

CONFIRMED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD AT 9.30AM ON THURSDAY 14 MARCH 2019 IN THE BOARDROOM, VICE CHANCELLOR'S SUITE, MINERVA BUILDING, BRAYFORD POOL, LINCOLN

Present:

Chair

Ms D Lees CBE

Vice Chancellor

Professor M Stuart CBE

Deputy Chair

Ms M Jackson

Independent Members

Mr A Barratt

Sir Graeme Davies

Mr N Corner

Ms Z Easey

Ms M Dawes

Ms J Reeves

Co-opted Members

Professor S Bailey

Ms D Gilhespy

Student Member

Mr K Muzangaza (items 1 to 8)

Staff Member

Dr K Savage

Deputy University Secretary (Officer)

Ms L Baker

In attendance

Mr D Braham

Ms J Carey

Ms H Dowdy

Mr J Free CBE

Professor A Hunter

Professor L Mossop

Mr S Parkes

Ms R Simpson

Mr C Spendlove

Professor T Wilkinson

Chief Finance Officer (items 7 and 8)

Academic Registrar (item 4)

Director of Estates (item 11)

Deputy Vice Chancellor

Deputy Vice Chancellor

Deputy Vice Chancellor

Deputy Vice Chancellor

Director of Human Resources (item 4)

University Registrar and Secretary

Deputy Vice Chancellor

Action

1. (i) APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr Gray, Mr Herbert, Professor Ker and Mr Raine.

(ii) DECLARATIONS OF INTEREST

In respect of the discussion regarding the Drill Hall under the Vice Chancellor's Report (item 5), Dr Savage was a trustee of the Lincoln Arts Trust Ltd which managed the Drill Hall and Ms Gilhespy was a member of the Arts Council, one of the Drill Hall's funders.

PART A – ITEMS FOR DISCUSSION

2. MINUTES OF THE MEETING OF MEETING OF THE BOARD OF GOVERNORS HELD ON 7 FEBRUARY 2019

The minutes of the meeting held on 7 February 2019 were **approved** as an accurate record.

3. REPORT ON ACTIONS FROM THE PREVIOUS MEETING/MATTERS ARISING

Members had been invited to suggest the names of individuals who could potentially fill the third governor vacancy and to submit any expressions of interest in the Deputy Chair role to the Chair. Ms Lees would report on these issues under item 14.

Ms Carey and Ms Simpson entered the meeting at 9.35am.

4. STUDENT AND STAFF MENTAL HEALTH REPORTS

Received:

Reports on arrangements around staff and student mental health and wellbeing submitted by the Director of Human Resources and Academic Registrar respectively.

Noted:

Staff

- Staff sickness absence around mental health was challenging and was not always very clearly articulated in absence statistics. Work was in process to move away from generalised categories for sickness absence and towards more nuanced reasons which would help with the identification of mental health issues and enable support to be put in place as required.
- A 'Time to Change' working group comprising union colleagues, academics with expertise in mental health and representatives from Occupational Health, the Employee Assistance Programme (EAP) and MIND, was facilitating discussion internally around staff mental health and wellbeing. One of its foci was increasing resilience and the ability to cope with change.
- EAP usage had increased which was positive; this was a confidential service that could be accessed by staff and their families. The University had been advised, in general terms, that the EAP had experienced an increase in both work and personal matters. HR colleagues were engaging with the EAP to discuss how the service could be branded proactively as a tool to access before sickness absence became necessary.
- Some HR staff had recently received mental first aid training (which was about signposting mental health services rather than providing advice) with the intention of cascading the training to managers to help them have conversations with their staff about issues which might be less visible.
- Ms Dawes advised that it was important to ensure that the right people were trained as mental health first aiders, who used the right tone and language, otherwise there could be detriment rather than benefit. There was a difference between spotting an issue and knowing what to watch for before it tipped into something more serious.
- Mr Barratt explained that he had a contact that he could put Ms Simpson in touch with who had applied a similar scheme to Ford approximately a year ago and who could share their experience.
- The University's Staff Survey asked two questions about stress and the ability to cope with change. Adding more questions to the survey might be unhelpful and it would be more constructive to have local conversations about mental health. Almost everyone felt pressure at work at some point and it was about equipping staff with the tools to manage that pressure appropriately.
- Line managers were critical to helping manage stress and pressure and significant training had taken place over the past year; mental health first aid was likely to have the most impact if given to managers
- As an institution, Lincoln was consistently going through change and driving improvements which meant that practice that was acceptable two years ago

Mr Barratt

needed to adapt and change too. The approach was to help staff understand what was required of them and facilitate feelings of ownership and responsibility.

Students

- It was useful to look at both the national and local context in relation to student mental health. There had been many stories in the media in recent months about mental health in Universities but it was important to note that University students were less likely to take their own lives than others in their age group.
- The Wellbeing Service currently supported 2150 students with declared mental health difficulties and this number continued to increase. There was also a significant number of students who did not access the University's services for a variety of reasons; they had their own networks of support or simply did not wish to engage. Students were not required to disclose any difficulties to the University, it was their choice because they were in non-compulsory education.
- There were currently 35 students at risk who were monitored by Wellbeing on a daily basis; at the same time last year there had been 36 students.
- The University was considering the introduction of 'nominated person consent', a scheme that had been adopted by several other institutions. A student would give their consent for appropriate University staff to talk to a family member or friend about helping to support them. This option would be extended to all students. Some institutions were calling this 'parental consent' but it was important to allow students a choice because sometimes they did not wish their parents to become involved.
- A warden service within the University's accommodation was being developed which would make a vital contribution to wellbeing and help to identify issues at an early stage. An online service called the Big White Wall had been introduced for students who preferred to engage in this way and was available 24 hours a day. Staff could also access this service.
- Colleagues in Student Services delivered 'Supporting Students in Distress' training and worked closely with personal tutors and frontline staff as well as Security colleagues who often worked out of hours and at weekends. It was important to give colleagues the skills and confidence to discharge their responsibilities and enable them to draw boundaries. Staff outside of the counselling service were not mental health professionals and needed to be able to signpost students to appropriate services rather than become deeply involved in their circumstances and potentially cause unintentional harm.
- A student with mental health difficulties may also impact on their fellow students and the Wellbeing service would also offer those students support (including counselling where appropriate) and techniques on how to safely help their friends.
- More females than males accessed the University's support services and this reflected a national trend. This could be broken down further by protected characteristics but generally there was no disproportionate representation against the whole student population.
- It was important to maintain high visibility of the University's diverse services to support students and staff both online and face to face. Governors were impressed with the range of interventions and services available to both staff and students and commended Ms Simpson and Ms Carey to continue their good work in supporting those with mental health difficulties.

Ms Carey and Ms Simpson and left the meeting at 10.15am.

5. VICE CHANCELLOR'S REPORT

Received:

A report from the Vice Chancellor.

Noted:

HE Environment

- The HE environment continued to be challenging and it remained unclear when the Augur report on the post-18 funding review would be published as the government was currently focussed on Brexit.
- UUK wished to lobby the government on behalf of arts and humanities subjects which were under threat of the lowering of fees. The arts were particularly vulnerable as they were similar to STEM subjects in terms of costs. UUK had issued a template letter that it hoped Boards of Governors would sign up to and which would be sent to the Secretaries of State for Business, Energy and Industrial Strategy, and Education and also to local MPs. This course of action was **approved** by the Board and would be taken forward by the Vice Chancellor.
- The Vice Chancellor and Deputy Chair would engage with the broader arts and culture community as the creative benefits of the arts sector were underappreciated.
- The Chair suggested that it would also be worth lobbying the Department for Digital, Culture, Media and Sport.

**Vice
Chancellor**

**Deputy
Chair/Vice
Chancellor**

Applications and Conversions 2019/2020

- There were some areas of challenge in achieving the student number target but it was hoped that the objective would be met.
- The February 2019 intake was, at 83, slightly below target and this related to a particular issue in the Chinese market.
- The September 2019 international numbers looked very positive.

Riseholme

- There remained some outstanding issues raised by the government's solicitor which were being addressed. It was difficult to engage with government departments at the moment given the focus on Brexit. However, it was hoped that a final set of papers would be ready shortly.

Institute for Technology

- Professor Wilkinson had attended a second stage interview in relation to the proposed Institute of Technology last week which, he felt, had been very positive. The outcome would be known towards the end of March/beginning of April 2019.

Brexit

- The University continued to plan around a scenario where the UK left the EU without a deal. The internal auditors had previously stated that Lincoln was ahead of some other institutions in this regard.

Civic Mission

- Early discussions were taking place about the possibility of bringing the Lincoln Drill Hall under the University's auspices to enhance its performing arts facilities and enable closer working relationships. As the School of Fine and Performing Arts had expanded its portfolio in specific areas, access to another theatre would be advantageous.
- The building was owned by Lincoln City Council and the University would be seeking an appropriate leasehold agreement if possible. The venture could require the establishment of a special purpose vehicle.
- If potentially viable, a full business case would be submitted in due course.

6. INTERNATIONAL RECRUITMENT

Received:

A report submitted by the Deputy Vice Chancellor (External Relations)

Noted:

- Increasing international student recruitment was a key strategic aim and the paper set out the national and international contexts.
- Professor Wilkinson highlighted four elements of the action plan. Firstly, the University's reputation and rankings had risen domestically but international

rankings were driven by different sets of criteria and were significantly dependent on research performance. These rankings were incredibly important to international students when choosing their institutions. It was very pleasing that Lincoln was now in the top 200 QS rankings for agriculture but more effort was needed to generate higher placements for other subjects. Planning had drilled down into the rankings and identified what needed to be done to raise Lincoln.

- Secondly, the University's portfolio was critical and needed to meet market demand. Currently, the Business market was softening with increased demand for STEM subjects.
- Thirdly, work placements were the number one reason that international students chose a programme of study. Placements integral to all programmes was now the expectation.
- Fourthly, recruitment activity was key and it was the University's aim to have international students make up 15% of its population. All Colleges had provided a list of academic colleagues who were willing to travel overseas to promote their programmes and this sense of personal passion for a subject significantly influenced international applicants. Student experience was also an important factor and this needed to be reflected through the atmosphere and culture on campus.
- The report related to Lincoln but a London campus would be a critical component of the student experience and enable mobility between sites.
- Professor Wilkinson acknowledged that the international recruitment targets were stretched but that if Lincoln focussed on market demand and its key strengths they were achievable. A number of PGT programmes around STEM subjects had been fast-tracked recently to leverage recruitment.
- In response to the question, Professor Wilkinson explained that Study Group was a pathway provider and offered international students a bridge to undergraduate study or, if they chose to undertake an international year one, an intensive English language programme would be run alongside. Numbers of Study Group students being recruited and progressing had declined over the years but they were still important and there were targets to increase numbers in the future. Professor Mossop was looking into the reasons why some Study Group students performed less well and was working with Study Group colleagues over the content of their curricula so that they aligned optimally with the University's programmes.

Mr Braham entered the meeting at 11.10am.

7. FINANCE REPORT
- SUMMARY FINANCIAL POSITION
 - FINANCIAL FORECAST REVIEW

Received:

A report submitted by the Chief Finance Officer.

Noted:

Summary Financial Position

- The operating surplus up to February 2019 was £7.3m which was ahead of budget. This was largely due to the timing of expenditure, reduction in the pension charge and off-set by lower research activity.
- The full year operating surplus had increased to £3.3m due to further identified pay savings and an increase in external income contribution.
- Cash generated from operations to the end of February 2019 was strong which was expected given the timing of the Student Loan Company receipts.
- All covenants were forecast to be compliant at year end. The European Investment Bank was still reviewing its switch to FRS102.

- A lower level of cash was forecast in January 2020 which would need to be carefully managed through the medical school build. However, the CFO was confident that the University normally performed better than forecast but that relationships with Lloyds, Santander and RBS were very positive and they could offer facilities if necessary.

Financial Forecast Review

- The paper presented the latest full year forecast for 2018/2019.
- A number of further opportunities and risks had been identified which could impact the year end position but they had not been built into the forecast in the management accounts due to their level of uncertainty or the need for final clarification, and a number of other items had been included on a 'best estimate' basis.
- Riseholme had not been included and would need some discussion with auditors around its accounting treatment when the matter had been resolved.

8. FINANCIAL SUSTAINABILITY – UPDATED BASE CASE AND SCENARIOS

Received:

A report submitted by the Chief Finance Officer.

Noted:

- The report set out the updated ten year financial models (based on the latest available information and assuming no changes to funding models) and the key positive and negative scenarios currently under consideration by the Senior Leadership Team in response to the high degree of uncertainty in the sector.
- There were a number of factors, both internally and externally, which made accurate forecasting challenging and it was inevitable that the models presented would not be the final position.
- The proposed London campus set an important context in terms of closing any gaps and the direction of the University over the next decade.
- In respect of the scenarios, the University would not simply accept a downside and do nothing to counter it.
- The base case assumed a fixed Home/EU undergraduate fee of £9,250 throughout the model and included the latest external income targets and new initiatives already approved or in progress (medical school, new accommodation developments). It did not include amounts for some significant income diversification projects or opportunities currently at an early stage of activity (the London Campus, Selborne and Online Programme Management projects).
- The base case indicated an unsustainable position due to flat fees and inflationary pressures. It showed barely break-even surpluses, relatively low cash balances and minimal capital investment in the campus. An increasing deficit would continue to grow beyond the period of the model.
- The positive scenario included delivery of the London campus (opening in September 2020) and a modest increase in international recruitment at Lincoln. While the model indicated stronger cash generation and ongoing surpluses, they were still at a level below that deemed appropriate by the Financial Strategy.
- The negative scenario included the impact of reduced Home/EU tuition fees to £7k from September 2020 for non-STEM subject areas. There was, however, no certainty around this scenario. This model was not sustainable, in any way, beyond 2021. This would be the same position for many other institutions. Lincoln had, on average, a slightly lower reliance on Home/EU undergraduate tuition fees than the majority of its UCAS competitor set but it still would not be sustainable long term.
- Staff student ratios were not included in the scenario. A reduction in the number of programmes could be helpful but may reduce the student

experience and, fundamentally, good teaching was about a good relationship between students and teachers.

- Movement further up the quality spectrum to enable a diverse income was required. Income diversification was an immediate direction of travel which should improve the base case and a review of staff student ratios could be undertaken as a last resort. If the government reduced funding it was likely to expect higher education to be delivered through efficiency savings and this would need very careful consideration.
- Course closures would be challenging and the University's Student Protection Plan would be activated.
- While it was important to ensure that staff were kept informed there was a balance between too little and too much information. The Vice Chancellor gave talks to staff every quarter about the University's health and the wider context that it operated within and staff needed to take responsibility to fully understand this and the implications.

Mr Braham was thanked and left the meeting 11.45am; Mr Muzangaza left at the same time.

9. RESEARCH EXCELLENCE FRAMEWORK (REF) PREPARATION

Received:

A report submitted by the Deputy Vice Chancellor (Research and Innovation).

Noted:

- The REF assessed research performance at the level of subject disciplines (Units of Assessment) for outputs (60%), research environment (15%) and impact (25%) with scores consolidated into an overall institutional rating.
- Ratings were based on a five point scale from 0 to 4* with 4* indicating world leading work. Funding was given only for 3* and 4* ratings.
- In preparation for submission to the REF 2020 the University had run a series of annual checks on progress with a substantial 'mock' REF conducted in summer 2018. Another 'mock' REF would commence shortly and complete in early summer 2019. External and internal assessors would mark all outputs to date. Draft environment statements and impact case studies would be similarly evaluated to provide an overall picture of the current position and forward trajectory.
- Institutions had been asked to produce a Code of Practice detailing how they would conduct the REF, including how they would satisfy obligations around equality and diversity and how staff would be identified for submission to the exercise. Lincoln would submit all eligible staff on teaching and research profiles (for whom research was a substantial duty) and also staff who were on research only profiles.
- The Code would also include a definition of research independence, how to identify independent researchers and an appeal process. How outputs would be selected was an additional requirement.
- Current modelling indicated that approximately 370 FTE would be submitted with a 3* GPA. This would be a greater volume of staff than the previous REF and with a higher GPA.
- Work was underway to ensure that the research environment and impact elements were as strong as possible. The incoming global Chairs would assist in key discipline areas.

Agreed:

- An update on the results of the mock REF would be submitted to the Board in May or June 2019.

**DVC
(Research &
Innovation)**

10. ACCOMMODATION UPDATE

Received:

A report submitted by the University Registrar/Secretary.

Noted:

- The report provided an update on the 2018/2019 student accommodation supply position.
- The supply vs demand balance had not been as tight as predicted, the result of which was a maximum estimated financial liability for 2018/2019 of £620k. As at 14 February 2019 the net nomination/lease liability in relation to the decisions taken in 2017/2018 was currently projected at £350k.
- Mr Spendlove had looked in detail at the reasons for the over-supply of accommodation and information from publically available statistics suggested that BGU's undergraduate population was reducing.
- The accommodation application system opened on 1 March 2019 and Cygnet Wharf had closed after 90 minutes as it had exceeded capacity. There could still be some challenge in supply for 2019/2020. The Swan Street apartments development had been deferred to September 2020 and the Viking House phase 2 development would not be available until after students had started term.
- The University had continued to take increased control over the lived experience with 74% of accommodation applications being submitted for University controlled residences.

Ms Dowdy entered the meeting at 12 noon.

11. ESTATES REPORT

Received:

A report submitted by the Director of Estates.

Noted:

- Planning permission had been submitted for the new medical school building and a decision would be made on 27 March 2019. Positive feedback had been received and the design team had been commended. Tender returns had been received this morning and the project was currently on time and on track.
- Willmott Dickson had been engaged as the contractor for the work on the Holbeach Food Enterprise Zone and a tender report was expected shortly.
- The hard facilities maintenance contract had been awarded to the current incumbents, ImTech. The contract was significantly more demanding and it was hoped that positive improvements would be seen shortly.

Ms Dowdy was thanked and left the meeting at 12.05pm

12. LONDON CAMPUS UPDATE

Received:

A report submitted by the Deputy Vice Chancellor (Finance and Infrastructure).

Noted:

- Since the last Board meeting, negotiations with the landlord of Swan House had become more challenging. The landlord wanted the University to commit to a 15 year lease when a 5 to 10 year lease was more standard. It also insisted on handling the planning application even though the landlord did not have the same vested interest as the University.
- King's Cross was a difficult market but advisors had been engaged to locate properties that had not yet been advertised to enable a strong fallback position.

- The proposed lease length could be acceptable to the University as the London market was likely to remain buoyant and it could potentially be sub-let or re-let if Lincoln withdrew.
- The goodwill of local residents was key and the chances of earlier planning permission increased if the local community was in favour. There was a residential strip behind Swan House and it would be important to ensure the timing of the operation was satisfactory with restrictions on how and when it would open and thought given to how students could be channelled in and out of the building in the least disruptive manner and without encroaching on the residential area.
- The property would require a change of use to include education which would change the business rate classification.
- Overall, there were many issues to balance and colleagues were both pressing on with negotiations with the landlord and searching for another potential property.

13. ANNUAL STRATEGY AWAY DAY

Noted:

- The Annual Strategy Away Day would take place on Thursday 27 June 2019 with a full Board meeting the following day.
- The Away Day would focus on income diversification, a governance health check (governors would be sent a short questionnaire for completion prior to the Away Day) and governor KPI allocations.
- The Vice Chancellor would update members on the current status of the University's Strategic Plan and the future direction.
- The high level risk register would also be considered to ensure that the right risks were included and sufficiently strategically focussed.
- Members were invited to forward any other ideas for the content of the Away Day to the Chair.

Members

14. REPORT FROM NOMINATIONS COMMITTEE

Received:

An oral report from the Chair.

Noted:

- Nominations Committee had met yesterday and the Chair thanked Mr Corner for his potential governor suggestion. Members had considered a candidate's CV and the Chair and the Vice Chancellor would meet with him shortly. Head hunters would be engaged for a full recruitment process if the proposed candidate was not a good fit for the Board.
- The Deputy University Secretary had drafted a job descriptor for the role of Deputy Chair. The Chair was currently in discussions with some colleagues about the role and an update would be provided at the next meeting.

Chair

15. ANY OTHER BUSINESS

Noted:

Creative Advertising

- The Vice Chancellor reported that the University's partnership with The Guardian had been so successful that it would extend the programme portfolio to include an MA Creative Advertising. Colleagues were also working on an agreement with Thomas Reuters to develop an MA Journalism. This was very positive news.

16. DATE OF NEXT MEETING

The next meeting of the Board would take place at 9.30 on Thursday 30 May 2019.

PART B – ITEMS TO BE RECEIVED

17. MINUTES OF RECENT MEETINGS:
 - NOMINATIONS COMMITTEE, 6 FEBRUARY 2019
18. USE OF SEAL

The meeting concluded at 12.20pm.

I confirm that the above minutes are a true and accurate record of the meeting held on 14 March 2019 and have been approved by the Board of Governors.

Ms Diane Lees CBE (Chair)

Date: 30 May 2019