University of Central Lancashire

Unreserved Minutes of the Board Meeting Held on 23 November 2023 at 5.00pm at The Belsfield Hotel, Bowness-on-Windermere, Cumbria, LA23 3EL

Present:

Sue Ion (Chair)

Graham Baldwin
Jon Baldwin
Jim Carter
Luke Fitzgerald
Ridwanah Gurjee
Lesley Lloyd
Ruth Lowry
Anne McCarthy
Lorraine Norris
Khalil Rehman
Lindsay Robinson
Lis Smith
Mike Tynan

Also in attendance:

Lisa Brooks (Governance and Compliance Manager)
George Charles (Chief Finance Officer)
Ruth Connor (Deputy Chief Executive)
Ian Fisher (University Secretary and General Counsel and Clerk to the Board)
Carolyn Johnson (Executive Officer to the Vice-Chancellor)
Ken Lee (Chief People Officer)
Fiona Winters (Deputy Clerk to the Board/Head of Governance)

UB1165. Welcome and Apologies

The Chair welcomed all present and invited introductions. Dr Ion extended a special welcome to Jim Carter, Khalil Rehman and Lindsay Robinson, who were attending their first Board meeting as newly appointed Governors.

Apologies had been received from another newly appointed Governor, Dr Fiona Rayment, although she would be attending day 2 of the residential event. Apologies had also been received from Richard Hext.

UB1166. Declaration of Interests

Mr Carter formally reported his interest in the Eric Wright Group Ltd, although this was not relevant to the business of the meeting.

UB1167. Chair's Announcements

The Chair reported that following a formal interview process, the Governance, Risk and Nominations Committee ("GRNC") wished to recommend that Richard Frediani be appointed as an Independent Governor. Dr Ion reported that, in addition to being a UCLan alumnus with strong links to Preston, Richard had a long career with the BBC and would bring expertise in the media to the Board.

Resolved: That the proposed appointment of Richard Frediani as an Independent Governor with effect from15th January 2024 be approved.

UB1168. Reserved and Unreserved Minutes of the University Board Meeting held on 21 September 2023

The Unreserved and Reserved Minutes of the meeting held on 21 September 2023 were agreed as a true record and signed by the Chair.

UB1169. Matters Arising

(i) Reserved Minute - Text Redacted

(ii) A briefing on Safeguarding and Prevent matters had been arranged for the Board Leads on 5 December 2023 (Item UB1161).

(iii) A new Chair (David Taylor) and two new Directors (Mike Fernando and Bryan Jones) had been appointed to the Board of Training 2000 Limited which would help to improve synergies and benefits (Item UB1163).

UB1170. Vice-Chancellor's Report

Professor Baldwin presented his report. A copy of the report is set out in the Minute Book.

Professor Baldwin explained for the benefit of new members that the purpose of the report was to update the Board on external factors affecting the University and internal activities underway. It demonstrated that the University was operating in challenging times, but still achieving success. He proceeded to highlight the following key developments:

(i) Reserved Minute – Text Redacted

(ii) International Matters

With regard to other international developments, there had been positive visits to the Preston Campus by the Cultural Attaché to Saudi Arabia with a view to sending more sponsored students to UCLan, and by Mr Ban Ki Moon, the eighth Secretary General of the United Nations who had delivered a lecture on resilience and sustainability, and had complimented the University and its Korean Institute.

The tragic situation in Israel and Gaza continued to have an effect within the sector, although thankfully there had been no significant tensions at UCLan. Members of the VCG continued to work with the Students' Union and UUK to provide support for

affected members of the UCLan community and ensure readiness in the event of an escalation of the situation.

(iii) Sector Issues

The King's Speech had reiterated a previous government objective to 'reduce the number of young people studying poor quality university degrees and increase the number undertaking high quality apprenticeships.' This was a disappointing indicator of the current Government's intent. In his role as Chair of MillionPlus, Professor Baldwin continued to promote the vital role of modern universities in driving forward the skills agenda at meetings and events with Conservative and Labour Party ministers.

In response to an enquiry by Miss McCarthy about how 'poor quality university degrees' were defined, Professor Baldwin explained that the Government focus was on students entering graduate employment, whilst many graduates of creative and cultural courses entered portfolio careers. There was a drive for graduates who were economically active and the promotion of Degree Apprenticeships ("DAs") on the basis of being able to 'earn while you learn.' This was a narrow view of the role of universities.

Elsewhere in the sector, the University and College Union ("UCU") had failed to achieve a mandate for further industrial action in response to the 2023 pay award, and confirmation had been received of a 5% increase in employer contributions for the Teacher's Pension Scheme with effect from 1 April 2024.

(iv) Lancashire Cyber Festival

The University had initiated and implemented the Lancashire Cyber Festival, in collaboration with National Cyber Force, Lancashire Enterprise Partnership, Lancashire County Council, Lancaster University and BAE Systems. The event which covered education, academia, business and industry had been a great success.

(v) Regional Developments

The University was working with Preston City Council and Lancashire County Council as part of the Preston Regeneration Board to collectively drive investment in Preston, which would help to attract more students and create more highly skilled jobs. It was noted in discussion that this would include the station quarter. The University had also hosted a productive visit by representatives from the Department of Business and Trade.

(vi) Open Day

The Preston Open Day on 18 November 2023 had been attended by more prospective students than the previous year and resulted in positive feedback. The recent Burnley Open Day had also seen an increase in the number of potential students. It was planned to insert another Open Day in the schedule to assist the recruitment position.

(vii) Reserved Minute – Text Redacted

(viii) UCLan London

The launch of UCLan London was an exciting partnership initiative, enabling the University to diversify its income and establish a presence in London, with minimum risk. Students would be recruited from the local area with a focus on upskilling which was intended to appeal to the mature market. Plans to expand the course portfolio over time had the potential to attract international students.

(ix) Medical Numbers

An additional 35 UK-funded places for MBBS students had been granted, bringing total numbers to 50 students per year from 2024/25. Professor Baldwin also highlighted that the University was one of three institutions involved in a pilot to develop DAs in Medicine to support the workforce through upskilling.

(x) Reserved Minute – Text Redacted

(xi) UCLan Next

UCLan Next was an important piece of work intended to drive innovation and generate a new operating model based on developments in lifelong learning and micro-credentials. Professor Baldwin confirmed that updates would be provided to the Board as the project developed.

(xii) Home Office Visit

In response to an enquiry by Mrs Lloyd, Professor Baldwin explained that there had been a visit by the Home Office to enable reinstatement of the University's Animal Licence so that research in this area could re-commence. This had gone well and new staff had been appointed to ensure rigorous oversight of compliance in the future.

(xiii) Appointment of Pro Vice-Chancellor

Finally, Professor Baldwin confirmed that there was a strong and diverse shortlist for the post of Pro Vice-Chancellor (Academic Development). Interviews had been scheduled to take place shortly and it was hoped to appoint a strong candidate.

The Chair thanked Professor Baldwin for his comprehensive report.

Resolved: That the Vice-Chancellor's Update Report be noted.

UB1171. Reserved Minute – Text Redacted

UB1172. Reserved Minute – Text Redacted

UB1173. Reserved Minute – Text Redacted

UB1174. Draft 2022/23 Consolidated Financial Statements and Letter of Representation

The Draft 2022/23 Financial Statements were presented to the Board for approval together with the Letter of Representation for the auditors, copies of which are included in the Minute Book.

The draft Financial Statements and Letter of Representation had been scrutinised by the Audit Committee at its meeting on 13 November 2023. It had been agreed to recommend them for approval by the Resources Committee and the University Board, subject to minor amendments regarding the USS and staff costs. The Statements had since been amended accordingly and approved by the Resources Committee by written resolution.

Mr Charles reported that the University had recorded a total income of £292,494 which was an increase of 5.2% on the previous year. Total expenditure was recorded at £297,579, which had been impacted by inflation. Net assets were recorded at £343,373 including cash balance of £84,570.

The auditors had concluded that there were no material uncertainties that would cast doubt over the University's ability to continue as a going concern. Overall, the University was in a strong financial position.

A professionally presented version of the document was being prepared for publication on the University's website and a copy would be circulated to the Board.

The Chair commended the Public Benefit Statement which was an impressive account of the University's activities and achievements.

Resolved: That

(i) the Financial Statements be approved and the Chair of the University Board and the Vice-Chancellor be authorised to sign the documents on behalf of the Board;

(ii) the Letter of Representation for the auditors be approved for signature by the Chair of the University Board and the General Counsel and Secretary;

(iii) KPMG be re-appointed as the University's External Auditors for 2023/24.

UB1175. Annual Financial Return 2022/23

A copy of the Annual Financial Return ("AFR") 2022/23 was received, as set out in the Minute Book.

Mr Charles reported that all HE providers were required to submit an AFR to the OfS by 1 December 2023, including historic and forecast information about their financial performance, along with student number data. This would enable the OfS to assess financial viability and sustainability and make a judgement about providers' financial risks. The data would also be used by the OfS to monitor and report on patterns and trends in financial sustainability.

Following consideration by the Resources Committee at its meeting on 25 October 2023, a revised version of the AFR had been approved by Written Resolution. The outstanding HESA student FTE data had been included for submission to the OfS.

Mr Charles clarified that the submission was for the consolidated Group position, and highlighted the key forecast numbers as follows:

- Income growth from £300.0m in 23/24 to £375.4m in 27/28.
- Cost growth from £308.1m in 23/24 to £365.0m in 27/28.
- Deficits forecast from 23/24 to 25/26, peaking at £11.2m in 24/25, with a small surplus of £1.2m achieved in 26/27 growing to £10.5m by 27/28.
- Significant capital investment of £168.3m over the forecast period.
- Cash position therefore reduced during the forecast period, with a year-end closing balance low of £69.6m in 26/27 and finished at £79.3m in 27/28.
- Student number growth from 21,808 FTEs in 23/24 to 25,392 in 27/28.
- Small growth in staff FTEs from 3,312 in 23/24 to 3,382 in 27/28.

Having reviewed the AFR 2022/23, members agreed to endorse the recommendation of the Resources Committee that it be submitted to the OfS.

Resolved: That the Annual Financial Return 2022/23 be approved for submission to the Office for Students.

UB1176. Annual Report of the Audit Committee

Mrs Lowry presented the Annual Report of the Audit Committee 2022/23, a copy of which is included in the Minute Book. The Audit Committee was formally required by the OfS, to prepare an Annual Report for the University Board and the Vice-Chancellor.

The draft Annual Report had been considered by the Committee at its meeting on 13 November 2023, where it was commended as a positive reflection of how the Committee had operated in line with its remit. Following the addition of the Internal and External Auditors' remarks, the Annual Report had been approved by Written Resolution, for submission to the Board.

Mrs Lowry drew attention to the Committee's assurance to the Board that it was satisfied with the adequacy and effectiveness of the University's arrangements for risk management, internal control, governance, sustainability, economy, efficiency and effectiveness, and the management and quality assurance of data for external regulatory returns.

This assurance was given on the basis of the work undertaken by the Internal Auditors (RSM UK) throughout the year, their end of year report and overall opinion which had been favourable, and on the basis of the work by the External Auditors (KPMG) in auditing the 2022/23 financial statements.

Resolved: That the Annual Report of the Audit Committee be received and the assurances therein be noted.

UB1177. Annual Report of the Remuneration Committee

Mr Lee presented the Annual Report of the Remuneration Committee, a copy of which is included in the Minute Book.

Mr Lee confirmed that the Committee was required to submit an Annual Report to the Board, summarising its activities and decisions made during the 2022/23 academic year, and giving assurance that the Committee had carried out its responsibilities in line with its Terms of Reference.

Subject to the approval of the Board, a summarised and anonymised version of the report would be published on external website in the form of the Annual Remuneration Statement. This was in line with guidance issued by the Committee of University Chairs.

Resolved: That

(i) the Annual Report of the Remuneration Committee be noted; and

(ii) publication of the Annual Remuneration Statement be approved.

UB1178. Annual Prevent Assurance Report

Mrs Connor presented the Annual Prevent Assurance Report 2022/23 in her role as UCLan's Strategic Safeguarding Lead. A copy of the report is set out in the Minute Book.

Mrs Connor explained that the University was required to submit an Annual Data Return ("ADR") to the OfS, including an Accountability Declaration to be signed on behalf of the Board. The purpose of the report was to provide evidence and assurance that the University had understood and fulfilled its statutory responsibilities under the Prevent duty, having due regard to prevent people from being drawn into terrorism.

As required by the OfS, the ADR included specific information on: (i) welfare cases, including how the University worked collaboratively with external agencies to address individual Prevent concerns; (ii) designated events and speakers and how these were managed in line with the University's procedure and the obligations to promote free speech and academic freedom; and (iii) staff training at various levels to recognise and report concerns.

The report also included a summary of key actions taken in relation to Safeguarding and Prevent in 2022/23, including: (i) convening an institutional Safeguarding, Mental Health, and Wellbeing Committee; (ii) approving a revised Safeguarding and Prevent Policy and Procedure with greater clarification of roles and responsibilities; (iii) making Deans of School contractually responsible for Safeguarding within job descriptions; (iv) embedding an enhanced Safeguarding network across the University; and (v) investing in a new Safeguarding team, based in Student Services with a remit to work across the institution to embed a culture of safeguarding and create a safe environment, in line with Strategic Priority 1.

In conclusion, Mrs Connor commended the work of the Student Services team led by Ms Vanessa Chew. A great deal of activity was covered within the report, which would hopefully provide assurance to the Board.

The Board then considered the Report, noting that a full review of the document had been undertaken by the University's Safeguarding, Mental Health and Wellbeing Committee.

In response to a question about Safeguarding and Prevent training for new Board members, Mr Fisher advised that this would be delivered, alongside other training requirements. In addition, a briefing session had been arranged on 5 December 2023 for the new Safeguarding and Prevent Board Champions.

The Chair observed that this was an area of increasing importance given current global tensions. It was important for staff to be mindful of the dynamics between students and staff and to exercise particular diligence during these times of global uncertainty.

The Board agreed that the University's policies and systems appeared to be working effectively and that the Annual Report provided an accurate and comprehensive picture of practices and experiences at UCLan.

Resolved: That

(i) the Annual Prevent Assurance Report 2022/23 be approved; and

(ii) the Accountability Data Return ("ADR") and Board declaration be signed and submitted to the OfS by 1 December 2023.

UB1179. Modern Slavery and Human Trafficking Statement

Mr Lee presented the proposed Modern Slavery and Human Trafficking Statement for the financial year ending 31 July 2023. A copy of the Statement is set out in the Minute Book.

Mr Lee affirmed that the University was committed to promoting ethical standards and sourcing and had looked accordingly at its supply chains and business activities in detail. The Statement had been reviewed by the VCG and there was a high degree of confidence that the content was an accurate reflection of current practice and capable of withstanding challenge.

The Board then reviewed the Statement and agreed that it was credible and comprehensive, and suitable for publication as required under the Modern Slavery Act 2015.

Resolved: That the Modern Slavery and Human Trafficking Statement 2022/23 be approved and be published on the University website.

UB1180. Governance Issues / Governance Effectiveness Review

Mr Fisher presented a report including draft Terms of Reference for the proposed Governance Effectiveness Review ("GER"). A copy of the report is set out in the Minute Book.

Mr Fisher reminded the Board that it had previously been agreed that the next GER would be led by the Chair and Deputy Chair, with support from Mr J Baldwin and input from Mr Edney who would provide a degree of independence. It was proposed that the GER would take place over the next few months and a report would be presented to the GRNC and the Board in the new year.

During discussion it was clarified that the GER would address the effectiveness of the governing body, the University's overall governance arrangements, as well as compliance with CUC codes of practice and OfS regulatory requirements.

Resolved: That the draft Terms of Reference for the Governance Effectiveness Review be approved.

UB1181. Committee Chairs' Updates

(i) Governance, Risk and Nominations Committee 12/10/23

Dr Ion reported on the matters considered at the meeting of the GRNC held on 12 October 2023. These included reviewing the draft Corporate Governance Statement, reviewing compliance with OfS regulatory requirements and reviewing the Risk Register, Risk Management Policy and Framework. No matters of concern had been identified.

The Committee had also confirmed the appointment of three new Independent Governors and one new Teacher Governor, and identified a need for members with expertise in the media and IT. The earlier agreement to appoint Richard Frediani had addressed the former.

Mr Fisher added that the Committee had considered the matter of several vacancies which had arisen on Committees due to recent retirements. Accordingly, it was proposed to appoint: Mrs Norris to the Remuneration Committee; Mr J Baldwin and Miss A McCarthy to the Urgent Business Committee; and Mr J Baldwin to the Resources Committee.

(ii) Reserved Minute – Text Redacted

(iii) Resources Committee 25/10/23

Mr Tynan, Chair of the Resources Committee, reported on the matters covered by the Resources Committee at its meeting on 25 October 2023, including the draft Annual Financial Return, which had been addressed earlier in the meeting (Item UB1175).

Within the context of the Chief Finance Officer's update, the Committee had approved the award of the contract for the extension of the Dentistry facilities, in line with the Scheme of Financial Delegated Responsibilities.

The Committee also considered the Treasury Report and the TRAC Report, noting that due process had been followed in preparing the TRAC 2021/22 submission and endorsing the planned process for 2022/23.

The Terms of Reference and Membership of the new Intellectual Property ("IP") and Commercialisation Panel had been approved, along with a proposal to commission an external audit of the University's current activities in this area and comparison with best practice in the sector.

The Committee had confirmed the appointment of a new Chair and two new Directors of T2000 and had approved additional financial support for an annual pay rise for T2000 staff.

Reserved Minute – Text Redacted.

(iv) **Audit Committee 13/11/23**

Mrs Lowry, Chair of the Audit Committee, reported on the matters covered by the Audit Committee at its meeting on 13 November 2023. She confirmed that the year-end reports prepared by the Internal and External Auditors had been considered.

The draft Consolidated Financial Statements 2022/23 and Letter of Representation had been reviewed and recommended to the Board for approval (Item UB1174). The Committee's own Annual Report 2022/23 had been reviewed and approved for submission to the Board (Item UB1176).

Finally, Mrs Lowry noted that the Committee had the capacity to consider the TRAC Report in future if appropriate and highlighted the need to appoint additional members to avoid any quoracy issues.

Resolved: That the Committee updates be noted.

UB1182. Reserved Minute – Text Redacted

UB1183. Any Other Business

A copy of the Degree Apprenticeship Self-Assessment Report 2022/23 was received for information. A copy of the Report is set out in the Minute Book. The Report had been discussed under a previous agenda item.

Resolved: That the Degree Apprenticeship Self-Assessment Report 2022/23 be noted.

UB1184. Date and Time of the Next Meeting

The next meeting would take place on 14 February 2024 at the Preston Campus. The Chair confirmed that the meeting would be preceded at 4.00pm by an opportunity to hear from a Dean of School.

Ian Fisher
Clerk to the Board