Confirmed

Minutes of the Board of Governors

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| 29-11-2023 | 15:00 | Hospitality Suite, CSM, Llandaff Campus |

# Present:

## John Taylor CBE (Chair and Independent Governor)

## Professor Cara Aitchison (President & Vice-Chancellor)

## Kellie Beirne (Independent Governor)

## Charlie Bull (Professional Services Staff Governor)

## Nick Capaldi OBE (Independent Governor) *via Teams*

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

## Fergus Feeney (Independent Governor)

## Dr Clare Glennan (Academic Staff Governor)

## Iva Gray (Independent Governor)

## Professor Helen Marshall OBE (Independent Governor)

## Paul Matthews (Independent Governor)

## Kirsty Palmer (Academic Board Representative Governor)

## Chris Pilgrim (Independent Governor)

## Natalia-Mia Roach (Student Governor/SU President)

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

## Matthew Tossell (Independent Governor)

## Rewathi Viswanatham (Student Governor/SU Vice President)

## Scott Waddington (Independent Governor)

## David Warrender (Independent Governor)

# In attendance:

## Professor Sheldon Hanton (PVC Research & Innovation)

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

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

## Professor Rachael Langford (Deputy Vice-Chancellor)

## David Llewellyn (Chief Officer (Resources))

## Emma Potts (Interim University Secretary)

## Emily Samphier (Governance Officer)

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

# Part A1: Routine Items of Business

# Apologies & Preliminaries (agenda item 1)

## Apologies for absence were received from Karen Fiagbe, Peter Kennedy and Menai Owen-Jones (all Independent Governors) and Professor Jacqui Boddington (PVC Student Engagement).

## The Board thanked Professor Cara Aitchison for her work in leading and transforming the University as President and Vice Chancellor since joining the University in October 2016. Professor Aitchison would be retiring from her role on 31 January 2024.

## The Board congratulated Professor Rachael Langford on her appointment as President and Vice Chancellor from 1 February 2024. Professor Langford had joined the University as Deputy Vice Chancellor in September 2021.

# Declarations of Interest (agenda item 2)

## There were no declarations of interest.

# Minutes of the Board Meeting (19 October 2023) and Matters Arising (agenda item 3)

## The Board Resolved:

## To approve the minutes of the Board meeting held on 19 October 2023 as a correct record. There were no matters arising.

# Minutes of the Special Board Meeting (9 November 2023) and Matters Arising (agenda item 4)

## The Board Resolved:

## To approve the minutes of the Special Board meeting held on 9 November 2023 as a correct record. There were no matters arising.

# Chair’s Report (agenda item 5)

## The Chair introduced their report and updated on a range of matters.

## Firstly, CTER was continuing to consult with the sector on the registration of tertiary education providers. Discussions with the Welsh Local Government Association on post-16 education had commenced. CTER was expected to make a formal announcement of its priorities in December 2023.

## Secondly, The UUK Board had agreed on 17 November 2023 to transfer the employer responsibility for the University Superannuation Scheme to UCEA. Management of the total remuneration package for staff would therefore be under one body and it was hoped that this would help improve employment relations.

## Thirdly, the Chair was set to attend the UCEA AGM on 5 December 2023 and would provide the Board with a further update on developments.

## The Interim University Secretary provided the Board with an oral report on a recent Major Incident. The Board were advised of the specifics of the case and the process that had been followed. The Board would receive further information as matters were progressed.

## The Board Resolved:

## To note the Chair’s report.

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

## The Vice Chancellor introduced their report that provided an update on a wide range of matters for Board members to note. (The Vice Chancellor did not speak to matters contained in the report directly). The Vice Chancellor began by congratulating Professor Rachael Langford on her appointment as President and Vice Chancellor from February 2024.

## The Vice Chancellor spoke briefly about her experiences in the role since joining the University in October 2016. Specific reference was made to the initial work undertaken to stabilise the University’s finances at the time and subsequent work on the development of the Strategic Plan 2017/18 to 2022/23 which focused on achieving diversification, growth, and improvement. The University had transformed significantly during this period.

## The Vice Chancellor referred to the University’s current strategic plan ‘Strategy 2030’ and provided her specific thoughts on the challenges, risks and opportunities on each of the four thematic strategies included within the plan.

## The Vice Chancellor concluded by advising of her plans after retiring from the role, and thanked the Board, the Executive team, and the wider community of staff and students at the University for their support over previous years.

## The Board Resolved:

## To note the Vice Chancellor’s report.

# Students’ Union Update (agenda item 7)

## The Student Governors jointly presented their report.

## Firstly, the Board was advised of arrangements for the recruitment and induction of SU School Reps. There was a specific focus on engaging students through trialling different methods to gather feedback and increase visibility of the SU’s Rep structure. The Board was also advised of the work of SU Part-time Officers on running campaigns and providing support to student societies.

## Secondly, the Board was informed of arrangements to recruit additional external members to the SU Board of Trustees. Three external members would be recruited on a staggered basis as part of wider measures to strengthen SU governance.

## Thirdly, the Board was informed how the University and SU were working together effectively to support students with the cost-of-living crisis. This included support to students to cover costs of extra-curricular activities (such as Sports and Societies) to maintain participation, and support to create a cost-effective food and beverage menu for students on campus.

## Fourthly, the Board was advised how the University and SU were working together positively and constructively on the future of Sport at Cardiff Met.

## Finally, the Board received an update on SU events. The Diwali event held on 12 November had been particularly successful.

## The Board Resolved:

## To note the Students’ Union Update.

## Part A2: Strategic Items of Business

# Annual Report and Financial Statements for 2022-23 (agenda item 8)

## The Chief Officer (Resources) presented the Annual Report and Financial Statements for 2022-23 for approval by the Board and submission to HEFCW by 30 November 2023. The content of the report had been overhauled from previous years to address recommendations arising from best practice advocated in the Review of Governance in Universities in Wales and specific feedback from HEFCW. The University and its subsidiaries had delivered a very strong financial performance in 2022-23, with the group’s income having increased by £16m to £153m (compared to £137.2m in 2022). The financial results for the year showed that the group had delivered an accounting surplus of £5.6m (comparted to a deficit of £0.7m in 2022) and had generated an operational cash surplus of £16m (compared to £19.5m in 2022).

## The Chief Officer Resources emphasised that the financial outlook for future years was already going to be more challenging – even before the need to develop revised budget proposals had been identified. The full time home undergraduate tuition fee had remained capped by Welsh Government at £9k for the twelfth successive year. The high level of UK inflation was also adding pressure to the University’s cost base.

## The Board Resolved:

## To note that the Annual Report and Financial Statements for 2023 had been considered and endorsed by Audit Committee at its meeting held on 20 November 2023.

## To approve the Annual Report and Financial Statements for 2022-23 for submission to HEFCW by 30 November 2023.

# External Audit Findings Report (agenda item 9)

## The Chief Officer (Resources) presented the External Audit Findings Report. The External Auditors’ analytical review of the University’s financial performance supported the contents of the Annual Report and Financial Statements. The External Auditors were expected to be able to issue a statutory audit opinion as set out in accordance with legislation and the Audit Code of Practice (issued by HEFCW).

## The Chief Officer (Resources) advised that under ISA (UK) 240, the External Auditors were required to consider the risk of fraud through management override controls and in revenue recognition. It was confirmed that following assessment: no issues had been identified; no material weaknesses in internal control had been found; and no material breaches of laws and regulations that would impact on the financial statements had been identified.  The Chief Officer (Resources) highlighted that whilst there had been a factual overstatement of bad debt, the unadjusted differences were deemed ‘not material’ and that no adjustments to the financial statements were proposed.

## The Chair of Audit Committee advised that the Committee had considered the draft Annual Report and Financial Statements in detail at its meeting on 20 November and that the University’s external auditors had attended the Committee to present the External Audit Findings Report in full. The Committee had noted the University’s strong financial performance and ‘clean’ audit.

## The Board Resolved:

## To note that the External Audit Findings Report for the Year Ending 31 July 2023 had been considered and endorsed by Audit Committee at its meeting on 20 November 2023.

## To note the External Audit Findings Report.

# Student Recruitment & Marketing Update (agenda item 10)

## The Deputy Vice Chancellor introduced the report that provided an update on student applications for 2024. For the January 2024 intake, international applications were down 60% due to continuing issues in Nigeria, the introduction of visa changes by UK Government, and increased global competition. Mitigating actions had been taken but the expected intake numbers had been reduced. For the September 2024 intake, most applications would be received between November 2023 and the end of January 2024 for full time undergraduate programmes. It was anticipated that market conditions for student recruitment would continue to be challenging in 2024 with an impact on intake expectations across all areas.

## The Board briefly discussed various aspects of student recruitment including: reputation and marketing; provision of excellent campus facilities; affordability for students; and the strategic direction of the programmes offered by the University in the longer term. The Board also briefly discussed the impact that the pandemic had had on students’ academic confidence and overall preparedness for university.

## The Board Resolved:

## To note the Student Recruitment and Marketing Update.

# Revised Budget for 2023-24 (agenda item 11)

## The Chief Officer (Resources) introduced the University’s revised budget proposals for 2023-24. As a result of a significant shortfall in student recruitment (circa 1200+ students and a related £17m in projected income) it had been necessary to undertake a full revision of the budget that had originally been agreed in July 2023. The key changes in the revised budget were: Turnover was now projected at £145m (£160m projected in July budget); Cash surplus was now projected at £2.1m (£10m projected in July budget); Staff spend as a percentage of turnover was now projected at 65.3 percent - cash basis (61.5 per cent – cash basis in July budget); and Cash on Deposit at 31 July 2024 was now projected at £37.6m (£49.7m in July budget).

## The Chief Officer Resources explained that the revised budget proposals would help stabilise the University’s liquidity in the short term. The projected £17m shortfall in tuition fee income had been partially mitigated by cost reduction measures that amounted to £9.5m. However, the £2.1m revised cash surplus did not represent a sustainable financial operating model for the future and fell short of the Finance Strategy performance targets. Further improvements to the financial outlook would be required and sought.

## The Board discussed various aspects of the University’s finances, this included: student recruitment and improvements to conversion rates; the impact on existing loans/covenants and ability for future borrowing; ability to generate/increase other sources of income through research and innovation; ability to the reduce/ further adjust the University’s cost base; and potential implications for investment in the University’s estate development programme. The Board recognised that the shortfall in student recruitment was not something that was only particular to the University due to the number of external factors involved. It was suggested that a full competitor analysis should be undertaken – with specific reference to entry tariff levels.

## The Board Resolved:

## To approve the Revised Budget for 2023-24.

## (Secretariat Note: The meeting adjourned at 4:45pm and reconvened at 4:50pm)

# University League Table Performance for 2023 (agenda item 12)

## The Head of Strategy, Planning and Performance introduced the report that detailed the University’s performance in UK and international league tables for 2023. The University was ranked 71 out of 130 UK providers in the Complete University Guide (up 1 place from 2022), 100 out of 122 UK providers in the Guardian University Guide (down 27 places) and 78 out of 131 UK providers in the Times and Sunday Times University Guide (up 15 places). The University was also ranked 95 out of 128 UK providers in the new Daily Mail Guide. The University was also ranked 1201 to 1500 put of 1904 providers in the THE World University Rankings. The report also highlighted how the University had performed against its selected comparator group of universities.

## The Board discussed the relative importance of league tables on student demand levels. It was noted that to some extent, individual subject rankings (rather than overall rankings) potentially had more of an influence on student demand. It was also noted that the University would continue to pursue excellence across subject areas. It was emphasised that improvements in league table performance were a by-product of pursuing excellence rather than the end objective itself.

## The Board Resolved:

## To note the report on University League Table Performance for 2023.

# University Risk Report and Risk Register (agenda item 13)

## The Head of Strategy, Planning and Performance introduced the report. The Risk register had been updated and re-worked to align with the University’s strategic plan ‘Strategy 2030’ and measures of success. There were now 23 risks listed on the high-level Risk Register. Of these, 8 were rated as red post mitigation and 15 were rated as amber post mitigation. The Board was advised of specific risks as detailed in the report. The Chair of Audit Committee confirmed that the Committee had reviewed the Register in detail at its meeting on 20 November 2023 and had endorsed it for approval by the Board.

## Board members referred to the Environmental Sustainability risk listed in the report and requested an update on the University’s work towards Carbon Net Zero. In response, the Chief Officer (Resources) undertook to circulate copy of the University’s draft Carbon Management Plan for information when finalised.

## The Board Resolved:

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

# Students’ Union Annual Report for 2022-23 (agenda item 14)

## The SU President introduced the SU Annual Report. The report set out the SU’s achievements over 2022-23 in providing support and services to students. The report highlighted the following: the SU’s Governance and Democracy Review; improvements to SU Representative Arrangements; efforts to increase participation in SU Elections; key achievements and campaigns to support students with the cost-of-living crisis; work to grow SU clubs and societies to increase student participation; work to support EDI; and also, fairtrade– including related events; events to support international students; and the role of the SU’s Advice and Support service.

## The Board congratulated Cardiff Met Students’ Union on its achievements over the previous year.

## The Board Resolved:

## To formally receive the Students’ Union Annual Report for 2022-23.

## To note that future SU annual reports will be received by the Board at its summer term meeting in conjunction with consideration of the SU’s annual budget.

# Transnational Education (TNE) Annual Report 2022-23 (agenda item 15)

## The Deputy Vice Chancellor introduced the TNE Annual Report for 2022-23. The report provided a summary of developments for each TNE partner across student recruitment, budget, risk, and governance areas. At the End of Year for 2022-23 there were 13,230 students enrolled on all programmes at the University’s 13 TNE partners across the world. This was an increase of 24% on the previous year. TNE had achieved an actual income of £5.79m against a budgeted income of £4.73m. There was a high level of debt across 5 of the 13 TNE partners. However, repayment plans were in place. Most debt was due to be settled by the end of 2023. All existing repayment plans were being adhered to.

## The Board welcomed the provision of the first TNE Annual Report. Board members briefly discussed the Welsh Government’s consultation on the registration of tertiary education providers under CTER and the potential implications for the University’s TNE provision.

## The Board Resolved:

## To note the Transnational Education (TNE) Annual Report for 2022-23.

# Annual Report on Prevent Duty Compliance (agenda item 16)

## The Interim University Secretary introduced the report that provided assurance on how the University was meeting the requirements of the Prevent Duty under the Counter Terrorism and Security Act 2015. The report highlighted that overall Prevent risks remained low at the University with no Prevent referrals during 2022-23 and no issues experienced in relation to external speakers or events. The University’s Prevent Duty Coordination Group (PDCG) had reviewed and updated the University’s institutional Risk Assessment and Action Plan in October 2023.

## The Board Resolved:

## To approve the Annual Report on Prevent Duty Compliance 2022-23 for signature by the Chair and submission to HEFCW by 31 December 2023.

# Any Other Business (agenda item 17)

## The Board was advised that the Remuneration Committee had met immediately prior to the Board meeting and had considered and approved several pay related reports. These reports were included at agenda item 19.

# Part B: Items for Noting

# Governors Annual Assurance Report 2022/23 Executive Summary (agenda item 18)

## The Board Resolved:

## To note Executive Summary Report.

## To note that SPPC would consider the Annual Assurance Report 2022/23 at its meeting on 11 December 2023 for proposed approval and onward submission to HEFCW.

# Remuneration Committee Summary Report (29 November 2023) (agenda item 19)

## The Board Resolved:

## To note the Remuneration Committee Summary Report and the pay related reports appended (the Remuneration Committee Annual Report 22-23; the Annual Pay Policy Statement 22-23; the Senior Staff Remuneration Policy Framework 23-24; and the Annual Pay Gap Report).

# Strategic Planning and Performance Committee Summary Report (13 November 2023) (agenda item 20)

## The Board Resolved:

## To note SPPC Summary Report.

# Resources Committee Summary Report (15 November 2023) (agenda item 21)

## The Board Resolved:

## To note the Resources Committee Summary Report.

## To note the Resources Committee Annual Report for 2022-23.

# Audit Committee Summary Report (20 November 2023) (agenda item 22)

## The Board Resolved:

## To note the Audit Committee Summary Report (20 November 2023).

## To note the Audit Committee Annual Report for 2022-23.

# Board of Governors Work Programme 2023-24 (agenda item 23)

## The Board Resolved:

## To note the Board of Governors work Programme for 2023-24.

Open Meeting end: 5:30pm

**John Taylor**

**Chair of the Board of Governors**

**Cardiff Metropolitan University**