

University of Central Lancashire
Unreserved Minutes of the Board Meeting Held on 24th November 2022 commencing at 2.45pm at the Belsfield Hotel, Bowness-on-Windermere.

Present :

David Taylor (Chair)

Fiona Armstrong*	Lesley Lloyd
Graham Baldwin	Anne McCarthy (to UB1082)
Jon Baldwin	Lorraine Norris
Nicky Danino	Raham Odjegba
Ridwanah Gurjee	Lis Smith
Sue Ion	Mike Tynan

Also in attendance :

George Charles (Chief Finance Officer)
Ruth Connor (Deputy Chief Executive)
Helen Cutts* (Head of Sustainability) - UB1082 only
Ian Fisher (University Secretary and General Counsel and Clerk to the Board)
Ken Lee (Chief People Officer)
Peter McMellon (assisting the Clerk to the Board)
Chris Rapley (Director- Strategic Data & Policy Insight)
Fiona Winters (Deputy Clerk to the Board)

*attendance via video-conference

UB1068. Welcome and Apologies

The Chair welcomed Mr Tynan to his first meeting of the Board following his recent appointment.

Apologies for absence had been received from Mr Hext and Mrs Lowry.

UB1069. Declaration of Interests

There were no new declarations of interests.

UB1070. Chair's Announcements

There were no Chair's announcements.

UB1071. Reserved and Unreserved Minutes of the University Board Meeting held on 22nd September 2022

With regard to the third paragraph under UB1060(vi), Mrs Lloyd elaborated on the point which she had made at the previous meeting.

Resolved: That, with the clarification provided by Mrs Lloyd on UB1060(vi), the Reserved and Unreserved Minutes of the University Board Meeting held on 22nd September 2022 were agreed as a true record and signed by the Chair.

UB1072. Matters Arising

It was noted that various Matters Arising would be covered under substantive items later in the agenda. There were no other Matters Arising.

UB1073. Vice-Chancellor's Update

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

In addition to the information in the report, Professor Baldwin commented as follows:

(i) Government Autumn Statement

As predicted, the Autumn Statement will translate into further financial pressure for the University and the sector. University Management recognised that there is also pressure on the University's employees who must now deal with cost of living and inflation challenges following recent year pay awards of 0.0%, 0.5% and 3.0%. There are some indications that an interim pay award in 2022-23 might be received as a welcome gesture. However, there is already evidence of staff leaving the University for better pay elsewhere.

In order to continue to support students, there has been support in the form of free food. The University and sector continue to lobby the Department for Education for increased Student Hardship Fund allocations. At UCLan, liaison with local organisations is designed to produce further food and transport discounts for students.

(ii) Government - New Appointments

The new Minister for Skills, Apprenticeships and Higher Education (Robert Halfon MP) has recently stated that "skills are the driver of social mobility" and that his 'favourite words' are 'degrees' and 'apprenticeships'.

(iii) Text Redacted - Reserved Minute

(iv) Text Redacted - Reserved Minute

(v) Text Redacted - Reserved Minute

(vi) Text Redacted - Reserved Minute

(vii) Sustainability

Proposals for the future governance of sustainability will be picked up later in the agenda (UB1082 below) together with an update report on all aspects of sustainability.

(viii) Text Redacted - Reserved Minute

(ix) *Text Redacted - Reserved Minute*

(x) *Research & Knowledge Exchange*

The Board noted the positive updates on Research Excellence Framework (REF) and Knowledge Exchange Framework (KEF), and in the Research, Impact and Research Support updates.

(xi) *Text Redacted - Reserved Minute*

(xii) *Text Redacted - Reserved Minute*

The Chair thanked Professor Baldwin for his comprehensive report.

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

UB1074. Text Redacted - Reserved Minute

UB1075. Draft Consolidated Financial Statements and Letter of Representation

Mr Charles presented the draft 2021/22 consolidated Financial Statements, together with the Letter of Representation. Copies of both documents are set out in the Minute Book.

Mr Charles confirmed that the draft Financial Statements had been examined by the Resources Committee on 3rd November 2022, and that the Audit Committee had reviewed the draft Statements and the Letter of Representation on 10th November 2022. The external auditor (KPMG) had reviewed the Financial Statements and presented their comments to the Audit Committee and indicated that they expected to issue an unmodified audit opinion. Thereafter, a number of minor amendments to the narrative sections of the document had been made and Mr Charles now drew attention to those changes. Additionally, KPMG had requested the additional paragraph now included under the Pension Schemes note (Note 25).

Mr Charles then summarised the 2021-22 Consolidated Comprehensive Income and Expenditure position as now confirmed, with the year-end surplus of c£800,000. He also confirmed that the actuarial gain in respect of pension schemes was £152m.

Regarding the Balance Sheet, the c£143m in Investments and Cash and cash equivalents reflected good cash generation.

The Board then discussed the Statements and the Letter of Representation.

Dr Ion confirmed that the draft Statements and figures had been examined and recommended to the Board for approval at both the Resources Committee and at the Audit Committee. The Chair of the Audit Committee (Mrs Lowry) had been invited to and had attended the Resources Committee meeting to observe the Committee's treatment of the draft Statements.

Resolved: That

- (i) the Financial Statements for 2021/22 be approved and be signed by the Chair and the Vice Chancellor,
- (ii) the Letter of Representation be approved and be signed by the Chair, and

(iii) KPMG be reappointed as external auditor for the 2022/23 accounts.

UB1076. Annual Financial Return 2021-22

Mr Charles presented his report on the 2021-22 Annual Financial Return (AFR), including the full completed Return. Copies of the report and Return are set out in the Minute Book.

Mr Charles confirmed that the AFR for 2021-22 had been considered at the Resources Committee meeting on 3rd November 2022. He summarised the considerations which had been discussed at that meeting, including the Forecast Assumptions and how those shaped the Income and Expenditure Statement and the Five Year Forecast. The tapering income growth percentage was noted, as was the initial rapid increase in expenditure.

In considering the forecast figures and year-end surplus/deficit forecast outcomes, the Board recognised that, although the figures/forecasts were appropriately cautious, the challenge to return to (and then to remain in) surplus should not be under-estimated. Mr Charles confirmed that the VCG continued to be focused on income growth/generation.

In discussion on how the Office for Students reacted to the messages from individual institutions (and specifically the pattern of successive year-end deficits in the UCLan forecast), it was expected that the OfS would only use the AFR data to develop a consolidated sector picture. The OfS already has awareness of individual institutions facing significant financial challenges. It did not seem likely that UCLan's sensible (and certainly not dramatic) 2021-22 forecast would cause any concern at the OfS.

Dr Ion felt that, in any event, the pursuit of year-on-year financial surpluses ought not to displace delivery of the services and facilities which best serve the interests of UCLan's students.

Resolved: That the Annual Financial Return 2021-22, as reviewed and recommended by the Resources Committee, be approved for submission to the Office for Students.

UB1077. Annual Report of Audit Committee

Mr Fisher presented the Annual Report on behalf of the Audit Committee. A copy of the Annual Report is set out in the Minute Book.

Mr Fisher reminded Board Members about the assurance which the Committee's Annual Report offers. He then briefly summarised the constituent elements of the Report. He confirmed that the Audit Committee had reviewed and approved the Report now presented and that the Board (and the Accountable Officer) can thereby be assured that the Committee has fulfilled its responsibilities and complied with its Terms of Reference.

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

UB1078. Annual Report of Remuneration Committee

Mr K Lee presented the Annual Report. A copy of the report is set out in the Minute Book.

Mr Lee advised that the Annual report was presented in accordance with the guidance issued by the Committee of University Chairs in order to update the Board on senior remuneration issues and to provide assurances that the University was dealing with the guidance. With regard to the content, Mr Lee reported that this reflected a relatively stable

year. He reminded the Board that the report will form the basis of the Annual Remuneration Statement of the University which is published on the University's external website.

Resolved: That the Annual Report of the Remuneration Committee be received and approval be given to publication of the Annual Remuneration Statement.

UB1079. Annual Prevent Assurance Report - 2021-22

Mrs Connor presented the draft Prevent Assurance Report for submission to the OfS. A copy of the report is set out in the Minute Book.

Mrs Connor suggested that the contents of the report (which is submitted annually to the OfS together with the Accountability and Data Return) should once again provide the Board with a high degree of reassurance as to the continuing efficacy of the University's policies and processes. To date, the University has submitted six annual accountability and data returns, with each submission acknowledged as satisfactory evidence that UCLan meets all its statutory Prevent obligations.

Mrs Connor commented on two specific Prevent-related incidents which had been effectively managed in the course of the year. She also drew attention to the staff training arrangements and future plans.

The Board then reviewed the Report, noting that a full review of the document had been undertaken by the University's Social Cohesion Group.

In response to Dr Smith's question about safeguarding training for Board members, Mr Fisher advised that a future report will address such training together with other similar considerations directly affecting Board Members.

Dr Gurjee reminded the Board about Ofsted safeguarding expectations in the context of the University's Degree Apprenticeships provision.

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

Resolved: That the Annual Prevent Assurance Report and the Accountability and Data Return be approved for submission to the OfS.

UB1080. Modern Slavery and Human Trafficking Statement 2021-22

Mr Charles presented the report on the proposed slavery and trafficking statement for the financial year ending 31st July 2022. A copy of the report is set out in the Minute Book.

Mr Charles drew attention to the small number of changes (mainly relating to the updates of volume numbers) since the previous year's equivalent Statement.

The Board reviewed the 2021-22 Statement and agreed that it was suitable for publication as required under the Modern Slavery Act 2015.

The Board then discussed the University's contribution to the local economy through the significant volume of goods and services which UCLan purchases. Mr Charles confirmed that some degree of tracking (purchases/suppliers) is carried out.

Professor Baldwin advised on the 'economic value generated' data which is available, confirming that the University's contribution to the region is considerable and is a significant factor in local economic regeneration. He also reminded the Board about the University's employment contribution and its role in the education and training of key workers.

In response to Mrs McCarthy's suggestion about a handy 'infographic' (to assist Board Members when the University's role and contribution is discussed externally), Professor Baldwin undertook to make available appropriate data produced by the MillionPlus group of universities.

Resolved: That the Modern Slavery and Human Trafficking Statement on 2021-22 be approved and be published on the University website.

UB1081. Reserved Minute - Text Redacted

UB1082. Sustainability Update

The Chair welcomed Ms Helen Cutts (Head of Sustainability) to the meeting.

Mrs Connor presented the Sustainability Update report. A copy of the report is set out in the Minute Book.

In commenting on the various areas of progress and development, Mrs Connor drew attention to the work (on the net-zero carbon emission objectives) for which Hydrock had been commissioned. In fact, the Hydrock work should be completed within the next month and analysis of the results will then follow. Time-lines and intervention plans relating to the move to net-zero are expected to be available for presentation early in 2023.

Ms Cutts confirmed that the Hydrock work was mainly concentrated on the transfer from gas heating to electricity heating across the UCLan estate, with the conditions of the various buildings taken into account.

In noting that recommendations on ways forward will now be developed, Dr Ion urged that an open mind be kept on all options, including hydrogen-gas mix. She pointed to the pilot scheme (Cadent) on the Wirral as a useful source of information.

Ms Cutts undertook to follow up the Cadent lead, and also to discuss with Preston City Council. She pointed out that, with much of the new technology still only at testing stage, costings would be hard to pin down. However, in agreeing that while all options should be kept open, Ms Cutts considered commencement with the move away from 'gas only' heating need not be delayed.

In noting Mrs Lloyd's point about carbon literacy training for Board Members, Ms Cutts advised that such training for senior leaders is being rolled out.

In thanking Mrs Connor and Ms Cutts for their reports and for the work already in hand, the Chair requested that further updates be provided in due course.

Resolved: That the Sustainability Update report be noted.

(Ms Cutts left the meeting at this point)

UB1083. Governance Issues

Mr Fisher presented his report covering a number of governance related matters. A copy of the report is set out in the Minute Book.

(i) Oversight of Sustainability Issues

Mr Fisher reported on his discussions with the Chair of the Board, the Chair of Resources Committee, Mrs Lloyd, the Vice Chancellor and the Deputy Chief Executive on the operation of the Environment Working Group. The discussions had led to the conclusion that the work of the Working Group should now be undertaken by the Resources Committee.

(ii) Administration and Operational Decisions relating to Subsidiary and Related Companies not having a significant financial impact

Mr Fisher explained the rationale for the proposal that essentially administrative matters should be removed from the Resources Committee's current remit.

Mr Fisher then drew attention to the amended Terms of Reference for the Resources Committee which would reflect both (i) and (ii) above if approved. He also advised that, if (i) be approved, the appointment of Mrs Lloyd to the Resources Committee would then be recommended.

Resolved: That

- (i) the Environmental Working Group be wound up,
- (ii) the amended Terms of Reference for the Resources Committee be approved, and
- (iii) Mrs Lloyd be appointed to the Resources Committee with immediate effect,

Mr Fisher then recommended that Dr L Smith should be appointed to the vacancy on the Audit Committee which Mrs Lloyd's appointment to Resources Committee created.

Resolved: That Dr L Smith be appointed to the Audit Committee with immediate effect.

(iii) Pan-Lancashire Institute of Technology - Proposed Participation of UCLan

Mr Fisher presented his report on the proposed Institute of Technology (IoT) development. He confirmed that no financial contribution on joining would be entailed and also that no ongoing financial risk was foreseen.

The Board then discussed the proposal, noting Professor Baldwin's confirmation that, to all intents and purposes, UCLan would be an equal partner with the other Universities on the new IoT Board.

The Chair concurred with the Vice Chancellor's view that UCLan's participation would be better than no direct involvement. Some of UCLan's current key partners (Burnley College and Preston College) are also expected to be members in the proposed Lancashire model.

Mr Fisher then drew attention to the recommendation that UCLan should join the proposed Institute of Technology as a member of the company and that the Pro Vice Chancellor (Research and Enterprise), Professor StJohn Crean, should be nominated as the UCLan Director.

Mr Fisher confirmed that the name 'Institute of Technology' was a generic term for the concept.

Resolved: That it be agreed that the University should join the proposed Institute of Technology as a member of the company and that the Pro Vice Chancellor (Professor StJohn Crean) be nominated as the University's director on the IoT Board.

(iv) Students' Union Articles of Association - Review

Mr Fisher advised that the recent review of the Students' Union Articles had served to confirm (on the part of both University Management and the Students' Union itself) that the current Articles continue to be fit for purpose. He reminded the Board that a formal review of the Articles is required every five years.

Resolved: That

- (i) The outcome of the recent review into the Constitution of the Students' Union be noted, and
- (ii) It be agreed that no changes to the current Articles of Association are necessary.

(v) Westlakes Multi-Academy Trust

Mr Fisher reminded the Board about the background to the University's membership of the Westlakes MAT. He then commented on the recent approach (by the MAT Chief Executive) requesting agreement to an increase in the current maximum number of MAT members.

Mr Fisher also reported that the MAT had decided to change its name to "Changing Lives Learning Trust". It was agreed that the Board had no objection to the name change.

In accepting Mr Fisher's recommendation that agreement to membership increase should be deferred until further consideration has been given to the matter, it was

Resolved: That

- (i) the decision on whether UCLan should agree to the proposed increase in the maximum number of members of the Westlakes MAT be delegated to the Vice Chancellor in consultation with the University Secretary and General Counsel, and
- (ii) the proposed change of name of the Westlakes Multi-Academy Trust to "Changing Lives Learning Trust" be agreed.

(vi) Reserved Minute - Text Redacted

UB1084. Students' Union Partnership Agreement

Mr Fisher presented his report. A copy of the report is set out in the Minute Book.

Mr Fisher reminded the Board about the development of such Partnership Agreements. The revised Agreement now recommended to the Board for approval follows consultation and agreement with the UCLan Students' Union. The new Agreement offers to provide an updated framework to support the constructive and positive relationship to the benefit of both parties and, importantly, to the benefit of UCLan's students.

The Board reviewed the revised draft Agreement which had been appended in full to Mr Fisher's report.

Resolved: That

- (i) the report be noted,
- (ii) the draft revised Partnership Agreement between the University and the UCLan Students' Union be agreed, and
- (iii) the Chair of the Board and the Vice Chancellor be authorised to sign the Agreement on behalf of the University

UB1085. Committee and Working Group Chairs' Updates

(i) Honorary Awards Committee

Professor Baldwin (Chair of Honorary Awards Committee) reported on the awards approved by the Committee at its meeting on 7th October 2022. He referred to the details in his Update Report (UB1073 above) of the five recipients.

(ii) Governance, Risk and Nominations Committee

Mr Fisher reported on the matters considered at the meeting of the Governance, Risk and Nominations Committee meeting on 13th October 2022. These included reviewing the draft Corporate Governance Statement, reviewing compliance with OfS reporting duties and University Risk Register review, wherein no concerns had been identified.

The Committee had also considered Board membership and Chair matters and related succession planning arrangements.

(iii) Remuneration Committee

In Mrs McCarthy's absence, the Chair of the Board (as a member of Remuneration Committee) reported on the proceedings at the Committee's meetings on 3rd and 24th November 2022. The meetings had covered the annual appraisal and target-setting for the Vice Chancellor and also approval of the basic pay award and ancillary matters for relevant staff.

(iv) Resources Committee

Dr Ion (Chair of Resources Committee) reported on the matters covered by the Resources Committee at the meeting on 3rd November 2022. She confirmed that many of the matters reviewed at that meeting (including the Draft Consolidated Financial Statements and the Annual Financial Return) had already been addressed earlier in today's Board meeting.

Text Redacted - Reserved Minute

In approving changes to the Death in Service arrangements, the Committee asked Mr Lee to ensure that good staff communications were ready for use in the event that any explanations were called for.

The Committee also approved the TRAC submission process and contents, and noted the Vice Chancellor's update on the academic management structure.

(v) Audit Committee

In the absence of Mrs Lowry, Mrs Lloyd (Member of the Audit Committee) reported on the matters covered by the Audit Committee at the meeting on 10th November 2022.

The Committee had discussed the development of the on-line 'action log' requirement and also arrangements to ensure that all Board Members are kept abreast of key risk areas (such as cyber security, Degree Apprenticeships funding and major estates developments).

Recent work performed by the Internal Auditor had resulted in a mixed range of assurance levels. The Committee had been satisfied with University Management's explanations and responses to recommendations for improvements.

Mrs Lloyd confirmed that the external audit of the 2021/22 accounts (UB1075 above) had been considered and the audited Financial Statements and accounts had been recommended to the Board for approval. The Committee's own Annual Report (on 2021-22) had been reviewed and approved for submission to the Board.

Resolved: That the Chairs' Updates be noted.

UB1086. Academic Board - Meeting on 12nd November 2022 - Update

Dr Ion (one of the two Board representatives at Academic Board) confirmed that, once again, there were no concerns to report. The Academic Board agendas continue to be most extensive, but useful outcomes result. It was interesting to hear the discussion on potential problems where there is perceived to be an over-concentration of students from one nationality on individual courses. Professor Baldwin confirmed that such matters are closely monitored and managed.

There had also been informative discussions around Knowledge Exchange, Equality, Diversity and Inclusion and the Course Review process.

Resolved: That the update report be noted.

UB1087. Any Other Business

There was no other business.

UB1088. Date and Time of Next Meeting

Resolved: That the next meeting will be in the Student Centre at 5.00pm on Thursday, 2nd February 2023.

**I M Fisher
Clerk to the Board**