

CONFIRMED

Minutes Board of Governors 2nd meeting of the academic year 2018/19

Time and date: 10:00, Friday 30 November 2018

Location: The Boardroom, Trinity House, Leicester

Present: Ms L Hinnigan (Interim Deputy Chair), Ms S Bowie, Mr S Capper,
Mr A Charlton, Ms M Footitt, Mr P McNicoll (from item 019), Dr V Patel,
Mr T Stockdale, Ms S Watson and Professor D Shellard.

In attendance: Mr S Weston, Clerk to the Board of Governors,
Mr B Browne, Chief Operating Officer,
Professor A Collop, Deputy Vice-Chancellor,
Mr S Ambrose, Vice-Chancellor's Chief of Staff,

Dr P Cross, Chief Finance Officer (item 025),
Ms M Fowler, Executive Director of Marketing and Communications
(item 024).

Secretary: Mr N Jeffs, Assistant Clerk to the Board of Governors

015 Apologies for absence

Apologies for absence had been received from Mr I Blatchford, Mr S Cole, Ms J Ezard, Mr O Mishcon and Professor A Payne.

In the absence of the Chairman, it was recognised that a governor would need to be identified to preside over the meeting and to take responsibility for signing official documents on behalf of the board arising from the meeting's business. This would include signing parts of the Annual Accountability Return prior to its submission to the Office for Students (OfS) (item 025), the university's Prevent statement (item 022), and the confirmed minutes of the previous meeting (item 017).

[Redacted]

[It was] ...agreed that Ms Hinnigan would be appointed as the Interim Deputy Chair of the board for the purposes of undertaking immediate, necessary business.

016 Declaration of any pecuniary, family or other personal interests

No new declarations were made.

017 Confirmation of the minutes

The minutes of the Strategic Away Day held on 4 October 2018 [017-BG181130-A and 017-BG181130-B] were approved.

018 Matters arising

There were no matters arising.

019 Membership update

- a. Mr Paul McNicoll's appointment as the board's academic representative was approved. Mr McNicoll was the Academic Board's nomination to replace Dr S Handsley whose term ended in October 2018. Following the approval of his appointment, Mr McNicoll joined the meeting. The approval of Mr McNicoll's appointment by Ms Ezard, which had been sought prior to the meeting, was noted.
- b. The movement of Mr Capper from the Finance and Human Resources Committee to the Audit Committee was approved. It was noted that efforts to recruit additional governors were ongoing and were being handled by Odgers Berndtson.

020 Chairman's update

There were no matters to report.

021 Report by the Vice-Chancellor

The Vice-Chancellor (VC) delivered a presentation concerning recent higher education policy developments, and expanded on certain elements of his written report [021-BG181130-C], which members noted.

a. The Government's review of post-18 education and funding

Stories circulating in the national media had suggested that the outcome of the Government's review of post-18 education and funding would be announced in the spring of 2019, rather than November 2018 as had originally been indicated. The rumours also suggested that the review might recommend a cut in tuition fees to between £6,500 and £7,500, with no clarity surrounding whether or not the Treasury would make up the resulting shortfall in income for universities of c. £3bn. The review might also recommend that universities be permitted to charge up to £13,500 in tuition fees for science, technology, engineering and mathematics (STEM) programmes, thereby offsetting to some degree the impact of the cuts to fees for other subjects.

[Redacted] Any of these rumoured scenarios would have significant financial implications across the sector, with some institutions facing potential proportional losses in funding of over 30%, depending on the mix of subjects that they offered. Should one or more UK universities 'fail' as a result of these cuts, there would be significant repercussions for the sector as a whole, particularly in terms of its reputation globally and the subsequent potential negative impact on international student recruitment.

[Redacted]

b. Student fees

On 22 November 2018, the Higher Education Policy Institute had published a report entitled 'Where do student fees really go? Following the pound'. The report had concluded that students were keen to see how their fees were spent, and that they would prefer to see them spent on teaching and teaching-related activities, rather than areas that appear less directly beneficial to students, such as marketing and community engagement. The report recommended that universities should be open and transparent about how students' fees are spent, and that they should do so in a way that is easy to understand. At DMU, a breakdown of how the totality of the university's tuition fee income was spent had already been made available to students as part of the 2017/18 'Keep Universities for the Many' campaign. The university would continue its policy of being open about how tuition fees were spent, and students would continue to be engaged as part of this ongoing debate.

c. **[Redacted]**

d. Brexit

On 23 November 2018, the university had hosted a #BeTheChange panel event to discuss Brexit. The panel included Nicky Morgan MP, and Rory Palmer MEP, who debated the ongoing Brexit negotiations, the risk of there being a 'no deal' situation, and the potential for a second referendum on whether the UK should leave the European Union (EU). The university had also invited immigration specialists Paragon Law to provide focused advice on the Government's EU Settlement Scheme, as a means of providing reassurance to those affected by Brexit. Paragon Law would be hosting a number of workshops for EU-national staff to enable them to find out more about the scheme and its second pilot, which had opened at higher education institutions in November 2018.

e. Engagement with the United Nations

Since the previous meeting of the board, DMU had continued its engagement with the United Nations (UN). On 18 October 2018, the university had hosted a 24-hour event, entitled '24-hours with the Global Goals'. The event began with a live Skype call with Maher Nasser, the UN's Director of the Outreach Division, via the Vijay Patel Building's large screen, and was followed by a number of speed lectures from DMU experts, as well as 'Q&As' that allowed staff and students the opportunity to debate ecological and humanitarian issues. Staff and students also donated items for 250 food bags and 'dignity kits', which would be sent to refuges at the French port in Calais.

On 6 November 2018, the university hosted Ambassador Jonathan Allen, who was the UK's Deputy Permanent Representative to the UN, for a #BeTheChange panel. The focus of the event was the role of the UN in encouraging countries to work together to achieve common aims, with the Sustainable Development Goals (SDG) an inevitable topic of discussion.

Further engagements were planned in the near future, including a #JoinTogether conference, which would take place at the UN's headquarters in January 2019, and would form part of the #DMUglobal trip

to New York. Three sessions were planned, including one by Rory Palmer MEP, who would discuss the 'need to focus on SDG 16 ('Peace, Justice and Strong Institutions') in a factious world', and another by Leicester's City Mayor, Sir Peter Soulsby, focussing on the creation of an 'SDG city'. The final session would be a keynote presentation from Professor Anatoly A. Aleksandrov, Rector of Bauman Moscow Science and Technology University, concerning Bauman's role in addressing the challenges of the SDGs in Moscow.

f. Expo 2020 Dubai

On 5 November 2018, DMU had been announced as a Founding Partner of the UK Pavilion at Expo 2020 in Dubai, and would therefore be the lead representative for UK higher education. Expo 2020 was one of the world's largest trade, technology and culture fairs, and would take place over a six-month period from October 2020 to April 2021. It was expected to attract over 25m visitors and would be an opportunity for the university to showcase its greatest innovations on a truly global scale. It was also hoped that the Expo would provide a springboard for new student recruitment activities in the Middle East, an area in which DMU aimed to improve representation.

g. Christmas Carol Service

Governors were invited to the DMU Christmas Carol service, which would take place on 12 December 2018 at Leicester Cathedral.

Governors thanked the VC for his presentation and commended the university on its recent successes.

022 Prevent annual report for 2017/18

The Chief Operating Officer (COO) introduced a paper [022-BG181130-D] concerning the university's annual report on the Prevent duty for 2017/18.

The university had experienced no serious incident or significant specific risk in relation to its Prevent duty during the reporting period. The Prevent Committee continued to monitor actively all Prevent-related policies to ensure that they remained effective, and continued to maintain oversight of any noteworthy external speakers and events, and any instances where an external speaker or event was refused. The committee also continued to review the Prevent risk register and the uptake amongst staff of the university's mandatory e-learning training package 'Safe and Supported'. 847 members of staff had completed the mandatory training during the reporting period, and 181 personal tutors had attended additional, face-to-face training that would help them to better understand their responsibilities in terms of flagging potentially 'at risk' students to the Students at Risk (SAR) Committee.

The integration of Prevent into the university's SAR policy continued to be recognised as good practice within the sector, and had been highlighted as such by a recent Universities UK report. Adjustments had been made to the Public Access Policy for visitors to DMU's prayer room to mitigate the risks of it being open to members of the public, and additional filtering would be implemented to the university's Wi-Fi guest network in December 2018. In addition, the Sensitive Research Policy, which hitherto had addressed how sensitive topics should be

handled in the context of research activity only, would be extended to cover teaching and learning resources also.

Governors commended DMU on its approach to the Prevent duty and the report was approved for submission to the OfS.

023 Business case for the refurbishment of Bede House

The COO introduced a report [023-BG181130-E] concerning a proposal for the refurbishment of Bede House, which had been approved by the Finance and Human Resources Committee at its meeting on 8 November 2018.

The university had purchased Bede House in June 2017 in order to accommodate anticipated future growth in student numbers. Hitherto unprecedented success in the 2017/18 and 2018/19 recruitment cycles had delivered this growth, which had in turn put pressure on the university's existing teaching spaces. **[Redacted]**

Gaining possession of Bede House would enable the reallocation of space in a number of buildings across campus, including Heritage House, Gateway House, the Vijay Patel Building, and the Estates Development Building. These measures would further allow for the accommodation of additional students across all four faculties. **[Redacted]** It was expected that the Bede House refurbishments would begin in April 2019 and continue until December 2019, although the teaching facilities on the ground floor would be ready for use at the start of the 2019/20 academic year. It was anticipated that the works to all buildings would be completed by September 2020.

The proposal was endorsed.

024 Annual Attraction and Experience Study 2017/18

The Executive Director of Marketing and Communications introduced a report [024-BG181130-F] concerning the results of the 2018 Annual Attraction and Experience Study.

The aim of the study was to provide an empirical picture of the perceptions and experiences of the 2017/18 first year cohort beginning with their reasons for choosing DMU, followed by the impact and resonance of the university's recruitment campaign, and concluding with their experiences of the services provided by the university upon arrival. The study was open to all full- and part-time undergraduate and postgraduate students, and 784 responses were captured across this population, 70% of which came from domestic students, and 30% from EU or overseas students. The results of the 2017/18 study were compared with those of the previous year to illustrate changes in behaviour between the two cohorts.

[Redacted]

The report was noted.

025 Annual Accountability Return

The Chief Finance Officer introduced a report [025-BG181130-G] concerning the university's Annual Accountability Return for the 2017/8 academic year, noting that

the PricewaterhouseCoopers internal audit report was not yet available and would be circulated to governors at the earliest opportunity following the meeting.

The Annual Accounts for 2017/18 had been considered by the Audit Committee at its meeting on 29 October 2018, and by the Finance and Human Resources Committee at its meeting on 8 November 2018.

The university's financial performance in 2017/18 had been positive, with a year-end operating surplus (before exceptional items and taxation) of £10.7m, which was £0.1m favourable to forecast. Income for year had been £224.8m, which was £0.7m adverse to forecast, reflecting lower than anticipated income from research grants and contracts, and donations and endowments. The total expenditure for the year had been £213.9m, which was £1.0m favourable to forecast, reflecting lower than expected staffing, restructuring, and depreciation costs. The Statement of Comprehensive Income and Expenditure, which was included within the accounts, recorded a £36.9m actuarial gain in respect of the Local Government Pension Scheme following the valuation of the fund liability for FRS 102 purposes. Cash investments finished the year at £81.5m, which was £15.1m higher than forecast, and included £18m of bond redemption funds as agreed with the Higher Education Funding Council for England (HEFCE, now the OfS). At year-end, the university's earnings before interest, taxes, depreciation, and amortisation (EBITDA) had been healthy, exceeding £40m.

The university's external auditors, Ernst and Young (EY) had issued unqualified opinions on the accounts. The audit report (included at Appendix 4) noted three improvement recommendations, and positive responses to these had been provided by management, and were included in the report. This was the first set of accounts for which EY had acted as external auditors for the university, and a number of challenges had been identified, which related primarily to the unusual level of rigour with which the year one accounts were conducted. **[Redacted]** Alongside the accounts and audit reports, a number of other items formed part of the Annual Accountability Return, including the annual report of the Audit Committee, which was approved by that body at its meeting on 29 October 2018, an overview of quality assurance and enhancement, and the annual assurance return.

The Annual Accountability Return was approved by the board for submission to the OfS, subject to the internal audit opinion being finalised and shared with governors. **[Redacted]**

In addition to the Annual Accountability Return, the board considered and approved DMU's Slavery and Human Trafficking Statement, which would subsequently be published on the university's website in accordance with Section 54, part 7 of the Modern Slavery Act 2015.

026-041 Items for noting

The various items were noted.

042 Any other business

No matters were raised.

043 Date of the next meeting

The next meeting of the Board of Governors would be held in London on Thursday 7 March 2019, at a location to be confirmed.

Signed by the Chairman of the Board:

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Date:

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