

CONFIRMED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD AT 9.30AM ON THURSDAY 30 MAY 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

Independent Members

Mr N Corner

Ms Z Easey

Mr J Raine CMG OBE

Ms M Dawes

Mr N Herbert

Sir Graeme Davies

Professor J Ker

Co-opted Members

Professor S Bailey

Ms D Gilhespy

Student Member

Mr K Muzangaza

Deputy University Secretary (Officer)

Ms L Baker

In attendance

Ms A Calton

Mr J Free CBE

Professor Duncan French

Professor A Hunter

Ms A Jones

Professor L Mossop

Mr S Parkes

Mr C Spendlove

Professor T Wilkinson

Student Observer

Deputy Vice Chancellor

Head of the College of Social Science (item 4)

Deputy Vice Chancellor

Head of Student Administration (item 10)

Deputy Vice Chancellor

Deputy Vice Chancellor

University Registrar and Secretary

Deputy Vice Chancellor

Action

1. (i) APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms Jackson, Mr Barratt, Mr Gray, Ms Reeves and Dr Savage.

Mr Raine was welcomed to his first Board meeting. Ms Calton, a student observer, was also welcomed.

(ii) DECLARATIONS OF INTEREST

There were no declarations on interest.

(iii) ELECTION OF DEPUTY CHAIR

It was proposed that Mr Corner was appointed as Deputy Chair from 1 August 2019, following the end of Ms Jackson's term of office. The proposal was unanimously **agreed**. Mr Corner would serve as Deputy Chair until 31 July 2020 which was when his maximum terms of office would end.

PART A – ITEMS FOR DISCUSSION

2. MINUTES OF THE MEETING OF MEETING OF THE BOARD OF GOVERNORS HELD ON 14 MARCH 2019

The minutes of the meeting held on 14 March 2019 were **approved** as an accurate record.

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

Ms Simpson had not yet had an opportunity to catch up with Mr Barratt but hoped to do so shortly (item 4 refers).

A number of governors had written to their local MPs regarding the potential threat of lowered fees; responses had been included in governors' Board pack. The Vice Chancellor and Deputy Chair had particularly focussed on the threat to arts and humanities (item 5 refers).

A report on the results of the mock REF would be submitted to the Board in September 2019 (item 9 refers).

**DVC
(Research &
Innovation)**

Professor Duncan French entered the meeting at 9.35am.

4. PRESENTATION FROM HEAD OF THE COLLEGE OF SOCIAL SCIENCE

Received:

A presentation from Professor Duncan French.

Noted:

- Professor French had taken up the post of Head of College in January 2019 and had spent time building a new leadership team which included Heads of six Schools, the Director of Operations (a new post) and the Directors of Education and Students, Research and Academic Affairs.
- The team had a great foundation of success to build upon; the College had met its student recruitment targets over the past two academic years, introduced new programmes (including a Nursing Associate pilot which had just graduated its first cohort) and improved its NSS results. However, much work was needed to maintain and increase these successes.
- Professor French gave members an overview of activities taking place within individual Schools including Health and Social Care, Psychology, Education, Law, Social and Political Sciences and Sport and Exercise Science.
- Going forward, the College intended to diversify its income streams, build its research strategy (particularly around environment and the REF), enhance its student experience through learning and teaching, tackle the attainment gap, increase civic engagement and ensure 'low walls' across research, Knowledge Exchange, external income and placements/careers.
- Cross discipline and collaborative research were becoming increasingly important; a first bid joined with LALT had recently been submitted. There would also be many opportunities around the new Lincoln Medical School which would help to tackle the big challenges around health.

Professor French was thanked for his interesting presentation and left the meeting at 9.50am.

5. VICE CHANCELLOR'S REPORT

Received:

A report from the Vice Chancellor.

Noted:

HE Environment

- The Augar report, an independent review commissioned by the Prime Minister, had been released today. There was no certainty that the recommendations would be taken forward by government (for proposed implementation in 2021/2022 if taken through parliament) and it remained to be seen how the review would be represented by the media.
- In terms of headlines, a reduction in tuition fees to £7.5k with a top up by government for 'economically valuable' programmes and widening participation had been recommended, together with a longer repayment period from 30 to 40 years. If implemented, it was very possible that students would end up repaying more over time than currently.
- Means-tested maintenance grants, scaled from £3k downwards, would be welcomed by students. On the other hand, the potential removal of loan funding for foundation years would be very unhelpful to students who failed to achieve the grades needed to start an undergraduate degree.
- Thresholds for entry could be introduced at a later point if programmes with poor retention and graduate outcomes were not improved.
- The review suggested flexibility around lifelong learning so that a degree could be undertaken in bite-sized chunks. This would especially support mature students.
- Professor Bailey asked whether the report included any indication of what the top-up to fees would look like. The Vice Chancellor advised that the review did not include any costings. However, STEM subjects currently received the full fee and a top-up to recognise the increased cost of these disciplines.
- The review analysis indicated that the proposals would save the taxpayer approximately £1,500 per student over the life of their loan which was not very significant.
- It would be important to establish some FAQs quickly so that the University could advise potential applicants about the situation followed by a period of time to campaign around myth creation (e.g. that the creative industries have less value). The Vice Chancellor would speak with colleagues at UUK to understand what governors could do to assist with the campaign.

Applications and Conversions 2019/2020

- Home/EU UG applications were down on last year, although ahead of applications at the equivalent point in the 2017/2018 and 2016/2017 admissions cycle. The budget had been recast based on the most likely outcome from this situation and the University would still be able to return a forecast surplus of circa £1m (as previously presented).
- Following release of the Augar report, it was possible that some students would choose to defer but the University would ensure that applicants had the right information to enable them to make the best choices. However, a large decline would be challenging, not just for Lincoln but across the sector.
- Applications were down particularly in the College of Arts; this was inevitable given the outward perception and negative press about the value of arts subjects. Significant work was underway to address the issue. The reduction would, however, be shared across all of the Colleges because recruitment was a University-wide endeavour.
- The Vice Chancellor reminded the Board that the country remained in a demographic downturn and this affected all institutions to a greater or lesser extent.
- Mr Corner requested some additional information in the report which would indicate the trends more clearly. The Registrar/University Secretary and Vice Chancellor would consider the format of the report outside of the meeting.
- International recruitment had seen a level of positive transformation through UG applications in particular and PG applications were also rising.

Overseas Opportunity – CONFIDENTIAL ITEM

VC/Reg/US

See Confidential Annex

Brexit

- There was little further to add currently and the University continued to monitor the situation closely.

Student Accommodation

- Applications for student accommodation opened on 1 March 2019 and the Registrar/University Secretary was maintaining a watching brief on the changing position.

Complete University Guide

- The University had climbed one place in the Complete University Guide to 42nd which was its highest rank to date. However, Lincoln had ambitions to be ranked higher and, given the way the sector was shifting and changing, some institutions were making greater strides.
- Additional league tables would be released next month, including the key league table for international rankings in which the University hoped to place for the first time.

Bid Successes

- The DVC (Research) informed members of a number of recent research successes.

6. CIVIC ENGAGEMENT

Received:

A paper submitted by the DVC (External Relations) which included the University civic engagement strategy; the UPP Foundation Civic University Commission report 'Truly Civic' was tabled.

Noted:

- The Commissioners for the UPP included the Chair and the Vice Chancellor. In addition to the UPP report, there was an increasing international focus on how civic engagement could be built into international rankings. The University had been chosen (alongside the University of Melbourne, King's College London and the University of Chicago) to work with consultants Nous Group to develop a methodology for a pilot. Lincoln had also been selected to participate in phase 2 of the pilot.
- A small working group would convene on 14 June 2019 in response to publication of the UPP report with a view to developing a guiding framework around civic engagement.
- In early July, the DVC would meet with colleagues from Lincoln City Council, who had been very positive about civic engagement, to draft a civic agreement.
- In mid-July, the DVC would attend a conference where Lincoln would be used as a case study. The University was deeply embedded with this endeavour.

Agreed:

- The Board **approved** the University's Civic Engagement Strategy.

7. FINANCE REPORT

- SUMMARY FINANCIAL POSITION
- BUDGET – KEY ASSUMPTIONS AND TARGETS
- FINANCIAL COVENANTS

Received:

A report submitted by the DVC (Finance and Infrastructure).

Noted:

Summary Financial Position

- The full year forecast surplus was lower than budget and lower than the March 2019 forecast. The methodology for USS pensions (following a revaluation

which had been conducted in 2017 but not signed off until January 2019) had been released in late April 2019 and that calculation had now been incorporated. This had generated a significant deficit which had been partially mitigated by additional pay savings and a further reduction in the FRS102 pension charge.

- The Riseholme settlement would have a further impact and the outturn may decrease further. However, a surplus would still be generated and cash levels remained stable.
- The Vice Chancellor assured the Board that in the current climate it did no harm for institutions to return lower surpluses.

Financial Forecast Review

- Colleagues continued to intelligently target reductions which would not affect league table performance or the student experience.

Financial Covenants

- Due to the introduction of FRS102, the European Investment Bank had invoked a clause in the original contract to review the financial covenants where there was a change to accounting practices.
- Following review of the proposed amendments to the financial covenant calculations, revised covenants had been agreed and were now submitted to the Board for approval.
- The new covenants were no less favourable than the previous covenants and their impact had been modelled in the latest Financing the Future model, resulting in full compliance over the forecast period and no reduction in borrowing headroom.

Agreed:

- The Board **approved** the revised financial covenants and the amendment to contract letter and these would be signed by the Vice Chancellor and the Chair.

8. RISEHOLME UPDATE – CONFIDENTIAL ITEM

See Confidential Annex

9. LONDON CAMPUS

Received:

A report submitted by the DVC (Finance and Infrastructure).

Noted:

- Discussions with the landlord of Swan House had ended because it was not willing to change its position around the change of use.
- The University had gone back to the market and had located 70 Gray's Inn Road. This was a little further away from King's Cross but still within comfortable walking distance and the landlord was content with the proposed change of use. The building had more space and at a slightly reduced cost per square foot; it would, however, need a higher upfront investment. The University was close to an agreement in principle for the commercial terms.
- The Guardian in London had also recently approached the University about the possibility of using some of its space from next year.
- 70 Gray's Inn was directly opposite Gray's Inn on a pleasant road. Residential accommodation located behind the building was separated by privately accessible gardens.
- A London acquisition was key to the institution's income diversification plans and would be an attractive proposition to students as well as raise the University's international profile. It would also enable Lincoln-based students to experience London employers and expand their horizons.
- In terms of timescales, any agreement would be subject to planning approval and although detailed design work was underway, the University would not be

committed if there was no support. Fit out could start in January 2020 and complete around spring 2020 which would allow operation from September 2020. The process of clearing the building had already commenced as the landlord needed to do this in any event.

- Planning was likely to be less challenging than Swan House; the residences' gardens were locked and the building fronted onto the road (which would also be the likely egress route).
- The upfront cash difference would be £200k which would pay back in 2024/2025 with a positive cashflow thereafter and within 10% of original projections over the life of the project. Student numbers could increase and improve the figures; the financial model would be updated continuously.

Agreed:

- The Board **agreed** to disengage from Swan House and continue negotiations with the landlord of 70, Gray's Inn Road.
- The Board gave the Chair **delegated authority** to take action on the Board's behalf to secure the property if Chair's Action was required before the next meeting.

Ms Jones entered the meeting at 11.40am.

10. ACCESS AND PARTICIPATION PLANNING

Received:

A report submitted by the DVC (Student Development and Engagement).

Noted:

- Prior to the establishment of the Office for Students, institutions were required to produce Access Agreements for OFFA (now called Access and Participation Plans) outlining their strategies around widening access to HE alongside retention and attainment activities.
- This responsibility had now passed to the Office for Students which undertook an in-depth review around the content of these plans. As a result, a new set of guidance had been issued which placed more significant demand on institutions to, for example reflect (where relevant) the Office for Students' key strategic aims in their plans. These include eliminating certain gaps around particular groups (e.g. the gap in degree outcomes between white and black students).
- The University's Plan had always been produced collaboratively and this had been formalised through the establishment of an oversight group comprising interested stakeholders from across the organisation. It had recently met to discuss principles and had formed smaller writing groups to work on each section of the Plan.
- Externally, Lincoln had also engaged with BGU and North Lindsey College as the Office for Students was keen to see collaborative targets stretching across the whole student lifecycle. This represented a different approach.
- In terms of student engagement, the group was working with the Students' Union and consulting through focus groups. A more formal student group would sit underneath the oversight group which would collect student feedback on how the activities within the Plan were working and any other comments or suggestions that could feed into the next iteration of the Plan.
- The oversight group would also develop a community of practice where colleagues would come together on a regular basis to reflect on practice and how this informed the achievement of Plan aims that the University had set itself.
- The Office for Students set the targets that institutions were expected to meet and this was something that the University had no control over.

- The draft Plan would be submitted to the Board for approval in June 2019 in readiness for submission on 1 July 2019.

Ms Jones left the meeting at 11.50am.

11. ANNUAL STRATEGY AWAY DAY

Received and Noted:

The draft agenda for the Away Day was tabled and noted.

12. REPORT FROM NOMINATIONS COMMITTEE

Received:

A verbal update from the Chair.

Noted:

- The Nominations Committee had briefly met yesterday. Professor Kathleen Armour had been identified as a potential successor to Professor Stephen Bailey who would step down at the end of July 2019. The Chair and Vice Chancellor intended to meet with Professor Armour with a view to recommending her appointment as appropriate.
- In respect of the potential appointment of an individual with an estates background, the right person had not yet been identified and the Nominations Committee had decided to delay appointment until the new year.
- The Chair also reported that the CUC report on Vice Chancellors' pay across the sector had been published. It would be considered by Remuneration Committee in due course.

13. ANY OTHER BUSINESS

Noted:

- This was Mr Muzangaza's final meeting as a student governor. The Chair offered a vote of thanks for all of Mr Muzangaza's hard work and contribution as a governor and wished him every success in the future.

14. DATE OF NEXT MEETING

Away Day on Thursday 27 June 2019 followed by a Board meeting on Friday 28 June 2019 at 09.30.

PART B – ITEMS TO BE RECEIVED

15. MINUTES OF RECENT MEETINGS:

- NOMINATIONS COMMITTEE, 13 MARCH 2019
- ACADEMIC BOARD, 6 FEBRUARY 2019
- AUDIT COMMITTEE, 9 APRIL 2019

16. EDGE WEST LAND ACQUISITION (APPROVED)

17. OFFICE FOR STUDENTS PREVENT MONITORING: ADR AND RISK MANAGEMENT OUTCOME

18. USE OF SEAL

The meeting concluded at 11.55am.

I confirm that the above minutes are a true and accurate record of the meeting held on 30 May 2019 and have been approved by the Board of Governors.

Ms Diane Lees CBE (Chair)

Date: 28 June 2019