Confirmed

Minutes of the Board of Governors

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| 04-07-2024 | 3:00pm | CSM Hospitality Suite, Llandaff Campus |

# Present:

## John Taylor CBE (Chair and Independent Governor)

## Kellie Beirne (Independent Governor) - *via Teams*

## Charlie Bull (Professional Services Staff Governor)

## Nick Capaldi OBE (Senior Independent Governor)

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

## Kevin Coutinho (Independent Governor)

## Karen Fiagbe (Independent Governor) - *via Teams*

## Dr Iva Gray (Independent Governor)

## Peter Kennedy (Independent Governor) - *via Teams*

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

## Menai Owen-Jones (Independent Governor)

## Kirsty Palmer (Academic Board Representative Governor)

## Dr Giri Shankar MBE (Independent Governor)

## Matthew Tossell (Vice-Chair and Independent Governor)

## Rewathi Viswanatham (Student Governor)

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

## David Warrender (Independent Governor)

# In attendance:

## Professor Jacqui Boddington (PVC Student Engagement)

## Professor Sheldon Hanton (PVC Research & Innovation)

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

## 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)

## Lisa Sancho (Executive Officer)

## Lowri Williams (Director of People and Culture) (for item 13) – *via Teams*

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

# Part A1: Routine Items of Business

# Apologies & Preliminaries (agenda item 1)

## Apologies for absence were received from Dr Clare Glennan (Academic Staff Governor) and Paul Matthews (Independent Governor).

## The Chair advised that Daniel Flaherty Jr, (the new SU President and Student Governor) was expected to take up his position within the next few weeks.

## The Chair welcomed Lisa Sancho (Executive Officer to UEG) to their first Board meeting.

# Declarations of Interest (agenda item 2)

## The Chair of the Board declared an interest in agenda items 8 and 9 which related to their proposed re-appointment. The Chair advised that he would recuse himself from the meeting during consideration of these items.

## The Vice Chancellor advised that she would also recuse herself from consideration of these items as the Chair of the Board was effectively the line manager of the Vice Chancellor.

## There were no other declarations of interest.

# Minutes of the Board of Governors Meeting (16 May 2024) (agenda item 3)

## The Board Resolved:

## Toapprove the Minutes of the Board of Governors Meeting dated 16 May 2024 as a correct record.

# Matters Arising (agenda item 4)

## There were no maters arising.

# Chair’s Report (agenda item 5)

## The Chair presented their report that included updates on the following: (i) The completion of the Governor annual appraisal process; (ii) The ChUW meeting on 4 and 5 June 2024 at Bangor University that had received an update on arrangements for the formal launch of CTER (now MEDR) on 1 August 2024; (ii) UCEA meetings on 4 and 12 June 2024 that had focussed on discussions with the trade unions regarding the national pay award for 2024-25. No agreement on the national pay award had been reached. However, it was hoped that industrial action could be avoided.

## The Board Resolved:

## To note the Chair’s report.

# Vice-Chancellor’s Report (agenda item 6)

## The Vice-Chancellor presented their report that included updates on the following: (i) UK Higher Education sector news; (ii) Notable events and awards; (iii) Transformation and financial recovery related activity; (iv) the Vice Chancellor’s recent and forthcoming external engagements and appointments.

## The Vice Chancellor specifically highlighted the private visit to the University by HRH The Prince of Wales on 11 June 2024 that had been jointly organised by Kensington Palace, the Earthshot Prize, and the Office of the Future Generations Commissioner for Wales. The visit had included a presentation from Earthshot Prize contestants and a tour of the University’s internationally renowned Zero2Five Food Industry Centre.

## The Vice Chancellor was also pleased to confirm that the University had submitted its institutional application for the Athena Swan Silver Award which focussed on work to support and transform gender equality within higher education and research.

## The Board was advised that most recent Graduate Outcomes Survey that confirmed that the University was ranked the best university in Wales for employability. The results had shown that 96.3 per cent of Cardiff Metropolitan University graduates were in work or further study at the point of the census, with almost two-thirds remaining in Wales. Board members commended the work undertaken by the University to support graduate outcomes and requested whether information could be provided on graduate outcomes for international students as this was not covered by the official survey.

## The Board Resolved:

## Tonote the Vice-Chancellor’s Report.

# Students’ Union Update (agenda item 7)

## The SU Vice-President presented the report that included updates on the following: (i) The recruitment of three external trustees to the SU’s Board of Trustees; (ii) Progress on the transfer of Cardiff Met University Football Club from the SU to the University; (iii) Progress on the development of a new SU Strategy with the SU’s chosen strategy partner, Counterculture; (iv) An outline of the impact of budget reductions on the SU and students’ experience; (v) Student Leadership Team update from School Reps; and (vi) A brief review of SU achievements over the previous academic year.

## The Board Resolved:

## To note the Students’ Union Update.

## *(Secretariat Note: Agenda items 8 and 9 were classified as Reserved Business for consideration by Board members only. The Head of Governance & Clerk to the Board and the Interim University Secretary & COO were in attendance. The Vice-Chair of the Board presided during these items as the Chair had declared a conflict of interest and had recused themselves from the meeting. The Vice Chancellor also recused themselves from the meeting for these items).*

## Part A2: Strategic Items of Business

# Chair’s Appraisal (agenda item 8)

## The Vice Chair of the Board invited the Senior Independent Governor to present their report that set out feedback on the recent appraisal of the Chair of the Board. The feedback was based on evaluations submitted by Board members and reflected their insights into the Chair’s leadership and effectiveness. Board members had a detailed discussion on the content of the report that covered the Chair’s performance in the role and other governance related matters. The Head of Governance & Clerk to the Board undertook to circulate an informal note to Board members of the key points raised.

## The Board Resolved:

## To note the report of the Senior Independent Governor on the appraisal of the Chair.

# Appointment of the Chair of the Board (agenda item 9)

## The Head of Governance & Clerk to the Board introduced the report that invited the Board to consider and approve the appointment of the Chair of the Board for a three-year period from 1 August 2024 to 31 July 2027. The Board was advised that a single nomination from the current Chair, John Taylor CBE had been received. Mr Taylor had provided a Statement in support of his nomination for re-appointment for a second three-year term.

## The Vice Chair then put Mr Taylor’s nomination to the formal vote. The result was:

## For 15

## Against 0

## Abstentions 1 (Kirsty Palmer, Academic Board Representative).

## Following the vote the Board then formally resolved:

## To approve the re-appointment of John Taylor CBE as Chair of the University’s Board of Governors for a second three-year term from 1 August 2024 to 31 July 2027.

## The Chair of the Board was then asked to rejoin the meeting and was advised that he had been reappointed by the Board. The Chair was invited to say a few words to the Board in response to his re-election.

## *(Secretariat Note: The Vice Chancellor and attendees rejoined the meeting at this juncture).*

# Student Relationship Agreement 2024-25 (agenda item 10)

## The PVC Student Engagement presented the Student Relationship Agreement for 2024-25. The Agreement had been approved by the Students’ Union Board of Trustees and the University’s Academic Board. The Agreement would be published on the University’s website.

## The Board Resolved:

## 1) To notethe Student Relationship Agreement for 2024-25.

# Proposed Updates to the Student Charter 2024-25 (agenda item 11)

## The PVC Student Engagement presented the updated Student Charter for 2024-25 for approval by the Board. It was explained that whilst the Charter was not a legal document, HEFCW (or soon to be MEDR) expected every regulated institute in Wales and their students’ unions to have a Charter or equivalent document. The Charter was a high-level document that set out the mutual expectations, rights and responsibilities of institutions and their students. The report provided an update on the annual review of the Charter for 2024-25 with consultees from the University departments and the Students’ Union. The updated Charter had been endorsed by the Learning, Teaching and Student Engagement Committee on 19 June and Academic Board on 3 July 2024.

## The Board was informed that one further amendment had been requested by the Students’ Union to remove specific reference to the #NotAnExcuse campaign in the section on Support and Wellbeing. The Board was advised that the previous campaign had been superseded by wider work to promote positive student behaviours. The updated Charter would be published on the University’s website.

## The Board Resolved:

##  To approve the proposed Student Charter for 2024-25 as amended.

# Student Applications Update (agenda item 12)

## The Interim University Secretary & Chief Operating Officer presented the update on student applications and recruitment. For the September 2024 intake of full-time home undergraduates, the University had seen applications rise by 16%, with offers exceeding 10,000 for the first time. More widely UCAS had reported that applications across the sector were down 0.6% and the University’s competitors down 2.9%. Acceptances had reached 2,778 which was 24% up on the previous year. The target had been set at 3,335 which included 527 through clearing. The Board was advised that competition would in all liklihood be strong as all providers had been impacted by international challenges and financial pressures.

## For the September 2024 intake of international students, the University had seen a fall of 45% on the previous year. Intake expectations had reduced by a similar proportion as sector challenges continued to impact on demand. Acceptances had reached 385 which was 43% down on the previous year. There was however confidence in reaching the revised target of 403 subject to visa and deposit changes. The Board was also advised that the May intake for MBA students which had been rolled out for the first time had been successful. 103 applications had been received which had resulted in 47 enrolments.

## The Board was advised of arrangements that were in place to support the clearing process. It was anticipated that A level results across the UK could drop and that that could make clearing increasingly competitive.

## Board members had a broader related discussion on the University’s marketing strategy with reference to promoting student experience, quality of life/wellbeing and affordability.

## The Board also requested for EDI information to be included in future student recruitment reports.

## The Board Resolved

## To note the Student Applications Update.

## To request that EDI information be included in future student recruitment reports.

## *(Secretariat Note: The meeting adjourned at 4.20pm and reconvened at 4.30pm).*

# Update on the Voluntary Severance Scheme (agenda item 13)

## The Chair welcomed Lowri Williams, Director of People and Culture to the meeting for consideration of this item.

## The Vice Chancellor provided an oral update on the University’s Voluntary Severance Scheme. The Board was advised that a full report would be provided to the Board for its next meeting. This would include EDI information. The Scheme had been launched on 24 April with the deadline for applications closing on 14 May 2024. Decision Making Panels had met during June and letters to notify applicants of whether their application had been accepted or refused had been issued over the previous few days. The Board was advised of the overall number of applications and the number of academic and non-academic staff. The Vice Chancellor confirmed that the Scheme had generated a good level of interest and that the savings achieved would be in line with financial projections. It was envisaged that most staff leaving under the Scheme would leave by 31 July 2024 or shortly thereafter.

## The Board discussed the potential impact on staff morale, particularly those staff who had applied for voluntary severance but had had their application refused. The Board was supportive of managerial efforts to support staff morale through what was a time of challenge and uncertainty.

## The Board Resolved:

## To note the oral update on the Voluntary Severance Scheme.

# Outturn Third Review 2023-24 (agenda item 14)

## The Chief Officer Resources provided the Board with a PowerPoint presentation that covered the finance related items for agenda items 14 to 16. The Outturn Third Review projected turnover at circa £142m, a cash surplus of £395k (excluding the costs of the University’s Voluntary Severance exercise) and cash on deposit at £38.2m. The Board was advised that whilst cash on deposit had reduced from £55.2m to £38.2m, the University still had a relatively good liquidity position. The KPI on staff costs as a percentage of turnover was projected at 67.8%. This equated to more than £11m above the 60% upper threshold set in the Finance Strategy. The University’s Voluntary Severance exercise would start the process of realigning the staff cost base to the changed student population and associated tuition fee income base.

## The Board was updated on the University’s discussions with its banks in support of its finances.

## The Board received a brief update on negotiations between UCEA and the trade unions on the annual pay award. Whilst negotiations had not yet concluded the Board was advised that the University’s proposed budget for 2024-25 had factored this in.

## The Board Resolved:

##  To note the Outturn Third Review 2023-24.

# Budget Proposals 2024-25 (agenda item 15)

# 15.1 The Chief Officer Resources presented the report covering the University’s Budget Proposals for 2024-25. The proposals had been prepared against a deterioration of the University’s financial outlook that had occurred in 2023-24 because of lower than budgeted recruitment of international students and to a lesser extent the lower than budgeted recruitment of home students. This was in line with the experience of the wider UK HE sector. The Board was advised that tuition fee income for 2023-24 was projected to be more than £20m short of budget with a resultant net reduction in the targeted cash surplus from £10m in July 2023 to circa £400k in April 2024. Liquidity was predicted to reduce from £55m in July 2023 to circa £38m in July 2024.

# 15.2 The Chief Officer Resources confirmed that the Budget Proposals for 2024-25 aligned with the University’s Financial Recovery Plan and the phased approach to achieving the required budget savings agreed by the Board at its meeting on 16 May 2024.

# 15.3 The Chief Officer Resources highlighted the key features of the budget proposals, these included: Turnover projected at £138.2m (2024 projected outturn £142.8m); Cash deficit projected at £10.4m (2024 projected deficit £1.1m); Accounting deficit projection £16.5m (2024 projected deficit £4m); Staff spend as a % of turnover projected at 73.9% (cash basis); and Cash on deposit at 31 July 2025 projected at £22.5m.

# 15.4 The Chief Officer Resources advised of two available sources of low interest loan funding for decarbonisation projects provided by Welsh Government. The Board confirmed that it would consider potentially applying for this loan funding at a future meeting after further work on reviewing the priorities and deliverables of the University’s Enabling Strategy on Estates had been completed - in the context of the University’s financial recovery.

# 15.5 The Chief Officer Resources confirmed that the University was in discussions with two of its banks to negotiate waivers to bank covenants attached to two of its commercial loans. The waivers were being sought as the 2023-24 financial projections indicated that the terms of the bank covenants would be breached by the University which required it to achieve a cash surplus of £2m per year. The Board was advised that negotiations were continuing with a view to putting the waivers in place prior to the year-end (31 July 2024). The Board was also advised that it was anticipated that both banks would charge a small waiver fee. A future increase in the loan margin is also a possibility. The Board confirmed that it was content for the Chief Officer Resources to continue the University’s negotiations to conclusion within these specific parameters.

# 15.6 The Board was advised that the Chief Officer Resources on behalf of the University was seeking to negotiate a revolving credit facility to ensure cash flow stability in the period from August 2025.

# 15.7 Board members had a wide-ranging discussion on the Budget Proposals and the following points were made. These included: (i) Consideration of University’s Enabling Strategy on Finance and levels of ambition– e.g. on cash surplus as a percentage of turnover; (ii) Emphasising the need to identify alternative income streams to support future income diversification and growth; (iii) Establishing levels of confidence in current and future financial modelling; (iv) Consideration of the future development and optimisation of the University’s portfolio of programmes and related delivery; (v) A request for further information on the University’s future capital expenditure plans to support Estate Development; (vi) An emphasis on the need for the University to have plans for future growth and targeted investment to support recovery and sustainability; (vii) A request for further information on the Governance arrangements in support of the Financial Recovery Plan; and (viii) The need to consider Risks to current and future funding – grant funding and other.

# 15.8 The Board Resolved:

# 1) To approve the University’s Budget Proposals for 2024-25.

# 2) To confirm that it was content for the Chief Officer to continue the University’s negotiations to conclusion with the two banking partners within the specific parameters described.

# HEFCW Financial Forecasts (agenda item 16)

## The Chief Officer Resources introduced the report that provided a summary of the University’s financial forecasts to 31 July 2028. The University was required to submit the forecasts to HEFCW following endorsement by the Board. The forecasts were in a prescribed format that detailed the latest projection of the outturn for the current year, the budget for the next year and operational forecasts for the following three years. The forecasts covered the implementation period of the University’s transformation plans and demonstrated an improving financial position with liquidity beginning to strengthen by the end of the planning period. Crucially, the two primary financial KPIs, staff spend and cash generation, were forecast to stabilise across the planning period.

## The Board Resolved:

## To approve the University’s financial forecasts for submission to HEFCW.

# Strategy 2030 and KPI Update (agenda item 17)

## The Head of Strategy, Planning, & Performance presented the Strategy 2030 and KPI Update. The Board was asked to note the table appended to the report that set out performance against the University’s ‘Measures of Success’ (KPIs) for 2022/23. The Board was advised of work being undertaken to review the University’s KPIs in the context of the University’s work to achieve financial recovery and sustainability. The Board would be asked to consider a paper with updated KPIs in the autumn term.

## The Board Resolved:

##  To note the Strategy 2030 and KPI Update.

# University Risk Report & Risk Register (agenda item 18)

## The Head of Strategy, Planning, & Performance presented the University Risk Report & Risk Register. There were twenty-three risks included in the high-level risk register. Of these nine were rated as red and fourteen were rated as amber post mitigation. One risk had increased in score since the spring term update. This covered Reputation Management. The scores for the other twenty-two risks remained unchanged.

## The Board Resolved:

## To approve the University Risk Report & Risk Register.

# University Risk Appetite and Tolerance Statement (agenda item 19)

## The Head of Strategy, Planning, & Performance presented the updated University Risk Appetite and Tolerance Statement for approval by the Board. The updated statement would help the University achieve a consistent approach towards risk through a managed framework. The updated statement was aligned to the University’s strategy and would help facilitate appropriate decision making from a risk informed context. Board and committee report coversheets would be updated to ensure that risk implications were presented in line with the requirements of the updated statement and related framework.

## The Board Resolved:

## To approve the updated University Risk Appetite and Tolerance Statement.

# Any Other Business (agenda item 20)

## Board members raised some queries relating to the Calendar of Board and Committee Meetings for 2024-25 (agenda item 22). The queries related to the proposed reduced frequency of scheduled Board meetings and the opportunity for Board members to provide appropriate scrutiny, assurance and challenge – with particular reference to oversight of the University’s work to achieve financial recovery. The Head of Governance & Clerk to the Board advised that additional meetings could be convened for a specific purpose as and when required. Briefing sessions could also be scheduled to ensure that Board members were kept appropriately informed of progress and engaged on the University’s financial recovery and other wider HE related matters.

## Part B: Items for Approval or Noting Without Discussion

# Governance and Nominations Committee Summary Report (03 June 2024) (agenda item 21)

## The Board Resolved:

## To note the Summary Report.

# Calendar of Board and Committee Meetings 2024-25 (agenda item 22)

## The Board Resolved:

## To note the Calendar of Board and Committee Meetings for 2024-25 as approved the Governance and Nominations Committee at its meeting on 3 June 2024.

# Update to the University’s Scheme of Delegation (agenda item 23)

## The Board Resolved:

## To approve the updated Scheme of Delegation as endorsed by the Governance and Nominations Committee at its meeting on 3 June 2024.

# Induction, Training and Development Programme (agenda item 24)

## The Board Resolved:

## To note the Board Induction, Training and Development Programme for 2024-25 as approved by the Governance and Nominations Committee at its meeting on 3 June 2024.

# Strategic Planning and Performance Committee Summary Report (10 June 2024) (agenda item 25)

## The Board Resolved:

## To note the Summary Report.

# Environment Scanning Report (agenda item 26)

## The Board Resolved:

## To note the Environment Scanning Report.

# Interim Quality Assurance Report (Summer Term) (agenda item 27)

## The Board Resolved:

## To note the Interim QA Report.

# Fee and Access Plan 2025/26 – 2026/27 (agenda item 28)

## The Board Resolved:

## To note the Fee and Access Plan 2025/26 – 2026/27 that had been approved by SPPC at its meeting on 10 June 2024 for submission to HEFCW.

# OIA Annual Statement 2022 (agenda item 29)

## The Board Resolved:

## To note the OIA Annual Statement for 2022.

# Resources Committee Summary Report (19 June 2024) (agenda item 30)

## The Board Resolved:

## To note the Summary Report.

# Audit Committee Summary Report (24 June 2024) (agenda item 31)

## The Board Resolved:

## To the Summary Report.

## Meeting concluded: 6:45pm

## **John Taylor CBE**

## **Chair of the Board of Governors**

## **Cardiff Metropolitan University**