Confirmed minutes

Minutes of the Board of Governors

(Special Meeting)

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| 12-04-2024 | 10:00 | Boardroom, Maritime House, Llandaff Campus |

# Present:

## John Taylor CBE (Chair and Independent Governor)

## Charlie Bull (Professional Services Staff Governor)

## Nick Capaldi OBE (Independent Governor)

## Roisin Connolly (Independent Governor) *via Teams*

## Kevin Coutinho (Independent Governor) *via Teams*

## Dr Clare Glennan (Academic Staff Governor)

## Iva Gray (Independent Governor)

## Professor Rachael Langford (President & Vice-Chancellor)

## Menai Owen-Jones (Independent Governor) *via Teams*

## Kirsty Palmer (Academic Board Representative Governor)

## Natalia-Mia Roach (Student Governor) *via Teams*

## Alison Thorne (Independent Governor) *via Teams*

## Rewathi Viswanatham (Student Governor)

## Scott Waddington (Independent Governor) *via Teams*

## David Warrender (Independent Governor) *via Teams*

# In attendance:

## Professor Jacqui Boddington (PVC Student Engagement)

## Professor Sheldon Hanton (PVC Research & Innovation)

## Mairwen Harris (Head of Strategy, Planning & Performance)

## Simon Landy (Deputy Director of Finance)

## Greg Lane (Head of Governance & Clerk to the Board)

## David Llewellyn (Chief Officer (Resources))

## Jon Price (Interim University Secretary & Chief Operating Officer)

## Emily Samphier (Senior Governance Officer)

## Lowri Williams (Director of People and Culture)

Author of Minutes: Greg Lane (Head of Governance & Clerk to the Board)

# Apologies & Preliminaries (agenda item 1)

## Apologies for absence were received from Karen Fiagbe (Independent Governor), Paul Matthews (Independent Governor), Dr Giri Shankar MBE (Independent Governor) and Matthew Tossell (Vice Chair of the Board and Independent Governor).

## The Chair welcomed Lowri Williams (Director of People and Culture) and Simon Landy (Deputy Director of Finance) to their first meeting in attendance of the Board.

## The Chair congratulated Rewathi Viswanatham (Student Governor) on her recent re-election as Student Union Vice President for 2024-25.

# Declarations of Interest (agenda item 2)

## The Chair noted the conflict of interest that Staff Governors and the Academic Board Representative Governor had in the voluntary severance scheme.

## There were no other declarations of interest.

# Voluntary Severance Scheme – Discussion and Options (agenda item 3)

## The Chair advised that the Special Meeting of the Board had been convened to consider proposals on the introduction of a Voluntary Severance (VS) scheme for staff. The Board had agreed at its meeting on 21 March 2024 that the proposals should be progressed as part of wider work on the University’s financial recovery.

## The Vice Chancellor, Chief Officer Resources and the Director of People and Culture provided the Board with a presentation on the VS scheme proposals to highlight some of the specifics of the report. The Board noted the following:

## Projected cash flows for the University (income, expenditure, and cash reserves).

## The current situation – in particular, the contraction in international student numbers and loss of financial revenue.

## The timeline of the emerging issue and actions taken to date.

## Key headline statistics on pay and workforce.

## Key statistics on staff spend as percentage of turnover.

## The Design Principles of the proposed VS scheme.

## The Eligibility Criteria for the proposed VS scheme.

## The Core Severance Package proposed.

## The indicative impact on projected cash flows based on an exemplified model savings target.

## In addition to the presentation and report the Board was provided with Financial Modelling information and a working version of the Equality Impact Assessment undertaken to assess the VS scheme proposals.

## The Board had a wide-ranging discussion on the VS scheme proposals and the following points were covered:

## The Board noted that it had specific legal duties placed on it for ensuring the University’s financial probity, accountability, and sustainability.

## The Board recognised that the VS scheme proposals were a key short term first step that was part of wider set of proposals being developed to achieve financial recovery and long-term sustainability. The Board noted that no specific targets had been set for the proposed VS scheme in terms of number of staff to be exited or budget savings to be achieved.

## The Board acknowledged that the VS scheme proposals would help narrow the gap between the University’s expenditure and income – but that most of the financial savings would be achieved by wider financial recovery plans being developed for future consideration by Board.

## The Board noted that staff spend as a percentage of turnover had increased over recent previous years and was consistently higher than local competitors. The Board noted that action to control staff spend at a time of financial challenge was both pressing and necessary.

## The Board noted that in terms of sequencing the University needed to develop VS scheme proposals to help reduce and minimise the need, scale, and scope of any future voluntary severance or compulsory redundancy exercises that may potentially be required. The Board noted that an appropriate balance needed to be struck between making the VS scheme viable/attractive to staff and the need to achieve the required financial savings for the University. Due responsibility for the University’s funds would be shown.

## The Board recognised that interested staff would need to decide on whether to apply for voluntary severance before the financial recovery plan had been finalised and approved – where greater clarity of service provision, service structures and roles could be provided.

## The Board noted that the Equality Impact Assessment provided was a ‘work in progress version’ of the document that was still being developed. Board members provided detailed comments relating to EDI matters- these covered potential differential impact on various staff groups, the extent to which the VS scheme was targeted, monitoring of VS scheme outcomes, and assurance against E&D legal and statutory duties.

## The Board noted that the University would contribute to the legal costs incurred by those staff who would exit via the VS scheme. The University’s contribution would be up to £450 + VAT for each member of staff.

## The Board noted the governance arrangements, process and timescales that would be followed in the roll out of the proposed scheme. The role of the decision-making panels in support of a robust, consistent, and transparent process was specifically discussed. The Board noted that the panels would be constituted to ensure appropriate business continuity, finance risks, workforce risks and interdependencies were well understood when taking decisions on VS scheme applications. SU involvement in the process should also be explored to include the views of the SU/students.

## The Board noted the experience/legacy issues of previous VS schemes run by the University. The need to retain required skilled staff and ensure resilience of service areas was discussed in this context.

## The Board emphasised the need for clear and consistent communication with staff and students in the roll out of the VS scheme. The Board recognised the need to support staff morale and student experience/satisfaction levels during the process.

## The Board noted that the University’s Executive Group had considered a range of modelled schemes and had put forward two models for further discussion and consideration by Board. The first or preferred option was six months basic salary exclusive of PILON. The second option was 30 weeks salary exclusive of PILON.

## The Board noted that both options were in line with what competitor universities were offering both locally and across the UK more widely. The Board noted the Financial Modelling information provided with the report.

## The Board confirmed that it was supportive of the design principles and eligibility criteria contained within the proposed VS scheme. The Board was also supportive of the proposed payment thresholds. The Board concluded that the VS scheme proposals amounted to a well thought out, fair and inclusive approach that would help the University’s efforts towards financial recovery and long-term sustainability.

## The Board noted that the proposed VS scheme would open for applications on 22 April and close on 14 May 2024. The Board requested that the Vice Chancellor provide initial information on the number of applications submitted at the Board meeting on 16 May 2024. This could take the form of an oral report given the timings involved.

## The Board Resolved:

## To approve the Design Principles and eligibility criteria of the VS scheme.

## To approve the Proposed Payment Thresholds of the VS Scheme.

## To request that the Vice Chancellor provide the Board with initial information on the number of applications submitted at the Board meeting on 16 May 2024.

# Any Other Business

## There was no other business.

Meeting end: 11:35

**John Taylor**
**Chair of the Board of Governors**

**Cardiff Metropolitan University**