagley.

CONFIRMED
**Action: Clerk**

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 Chair noted that all Governors had received their login details for the Board of Governors’ section of eStudio from the Clerk.

It was noted in response to Governors’ questions with reference to matters arising from the minutes that:
- The Higher Education Statistics Agency (HESA) was implementing a new Destinations of Leavers from Higher Education (DLHE) survey of graduate outcomes, with the first survey planned for Dec. 2018;
- The new DLHE survey would be an external rather than an in-house survey.

The Board of Governors completed its review of the action table and matter arising from the minutes of the meeting held on 28th November 2017.

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

5.0 **Chief Executive Officer’s (CEO’s) report.** The Vice-Chancellor, Professor Wonnacott, presented the CEO’s report for January 2018. Governors noted, in particular, the following areas covered by the report.

(i) **Merger of Agencies**
Governors noted an overview of the changes within the education sector i.e. the merger of the Higher Education Academy (HEA) with the Equality Challenge Unit (ECU) and the Leadership Foundation for Higher Education (LFHE).

(ii) **Academic Enrolment, retention and success rates**
Members noted that:
- The University’s HE application rate was significantly higher than the sector average;
- An increase in applications could have been expected, given that the University was offering new courses, but the level of the increase appeared to indicate that the grant of university title was also having a positive impact on applications.

Members noted with reference to further education (FE) applications;
- The Foundation Diploma (FD) was recruiting well;
- Applications for the Extended Diploma (ED) were lower than in the previous year, which was being monitored.

In response to Governor’s questions it was noted that:
- The University only made unconditional offers to HE applicants who had already met the entry criteria, conversion rates remained good and the University was still attracting strong candidates;
- With reference to any effect on FE student applications as a result of the grant of university title, analysis of web data indicated that visits to the ED web pages had increased compared to the previous year and attendance rates at Open Days were also higher.

(iii) **Research**
Governors noted a positive report on research progress.

(iv) **Estates**
It was noted that updates on the building project and refurbishment tender would be considered later on the agenda.
(v) Prevent
The Vice-Chancellor confirmed that the Prevent Duty return, which had been discussed at the Board of Governors' November 2017 meeting, had been submitted to HEFCE by the deadline of 1st December 2017.

The Board of Governors received the CEO’s report for January 2018.

6.0 Key performance indicator (KPI) report
The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the strategic KPIs, with Governors noting the following points:

- The annual appraisal cycle was now 100% complete;
- Percentages for staff qualifications (i.e. staff with Masters and Doctorates) and Higher Education Academy (HEA) fellowships had changed due to recruitment over the last period i.e. the former was now 88% (against a minimum target of 85%) and the latter was 76% (against a minimum target of 75%) .

The Board of Governors received the KPI report for January 2018.

7.0 Academic Board report. The Vice-Chancellor presented the confirmed draft Academic Board minutes of 22nd November 2017 and the accompanying report which highlighted the following items of note considered at the meeting:

- The Academic Board's Terms of Reference and Membership had been updated;
- The Further Education Self-Assessment Report 2016/17 had been approved subject to amending the Overall Effectiveness of the Provision to grade 2;
- The annual report on Student Academic Experience, Student Outcomes and Degree Standards 2016/17 had been approved;
- The new course approval of the BMus (Hons) Popular Music Performance.

In was noted in response to Governors’ questions that:

- The Pro-Vice-Chancellor Academic, Professor Whittaker, had clarified that, with reference to the recommendations for the approval of BMus (Hons) Popular Music Performance, ‘reformat’ rather than ‘re-write’ of the course specification was a more appropriate reference, as amendments to the approval documentation related to the use of a University template;
- With reference to the student complaint, which was referred to in the Academic Board minutes, this had been investigated through the normal processes, with no issues arising.

The Board of Governors received the minutes of the Academic Board of 22nd November 2017 and the Academic Board report.

Part III - Academic Board report: for information

8.0 Academic Board terms of reference & membership 2017-18. Governors noted that section 3.3 of the Articles of Government stated that Academic Board membership should be set out in rules or bye-laws approved by the Board of Governors.

The Vice-Chancellor presented to the Board of Governors revised terms of reference and membership for the Academic Board. It was noted that a number of minor amendments had been made to the latter, reflecting the grant of University title, and that the membership had been updated to include the Chair of the Honorary Degrees Committee.
The Board of Governors approved the revised terms of reference and membership for the Academic Board: proposed Dr Cottrell, seconded Mr Reid.

Action: Vice-Chancellor

**PART V - Financial & regulatory matters: items for consideration & information**

**9.0 Management accounts.** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented the management accounts for the period ending 31st December 2017, including a review of financial key performance indicators (KPIs), which were considered.

Governors noted that:
- The operating surplus, at £1.8m, was £699k ahead of budget and expected to be £2.2m by the end of the year;
- There were current favourable variances for income, pay and non-pay costs, with the forecast surplus higher than budget;
- Strong recruitment had driven higher income, particularly HE Home fee income, offset slightly by HE overseas income, and continued strong retention could see the forecast favourable variance of £224k increase further;
- The financial forecast assumed a non-collection rate for HE fees of 4.5%, with an historic non-collection rate of 2.4-2.5%;
- The final HE fee position for 2017/18 being dependent upon the student retention profile i.e. receipt of the final 50% of the student fee was dependent on students returning after the Easter vacation;
- Staff vacancies at the start of the year, had resulted in savings, particularly in Academic staff costs.

In response to Governors’ questions:
- It was confirmed that the main building contractor had no exposure to Carillion;
- With reference to FE examination costs and Academic Registry overspends, it was noted that the former related to re-categorised expenses and, with reference to the latter, that FE examination costs had been higher than budgeted per student;
- The cash flow was being carefully monitored to assess the level of facility to be used and the final term out amount A projected cashflow for 2019/20 will be included in future reports;
- Hardship and cash bursary expenditure was over the year to date budget due to the funds being made available at appropriate times for the students rather than phased.

The Board of Governors received the management accounts for the period ending 31st December 2017.

**10.0 Building project update.** The Pro-Vice-Chancellor Assurance & Director of Finance presented to the Board of Governors an update on the building project.

**11.0 Transparent Approach to Costing (TRAC) report.** The Pro-Vice-Chancellor Assurance & Director of Finance reported that HE institutions (HEIs) reported to the Higher Education Funding Council for England (HEFCE) annually on the costs of their activities under the Transparent Approach to Costing (TRAC) system. Governors noted that 2018 was the fifth year that the University had submitted a TRAC return, noting also that the process has been reviewed as part of the 2015/16 internal audit plan; with the auditors concluding that the University had a robust series of suitably designed internal controls in place.

In November 2017, the Board of Governors had delegated responsibility for the review of the Statement of Requirements Compliance to Mr Finnigan under Chair’s action as the Chair of
the Audit Committee, as permitted under HEFCE guidance. Mr Finnigan had reviewed the Statement of Requirements and a discussion of the results, drivers of costs and research had taken place with the Pro-Vice-Chancellor Assurance & Director of Finance. It was noted that Mr Finnigan had confirmed that the requirements had been met. Mr Finnigan thanked the Pro-Vice-Chancellor Assurance & Director of Finance for the information and response to queries received during the course of the review and was assured by the process.

It was noted that the adjustment for sustainability had changed for 2017/18 i.e. previously there had been two adjustments, one for financing and one for infrastructure sustainability but the new adjustment was the Margin for Sustainability (MSI). In line with many institutions this new adjustment was significantly higher than the previous adjustments at £3.2m compared to £1.3million in the previous year. The large MSI adjustment reflected the historical high level of surpluses that had been achieved by the University to build up cash reserves in preparation for the new build.

Governors noted that non-publically funded teaching was recovering 100% of costs but further analysis had shown that a loss on the short course provision had been offset by FE and HE overseas students. The short course provision was now closed.

It was noted that the University was only recovering 84.1% of full economic costs on Income Generating income, which was mainly due to use of a temporary car park whilst the new build was being undertaken.

The Board of Governors noted the review of the Statement of Requirements and reasonableness tests undertaken by the Chair of the Audit Committee and noted that the Vice-Chancellor would sign off the TRAC return for submission to HEFCE by 31st January 2018.

Action: Vice-Chancellor/PVC Assurance & Director of Finance

12.0 Report on efficiency return to HEFCE. The Pro-Vice-Chancellor Assurance & Director of Finance presented a report on the efficiency return to HEFCE which had replaced the Value for Money Report previously submitted to HEFCE.

Governors received, for information, the HEFCE circular providing guidance on the new efficiency return, noting the circular had also been considered at the November 2017 Audit Committee meeting.

Governors noted that the University already made an Efficiency Measurement Model (EMM) submission and considered the summary of the return, noting that as a result of the University already making an EMM return, there was a limited number of items to include on the efficiency return. Governors noted the savings that had been made.

The Board of Governors reviewed the Efficiency Return and noted that the Vice-Chancellor would approve the return for submission to HEFCE by the deadline of 31st January 2018

Action: Vice-Chancellor/PVC Assurance & Director of Finance

PART VI - Financial & regulatory matters: items for approval

13.0 Design & Build tender for Blenheim Walk re-modelling. The Vice-Chancellor presented to the Board of Governors the tender report for the re-modelling of Blenheim Walk. The following points were highlighted:

- This was the second phase in the new build project and the refurbishment proposal would ensure that the University would have sufficient space to support growth for existing and planned new courses and also ensured that business support areas would be sufficiently resourced to support the planned growth in student numbers over the next 5 years;
• An invitation to tender had been issued and the bids evaluated ADT Workplace (ADT) scored highest and it was therefore recommended that ADT be appointed as the design and build contractor.

In response to Governors questions:
• ADT had previously been the successful tenderer for the refurbishment of the building in which the University’s finance and HR team were situated, with the project having been concluded on time and on budget;
• Current students wishing to use the Blenheim Walk facilities during the summer might be affected during the work but alternative facilities would be made available; Studio space would increase as a result of the new build;
• New courses would have their space released on a phased basis to reflect course numbers.

The Board of Governors approved the appointment of ADT Workplace as the design and build contractor for the re-modelling of Blenheim Walk: proposed, Mr Bagley, seconded Mr Reid.
Action: Vice- Chancellor/PVC Assurance & Director of Finance

14.0 Tuition fees

(i) FE fees 2018-19
The Pro-Vice-Chancellor Assurance & Director of Finance reported that, under the University’s Financial Regulations, the Board of Governors approved the level of tuition fees to be charged to students aged 19+ annually.

It was noted that the FE funding body, the Education & Skills Funding Agency (ESFA), allowed providers to set fees at any level provided the fees were not above the listed funded grant level set out in the ESFA funding matrix. It was noted that the funding matrix for 2018/19 had yet to be published. The Pro-Vice-Chancellor Assurance & Director of Finance was therefore proposing that the 2018/19 fee charged to 19+ students should be the grant funding per the funding body matrix and that the fee charged to any student who was eligible for co-funding should be the difference between the grant received and the full funding per the matrix. It was noted that, on this basis, irrespective of student age or funding, the same funds would be received by the University for each student, which would ensure that the treatment of learners was fair and equitable. It was noted that, since December 2015, loans had been available to students who met the criteria aged over 19 starting a level 3 or level 4 course.

As the final fee matrix for 2018/19 was not yet available, the Board of Governors agreed that the basis on which the 2018/19 FE tuition fees for students aged 19+ would be calculated as proposed by the Pro-Vice-Chancellor Assurance & Director of Finance above, noting that final fees would be calculated when the final fee matrix was released and the Governors would be informed of the fees: proposed, Mr Reid, seconded Dr Cottrell.
Action: PVC Assurance & Director of Finance

(ii) Other fees report for information

The Board of Governors received, for information, the tuition fees schedule for 2018/19 for international students (undergraduate, postgraduate and FE), Home postgraduate, and full cost Equivalent Level Qualification (ELQ) Home students.
15.0 Annual FE self-assessment report. The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, presented the University Further Education Self-Assessment Report (SAR) 2016/17 which had been validated at the Further Education Committee on the 10th November 2017 and approved at the Academic Board on the 22nd November 2017. It was noted that the approved SAR, which included a Quality Improvement Plan (QIP), was being presented to the Board of Governors for ratification.

It was noted that the Further Education Committee had considered whether the grade for Overall effectiveness should be raised to grade 1 (Outstanding). The Academic Board had debated this recommendation at length and had acknowledged the considerable improvements that had occurred over the course of the year, particularly in retention. The Academic Board had paid careful attention to the detail of the Common Inspection Framework (CIF), in particular, it had considered the contributory grade of Leadership and Management and subsequently OFSTED’s expectation regarding the importance of all contributory grades in determining a grade for Overall Effectiveness. After careful consideration the Academic Board had confirmed that Leadership and Management (which is graded 2) was regarded as a key element with respect to determining an overall grade it and it had been further concluded that the grade for Overall Effectiveness should remain grade 2 (Good).

It was noted in response to Governors’ questions that:

- Opportunities for the continued development and application of students’ English and mathematical skills were embedded within all courses;
- The Access course continued to prepare students for progression to higher education, with the percentage of level 3 students progressing to higher education courses remaining high;
- The Foundation Diploma was continuing to have high success rates and student high-grade achievement was outstanding, with excellent progression;
- All staff undertook equality and diversity training that was updated annually and reflected any legislative revision.

It was noted that the final term of office for the Board’s Lead Governor for FE had ended in January 2018 and that the Search & Nominations Committee was currently seeking a potential governor with FE expertise. Governors discussed the level of detail in the SAR, including the QIP. The need for a more detailed cover sheet to explain the SAR and OFSTED’s requirements, particularly to help those whose background was not in FE, was discussed.

It was agreed that Professor Russell would provide a more detailed cover note summarising the 2017/18 SAR when it was presented for consideration in January 2019.

Action: Pro-Vice-Chancellor Student Experience & Resources

It was agreed that Professor Russell would also consider the need for Governors’ equality and diversity training to be refreshed.

Action: Pro-Vice-Chancellor Student Experience & Resources

The Board of Governors ratified the SAR report with amendments i.e. at the top of page 8 the reference should be to the overall effectiveness of the provision being Good and in the final paragraph on page 18 the removal of the phrase ‘and governors’ in the sentence on equality and diversity training: proposed Dr Cottrell, seconded Mr Reid.

Action: Pro-Vice-Chancellor Student Experience & Resources
16.0 **Safeguarding Annual Report.** The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, presented the Safeguarding Children and Vulnerable Adults Annual report which set out the arrangements, activities and incidents related to the safeguarding of children and vulnerable adults during 2016/17. It was noted that there had been a small number of referrals for students under the age of 18 in 2016/17, all relating to mental health issues. The students concerned had received support from the University and all had progressed to their next year of study. It was noted that the small number of referrals reflected the size of the provision.

The Board of Governors received the University's Safeguarding Children and Vulnerable Adults Annual report for 2016/17.

17.0 **Human Resources Annual Report.** The Vice-Chancellor presented the annual report on Human Resource (HR) activity, which had been prepared by the Head of HR and provided an overview of HR activity within the University in relation to the 2016/17 academic year and summarised policy changes, training activity, recruitment activity and absence levels and KPIs relating to these areas. It was noted in discussion that the staff sickness absence figure of 1.7% overall was a decrease on the previous year of 3%.

The Board of Governors received the University’s 2016/17 HR report.

18.0 **Freedom of Information Annual Report.** The Clerk reported on the processing of Freedom of Information (FOI) requests received during the period January 2017 to December 2017. It was noted that 38 FOI requests had been received during this period (2016: 23 FOI requests and 1 Publication Scheme request). The significant increase in requests during the period August to December 2017 appeared to correlate with the institution obtaining university title in August 2017.

Governors noted that the University had a charging policy for requests falling under the Data Protection Act, the Freedom of Information Act, the University’s Publication Scheme, and the Environmental Information regulations. An updated version of the policy would be presented to the Board of Governors for information in due course and would take into account the new General Data Protection Regulations that would be in place from May 2018. This would include the removal of the right of organisations to charge a Data Protection request fee, except where a request was unfounded, excessive or repetitive.

*Action: Clerk*

The Board of Governors received the 2017 FOI annual report.

**PART VIII - Governance reports: for information**

19.0 **Use of the seal.** The Clerk presented a report on the use of the University seal since the Board of Governors’ meeting held on 28th November 2017, noting the sealing and signing of a deed of collateral warranty with a sub-contractor in relation to the building works at Blenheim Walk.

20.0 **Report from the Chair of Audit Committee on a KPMG Audit Committee Institute seminar held on 23rd November 2017.** The Board of Governors received a report from the Chair of the Audit Committee, Mr Finnigan, on the KPMG Audit Committee Institute seminar which he had attended in November 2017. It was noted that the seminar had addressed three issues of relevance to HE institutions; Brexit, the power of Universities in a City context; the General Data Protection Regulations (GDPR).
It was noted that the GDPR would come into force from May 2018 and would provide significantly higher levels of protection for the privacy of personal information held by organisations. The GDPR would also introduce significantly higher fines for data protection breaches, with a requirement that any breach must be reported to the Information Commissioner's Office (ICO) within 72 hours of it being discovered.

Governors noted that the Pro-Vice-Chancellor Student Experience & Resources, Professor Russell was leading the University's data protection working group which was working to categorise the data that was held by the University and ensure that the University's policies and procedures were in line with the new legislation.

It was noted in response to Governors' questions that training for all staff in the requirements of the GDPR was in the process of being undertaken, with 70% of staff having already completed it.

Professor Russell reported that a full update on the University's preparations for the introduction of the GDPR would be given at the Board of Governors' and Executive meeting to be held on 25th April 2018.

*Action: Pro-Vice-Chancellor Student Experience & Resources*

The Board of Governors received the report from the Chair of Audit Committee on a KPMG Audit Committee Institute seminar held in November 2017.

21.0 **CUC Code of Governance: Illustrative Practice Notes.** The Board of Governors noted for information the publication on 30th November 2017 of 3 new Illustrative Practice Notes supporting the Code of Governance: *Recruiting a Vice-Chancellor, Governing Body Responsibility for Recruiting a Chair,* and *The Role of the Nominations Committee.*

22.0 **Board of Governors: committee minutes & reports:** There were no Committee minutes or reports to be received under this item.

23.0 **Any other business: Review of HE funding.** The Pro-Vice-Chancellor Assurance & Director of Finance reported, in response to Governors’ questions, that a review of HE funding was currently expected to take place in 2018.

It was further noted in response to Governors' questions that: the University had a strong financial position, with a strong balance sheet and reserves that would allow the University time to formulate its response to any funding changes to ensure the sustainability of the institution; change in government policy was included as a significant risk in the University's risk register; the University was a member of relevant sector lobbying groups e.g. GuildHE.

24.0 **Risk management.** The potential risk arising from any review of HE funding, as discussed at agenda item 23 above, was noted, noting also, however, that risk arising from changes in government policy was already included in the University's risk register.

25.0 **Date of next meeting.** It was noted that the Board of Governors was next scheduled to meet on Wednesday 28th February 2018 at 1.30pm for a Governor training session.
26.0 Exclusions. The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Mr J Cox (Students’ Union President/Student Governor), Ms M Ojari (elected Student Governor), Mr F Bates (Governor nominated by the Academic Board), Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), Professor R Whittaker (Pro-Vice-Chancellor Academic).

27.0 Reserved Matters minutes of the previous meeting. The Reserved Matters minutes of the meeting of the Board of Governors held on 28th November 2017 were noted to be non-confidential and in the public domain i.e. they had been considered at agenda item 3 above.

28.0 Reserved Matters: Remuneration Committee meeting 24th January 2018. Governors considered proposed changes to the Remuneration Committee’s membership and terms of reference, noting that these included a proposal that the Remuneration Committee should consist of 4 Governors and 1 external co-opted Committee member who had expertise in remuneration matters at a senior level, together with revisions relating to permitted staff attendance at meetings. It was noted that it was proposed that the Vice-Chancellor should no longer be a member of the Committee and that the existing section in the terms of reference which referred to the Vice Chancellor and Clerk not remaining in attendance at any part of a Remuneration Committee meeting at which their own pay or conditions were under discussion had been updated to include a reference to their also not remaining in attendance when the pay and conditions of any related party were under discussion.

The Board of Governors approved the updated Remuneration Committee terms of reference, on the recommendation of the Remuneration Committee: proposed Mr Reid, seconded Professor Cullen.

Action: Clerk

The Remuneration Committee recommended to the Board of Governors that the list of designated senior post holders approved by the Board of Governors should include the Pro-Vice-Chancellor Student Experience & Resources and the Pro-Vice-Chancellor Academic.

The Board of Governors approved, on the recommendation of the Remuneration Committee, the designation of the Pro-Vice-Chancellor Student Experience & Resources and the Pro-Vice-Chancellor Academic posts as senior posts and agreed that the Remuneration Committee’s terms of reference should be amended to reflect this: proposed Mr Reid, seconded Dr Cottrell.

Action: Clerk

The Vice-Chancellor and the Clerk to the Board of Governors left the meeting.

Mr Finnigan, as Vice-Chair of the Remuneration Committee, gave a brief verbal report on the meeting held on earlier on the 24th January 2018, which was discussed.

29.0 Any other business. There was no other business considered under the Reserved Matters section of the agenda.

30.0 Risk Management. No new items of risk were identified under the Reserved Matters section of the agenda.
PART I - Membership matters: items for approval

3.0 Appointment of Independent & Student Governors. In the absence of the Chair and the Vice-Chair of the Search & Nominations Committee, Mr Flathers and Ms Handa, the Vice-Chancellor, Professor Wonnacott (a member of the Committee) presented the Committee’s recommendations to the Board of Governors on the appointment of:

- Professor Clare Pickles (Vice President Academic and Innovation, Laureate Online Education for the University of Liverpool Online) as an Independent Governor;
• Mr Derek Whitehead (Deputy Principal & Executive Director of Curriculum & Quality, Leeds College of Building) as an Independent Governor.

Governors noted that Professor Pickles had previously acted as the University’s Taught Degree Awarding Powers (TDAP) consultant, advising the University on its Critical Self-Assessment (CSA) document and providing TDAP training sessions for the Board of Governors. It was noted that Professor Pickles had skills and expertise in higher education (HE), which would replace those lost following the resignation from the Board of Governors of Dr Cottrell (Independent Governor) on 31st January 2018, and that Mr Whitehead had skills and expertise in further education (FE), which would replace those lost from the Board of Governors by the retirement of Mrs Wright (Independent Governor) on 10th January 2018.

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the appointment of Professor C Pickles as an Independent Governor for a period of 4 years from 21st March 2018: proposed Mr F Bates, seconded Mr J Finnigan.

Action: Clerk

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the appointment of Mr D Whitehead as an Independent Governor for a period of 4 years from 21st March 2018: proposed Mr F Bates, seconded Mr J Finnigan.

Action: Clerk

The Board of Governors noted the following student elections:
• Ms Meg Ojari (a Level 6 Illustration student and Elected Student Governor 2017/18) as Students’ Union President/Student Governor ex officio from 1st September 2018;
• Ms Ally Horton (a Level 5 Animation student) as Elected Student Governor from 1st September 2018.

The Board of Governors approved the appointment Ms M Ojari Students’ Union President/Student Governor ex officio from 1st September 2018 and Ms A Horton as Elected Student Governor from 1st September 2018 the end of their respective terms of office as Student Union President or elected Student Governor: proposed Mr F Bates, seconded Mr J Finnigan.

Action: Clerk

Professor C Pickles was invited to join the meeting.

4.0 Recommendations from the Search & Nominations Committee on Governor roles.
Professor Wonnacott presented the Committee’s recommendations, noting that there had been a vacancy for a Lead Governor in Safeguarding (including the Prevent Duty) and in FE since the retirement of Mrs Wright from the Board of Governors and that a new Senior Independent Governor was being sought, following the appointment of Mr Finnigan as Deputy Chair of the Board of Governors.

The Board of Governors approved, on the recommendation of the Search & Nominations Committee, the appointment of:
• Ms A Handa as Lead Governor in Safeguarding, including the Prevent Duty;
• Mr D Whitehead as Lead Governor in Further Education;
• Mr J Flathers as Senior Independent Governor — proposed Mr J Finnigan, seconded Mr D Bagley.

Action: Clerk

PART II - Procedural matters: items for approval

5.0 Minutes of the previous meeting. The minutes of the meeting of the Board of Governors
held on 24th January 2018 were approved with minor amendments i.e. in relation to the discussion of the BMus (Hons) Popular Music Performance at minute 7, the word ‘application’ should be replaced with ‘course specification’ and that the final phrase of the final sentence in the status column of action 1 in the action table should read ‘of the audit of skills form’: proposed Mr J Finnigan, seconded Mr F Bates.

Action: Clerk

6.0 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.

Governors noted in particular that:
- The Clerk would remind Governors concerning completion of the effectiveness questionnaire and the updating of Governors’ audit of skills forms;

Action: Clerk
- The Clerk had sent Professor Cullen relevant reference documents (including the Audit Code of Practice, the Committee of University Chairs’ guide for Audit Committees and the Leadership Foundation’s booklet Getting to Grips with the Audit Committee) before she attended the April 2018 Audit Committee meeting.

There were no other matters arising.

The Board of Governors received the action table report.

PART III - CEO’s report: items for consideration and monitoring

7.0 Chief Executive Officer’s (CEO’s) report. The Vice-Chancellor, Professor Wonnacott presented the CEO’s report for March 2018. Governors noted, in particular, the following areas covered by the report.

(i) Office for Students (OfS)
Governors noted that:
- The Office for Students (OfS) formally came into being as the regulator for HE in England on 1st April 2018;
- The University would submit its registration form and required documents to the OfS by 23rd May 2018;
- While the OfS would use evidence that the University had previously submitted to the Higher Education Funding Council for England (HEFCE) to determine whether the University satisfied the initial conditions of registration, the University would also have to submit the following as part of its application:
  - An access and participation plan,
  - A self-assessment of how the University complied with consumer protection law,
  - A student protection plan, and
  - A self-assessment of management and governance.

(ii) Academic Enrolment, retention and success rates
Governors noted that:
- Application rates had increased significantly in HE against sector decreases;
- The University’s report on its key performance indicator (KPI) for non-continuation in HE had been updated and was shown as 1.9% against a benchmark of 6%;
- In FE, applications for the Foundation Diploma remained high and applications for the Extended Diploma had increased following enhanced marketing activity;
- While 1.2% lower than the previous year, retention rates in FE had remained strong
with an overall rate of 96.6%.

In response to Governor’s questions it was noted that the Vice-Chancellor, Professor Wonnacott, and the Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, had recently attended a meeting with the Universities & Colleges Admissions Service (UCAS) and had discussed the University's extremely positive data for HE application and conversion rates, both compared to competitors and the sector.

With reference to Governors’ questions concerning competitors making unconditional offers to applicants for undergraduate courses, it was noted that

- The University did make unconditional offers to students who already had the required UCAS points for entry;
- It was known that schools and colleges were unhappy with the number of unconditional offers being made by HEIs, with evidence from UCAS indicating that they could be demotivating, particularly for female students, noting also that female students currently formed the majority of the University's student body;
- The University's current tariff for entry to undergraduate courses was comparable with other specialist institutions, but that applicants' portfolios or auditions were an important factor in determining acceptances;
- With reference to widening participation, it was noted that the University considered that its long-term outreach work with schools and work to improve the quality of applicants' portfolios were more likely to have a positive impact on participation than unconditional offers.

(iii) Access and Participation Plan
Governors noted that:

- The OfS’s access and participation plan would replace the access agreement which had previously been submitted by higher education institutions (HEIs) to the Office for Fair Access (OFFA) annually;
- Professor Russell (Pro-Vice-Chancellor Student Experience & Resources) had recently attended a briefing on access and participation plans and the principles of the University's 2019-20 plan would be presented to a Board of Governors' meeting on 25th April 2018 for discussion and approval.

Action: PVC (Student Experience & Resources)

(iv) Research
Governors noted the positive report on research progress and plans.

(v) Estates
Governor noted that an update on the building project would be considered later on the agenda.

(vi) Student successes
The Vice-Chancellor highlighted the significant student successes included in the report, noting in particular the mosaic that students had been working on in the Victoria Quarter, which Governors were encouraged to visit.

The Board of Governors received the CEO's report for March 2018.

8.0 Key performance indicator (KPI) report
The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the University’s strategic KPI report for March 2018.

Governors noted that:
• Following the release of non-continuation data by the Higher Education Statistics Agency (HESA), the non-continuation performance figure for young full time first degree entrants had been updated and was shown in the report as 1.9% compared to an institutional benchmark of 6%, a sector benchmark of 6.2% and a Creative Arts and Design subject area benchmark of 7.3%;
• The University’s performance in this respect was significantly better than that for similar institutions.

In response to Governor’s questions as to whether there was one specific intervention which had led to such an exceptional outcome, it was noted that the University considered that no one single intervention could be identified but the outcome appeared to be the result of the combined effect of a number of small interventions e.g. early identification of at risk students through tutorials, regular monitoring of student attendance and follow up of any issues, good student welfare and support systems.

Governors received the KPI report for March 2018.

**Part IV - Academic Board report: for information**

9.0 **Academic Board report.** The Board of Governors noted that the minutes of the Academic Board’s March 2018 meeting would be presented to the June 2018 meeting of the Board of Governors.

*Action: Clerk*

**PART V - Financial & risk matters: items for review**

10.0 **Management accounts (including building project update).** The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented the management accounts for the period ending 28th February 2018 and an update on the building project at the University's Blenheim Walk site.

(i) **Management accounts**
Governors noted that:
• The operating surplus, at £2.9m, was £1.1m ahead of budget;
• The year-end surplus was expected to be £939k better than budget at £2.6m;
• Strong recruitment and retention had driven higher income, particularly HE Home fee income, offset slightly by HE overseas income;
• Within pay costs, vacancies had existed at the start of the year for new courses and although most were now filled, significant savings had been realised, particularly in Academic staff costs;
• Non pay expenditure was currently £543k under budget with maintenance costs being £305k under profile as a cautious approach was being taken to maintaining the existing Blenheim Walk building but there was no change in the forecast outturn as the refurbishment of the existing building was due to commence at the start of July 2018 and expenditure would therefore fall partly into the financial year ending 31st July 2018;
• Cash reserves remained high and bad or doubtful debts remained low;
• While the cash position was currently higher than budgeted, as the new build project entered the last few months, and with significant refurbishment of the existing building at Blenheim Walk planned, cash would be closely monitored;
• There had been significant investment in new resources with total capital expenditure of £5m.
It was noted in response to Governors’ questions that:

- The final position for the financial year was dependent upon the Home undergraduate student retention profile, with the final 50% of fees payable when students returned from the Easter vacation;
- The forecast for non-collection of undergraduate fees was 3.5%, having been 2.4% to 2.5% historically, and a contingency in respect of the non-collection of fees had been included in the budget;
- The number of students qualifying for fee waivers was lower than forecast, with most of this saving having been transferred to hardship bursary funds, which had resulted in a year-end forecast for hardship bursary funds higher than budget;
- Payment of hardship bursaries was currently £74k over budget due to a decision to make payments to students earlier in the year, when it would be of most benefit to students, but this was not expected to have an impact on the year-end forecast for bursary hardship expenditure;
- A recent meeting with students had confirmed that they considered the above policy change in relation to the hardship bursary payments profile beneficial; 

(ii) Building project update
The Board of Governors considered a progress report on the new build at the University's Blenheim Walk site, discussion of which has been kept in a confidential minute.

The Board of Governors received the management accounts for February 2018, noting the University's positive financial position, and a report on the University's building project.

11.0 HEFCE: annual assessment of institutional risk. The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, presented to the Board of Governors HEFCE's annual statement of institutional risk. It was noted that with reference to financial sustainability, good management and governance, Leeds Arts University was stated to be 'not at higher risk', which was a positive outcome.

**PART VI - Financial matters: items for approval**

12.0 New Build General Furniture Tender. The Vice-Chancellor presented to the Board of Governors the tender for the procurement of general furniture for the new building, reporting that upon completion of the tender evaluation process Elite Furniture had had the highest score of those tendering and was therefore the University’s preferred furniture supplier. It was noted that Elite made most of the furniture that they supplied and had facilities to store the furniture until it was needed by the University.

The Board of Governors approved the appointment of Elite Office Furniture Limited as the single source supplier of general furniture in the new building: proposed Mr D Bagley, seconded Mr J Finnigan.

Action: Vice-Chancellor

**PART VII - Reports: for information**

13.0 Annual Equality, Diversity & Inclusion Report 2016/17. The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell presented the University's Equality, Diversity and Inclusion (EDI) Report 2016/17, which included a survey of the work undertaken by the EDI Committee during the year, summarised staff and student data according to protected characteristics, and sought to provide assurance to Governors that equality and diversity was effectively managed within the University.

Governors noted that:
• The report highlighted that the University continued to employ more females than males, with mostly white ethnicity, a trend also reflected in the composition of the student body;
• As future academic and other staff would be drawn from the student body over time, the report also included a report on earlier years outreach work with under-represented groups undertaken by the University e.g. the use of student ambassadors in schools to promote the arts as a sustainable career;
• The University's FE provision, including its work with mature students, had positive progression and retention rates, and was also part of its approach to widening participation.

Governors noted that:
• The EDI Committee had considered comparative national data where possible e.g. staff and undergraduate data from the Equality Challenge Unit (ECU) and the Higher Education Statistics Agency (HESA), FE data provided by the Education Skills Funding Agency (ESFA);
• Whilst creative subjects comparators at undergraduate level showed the University to be generally in line with the creative sector, there remained a larger proportion of female students than for the creative subjects overall which could, in part, be a reflection of courses, such as the BA (Hons) Printed Textiles and Surface Pattern and BA (Hons) Fashion, which continued to reflect strong historical gender preferences;
• There was a greater gender balance on courses such as BA (Hons) Graphic Design, the BA (Hons) Animation and BA (Hons) Creative Advertising;
• The proportions of staff and students at the University declaring a disability remained higher than the national average, due in part to the University's student diagnostic testing process;
• The proportion of Black & Minority Ethnic (BME) students at undergraduate level was closer to the national average, where participation by those from a BME background remained low for creative subjects.

It was noted in response to Governors' questions concerning gender balance in the creative arts sector that this was a complex area and, even where courses did not bring diversity to the student demographic, they might still bring change to the creative arts sector as a whole, for example:
• New undergraduate courses in Popular Music Performance, Filmmaking, and Comic and Concept Art might attract more male applicants;
• The University's established BA (Hons) in Animation traditionally attracted more male students but there was now a greater gender balance in an area in which females were otherwise under-represented.

It was noted that research being undertaken by consortium groups in Leeds concerning barriers to people considering the arts as a career or in relation to long-term participation in the arts, reflected the early years' approach undertaken by the University in its outreach work, with early results suggesting that it could be beneficial to work with families to help children make choices. Governors noted that the University already held family events and undertook early years and school outreach work.

It was noted in response to Governors' questions concerning participation in the creative arts by mature students that:
• The number of adult students returning to learning in the creative arts was low nationally;
• The University's Level 2 Diploma in Visual Arts was specifically designed for returners to education, was actively marketed by the University, and did not require applicants
to have specific qualifications or a portfolio;

- Loan funding for the University's Level 3 Access to HE Diploma (Art & Design) was available for mature students, with the loan not required to be repaid if the student progressed to HE;
- The University's Access course was an important contributor to its mature student demographic, with students who already held a first degree (and who would therefore not be eligible for loan funding at undergraduate level) able to progress from the Access course to a masters degree;

The Board of Governors received the University's Equality, Diversity & Inclusion Report 2016/17.

14.0 **HEFCE Prevent Duty Annual Monitoring Outcome Report.** The Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, presented HEFCE’s annual monitoring report on the outcome of the University's Prevent Duty return for 2016/17, which had been submitted in December 2017. Governors noted that the HEFCE Prevent duty annual monitoring outcome report stated that Leeds Arts University had ‘demonstrated sufficient evidence of due regard to the Prevent duty’, which was a positive outcome.

The Board of Governors received HEFCE’s annual monitoring report on the outcome of the University’s Prevent Duty return for 2016/17.

15.0 **Use of the seal.** The Clerk presented a report on the use of the University seal since the Board of Governors’ meeting held on 24th January 2018, noting the sealing and signing of deeds of collateral warranty with Chemplas Limited, Metallic Fabrications Limited and A.F. Connell Limited in relation to the building works at Blenheim Walk.

The Board of Governors received a report on the use of the seal.

16.0 **Combined Policy document.** The Board of Governors noted that the updated Combined Policy document, including the Board of Governors’ scheme of delegation, had been placed on the Board of Governors’ section of eStudio.

17.0 **FOI Charging Policy.** The Clerk presented to the Board of Governors, for information, the University’s updated *Charging Policy for requests falling under the Data Protection Act, the Freedom of Information Act, the University’s Publication Scheme, and the Environmental Information Regulations*, noting that the Board of Governors had, under its scheme of delegation, delegated approval of changes to the policy to the Vice-Chancellor. Governors noted that the updated policy took account of the coming into force of the General Data Protection Regulation (GDPR) from the 25th May 2018 under which the right to charge a subject access request fee (except where a request was unfounded, excessive or repetitive) had been removed.

The Board of Governors received, for information, the University’s updated *Charging Policy for requests falling under the Data Protection Act, the Freedom of Information Act, the University’s Publication Scheme, and the Environmental Information Regulations*.

18.0 **Board of Governors: committee minutes & reports:** The Board of Governors received the unconfirmed Extraordinary Search & Nominations Committee minutes of the meeting held on
21st February 2018, noting that recommendations arising from this meeting and from the Extraordinary Search & Governance Committee meeting held on 19th March 2018 had been considered as part of agenda items 3 and 4. It was noted that the minutes of the meeting held on 19th March 2018 would be presented to the June 2018 meeting of the Board of Governors.

**Action: Clerk**

The report on Search & Nominations Committee minutes was received.

**PART X - Final matters**

19.0 **Any other business:**
The Chair of the Board of Governors, Mr Clements, reported that the University had become a member of the Committee of University Chairs (CUC). It was noted that the CUC’s spring plenary was due to be held in London on the 19th -20th April 2018 and that, as Mr Clements was unable to attend, Governors were asked to contact the Chair or the Clerk if they wished to attend on the Chair’s behalf.

**Action: Chair/Clerk**

20.0 **Risk management.** No new items of risk had been identified.

21.0 **Date of next meeting.** It was noted that the Board of Governors was next scheduled to meet on:
- Wednesday 25th April 2018 (a brief Board of Governors’ meeting at 3.00pm followed by the annual Governors & Executive/Governor development session at 3.30pm);
- Wednesday 6th June 2018 (scheduled Board of Governors’ meeting).
BOARD OF GOVERNORS OF THE HE CORPORATION
MINUTES OF THE EXTRAORDINARY MEETING HELD ON WEDNESDAY 25TH APRIL 2018

Present: Mr J Cox (Students’ Union President/Student Governor), Mr F Bates (Governor nominated by the Academic Board), Mr C Clements (Independent Governor, Chair of the Board of Governors), Mr J Finnigan (Independent Governor, Deputy Chair of the Board of Governors), Professor S Wonnacott (Vice-Chancellor), Ms M Ojari (elected Student Governor), Ms G Edge (elected & co-opted Staff Governor), Ms A Handa (Independent Governor), Mr J Flathers (Independent Governor), Dr D Reid (Independent Governor) and Mr D Whitehead (Independent Governor)

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

1.0 Apologies for absence. Apologies were received from Mr D Bagley (Independent Governor), Ms K Watson (Independent Governor), Professor P Cullen (Independent Governor), Professor C Pickles (Independent Governor) and Mr N Ramshaw (Independent Governor).

In the absence of the Chair of the Board of Governors, the Deputy Chair of the Board of Governors, Mr Finnigan, chaired the meeting.

2.0 Declaration of interests & code of conduct report. The following standing declarations of interest were received: Mr Cox (Leeds Arts University Students’ Union President); Mr Bates (employee, Leeds Arts University); Mr Clements (partner, Deloitte); Professor Wonnacott (employee, Leeds Arts University, and Universities & Colleges’ Employers’ Association Board member); 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 Edge (employee, Leeds Arts University); Mr Flathers (partner, Irwin Mitchell); Mr Whitehead (Deputy Principal & Executive Director of Curriculum & Quality).

PART I - Membership matters: items for approval

3.0 Appointment of external co-opted Audit Committee member. The Chair of the Search & Nominations Committee, Mr Flathers, reported that there was a vacancy on the Audit Committee for a member who could either be a Governor or an external co-opted committee member. Governors noted that Mr Flathers, Mr Finnigan, and Professor Wonnacott, who were members of the Search & Nominations Committee, had met with Mr Liam Fox, an accountant, who has expressed an interest in joining the Audit Committee as an external co-
opted member, and were recommending his appointment.

The Board of Governors approved the appointment of Liam Fox as a co-opted member of the Audit Committee for an initial period of 12 months: proposed Mr Flathers, seconded Mr Reid.

Action: Clerk

PART II - Procedural matters: items for approval

4.0 Minutes of the previous meeting. The Board of Governors noted that as the meeting was an Extraordinary meeting, the minutes of the previous meeting were not due to be considered.

6.0 Use of the seal. Governors agreed that this item should be considered at this point on the agenda.

The Clerk presented a report on the use of the University seal since the Board of Governors’ meeting held on 21st March 2018, noting the sealing and signing of deeds of collateral warranty with Titan Interior Solutions and Ascot Doors Limited in relation to the building works at Blenheim Walk.

The Board of Governors received a report on the use of the University seal.

Mr Clements, Chair of the Board of Governors, joined the meeting. Mr Clements chaired the meeting.

PART III - Reports: items for consideration and approval


Governors noted that higher education institutions (HEIs) wishing to charge a fee greater than £6,000 had previously been required to put in place an Access Agreement outlining how they would support the participation, achievement and onward progression of under-represented groups, with the agreement submitted to the Office for Fair Access (OFFA) for approval annually. It was noted that, following the establishment of the Office for Students (OfS) on 1 April 2018, HEIs were now required to submit an Access and Participation Plan to the OfS, which broadly shared the same features and characteristics as the previous Access Agreement, with the deadline for submission of the plan being 25th May 2018.

Governors noted that the report being presented outlined: the key features and costs of the University’s proposed Access and Participation Plan for 2019-20 that would apply to the relevant cohort over the course of their studies; the first part of the paper dealt with financial support; the second part of the paper listed the activities, approaches and partnerships by which the University would continue to promote potential applicants’ decisions to enter HE, in addition to supporting the development of the skills, knowledge and understanding with which to make a successful application.

With reference to the development of the strategies underlying the Access and Participation Plan, it was noted that these included a sustained cross-institution approach, including working closely with the Students’ Union, to achieve consensus. It was noted that the Pro-Vice-Chancellor Student Experience & Resources, Professor Russell, had recently attended a Students’ Union Executive meeting (at which Students’ Union President/Student Governors, Mr Cox, and Student Governor, Ms Ojari, had been present) to discuss the plan. It was noted that discussions had indicated that students had indicated that the hardship fund should be considered the area of support which should be considered a top priority, with other areas of
support considered of equal priority.

It was noted that, in accordance with OfS guidance, activities in the plan ranged from outreach work in primary schools and assistance in travelling to interview/auditions through to ‘life after University’ activities that supported progression to employment or postgraduate study. Governors noted that financial support provision included: the internal progression from FE to HE cash scholarship; the travel to interview/audition contribution; the University’s hardship fund; a bursary to support the cost of creative practice; and a final project contribution.

Professor Russell reported that there had been a progressive increase in investment in outreach activities e.g. to help raise participants’ attainment in the creative subjects and provide timely support for progression into specialist creative FE and HE education.

Governors noted that a cornerstone of the University’s plan was the provision of financial support towards the cost of materials during all three years of undergraduate study to ensure that students from lower income families could engage fully with their studies. Governors noted that over 30% of the University’s undergraduate students were eligible for help under the plan, with those from families with low incomes being the largest group.

Mr Russell reported, with reference to participation targets for those from low income households (a target set historically at 41%) and those from post code areas with low participation rates in HE (a ‘POLAR’ target set historically at 13%), that the University had not met these targets for some years, due to the targets having been set when the institution was a FE college with a more local student demographic. The targets remained extremely challenging, given the increasing popularity of the institution, its rise in status as a University and the national profile of applicants. Governors noted that the University was therefore proposing that these targets should be sustained rather than increased.

It was noted that the University had 3 existing success targets which it was proposed should be carried forward in the 2019-20 plan i.e. that the attrition rate of students into their second year of study should be no higher than 7.5%; the gap between male and female achievement of a good degree (defined as 2.1 or above) should be no greater than +/-2%; the gap between those with a disability and those without a disability in achieving a good degree should be no greater than 3%. Governors noted that the University continued to perform well against these targets which emphasised the attention the University placed on personalised learning and its investment in high student contact hours, the resourcing of smaller group sizes and student support services.

Governors noted that the University’s current target for progression related to the gap between male and female progression to employment or further study according to the Higher Education Statistics Agency’s (HESA’s) Destination of Leavers in HE (DLHE) data, had been set at +/- 2%, with the University having noted that male students tended to secure employment at a lower rate than females. It was noted that this was an area of work that would be developed through the University’s Careers, Employability and Enterprise Team.

It was noted in response to Governors’ questions in relation to the attrition rate target having been set at 7.5%, that this was considered realistic and compared well with the sector benchmark, noting that the University’s average attrition rate was 5-6%.

Mr Russell reported that the University would discuss the above targets with the OfS following submission of the plan.

Governors noted the range of the University’s partnerships. Mr Russell reported that a
collaborative target with the regional HE providers and colleges via the Go Higher West Yorkshire partnership (which had been introduced in 2016/17 to create effective engagement with the network of virtual schools and foster carer families in order to increase contact with looked after young people across the region) would be reviewed for the 2019-20 iteration of the plan. It was noted in response to Governors questions that pastoral care was in place at the University for all students and particularly for care leavers, with each student having a personal tutor who was aware of relevant personal circumstances. Governors commented favourably on the more explicit references in the report to work being undertaken in relation to care leavers.

Governors noted that the overall expenditure involved in delivering the Access and Participation Plan would amount to 18% of income over the life of the plan, a figure previously agreed with OFFA as consistent with the University's profile.

Governors noted that the level of detail in the report on the key features of the Access & Participation Plan for 2019-20 was useful to readers, the level of financial support offered to students appeared appropriate, and that targets discussed appeared to be both challenging and realistic.

The Board of Governors approved the Access and Participation Plan principles 2019-20, noting that the plan would be submitted to the Office for Students by the deadline of 25th May 2018: proposed Mr Reid, seconded Mr Bates.

*Action: Pro-Vice-Chancellor Student Experience & Resources*

<table>
<thead>
<tr>
<th>PART IV - Governance reports: for information</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.0 Use of the seal. It was noted that this item had been considered earlier on the agenda.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART V - Final matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0 Any other business: The Chair formally welcomed Mr Derek Whitehead (Deputy Principal &amp; Executive Director of Curriculum &amp; Quality, Leeds College of Building) to his first meeting as an Independent Governor.</td>
</tr>
<tr>
<td>8.0 Risk management. No new items of risk were identified.</td>
</tr>
<tr>
<td>9.0 Date of next meeting. It was noted that the Board of Governors was next scheduled to meet on:</td>
</tr>
<tr>
<td>* Wednesday 25th Apr. 2018 at 3.30pm (annual Governors &amp; Executive/Governor development meeting)</td>
</tr>
<tr>
<td>* Wednesday 6th June at 1.30pm (formal Board of Governors' meeting)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART VI - Reserved matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0 Exclusions. The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Mr J Cox (Students' Union President/Student Governor), Ms M Ojari (elected Student Governor), Mr F Bates (Governor nominated by the Academic Board), Professor D Russell (Pro-Vice-Chancellor Student Experience &amp; Resources), Professor R Whittaker (Pro-Vice-Chancellor Academic).</td>
</tr>
<tr>
<td>It was agreed that the Vice-Chancellor, Professor Wonnacott, and the Pro-Vice-Chancellor Assurance &amp; Director of Finance, Ms Bailey, should remain at the meeting.</td>
</tr>
</tbody>
</table>
BOARD OF GOVERNORS OF THE HE CORPORATION
MINUTES OF THE MEETING HELD ON WEDNESDAY 6TH JUNE 2018

Present: Mr F Bates (Governor nominated by the Academic Board), Mr C Clements (Independent Governor, Chair of the Board of Governors), Mr J Cox (Students' Union President/Student Governor), Professor P Cullen (Co-opted Governor), Ms G Edge (elected & co-opted Staff Governor), Mr J Finnigan (Independent Governor and Deputy Chair of the Board of Governors), Mr J Flathers (Senior Independent Governor), Ms A Handa (Independent Governor), Ms M Ojari (elected Student Governor), Professor C Pickles (Independent Governor), Mr N Ramshaw (Independent Governor), Dr D Reid (Independent Governor), Ms K Watson (Independent Governor), Mr D Whitehead (Independent Governor), Professor S Wonnacott (Vice-Chancellor),

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

1.0 Apologies for absence. Apologies were received from Mr D Bagley (Independent Governor).

2.0 Declaration of interests & code of conduct report. The following standing declarations of interest were received: Mr Bates (employee, Leeds Arts University); Mr Clements (partner, Deloitte); Mr Cox (Leeds Arts University Students' Union President); Professor Cullen (trustee and Board Member, Open College of the Arts); Ms Edge (employee, Leeds Arts University); Ms Ojari (student, Leeds Arts University); Professor Pickles (Vice President Academic and Innovation, Laureate Online Education for the University of Liverpool Online), Ms Watson (artistic director, East Street Arts, Leeds); Mr Whitehead (Deputy Principal, Leeds College of Building), Professor Wonnacott (employee, Leeds Arts University, and Universities & Colleges' Employers' Association Board member).

PART I - Procedural matters: items for approval

3.0 Minutes of the previous scheduled meeting. The minutes of the meeting of the Board of Governors held on 21st March 2018 were approved: proposed Mr Bates, seconded Mr Finnigan.
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 reported that:
- The effectiveness questionnaire 2018 would be available for Governors to complete in July 2018, it would be in online form and the Clerk would circulate the deadline for completion once it was live;
- The Chair emphasised the importance of the questionnaire and encouraged Governors to complete it;
- The Clerk reported that Governors would also be asked to update their skills audit forms, including training needs.

There were no other matters arising from the minutes. The Board of Governors received the action table report.

5.0 **Minutes of an extraordinary meeting.** The minutes of the extraordinary meeting of the Board of Governors held on 25\textsuperscript{th} April 2018 were approved: proposed Ms Handa, seconded Mr Whitehead.

6.0 **Action plan update & matters arising.** Governors considered the action plan attached to the above minutes, noting all actions had been completed.

There were no other matters arising.

The Board of Governors received the action table report.

<table>
<thead>
<tr>
<th>PART II - CEO’s report: items for consideration and monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0 <strong>Chief Executive’s report.</strong> The Vice-Chancellor, Professor Wonnacott presented the CEO’s report for June 2018. Governors noted, in particular, the following areas covered by the report.</td>
</tr>
</tbody>
</table>

(i) **The Guardian University League Tables 2019**

Governors noted that:
- The University was the highest ranked institution in Design & Crafts in the UK which has gained a high amount of positive press;
- The areas in which the University's scores had fallen would be considered through the deliberative committee structure.

(ii) **Academic Enrolment, retention and success rates**

Governors noted that:
- Application rates have increased significantly for the University's HE courses against sector decreases, acceptance rates were positive for both home and international applicants;
- The University's report on its key performance indicator (KPI) for non-continuation in HE was 1.9% against a sector benchmark of 6%;
- In FE, applications for the Foundation Diploma were exceptionally high, acceptance rates for the Extended Diploma suggested the cohort would be smaller but overall it was likely that the number of FE students next year would be similar to 2017-18;
- FE retention rates were 1% lower than the previous year but remained high with an overall rate of 96%;
- Teaching observations for FE staff had moved into a more developmental
process, in line with Ofsted’s approach to lesson observations;

- The Learning, Teaching and Enhancement Committee considered the first annual report on the outcomes of the new process and noted considerable evidence of the depth of engagement and improvements in the quality of self-reflection demonstrated in the reports.

In response to Governors’ questions as to how they would receive assurance about lesson observations if they were no longer graded, it was noted that the self-assessment report (SAR) would include a report on the outcome of teaching observations.

(iii) Higher Education Statistics Agency (HESA) Destinations of Leavers from HE (DLHE) survey

The Vice-Chancellor reported that:

- The University's DLHE benchmark had increased from 89.3% to 92.4% but was still below the Creative Art and Design subject group benchmark (93.5%) for 2015/16 and last year’s UK sector benchmark (94.3%), although certain individual degree courses were above the Creative Art and Design benchmark;
- The University was working with the Careers team to improve the opportunities for students and strategies had been put in place;
- There would be more emphasis on work experience and the Careers team would support students in this, together with the course teams;
- 2018-19 would be the first year of the new Graduate Outcomes survey, with graduates surveyed 14 -17 months after completing their studies and the survey carried out externally.

In response to Governors’ questions concerning employability sessions for levels of undergraduate students, it was noted that the Careers, Employability and Enterprise team were ensuring that all students would have appropriate opportunities.

(iv) Research

Governors noted the positive report on research progress and plans and the development of three specialist Masters of Arts courses through the deliberative committee structure in 2018/19.

(v) Estates

Governors noted that the new build was being closely monitored.

(vi) Student successes

The Vice-Chancellor highlighted the significant student successes included in the report, referring to the March 2018 CEO's report it was noted that there was an official opening of the Victoria Quarter mosaic, with which the University's students had been involved, this had been attended by the Pro-Vice-Chancellor Student Experience & Resources.

The Board of Governors received the CEO's report for June 2018.

8.0 Key performance indicator (KPI) report. The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey presented the University’s strategic KPI report for June 2018.

Governors noted that annual indicators had been updated to reflect the following changes:
As noted earlier on the agenda, the University's DLHE performance indicator had increased to 92.4% (from 89.3%), against a sector benchmark of 94.3% and a creative arts & design sector benchmark of 93.5%;
Highly skilled employment had increased and this was being carefully monitored;
HESA benchmark data would be updated in July 2018.

Governors noted, with reference to the latest key performance indicator data that:

- The percentage of staff with Doctorates and Masters degrees had reduced slightly due to staff changes but was still meeting the KPI, the percentage of HE academic staff with Higher Education Academy (HEA) Fellowships had increased, and FE academic staff with teaching qualifications had increased;
- The conversion rate of undergraduate Home acceptances to offers had increased.

The Board of Governors received the KPI report for June 2018.

### Part III - Academic Board report: for information

#### 9.0 Academic Board report
The Vice-Chancellor presented the Academic Board minutes of the 14th March 2018 and highlighted the following items of note considered at the meeting:

- Agenda item 6: The approval of the BA (Hons) Filmmaking course and the conditions that had since been met;
- Agenda item 7: The amendment of the HE Academic calendar to facilitate employability;
- Agenda item 15: The number of complaints and appeals, which was low.

It was noted in response to Governor’s questions that:

- National Student Survey (NSS) responses had dropped by 1% compared to the previous year but this was still a high response rate and allowed Governors to have confidence in the results;
- The Ethics Committee was a subcommittee of the Research Committee and dealt with both student and staff research project ethics.

Governors asked whether meeting dates, including Board of Governors and committee meeting dates, could be agreed further in advance than 6 months prior to the start of the academic year. The Pro-Vice-Chancellor Assurance & Director of Finance, Ms Bailey, reported that an earlier annual approval date for the Board or Governors and committee meeting schedule could be considered in the future.

**Action: PVC Assurance & Director of Finance**

The Board of Governors received the minutes of the Academic Board of 14th March 2018.

### Part IV - Items for approval: for approval

#### 10.0 Policy on Criminal Facilitation of Tax Evasion
The Chair of Audit Committee, Mr Finnigan, presented the Policy on the Criminal Facilitation of Tax Evasion which had been drafted in response to the Criminal Finances Act 2017 (the Act) that came into force on 30th September 2017 and had been considered at the Audit Committee’s meeting on the 21st March 2018. It was noted that the Act had created the corporate offence of failure to prevent the facilitation of tax evasion, which was a strict
liability offence. Organisations needed to be able to demonstrate that they had reasonable procedures in place to prevent such facilitation.

In response to Governors’ questions, it was noted that a detailed discussion of the policy had been included in the March 2018 Audit Committee minutes, which were on the agenda, and that:

- The draft Policy outlined the responsibilities of the University and of those working for it in observing and upholding the University’s position on criminal facilitation of tax evasion and outlined the procedure for raising concerns within the University in relation to possible tax evasion;
- The Policy and the University’s risk assessment had been designed to protect the University from a reputational and financial perspective;
- With reference to controls, the University had the advantage of a more centralised payment and HR system than would be the case for many larger HE institutions;
- Annex 1 to the draft policy provided useful examples as to what could be considered to constitute the facilitation of tax evasion in a university context;
- The policy would be available to staff through the University portal, once approved, and budget holders would be trained in its use;
- The University’s HR department had appropriate policies and procedures e.g. concerning the assessment of employment status.

Governors discussed in detail section 4.3 concerning the list of people that staff and associates could contact should they become concerned that a fellow employee or associate was facilitating a third party’s tax evasion, noting that the policy also stated that concerns could be raised using the University’s Whistleblowing Policy e.g. should the procedure at section 4.3 be considered inappropriate.

The Board of Governors approved the University’s Policy on the Criminal Facilitation of Tax Evasion on the recommendation of the Audit Committee: proposed Ms Watson, seconded Dr Reid.

11.0 Revised Health & Safety Policy. The Pro-Vice-Chancellor Student Experience & Resources presented the Health & Safety Policy, reporting that it had been amended to address changes to role titles and provide further clarity and detail in relation to the organisation of responsibilities and the respective roles of managers.

It was noted in response to Governors questions that:

- Page 8 of the policy would be amended to state ‘affects the reputation of the University’ replacing the phrase ‘that questions the name of the University’;
- Staff members receiving visitors onto a University site were responsible for their safety;
- When public events took place at the University, the fire wardens took responsibility for evacuating the building.

The Board of Governors approved the revised Health & Safety Policy, amended as noted above: proposed Mr Flathers, seconded Ms Handa.

PVC Student Experience & Resources

12.0 Combined Policy document: revisions to the Board of Governors’ schedule of delegation. The Clerk reported that the Board of Governors’ Combined Policies document included its schedule of delegation. It was noted that the Board of Governors had reserved the approval of some policies to itself e.g. where the
responsibility for this area was ultimately the governing body’s responsibility (e.g. health & safety) or where the Board of Governors wished to indicate the highest level of support for the policy.

Governors noted that the Clerk was proposing that the Combined Policies document should be amended to include reference to Board of Governors’ approval being required for the ethical fundraising policy, the whistleblowing policy, and the criminal facilitation of tax evasion policy, and that the title of the code of practice on freedom of speech and expression should be corrected in the policies list and relevant dates on which the Board of Governors had agreed that policies should be subject to Board approval should also be updated.

The Board of Governors approved the revisions proposed by the Clerk to the list of policies identified as requiring Board approval in the Board of Governors’ schedule of delegation: proposed Ms Edge, seconded Mr Finnigan.

Action: Clerk

13.0 Revised Board of Governors’ Standing Orders. The Clerk presented to the Board of Governors the revised Board of Governors’ Standing Orders, which included the following amendments:

- The addition of the University logo to the cover sheet and changes to the approval section at the foot of the cover sheet to bring it into line with the standard format for University policies;
- The replacement of references to the Higher Education Funding Council for England (HEFCE) throughout with references to the OfS, which had replaced HEFCE as the University’s regulator from 1st Apr. 2018;
- The amendment of paragraph 1 of the Interpretation section to reflect the Privy Council’s modification of the Instrument of Government on 15th Aug. 2017 to include a change of title to ‘Leeds Arts University’;
- With reference to paragraph 2 of the Interpretation section, the removal of definitions which were no longer in the Instrument & Articles of Government and their transposition to the ‘In addition’ section at paragraph 3;
- With reference to the 3rd bullet point of section 2.3 to clarify the wording to avoid any confusion between the 4-yearly election of the Chair and the Deputy Chair of the Board of Governors and their annual re-appointment;
- The amendment of section 2.4 (Eligibility) to reflect changes to the current rules on the automatic disqualification of charity trustees which would come into force on 1st August 2018, noting that the revised wording reflects advice from Eversheds Sutherland received under the University’s Governance Plus subscription service;
- The addition of a new section 2.5 (Fit and proper person) to reflect OfS requirements.

Governors noted that the Search & Nominations Committee held earlier on 6th June 2018 had approved a revised Governor eligibility statement, which took account of the OfS’s ‘fit and proper’ person requirements and changes to the current rules on the automatic disqualification of charity trustees from 1st August 2018. The form would be circulated by the Clerk for completion by Governors before that date.

Action: Clerk

It was noted, with reference to the Governors’ briefing on the University’s social media/digital strategy at Annex A to the Standing Orders, that links to the University’s Twitter, Instagram and Facebook accounts would be updated.
The Board of Governors approved the Board of Governors’ revised Standing Orders subject to the amendment of Annex A noted above: proposed Dr Reid, seconded Professor Cullen.

**Action: Clerk**

14.0 **Draft schedule of Board of Governors & Committee meeting dates for 2018-19.**

The Clerk presented to the Board of Governors the draft meeting dates for 2018-19. It was requested that the Audit Committee meeting on the 14th November 2018 should take place at an earlier time (e.g. 1.30pm), which it was agreed would be considered.

**Action: Clerk**

The Board of Governors approved their 2018-19 meeting dates, subject to the amendment discussed above: proposed Ms Watson, seconded Ms Handa.

### PART V - Financial matters: items for consideration

15.0 **Financial matters: management accounts.** The Pro-Vice-Chancellor Assurance & Director of Finance presented to the Board of Governors the management accounts and commentary for the 9 months ended 30 April 2018, highlighting the following points:

- The current forecast surplus for the year was £3m, which was £1.3m above budget with an 18% operating surplus;
- Forecast income was £669k higher than budget, primarily due to HE Home fees, following strong recruitment and a non-collection of fees rate of 2.5% compared to the budget assumption of 5%;
- A £278k saving in pay costs and a £339k saving in non-pay costs was expected;
- There was a healthy cash position that was better than forecast due to delayed payments relating to the new build, although as the new build project entered the last few months, and with significant refurbishment of the existing building at Blenheim Walk planned, this would be closely monitored;
- Due to the University's healthy cash position, the revolving credit facility had not been drawn down.

In response to Governors questions, it was noted that:

- With reference to the recruitment of international and Masters students, the University recruited annually and information on student recruitment for 2018-19 had been included in the budget presentation to be considered at agenda item 16;
- With reference to KPMG's financial benchmarking report, the comparative data showed that the University's surplus benchmarked favourably compared to the sector average;
- Investment in resources was lower in 2017-18, due to the new build and the timing of the refurbishment programme, with a significant increase in investment included in the budget for 2018-19.

The Board of Governors received the management accounts for April 2018, noting the current surplus forecast for the year was above budget.
16.0 Budget assumptions presentation. The Pro-Vice-Chancellor Assurance & Director of Finance presented the 2018-19 budget assumptions report, which had been prepared in order to provide an outline of the main external and internal factors which could have an impact on the University and set out the key assumptions used in preparing the budget.

It was noted that: the budget and financial plan needed to be submitted to the OfS by Monday 17th September 2018; a projected outturn for 2017-18 and 5-year forecasts for the period 2018-23 were also required; work on the budget was due for completion at the end of June 2018; the budget and financial plans would be presented to the Board of Governors meeting on the 4th July 2018.

Governors noted, with reference to the background to the budget, as set out in the Pro-Vice-Chancellor Assurance & Director's presentation, that key factors included:

- With reference to the external environment - uncertainty in relation to fees and funding, completion of the Government's post-18 education review in 2019, a continuing competitive environment for student recruitment, risks relating to the global economy and arising from the UK leaving the EU, and inflation;
- With reference to the University's Strategic Plan - completion of the new build, growth in student numbers in both undergraduate and postgraduate, a focus on the student experience with investment in resources and employability initiatives, support for the University's research agenda and preparing for the Research Excellence Framework (REF);
- With reference to the University's financial strategy - the proposed budgeted and financial plan met all the objectives of the financial strategy.

The Pro-Vice-Chancellor Assurance & Director of Finance highlighted the following key points and contingencies in the budget approach:

- The student growth forecast in the budget had been made against an increase in applications to the University with significant growth in Home and EU applicants to the University;
- Given the Government's current post-18 education review, a prudent view had been taken on the undergraduate fee level for Home students;
- The University's EU student numbers were small, and the UK's expected withdrawal from the EU was not therefore considered a major risk for the University;
- HE fee collection rates in the budget were assumed to be 96.5% across all three years, providing a level of contingency (97.5%) which was not as large as in previous years (95%)
- FE student numbers were assumed to be stable;
- The budget included completion of the Blenheim Walk new build at a cost of £2.8 million in 2018-19 and £2.6 million for new equipment (as a result of the new build fit out, an increase in student numbers, upgrading and new equipment for the new build);
- Total capital expenditure was expected to be £5.0 million in 2018-19;
- There would be a £1.5 million increase in staffing costs;
- Allowance had been made for a 4% inflationary increase overall and 2% pay inflation (excluding increments);
- A small vacancy rate had been included in the budget;
- There would be additional resources available to support initiatives to enhance the employability of students and investment in research to prepare for the Research Excellence Framework (REF);
• It was expected that the revolving credit facility would be drawn down in September 2018.

Governors considered the 2018/19 budget with reference to the actual outturn for 2016/17 and forecast outturn for 2017/18, the budget revenue bridge and cost bridge, and the staffing cost bridge.

Governors noted with reference to the 5 year perspective included in the presentation that:

• The number of 18 years olds was expected to decrease by 11% by 2020, with it being 2024 before the number of 18 year olds returned to 2015 levels;
• The budget had been developed with reference to an HE sector in which student recruitment was increasingly competitive, including an increase in the use of unconditional offers;
• There remained uncertainty concerning the OfS, fees and funding.

It was noted, in response to Governors questions that:

• The commentary to the financial plan, which would be presented to the Board of Governors in July 2018, would include a sensitivity analysis;
• While there would always be challenges in the marketplace, the University remained in a strong position financially.

The Board of Governors received a presentation outlining the main external and internal factors affecting the University and the key assumptions used in preparing the 2018/19 budget.

**PART VI - Reports: items for information**

**17.0 Standing report on use of the University seal.** The Clerk presented a report on the use of the University seal since the Board of Governors meeting held on 25th April 2018, noting the sealing and signing of the Deed of collateral warranty with Alucraft Systems Limited in relation to the building works at Blenheim Walk.

The Board of Governors received the report on the use of the seal.

**18.0 Report on the CUC spring plenary.** Dr Reid presented to the Board of Governors a report on the Committee of University Chairs (CUC) Spring 2018 plenary meeting which he had attended on behalf of the Chair of the Board of Governors.

Dr Reid highlighted the following areas of discussion:

• The implications for the sector of the recent lecturers’ pension strike, which had affected the mainly pre-1992 universities which offered membership of the Universities Superannuation Scheme (USS);
• The importance as a performance measure of Longitudinal Education Outcomes (LEO) data, which considered the employment and earnings outcomes of graduates by course and institution up to 5 years after graduation;
• The CUC’s Remuneration Code;
• The future direction of the CUC, which would be discussed at the autumn 2018 plenary.

The Board of Governors received the report on the Committee of University Chairs (CUC) Spring 2018 plenary meeting.
**PART VII - Committee minutes: for receipt**

19.0 **Board of Governors: committee minutes.** The Board of Governors received the unconfirmed minutes of the following meetings.

(i) **Search & Nominations Committee minutes of the meeting held on the 19th March 2018.** The Chair of the Search & Nominations Committee, Mr Flathers, reported, that the minutes recorded recommendations on the appointment of Prof. Pickles and Mr Whitehead as Independent Governors, the appointment of Ms Ojari and Ms Horton as Student Governors from 1st September 2018, and appointments to Lead Governor roles, all of which had been approved by the Board of Governors.

(ii) **Audit Committee minutes of the meeting held on the 21st March 2018** The Chair of the Audit Committee, Mr Finnigan, noted that Prof. Cullen had been welcomed as a new member of the Committee. Mr Finnigan highlighted the following areas which had been discussed at the meeting:

- The risk register, including cyber security risk, had been discussed;
- The Policy on Criminal Facilitation of Tax Evasion had been considered and its recommendation to the Board of Governors’ agreed;
- The Block 1 internal audit reports had been considered, with reviews and reports considered thorough;
- The TRAC report submitted to HEFCE in January 2018 had been reviewed;
- Checklists relating to HEFCE’s requirements as a charity regulator and the University’s performance against the CUC HE Code of Governance had been considered;
- The external auditors, KPMG, had presented their annual HE sector financial benchmarking report, which showed a positive picture of the University’s financial position within the sector.

The March 2018 Search & Nominations Committee and Audit Committee minutes were received.

**PART VIII - Final matters**

20.0 **Any other business.**

(i) **General Data Protection Regulation (GDPR) preparation**

It was reported that the University's GDPR preparations had been completed by the 25th May 2018 deadline, with 100% of staff trained and all policies and privacy notices circulated.

(ii) **End of Year degree show preview**

It was noted that the End of Year degree show preview would take place on Friday 8th June 2018, 5.00-8.30pm.

21.0 **Risk Management.** No new items of risk had been identified at the meeting.

22.0 **Date of next meeting.** It was noted that the Board of Governors was next due to meet on: Wednesday 4th July 2018 at 1.30pm (scheduled Board of Governors’ meeting).
23.0 **Exclusions.** The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Mr J Cox (Students’ Union President/Student Governor), Ms M Ojari (elected Student Governor), Mr F Bates (Governor nominated by the Academic Board), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), Professor R Whittaker (Pro-Vice-Chancellor Academic) and Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance).

24.0 **Reserved Matters minutes of an extraordinary Board of Governors’ meeting.** The Reserved Matters minutes of the extraordinary meeting of the Board of Governors held on 25th April 2018 were approved: proposed Ms Handa, seconded Mr Flathers.

25.0 **Matters arising from the minutes of the meeting held on 25th April 2018.** Governors received the Vice-Chancellor’s update on the building project, noting that there were no other matters arising from the above minutes. The Vice-Chancellor’s update has been kept in a confidential minute.

26.0 **Minutes of the Remuneration Committee meeting held on 24th January 2018.** The Board of Governors received the minutes of the Remuneration Committee held on the 24th January 2018, for information.

27.0 **Minutes of the extraordinary Remuneration Committee meeting held on 28th February 2018.** The Board of Governors received the minutes of the extraordinary Remuneration Committee held on the 28th February 2018, for information.

28.0 **Any other business arising from the Reserved Matters agenda.** There was no other business arising from the Reserved Matters agenda.

29.0 **Risk Management.** No new items of risk had been identified during consideration of the Reserved Matters agenda.
1.0 Apologies for absence. Apologies were received from Mr N Ramshaw (Independent Governor).

2.0 Declaration of interests & code of conduct report. The following standing declarations of interest were received: Mr J Cox (Leeds Arts University Students’ Union President), Professor P Cullen (trustee and Board Member, Open College of the Arts), Mr D Bagley (Council member, University of Sheffield, Gradcore Limited), Mr F Bates (employee, Leeds Arts University), Ms M Ojari (student, Leeds Arts University), Mr C Clements (partner, Deloitte), Ms G Edge (employee, Leeds Arts University), Mr J Flathers (partner, Irwin Mitchell), Professor C Pickles (Vice President Academic and Innovation, Laureate Online Education for the University of Liverpool Online), Dr D 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 K Watson (artistic director, East Street Arts, Leeds), Mr D Whitehead (Deputy Principal & Executive Director of Curriculum & Quality, Leeds College of Building), Professor S Wonnacott (employee, Leeds Arts University, and Universities & Colleges’ Employers’ Association Board member).

3.0 Minutes of the previous meeting. The minutes of the meeting of the Board of
Governors held on 6th June 2018, including the confidential minutes, were approved: proposed Ms Handa, seconded Ms Watson.

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. There were no other matters arising.

The Board of Governors received the action table report.

### 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 July 2018. Governors noted, in particular, the following areas covered by the report.

(i) **Office for Students**
Governors noted that:
- The assurance visit from the Office for Students (OfS) had taken place on 8th June 2018, with positive verbal feedback received;
- The written report following the visit was expected to be received shortly and would be briefer than the 2012 report from HEFCE i.e. with reporting by exception only;
- It was understood that no recommendations would be made.

(ii) **Academic Enrolment, retention and success rates**
Governors noted that:
- Student acceptance numbers were expected to be achieved;
- Postgraduate recruitment appeared positive;
- The University’s key performance indicator (KPI) for non-continuation in HE was 1.9% against a sector benchmark of 6%, which was positive;
- The Foundation Diploma continued to perform well with a retention rate of 96.4%, whilst the Extended Diploma had achieved its highest retention rate ever of 96.8% and an overall FE retention rate of 95.5% showed a consistently high performance.

(iii) **Research**
Governors noted the positive report on research progress.

(iv) **Estates**
Governors noted that regular meetings were taking place with the contractors and the design team, with a further update to be given at agenda item 8.

(v) **Student successes**
The Vice-Chancellor highlighted the significant student successes included in the report, noting the success of both the fashion show and the end of year shows.

Governors praised the high quality of work on display at the end of year show and congratulations were given to the students. Mr Bates reported that most of the BA (Hons) Animation students who had been awarded a coveted Pencil at the D&AD New Blood awards had been Level 4 students, which was a significant achievement.

It was noted, in response to Governors' questions, that:
• With reference to end of year shows, some creative industry professionals attended opening nights but courses often invited professionals to view work in the following week to ensure that there was more opportunity for discussion with students;
• Currently a high number of students were also showing their work at London events.

The Board of Governors received the CEO’s report for July 2018.

6.0 **Key performance indicator (KPI) report.** The Board of Governors noted that the KPI report presented on 6th June 2018 was unchanged and was therefore not being re-presented.

**PART III - Academic Board report: for information**

7.0 **Academic Board report.** The Board of Governors noted that the minutes of the Academic Board meeting held on 27th June 2018 would be presented to the October 2018 meeting of the Board of Governors.

**PART IV - Financial matters: items for consideration**

8.0 **Financial matters: Management accounts & building project update.** The Pro-Vice-Chancellor Assurance & Director of Finance presented to the Board of Governors the management accounts and commentary for the 10 months ended 31st May 2018, highlighting the following points:
• The current forecast surplus for the year was £3.3m i.e. £1.5m above budget;
• The final outturn for the year would be dependent on pension adjustments;
• Forecast income was £667k higher than budget, primarily due to HE Home fees, following a strong recruitment and a non-collection of fees rate of 2.5% compared to the budget assumption of 5%;
• A £879k saving in costs was expected;
• The University had a healthy cash position that was better than forecast due to lower payments relating to the new build, although as the new build project entered the last few months, and with significant refurbishment of the existing building at Blenheim Walk planned, this would continue to be closely monitored.

In response to Governors questions it was noted:
• Savings have been made in long term maintenance due to the planned refurbishment of Blenheim Walk;
• Routine maintenance had continued to be carried out to ensure the University’s estate was in good condition;
• The final 50% of fees payable had been received from the student loans company for students that returned following the Easter vacation.

The Board of Governors received the management accounts for May 2018, noting the University’s positive financial position, and also received a confidential report on the University’s building project.

9.0 **Financial regulations: section 5.2 (lowest quote) report.** The Vice-Chancellor presented a report on 2 recent instances where the supplier with the lowest
quote had not been selected.

It was noted in response to Governors’ questions that, under the University’s Financial Regulations section 5.2, three written quotations were required for obtaining estimates for goods, services and contracts if the value was between £5k and £99k. In one instance the lowest quote had not been chosen as the supplier with the shortest lead time and greatest flexibility had been chosen. In the other instance, although the University would normally obtain 3 competitive quotes, when seeking a supplier for the removal and relocation work the University had used the NEUPC (North Eastern Universities Purchasing Consortium) framework due to time constraints.

The Board of Governors noted the report on quotes where the supplier with the lowest quote had not been selected.

PART V - Financial matters: items for approval

10.0 Budget 2018-19 & financial plan 2019-23. The Pro-Vice-Chancellor Assurance & Director of Finance presented to the Board of Governors the final version of the draft budget and financial plan in management accounts format, which was discussed. It was noted that the forecast required by OfS was for 5 years rather than the previous 3 year forecast.

Governors noted that:

- 2018-19 would see a significant expansion in the University’s undergraduate provision following the approval of 5 new undergraduate courses;
- University title in September 2017 had had an impact on applications and overall applications to the University for September 2018 entry had increased by 35%;
- Through the investment in a new building and expansion of the course portfolio the University was able to meet the demand whilst retaining overall quality by continuing to invest in resources, staffing and infrastructure;
- The introduction of postgraduate loans had increased demand in this area and the University would increase the number of specialist masters courses over the period of the plan;
- The external environment for FE remained challenging but there were no new funding cuts in 2018/19, although numbers on the Extended Diploma would be marginally lower in 2018/19;
- International applications for PE, undergraduate and postgraduate were growing from a very low base and the plan included additional investment to support this expansion.

The Governors noted that the main drivers of the financial plan were: an increase in Home and Overseas students on existing courses, and an increase in the postgraduate cohort; expansion of the course portfolio with new undergraduate courses starting in 2018 and 2019 and the development of new expanded postgraduate provision; investment with a focus on employability and enterprise, international and research in preparation for the Research Excellence Framework (REF) 2021 submission; increase in staffing for both academic and business support to meet the increase in student numbers; completion of the new build project; continuing high capital investment, with significant investment in
equipment for the new build, renewal and enhancement of digital equipment, IT and new video and photography equipment planned; commitment to the Access and Participation plan with continued support for students suffering financial hardship.

With reference to the sensitivity analysis, the Pro-Vice-Chancellor Assurance & Director of Finance reported that the financial plan took a cautious approach to those items which constituted the biggest risk i.e. student recruitment, new build costs, reduction in fees. Governors noted that the budget has been prepared on the usual prudent basis though the non-collection rate for HE fees has been lowered to 4.5%. The undergraduate fee for 2019-20 had been confirmed as £9,250 p.a.

Governors noted that the budget included a number of contingencies. This was combined with comprehensive and robust monitoring of variances from budget which allowed corrective action to be taken in a timely way. A small vacancy rate had been included in the staff budget. It was noted that there was a contingency in the capital budget to cover new build costs.

The sensitivity analysis had modelled the impact of and mitigation for key risks e.g. inflation costs, reduction in fees. The University had been prudent over the assumptions used in budgeting and there was sufficient capacity within the budget to absorb the impact of the risks and still deliver a good surplus.

In response to Governors’ questions:
- A presentation on the University’s Research agenda would be given in 2018/19;

**ACTION: Pro-Vice-Chancellor (PVC) Academic**
- The University’s postgraduate portfolio would be expanding to meet the demand of the growing postgraduate market;
- There was a small placeholder in the budget so that further development could be considered, dependent on the prevailing environment;
- Given the unpredictability in relation to FE funding and the limit on estates, a prudent approach continued to be taken in relation to FE student numbers;
- The University followed a process for new courses proposals to ensure their viability, including reviewing market trends and UCAS reports;
- The Pro-Vice-Chancellor Assurance & Director of Finance considered that the student number growth predictions were realistic but that the recruitment environment remained very competitive.

The Board of Governors approved the 2018-19 budget and financial plan 2019-23, noting that the approved financial commentary and financial tables would be submitted to OfS by the 17th September 2018 deadline: proposed Mr Bagley, seconded Dr Reid.

**ACTION: PVC Assurance & Director of Finance**

11.0 **External audit annual planning memorandum.** Mr Finnigan, as Chair of the Audit Committee reported that the external audit planning memorandum had been considered at the Committee’s June 2018 meeting.

Mr Finnigan summarised the content of the memorandum, noting that:
- The main purpose of the audit was the issuing of a report which expressed
the opinion of the external auditors, KPMG, on whether the financial statements gave a true and fair view of the state of the affairs of the University as at 31 July 2018;

- The memorandum described KPMG’s overall audit strategy, including their approach to materiality, and identified the significant risks and areas of focus to be addressed by the audit;
- Materiality had been set at £300k, which was the same as in the previous year, and KPMG would report on all individual errors in excess of £15k;
- Proposed fees for the external audit, plus the Teacher’s Pension Scheme (TPS) certificate return were noted;
- With reference to auditor independence, a replacement page from KPMG was being tabled which showed a small cost for non-audit fees in 2017/18, relating to work undertaken by KPMG in relation to the S33 VAT claim to DCMS (Department for Digital, Culture, Media and Sport) for the Gallery, noting that prior approval for this work had been given by the Audit Committee as required under the University’s Policy on using external auditors for non-audit services;
- The ratio of non-audit fees to audit fees for the year was shown as 0.45:1 on the replacement page i.e. amending the incorrect ratio of 0.8:1 shown in the unamended version of the planning memorandum and the June 2018 Audit Committee minutes;
- Significant risks relating to the new build which the external auditors would review, included capitalisation of the majority of the spend, which would significantly increase the University's asset base, and the expected completion of the building in 2018/19;
- The timetable and scope of the audit was similar to previous years, although the June 2018 Audit Committee meeting had noted that there might be a need to move the November 2018 Audit Committee meeting to ensure that post accounting date information could be included.

It was noted in response to Governors’ questions that the external audit plan reviewed both risks which were considered relevant to the HE sector (e.g. pensions) and risks specific to the University (e.g. the building project) and that the internal audit plan was formulated with reference to the University's risk register.

The Board of Governors approved the annual audit planning memorandum for the external audit for the financial year ending 31 July 2018, including fees, on the recommendation of the Audit Committee proposed: Mr Bagley, seconded; Dr Reid.

12.0 Financial Regulations. The Pro-Vice-Chancellor Assurance & Director of Finance reported that the Financial Regulations had last been approved by the Board of Governors in July 2017 and that minor updating changes were now being proposed e.g. to take account of changes in purchasing card limits, references to the OfS, references to the OfS Access and Participation Plan replacing references to the OFFA Access Agreement.

Governors agreed the following typographical amendments: removal of a reference to ‘HEFCE’ at s.1.8 and its replacement with ‘OfS’; removal of a reference to HEFCE at s.2.7

The Board of Governors approved the revised Financial Regulations with the
minor typographical amendments noted above: proposed Ms Handa, seconded Mr Whitehead.

ACTION: PVC Assurance & Director of Finance

13.0 Students’ Union Budget 2018-19 proposal. The Pro-Vice-Chancellor Student Experience & Resources reported that, under the Education Act 1994, the Board of Governors was responsible for approving the Students’ Union Budget. Governors noted that the budget proposal provided a comparison between expenditure for 2017/18 against that proposed in the budget for 2018/19 and that the latter had been prepared by the Students’ Union Liaison Officer in consultation with the Students’ Union President and the Students’ Union Executive.

Governors noted that the University proposed an increase in the Students’ Union grant allocation to help the Students’ Union to continue to improve and enhance the student experience through its services in line with new developments alongside a calendar of events, entertainment and campaigns throughout the year.

Governors noted that the Student Unions’ football team were ending their affiliation with the British Universities and College Sports Football (BUCS) as the team has found it increasingly difficult to field a side to attend BUCS league fixtures, as a result the proposed budget for Sports had been reduced to reflect resulting savings made.

It was noted in response to Governors’ questions that an annual report comparing the budget to outturn was presented to the Board of Governors in the autumn.

The Board of Governors approved the Students’ Union Budget for 2018-19: proposed Dr Reid, seconded Professor Pickles.

14.0 Students’ Union Constitution. The Pro-Vice-Chancellor Student Experience & Resources presented to the Board of Governors the revised Students’ Union Constitution, noting that under the Education Act 1994, the governing body “shall take such steps as are reasonably practicable to secure that the following requirements are observed by or in relation to any students’ union for students at the establishment: the union should have a written constitution; the provisions of the constitution should be subject to the approval of the governing body and to review by that body at intervals of not more than five years.”

Governors noted that the institution has changed since the constitution was last comprehensively reviewed and consequently the Students’ Union constitution had been rewritten following consideration of practice within the sector and ensuring compliance with the Education Act 1994 e.g. with reference to the latter, the sections in the Act on: the conduct of student elections; the conduct of financial affairs and the approval and monitoring of expenditure; affiliations and subscriptions; procedures for complaints; approval of a code of practice; freedom of speech.

The Pro-Vice-Chancellor Student Experience & Resources reported that it was proposed that the following additional amendments should be made to the
revised Constitution:

- With reference to Students' Union affiliations, the text at s.8.3 and Schedule 3 to the Constitution should refer to a referendum being organised on the receipt of letters from 5% of the Students' Union membership, in line with s. 22(2)(1)(ii) of the Education Act 1994 i.e. ‘at such intervals of not more than a year as the governing body may determine, a requisition may be made by such proportion of members (not exceeding 5 per cent.) as the governing body may determine, that the question of continued affiliation to any particular organisation be decided upon by a secret ballot in which all members are entitled to vote’;
- At s.10.5 of the Constitution, where complaints were directly related to the Student President, the complainant should be able to take their complaint to the Academic Registrar in the first instance;
- At s.10.6-10.7 of the Constitution, the complainant should have the right to appeal to the Vice-Chancellor, who would then invite the Clerk to the Board of Governors to independently investigate the complaint and provide a report to the Chair of Governors, with the Chair’s decision being final;
- The references to the Clerk to the Board of Governors at s.10.7 were considered to be in line with s. 22(2)(m)(ii) of the Education Act 1994, which stated that complaints should be investigated and reported on by an ‘independent person appointed by the governing body’;
- The Students’ Union Code of Practice approved by the Board of Governors in July 2016 should continue in force.

In response to Governors’ questions it was noted that the Education Act 1994 assumed that students were automatically enrolled as members of a Students’ Union but could choose to opt out, which appeared to contradict the GDPR ‘opt-in’ principle.

The Board of Governors approved the Students’ Union Constitution, amended as noted above, agreeing that the amended version should be circulated to Governors for information: proposed Ms Handa, seconded Mr Finnigan.

**ACTION: PVC Student Experience & Resources**

**15.0 Whistleblowing Policy.** The Chair of the Audit Committee, Mr Finnigan presented to the Board of Governors the revised Whistleblowing Policy, noting that it had been extensively discussed at the Audit Committee on the 6th June 2018 and, following the meeting, further discussions had taken place, via email, on amendments.

It was noted that:

- The policy had been redrafted to make it easier to follow for potential whistleblowers, and roles within the University had been clarified;
- Aspects of the revised policy had been discussed with the University's solicitors e.g. with reference to relevant legislation's applicability to employees only and in relation to ensuring that the wording of the revised policy was in line with legislation and encouraged employees to use the policy where they had a genuine concern.

Mr Finnigan, as Chair of the Audit Committee, noted the importance of the Whistleblowing Policy being approved by the Board of Governors to highlight the Board's commitment to the policy, in line with section 2b of the Committee of
University Chairs (CUC) HE Code of Governance which stated that governing bodies should approve a whistleblowing policy. It was noted that the Board of Governors had agreed at its June 2018 meeting, with reference to its schedule of delegation, that approval of the Whistleblowing Policy should in future be non-delegable by the Board of Governors.

The Board of Governors, on the recommendation of the Audit Committee, approved the University’s revised Whistleblowing Policy: proposed Professor Pickles, seconded Dr Reid.

*ACTION: Clerk*

### 16.0 Ethical Fundraising Policy

The Chair of the Audit Committee, Mr Finnigan presented to the Board of Governors the revised Ethical Fundraising Policy that had been considered by the Audit Committee on the 6th June 2018. It was noted that the Ethical Fundraising Policy had been amended to include:

- A reference to the University’s lost property procedure;
- Updated references to legislation;
- References to the fundraising regulator;
- A threshold for reporting to the Board of Governors i.e. the revised policy stated that ‘An Annual Report on fundraising will be compiled by the Alumni Relations and Development Officer and submitted to the Senior Management Team and the Board of Governors where it exceeds £500,000 in total’.

Governors noted that:

- The total amount raised for the alumni fund up to 2017 was small (including Gift Aid);
- This has been distributed to four students who had successfully applied for an Alumni Fund Bursary in 2018;
- The University also currently had a funded bursary which provided assistance towards costs for students studying the Access to HE Diploma (Art & Design).

The following minor typographical amendments were agreed: the heading at section 2 and the reference at Appendix 1 to ‘principals’ should read ‘principles’.

The Board of Governors, on the recommendation of the Audit Committee approved the Ethical Fundraising policy, with the amendment of minor typographical errors noted above: proposed Ms Watson, seconded Dr Reid.

*ACTION: Clerk*

### 17.0 Board of Governors standing agenda item list

The Clerk presented to the Board of Governors a proposed standing agenda item list for 2018/19, noting that, following the establishment of the OfS from the 1st April 2018, the Board of Governors’ current standing agenda item list had been extensively revised. The proposed standing agenda item list was being presented for use in 2018/19, subject to any changed requirements subsequently notified by the OfS.

The Board of Governors approved its standing agenda item list for 2018/19: proposed Ms Edge, seconded Ms Watson.

*ACTION: Clerk*
PART VIII - Committee reports & minutes: for receipt

19.0 Board of Governors: committee minutes & reports. The Board of Governors received the following minutes.

(i) The Search & Nominations Committee minutes of 6th June 2018 approved by the Chair of the Committee (subject to Committee confirmation). Mr Clements, as Acting Chair of the June 2018 meeting, presented the minutes, noting in particular recommendations on appointment and re-appointments to be considered at agenda item 20.

(ii) The Audit Committee minutes of 6th June 2018 approved by the Chair of the Committee (subject to Committee confirmation). Mr Finnigan, as Chair of the Audit Committee presented the minutes, noting in particular the Substantial assurance grades awarded for each of the reports arising from internal audit reviews of the University's Prevent strategy, HE quality assurance, risk management framework, and student records application. The University's revised Whistleblowing Policy, revised Ethical Fundraising Policy and the external audit planning memorandum for the financial year ending 31st July 2018, which had been considered earlier on the agenda, had also been reviewed at the Committee's June 2018 meeting. The introduction of new regulations relating to the automatic disqualification of charity trustees from 1st August 2018, which had been discussed at the Committee's June 2018 meeting, were also noted.

PART IX - Membership & governance matters: for approval

20.0 Search & Nominations Committee recommendations: Governor re-appointments. The Board of Governors received a report on Governor re-appointments from Mr Flathers, Chair of the Search & Nominations Committee. Mr Clements, Mr Finnigan and Dr Reid declared an interest and left the meeting.

Governors noted that there were currently no vacancies on the Board of Governors but that the Search & Nominations Committee meeting held on 6th June 2018 had considered the terms of office of the following Independent Governors which were due to end shortly:

- Mr Clements' current term of office as an Independent Governor would end on 31st July 2018, at which point he would have served on the Board of Governors for 8 years;
- The Instrument of Government 6(1) stated that 'The Board of Governors may extend an independent member’s period of office beyond the maximum determined term where the independent member undertakes a new and more senior role, for example as Chair of the Board of Governors';
• While the University’s normal maximum term of appointment for an Independent Governor was 8 years, CUC guidance issued in 2009 (which has been incorporated into the Board's Governor recruitment & appointment procedure) was that the Chair of the Board of Governors should normally be considered to take up a new 4-year term of appointment on becoming Chair i.e. in Mr Clements’ case a new 4-year term of appointment from 17th July 2016;
• The Search & Nominations Committee were therefore recommending that Mr Clements’ current term of office should be extended so that it was concurrent with his 4-year term as Chair of the Board of Governors i.e. that his current appointment should end on 16th July 2020;
• Mr Finnigan’s first 4-year term of office would end on 16th Sept. 2018 and he was eligible to be considered for a second 4-year term of office from that date, noting that Mr Finnigan was Deputy Chair of the Board of Governors, Chair of the Audit Committee, Vice-Chair of the Remuneration Committee and a member of the Search & Nominations Committee;
• Dr Reid’s first 4-year term of office would end on 16th Sept. 2018 and he was eligible to be considered for a second 4-year term of office from that date, noting that Dr Reid was Chair of the Remuneration Committee and Vice-Chair of the Audit Committee;
• Under Instrument of Government 5(4), the appointing authority in relation to the above Governor re-appointments was the Independent Governors.

It was noted that, when considering recommendations on Governor appointments, the Search & Nominations Committee considered the Board’s skills mix and issues of equality and diversity, including gender balance. The June 2018 Search & Nominations Committee meeting had noted that female representation on the Board of Governors was currently 45% (returning to 50% from 1st September 2018) and that the Board currently had a good overall skills mix.

The Independent Governors of the Board of Governors agreed unanimously, on the recommendation of the Search & Nominations Committee, that Mr Clements should be re-appoint for a further period of office as an Independent Governor so that his current period of office was concurrent with his 4-year term as Chair of the Board of Governors i.e. that he be re-appointed to 16th July 2020.  
ACTION: Clerk

The Independent Governors of the Board of Governors agreed unanimously, on the recommendation of the Search & Nominations Committee, that Mr Finnigan and Dr Reid should each be re-appointed for a second 4-year term of office as Independent Governors from 17th September 2018.  
ACTION: Clerk

Mr Clements, Mr Finnigan and Dr Reid returned to the meeting.

21.0 Annual re-appointment of the Chair & Deputy Chair of the Board of Governors.  
The Clerk reported that the Chair and Deputy Chair of the Board of Governors were elected for a 4-year period, subject to annual re-nomination and re-appointment.

Governors noted that:
• Mr Clements had been elected as Chair of the Board of Governors for a 4 year term from 17th July 2016, subject to annual re-appointment, and would have completed 2 years in office on 16th July 2018;
• Mr Clements was therefore eligible to be considered for formal annual re-appointment as Chair i.e. for the year 17\textsuperscript{th} July 2018 to 16\textsuperscript{th} July 2019;

• Mr Finnigan had been elected as Deputy Chair of the Board of Governors for a 4 year term from 31\textsuperscript{st} July 2017, subject to annual re-appointment, and would have completed 1 year in office on 31\textsuperscript{st} July 2018;

• Mr Finnigan was therefore eligible to be considered for formal annual re-appointment as Deputy Chair i.e. for the year 1\textsuperscript{st} Aug. 2018 to 31\textsuperscript{st} July 2019.

The Board of Governors agreed that Mr Clements should be re-appointed as Chair of the Board of Governors for 2018/19: proposed Ms Handa, seconded Mr Flathers.

The Board of Governors agreed that Mr Finnigan should be re-appointed as Deputy Chair of the Board of Governors for 2018/19: proposed Prof Pickles, seconded Ms Watson.

22.0 Documents from outside bodies, including revised HE Governance Code for adoption. The Board of Governors received the following briefings for information:

• Leadership Foundation for Higher Education: Governor Development Programme 2018

• Committee of University Chairs (CUC): The Higher Education Senior Staff Remuneration Code (June 2018)

• CUC: The Context for the Higher Education Senior Staff Remuneration Code (June 2018)

• CUC: A Possible Outline Structure for a Remuneration Annual Report to the Governing Body (June 2018)

• CUC: Guidance on Decisions Taken about Severance Payments in HEIs (June 2018)

• Office for Students (OfS): Regulatory Advice 9/Accounts Direction/Preparing & Publishing Financial Statements (June 2018)

The Board of Governors noted that at the June 2015 meeting of Board of Governors had agreed to adopt the Committee of University Chairs (CUC) \textit{Higher Education Code of Governance} (2014). The Clerk reported that a revised version of the \textit{Higher Education Code of Governance} had been issued by the CUC in June 2018.

Governors noted that:

• In line with the CUC’s \textit{Remuneration Code}, changes to the \textit{Higher Education Code of Governance} included Remuneration Committees being chaired by a senior independent governor who was not the Chair of the Board of Governors and a prohibition on the Vice-Chancellor being a member of the Remuneration Committee or, if in attendance, being present for decisions which directly affected her;

• The University already complied with the above requirements;

• With reference to the production of a Remuneration Committee annual report, the first annual report of the Remuneration Committee should be considered at the Committee’s July 2019 meeting and presented to the Board of Governors’ October 2019 meeting.

\textit{ACTION: Clerk}

The Board of Governors approved the adoption of the revised CUC Higher
Education Code of Governance from 1st August 2018: proposed Ms Watson, seconded Dr Reid.

**ACTION: Clerk**

**PART X - Final matters**

23.0 **Any other business.** The Clerk requested that annual Governor eligibility statements and year-end declaration forms should be returned by 1st August 2018 and, with reference to the University's annual equality and diversity return to HESA, that equality and diversity forms would be sent to Governors for completion by 31st July 2018.

**ACTION: Clerk**

24.0 **Risk Management.** It was noted that no new items of risk had been identified at the meeting.

25.0 **Date of next meeting.** It was noted that the Board of Governors was next due to meet on Wednesday 10th October 2018 at 1.30pm.

Mr Flathers left the meeting.

**PART XI - Reserved Matters**

26.0 **Exclusions.** The following staff and student members withdrew before consideration of items on the confidential Reserved Matters agenda: Mr J Cox (Students’ Union President/Student Governor), Ms M Ojari (elected Student Governor), Mr F Bates (Governor nominated by the Academic Board), Ms G Edge (elected & co-opted Staff Governor), Professor D Russell (Pro-Vice-Chancellor Student Experience & Resources), Professor R Whittaker (Pro-Vice-Chancellor Academic) and Ms S Bailey (Pro-Vice-Chancellor Assurance & Director of Finance).

27.0 **Reserved Matters minutes.** The Board of Governors noted that the confidential Reserved Matters minutes of the Board of Governors’ meeting held on 6th June 2018 had been approved at agenda item 3 above i.e. the minutes were in the public domain.

28.0 **Annual review of confidential minutes.** The Clerk presented to the Board of Governors a report on the annual review of confidential minutes.

The Board of Governors approved the release of the confidential minutes recommended by the Clerk: proposed Mr Finnigan, seconded Ms Handa.

**ACTION: Clerk**

29.0 **Any other business.** There was no other business not already on the agenda.

30.0 **Risk Management.** There were no new items of risk arising from the Reserved Matters agenda.