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University of Central Lancashire

Unreserved Minutes of the Board Meeting held on 2 December 2024 at 1.15pm at the Belsfield Hotel, Bowness-on-Windermere, Cumbria

Present:

Sue Ion (Chair)

Graham Baldwin
Jim Carter
Luke Fitzgerald
Richard Frediani
Lesley Lloyd
Ruth Lowry

Anne McCarthy
Lorraine Norris
Fiona Rayment
Khalil Rehman
Lindsay Robinson

Also in attendance:

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

UB1262. Welcome and Apologies

The Chair welcomed all present. Apologies for absence had been received from Jon Baldwin, Ridwanah Gurjee, Richard Hext and Lis Smith, whose written comments would be addressed where appropriate.

UB1263. Declaration of Interests

There were no declarations of interest in relation to any of the items on the agenda.

UB1264. Chair's Announcements

The Chair reported on her regular attendance at meetings of the Committee of University Chairs (CUC), where it was evident that other universities were facing challenges, including the financing of capital plans, and that VAT costs presented a barrier to shared services.

Mr Charles confirmed that senior finance officers from across the sector were also involved in networking events, which were a valuable source of information sharing and learning.

UB1265. Reserved and Unreserved Minutes of the University Board Meeting held on 18 September 2024

The Reserved and Unreserved Minutes of the previous meeting held on 18 September 2024 were agreed as a true record, to be signed by the Chair.

UB1266. Matters Arising

The Chair reported that updates on the majority of matters were addressed within the Vice-Chancellor's report or elsewhere on the agenda. The following were highlighted as matters arising:

- (i) Following the Board Strategy Session held on 24 September 2024, an update on the various strategic initiatives would be delivered on Day 2 of the Board Residential (Minute UB1247).
- (ii) Two new Independent Governors, Victoria Hutchinson and Rachel Robins, would formally join the Board on 1 January 2025. In the meantime, they would both be attending the dinner on Day 1 of the Board Residential (Minute UB1247).
- (iii) The Race Equality Charter (REC) Action Plan had been submitted by the deadline of 29 November 2024 and work was underway to complete the actions in a timely manner (Minute UB1250).
- (iv) Reserved Minute – Text Redacted.
- (v) Reserved Minute – Text Redacted.

UB1267. Vice-Chancellor's Report

The Vice-Chancellor presented his Report which provided an update on external factors affecting the University and a summary of ongoing internal activity. A copy of the Report is set out in the Minute Book.

In summarising his Report, Professor Baldwin focused on the following areas of strategic significance or where there had been further updates since the time of writing:

- (i) *Ofsted Inspection*

The outcome of the long-awaited Ofsted inspection of the University's Degree Apprenticeship (DA) provision had been positive, with a grading of 'good' overall and in all categories and Safeguarding was effective. This was a positive reflection of the

hard work by colleagues across the University and would act as a springboard for an internal review of the structure and delivery of DAs, with a focus on achieving an 'outstanding' result in future. Although the process had been intense, it had been conducted in a positive spirit and the recommendations were welcomed.

The Chair commended the Vice-Chancellor and the senior team on the positive outcome, extending sincere thanks to members of the Board who had been involved in the inspection, namely, Lis Smith in her role as Board DA Lead, Ruth Lowry as Board Safeguarding Lead, and Lindsay Robinson as Principal Lecturer (Apprenticeships).

(ii) Tuition Fees

Following a long campaign by the sector, the Government had announced an increase in tuition fees which would apply to all home undergraduate students from 2025/26. Although the increase was not currently index-linked, further announcements were anticipated. In the meantime, the University was working closely with the Students' Union to promote a positive narrative for prospective and continuing students, regarding the value of studying at university.

Unfortunately, the benefits of the tuition fee increase would be largely offset by the planned increase in National Insurance contributions. Financial sustainability was, therefore, still a significant concern, whilst it was hoped that more positive proposals would be forthcoming from the Government in the new year.

(iii) Office for Students

The recent Office for Students (OfS) report on the financial sustainability of the sector had highlighted ongoing challenges, including the insufficient number of students to satisfy the growth plans of all universities. Several pre 1992 universities had recently announced cost cutting exercises.

The Interim Chair of the OfS had stated that higher education needed to be 'radically reimaged', and universities should consider a 'transformation of their offer', with a focus on increased collaboration and potential mergers. This agenda aligned with the strategic initiatives being progressed by the University.

With reference to the five priorities for the reform of higher education cited by the Secretary of State, the Chair suggested that it would be pertinent to measure and evidence the significant progress that the University had already made in these areas. Dr Rayment added that there was an opportunity to align the University's economic impact scores with these priorities. Professor Baldwin agreed that the University was already extensively engaged in the activities set out in the Government's agenda, particularly around growth and opportunity. The analysis of the University's economic impact was impressive, demonstrating a significant contribution to the region and would be published in the future. The University had also risen significantly in a recent social mobility league table.

(iv) Reserved Minute - Text Redacted

(v) Reserved Minute - Text Redacted

(vi) Reserved Minute - Text Redacted

(vii) *Reserved Minute – Text Redacted*

(viii) *University of the Future*

The academic calendar and logistics to support a move to block delivery had now been developed alongside the pedagogy and the sprint methodology for course design and approval. Optionality was limited within the new block timetable up to level 6, providing opportunities for rationalisation and an improved experience in terms of organisation and management for students.

In thanking Professor Baldwin for his report, the Chair commented that during a recent visit to the University of Cardiff, staff and student feedback about block teaching had been very positive.

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

UB1268. Reserved Minute – Text Redacted

UB1269. Annual Report of the Audit Committee

Mrs Lowry presented the Annual Report of the Audit Committee covering the period from 1 August 2023 to 31 July 2024 and any significant issues up to 14 November 2024. A copy of the Report is set out in the Minute Book.

Mrs Lowry confirmed that the annual report had been prepared in accordance with the requirements of the OfS and endorsed by the Audit Committee at its meeting on 14 November 2024.

At this meeting, the Committee had considered the Internal Audit Annual Report for 2023/24 prepared by RSM UK. All except one of the seven internal audit assignments completed during the year had resulted in favourable assurance, with four resulting in 'substantial assurance' being given. Assurances had been received from the Executive Director of IT and Digital Solutions that work was underway to address the issues identified in relation to data governance. Two further advisory reviews had also been completed, including a review of the risk of fraud which provided a good baseline to build upon. The Committee expected to receive regular reports and a SMART plan in the light of the findings on data governance and risk of fraud.

The Report provided a favourable overall audit opinion, acknowledging that the University had an adequate and effective framework for risk management, governance, internal control, and economy, efficiency and effectiveness, whilst some enhancements had been identified to ensure continued effectiveness.

The Committee had also considered the draft External Auditor's Year End Report by KPMG, which summarised the key findings of the audit of the 2023/24 financial statements, including relevant audit adjustments and a small number of recommendations. The Committee was satisfied with these findings, noting that an unmodified audit opinion had been given.

Based on these Reports, the Committee was able to provide assurances to the Board that the control systems in place at the University were generally effective and operating satisfactorily, and to commend the 2023/24 Financial Statements for approval.

Mrs Lowry added that the Committee had recorded thanks: (i) to Mr Charles and his team, recognising that the external audit process had run more efficiently this year; and (ii) to RSM UK for their work during the year, noting that PwC would be providing internal audit services to the University henceforth.

The Chair of the Board thanked the Chair and members of the Audit Committee for their commitment and diligent work, noting that the internal and external auditors had both delivered positive judgments and that the outcome of the internal audits provided guidance on areas for further focus.

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

UB1270. Draft 2023/24 Financial Statements and Letter of Representation

The Chief Finance Officer presented the draft 2023/24 Financial Statements to the Board for approval, together with the Letter of Representation for the auditors, copies of which are set out in the Minute Book.

Mr Charles confirmed that the draft Financial Statements and Letter of Representation had been scrutinised by the Audit Committee at its meeting on 14 November 2024, where it had been agreed to recommend them for approval by the Resources Committee and the University Board. There had since been some minor amendments to the Statements which were listed in Appendix 1.

The external auditors had reviewed the draft Financial Statements and indicated that they intended to issue an unmodified audit opinion, there being no material uncertainties that would cast doubt over the University's ability to continue as a going concern.

Mr Charles clarified that the Financial Statements constituted the consolidated accounts for the University and its subsidiary companies. Moving forwards, it was planned to provide more regular updates to the Board about the status of the subsidiaries.

The University had recorded a total income of £294,447 which was an increase of £2m on the previous year. Total expenditure was recorded at £297,810, which was broadly consistent with the previous year. The balance sheet recorded net assets of £334,853, with cash and investments coming in at just below £100m. Overall, the University remained in a strong financial position.

The Board proceeded to review the Statements and noted that it was important to continue to make representations about the financial burden imposed by the Teachers' Pension Scheme (TPS).

Professor Baldwin highlighted that having budgeted for a deficit, the University had ended the year with an operating surplus, notwithstanding the restructuring costs, which was a testament to the leadership of the Mr Charles and the work of his team.

Resolved: That

- (i) the Financial Statements be approved and signed by the Chair of the Board and the Vice-Chancellor; and
- (ii) the Chair of the Board and the University Secretary and General Counsel be authorised to sign the Letter of Representation for the auditors.

UB1271. Reserved Minute - Text Redacted

UB1272. Annual Prevent Assurance Report

The Deputy Vice-Chancellor (Operations) presented the Annual Prevent Assurance Report 2023/24, in her role as Strategic Safeguarding and Prevent Lead. A copy of the Report is set out in the Minute Book.

Mrs Connor explained that the purpose of the Report was to provide evidence and assurance to the Board that the University had fulfilled its duties under the Counter-Terrorism and Security Act 2015 and the associated Prevent Strategy, having 'due regard to the need to prevent people from being drawn into terrorism.' The Report had been reviewed and commended by the Safeguarding, Mental Health and Wellbeing Committee.

The University was required to submit an Annual Data Return (ADR) to the OfS, in relation to welfare, external speakers and events, and staff training for the reporting period 1 August 2023 to 31 July 2024. This was prefaced by an Accountability Declaration to be signed on behalf of the Board confirming that the University had understood and fulfilled its responsibilities under the Prevent Duty.

The Report also included a summary of key actions taken in relation to Safeguarding and Prevent in 2023/24 which demonstrated the University's commitment to maintaining a safe and supportive environment for all members of its community. This included: (i) a summary of the local and national levels of threat and risk; (ii) how the Prevent Risk Register and Action Plan was reviewed and monitored; (iii) a summary of three Prevent related welfare cases; (iv) the formation of a Designated Events Team to oversee activities across the University's campuses; (v) an update on staff training; (vi) the work of the University's Social Cohesion Group in responding to incidents of hate and intolerance; (vii) preparation for the imminent Terrorism (Protection of Premises) Bill; and (viii) the excellent work by the Students' Union to update its policies and training for students leading societies.

With reference to the case studies, the Chair acknowledged that this was a hugely challenging area of work and commended the professionalism and integrity of the Student Services team. Mrs Connor confirmed that work was ongoing to sustain and strengthen networking activities with external agencies, including the police and mental health services.

Resolved: That

- (i) the Annual Prevent Assurance Report 2023/24 be approved; and
- (ii) the Accountability Data Return and Board Accountability Declaration be approved to be signed and submitted to the OfS by 2 December 2024.

UB1273. Annual Report of the Remuneration Committee and Annual Remuneration Statement

The Chief People Officer presented the Annual Report of the Remuneration Committee covering the academic year 2023/24. A copy of the Report is set out in the Minute Book.

Mr Lee explained that the Committee was required to submit an Annual Report to the Board, summarising its activities and decisions made during the 2023/24 academic year, and giving assurance that the Committee had carried out its responsibilities in line with its Terms of Reference.

In the interests of transparency, a concise, anonymised version of the Report would be published on the external website in the form of the Annual Remuneration Statement 2023/24, subject to approval by the Board. This was in line with guidance issued by the Committee of University Chairs (CUC).

Resolved: That the Annual Report of the Remuneration Committee be received, and the Annual Remuneration Statement be approved for publication.

UB1274. Draft Modern Slavery and Human Trafficking Statement

The Chief People Officer presented the proposed Modern Slavery and Human Trafficking Statement for the financial year ending 31 July 2024. A copy of the Statement is set out in the Minute Book.

Mr Lee explained that the Statement set out the actions taken by the University to combat modern slavery and human trafficking across its business. Whilst this was relatively straightforward to regulate for direct employees, detailed work had been undertaken to eradicate risks in the University's supply chain. The Statement had been endorsed by the Vice-Chancellor's Group as being suitable for publication in line with the Modern Slavery Act 2015.

During discussion, it was established that the Statement applied to the University and all its UK based subsidiaries, and that all organisations were required to provide their related policies as part of the University's tender process. It was suggested that the Whistleblowing Policy be revised to include disclosures by anyone involved in the University's supply chain.

Members commended the Statement as being credible and comprehensive.

Resolved: That the Modern Slavery and Human Trafficking Statement 2023/24 be approved and published on the University website.

UB1275. Reserved Minute - Text Redacted

UB1276. Risk Register Annual Review

The Vice-Chancellor presented the Annual Report on the Risk Register and the Risk Management Policy and Framework. A copy of the Report is set out in the Minute Book.

Professor Baldwin explained that the Risk Register was reviewed regularly by the VCG and scrutinised by the Governance, Risk and Nominations Committee (GRNC). Any updates, including changes to scores were highlighted in red. At its last meeting, the GRNC had approved changes regarding the status of Cyber Security and Degree Apprenticeships.

Regarding the Risk Management Policy, the GRNC had endorsed changes to the Risk Appetite Statement to reflect more accurately the ambitions set out in the Strategic Plan. A further review of the respective roles and responsibilities of the Audit Committee and the GRNC in relation to risk management, would be conducted in the light of the GER and once the committees' terms of reference had been refined.

The Board acknowledged that the Risk Management Policy was an excellent document which provided transparency about how risk was managed, and that the Risk Appetite Statement was now more realistic in terms of achieving the Strategy.

It was agreed that an exercise be conducted whereby each Board member was invited to identify their top 3 to 5 risks and the extent to which their appetite for risk was ambitious or cautious, with the aim of discovering where perspectives differed and further enhancing the overall management of risk by the Board as a whole.

Resolved: That

- (i) the Annual Report, the Risk Management Policy and Framework, and the Risk Register be noted; and
- (ii) arrangements be made for the Board to participate in an exercise on risk management.

UB1277. Students' Union Report

The President of the Students' Union presented the regular Report from the Students' Union, providing updates on ongoing work to enhance the student experience. A copy of the Report is set out in the Minute Book.

In briefly summarising the Report, Mr Fitzgerald drew attention to the updates on key initiatives linked to the core missions of tackling the cost of studying, boosting student wellbeing, and increasing attainment.

He highlighted that an external consultant had been engaged to conduct a review of the representative structures. Whilst the final report was awaited, this was likely to recommend a shift away from full-time paid student representatives.

Extensive feedback elicited during the consultation indicated that students wished to open up representation functions with more part-time, paid representative opportunities, a focus on academic communities, and greater opportunities to engage with important initiatives for the Students' Union and the University.

It was planned to present the findings of the review and proposals for a new model of representation to the Board for consideration and approval early in the new year. In the meantime, the Legal Team was checking whether any other changes were required to the constitutional documents.

Members commented that the proposed re-imagining of the representative model was a bold move and that it was important to consider how students' interests would be represented at the Board and how any potential conflicts would be managed. Mr Fitzgerald gave assurances that an action plan and risk register were being prepared to address these matters.

Members applauded the launch of the Essentials Hub, as a sustainable and sensitive source of support for students struggling with the cost of studying.

The Chair thanked Mr Fitzgerald for his report and commended all the great work carried out by the Students' Union.

Resolved: That the Students' Union Report be noted.

UB1278. Governance Update

The University Secretary provided an oral update on the following governance and membership issues:

Two new independent governors, Victoria Hutchinson and Rachel Robins, would be formally joining the Board in January 2025. In the meantime, they would both be attending the Board residential evening dinner.

It was recommended that five members who had successfully completed their probationary year, be formally appointed to their first full term of three years with immediate effect, namely, Jim Carter, Richard Frediani, Fiona Rayment, Khalil Rehman and Lindsay Robinson.

Following consultation with the Governance, Risk and Nominations Committee (GRNC), several changes to committee memberships were proposed, partly as a consequence of Dame Sue Ion's resignation from the role of Chair on 31 December 2024 and the expiry of Mrs Lowry's final term of office in the Summer of 2025, as follows:

- Jim Carter to become a member of the Resources Committee in his role as Board Lead for Estates, with immediate effect.

- Richard Frediani to become a member of the Honorary Awards Committee, with effect from 1 January 2025.
- Lorriane Norris to assume the role of Chair of the Remuneration Committee and to become in turn, a member of the GRNC, from 1 January 2025.
- Lis Smith and Richard Frediani to become members of the Remuneration Committee, from 1 January 2025.
- Fiona Rayment to assume the role of Chair of the Audit Committee, with effect from 6 March 2025.

The University's Instrument and Articles of Government and committee Terms of Reference were being reviewed in the light of the recommendations arising from the Governance Effectiveness Review (GER). A comprehensive report with recommendations would be presented to the Board in the new year.

The Chair elect of the Board, the Chair of the Resources Committee and the University Secretary had met to consider the recommendation arising from the GER regarding the capacity of the Resources Committee to consider all the matters within its remit. Having considered a range of options and mindful of the commitments of VCG members, it was agreed to retain the current committee structure, whilst allocating an extended 3-hour time slot for meetings of the Resources Committee, until such time as major issues such as UCLan Cyprus (UCY) and Training 2000 Ltd had been resolved when the matter would be reviewed.

Resolved: That

- (i) Jim Carter, Richard Frediani, Fiona Rayment, Khalil Rehman and Lindsay Robinson be formally appointed to their first full term of three years with immediate effect; and
- (ii) Jim Carter be appointed as a member of the Resources Committee with immediate effect;
- (iii) Richard Frediani be appointed as a member of the Honorary Awards Committee, with effect from 1 January 2025;
- (iv) Lorriane Norris become Chair of the Remuneration Committee and a member of the Governance, Risk and Nominations Committee, from 1 January 2025;
- (v) Lis Smith and Richard Frediani be appointed as members of the Remuneration Committee, from 1 January 2025; and
- (vi) Fiona Rayment be appointed as Chair of the Audit Committee, with effect from 6 March 2025.

UB1279. Committee Updates

(i) Urgent Business Committee 24/09/2024

The Urgent Business Committee had convened on 24 September 2024 to formally accept the provisional approval of the Access and Participation Plan by the OfS.

(ii) Resources Committee 24/10/2024

Dame Sue Ion reported on the matters covered by the Resources Committee at its meeting on 24 October 2024. A concise written summary was available to view on the Board Teams site.

The Committee had considered an update from the Chief Finance Officer, noting the need to maintain control of spending on travel and subsistence, and to ensure the ongoing monitoring of efficiency. Having previously received a list of contracts over £1m, several of these had been approved by written resolution.

Reserved Minute – Text Redacted

(iii) Governance, Risk and Nominations Committee 24/10/2024

Dame Sue Ion reported that the majority of matters addressed by the Governance, Risk and Nominations Committee at its meeting on 24 October 2024 had been covered earlier on the Board agenda, including the Risk Register and Risk Management Policy, the Governance Effectiveness Review, Board appointments and the draft Corporate Governance Statement which formed part of the Financial Statements.

The Committee had also considered the regular report on the University's compliance with the OfS Regulatory Framework and Conditions of Registration, noting that there were no matters of concern regarding any actual or potential breach in compliance, at the time of the meeting.

A concise written summary of the business of the Committee was available to view on the Board Teams site.

(iv) Audit Committee 14/11/2024

A summary of the matters considered at the meeting of the Audit Committee on 14 November 2024 had been given under Item 11: Annual Report of the Audit Committee (Minute UB1269).

UB1280. Update from Academic Board Meeting on 06/11/2024

Professor Baldwin delivered an oral update on the business covered by the Academic Board at its meeting on 6 November 2024. This had been a well-attended, in-person meeting, generating a good discussion around a range of topics including the importance of creating a positive narrative around the tuition fee increase.

The Pro Vice-Chancellor (Students and Teaching) had delivered two presentations on the 'University of the Future' and the associated curriculum transformation project, and the National Student Survey Results, including progress with key actions.

Having received updates from its five sub-committees, the Academic Board had been assured that they were fulfilling their key responsibilities for academic governance in line with their terms of reference. It followed that the University Board could derive assurance that the Academic Board was operating in accordance with the Articles of Government and that business was consistently and effectively aligned between the two Boards.

Resolved: That the update from the meeting of the Academic Board held on 6 November 2024 be noted.

UB1281. Any Other Business

Miss McCarthy expressed sincere thanks to the outgoing Chair, Dame Sue Ion, for her sterling work on behalf of the Board and the University, highlighting her leadership of the Governance Effectiveness Review and status as a role model for women in industry.

UB1282. Date of the Next Meeting

The next meeting was scheduled to take place on 6 February 2025 at 5.00pm.

Ian Fisher
Clerk to the Board