

UNIVERSITY OF EAST LONDON HIGHER EDUCATION CORPORATION

BOARD OF GOVERNORS

Minutes of the Board of Governors held on Tuesday 26 November 2019 in AWS, Principal Place, Worship Street

Present: Anulika Ajufo (Chair) Ismail Amla, Amanda Broderick (Vice-Chancellor & President), Jackie Craissati, John Garwood, Bindi Karia, Ismail Mohammed, Tony Mullee, Michael Nartey, Gary Stewart and Janette Withey

In attendance: Dean Curtis (Deputy Vice Chancellor (DVC)) and Tristan Foot (Acting University Secretary)

Officers: Jane Thomas (Governance Manager)

Apologies: Mottie Kessler and Tommy MacDonnell

19/23 NOTICE OF INTENTION TO SPEAK TO STARRED ITEMS

23/01 NOTED: that no requests had been received to speak to a starred item.

19/24 DECLARATION OF INTERESTS

24/01 NOTED: Tony Mullee declared that he was the Chair of UEL Professional Services.

19/25 MINUTES OF THE MEETING OF MEETING HELD ON 29 OCTOBER 2019

25/01 RECEIVED and CONFIRMED: the minutes of the Board of Governors' meeting held on 29 October 2019.

19/26 MATTERS ARISING

26/01 NOTED that:

- a) that there were no matters arising which had not been dealt with during the Board Strategy session.
- b) the Board Development session due to take place in January would take place over two days with an overnight stay. The content of the development days would include a session on trustee training, but otherwise the content could be structured around specific requests from the Board. A request was made for further information in relation to the execution of the strategic

plan and the priorities within the plan. A request was also made for more information in relation to the regulatory requirements which trustees needed to be aware of. It was also suggested that some team building should be included.

19/27 MINUTES OF THE AUDIT AND RISK COMMITTEE HELD ON 19 NOVEMBER 2019

27/01 RECEIVED and NOTED: the minutes of the Audit and Risk Committee held on 19 November 2019.

27/02 NOTED that:

- a) the Audit and Risk Committee had considered the financial statements which were on the agenda for the Board meeting for approval. It was noted that a number of issues had been raised and dealt with.
- b) a total of 53 recommendations had been made through the internal audit reviews, 31 recommendations remained outstanding, but only 7 were due.

19/28 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 5 NOVEMBER 2019

28/01 RECEIVED: the draft minutes of the Finance and Resources Committee held on 5 November 2019

28/02 NOTED that:

- a) the minutes had additional text added in red for clarification.
- b) a staged process for the utilisation of funds generated by the securitisation project had been discussed and agreed which gave a structured approach. The execution of projects would be translated into a phased implementation plan alongside an investment appraisal and business case for presentation to the committee.
- c) the content of a Treasury Management Policy was discussed. It had been agreed that the DVC would draft the policy and send to the members of the Finance and Resources Committee for feedback, which had been done, however, it was noted that no feedback had been received. It was therefore agreed that the DVC should recirculate.
- d) the Medium Term Financial Strategy (MTFS) was discussed and agreed. The MTFS presupposes that £103m had been released as a result of the securitisation. It was noted that the DVC had drafted an alternative MTFS which did not include the £103m, however, this would need to be discussed and approved by 2 December 2019.

28/03 RECEIVED and NOTED: the unconfirmed minutes of the Finance and Resources Committee held on 17 October 2019

28/04 AGREED: the DVC to recirculate details of draft Treasury Management Policy for comment.

19/29 EXECUTION OF THE SECURITISATION LEGAL DOCUMENTS

29/01 RECEIVED: a report from the Deputy Vice-Chancellor in relation to the execution of the securitisation documents.

29/02 NOTED that:

- a) the University had broken its banking covenants in 2017 and as a result had been forced to renegotiate the terms of its bank loan with Barclays. The terms negotiated restricted the way the University could use its assets and limited the cash available for investment. A range of options had been explored to raise capital from the sale of assets through to securitisation. The option of securitisation had been market tested with 20 providers and 3 responses were received, of which Aberdeen Standard was the preferred provider.
- b) the proposed transaction required the University to take on the obligation to maintain a rent payment for 35 years which was inflated by RPI each year with a cap and collar on those increases of 1 and 4%. It was noted that there were no covenants to meet, other than to pay the rent and to ensure the quality of the accommodation was maintained.
- c) the rent payment was only a small percentage of turnover. However, it was noted that there was a need to ensure that the capital raised from this project was used in a way which was transformative. It was recognised that the transaction itself wasn't a risk, but there was a need to ensure that there was an appropriate business model in place which could continue in a sustainable fashion. It was noted that without this transaction our existing bank balances would not allow the University to be truly transformative.
- d) the need to understand the return against any expenditure was discussed and a request was made to be provided with more detail in relation to how key projects being taken forward would result in improvements to the University and the assumptions which would provide reassurance of the return.
- e) although it was recognised that the University required investment, there was concern in relation to the deal which had been secured with Aberdeen Standard. It was noted that if funds were not raised through the securitisation project then consideration would need to be given to other ways of raising funds including the sale of assets, rather than the development of our assets.

- f) if the securitisation project did not go forward, then consideration would also need to be given to our existing capital projects and whether they could continue. The preparation for the cloud environment would need to be stopped as would the expansion to the School of Business and Law.
- g) a request was made for the Deputy Vice-Chancellor to approach Aberdeen Standard with a view to extending the time available for the Board to make a decision without putting the deal at risk.

29/03 AGREED:

- a) the Deputy Vice Chancellor to discuss an extension with Aberdeen Standard and to establish the final date.
- b) that the Chair of the Board, the Chair of the Finance and Resources Committee, together with Ismail Amla and Michael Nartey meet to establish the information required by the Board of Governors to provide the necessary assurances in order for them to give full and final consideration to the approval of the securitisation project.
- c) that an extraordinary meeting of the Board of Governors be arranged within the next two weeks to consider the securitisation project.

19/30 MEDIUM TERM FINANCIAL STRATEGY

30/01 RECEIVED: the proposed MTFS for submission to the OfS.

30/02 NOTED that: the MTFS would need to be re-written and approved by Monday 2 December prior to submission to the Board

19/31 ANNUAL ACCOUNTS 2018/19

31/01 RECEIVED: the annual accounts for 2018/19.

31/02 NOTED: the annual accounts had been scrutinised by the Audit and Risk Committee. There were a number of issues discussed in relation to the expenses. It was noted that the figures in relation to expenses for 2017/18 had been restated. It was also noted that the liabilities in relation to pensions had increased due to an issue within the sector.

31/04 AGREED: to approve the annual accounts for 2018/19.

19/32 FINANCIAL UPDATE

32/01 NOTED: that recruitment was up by £6.9m over budget, however, the early attrition rates were not yet known. It was noted that the Q1 figures would be completed by the end of the week and would be sent out to members of the Finance and Resources Committee.

19/33 ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE

33/01 RECEIVED: the annual report of the Audit and Risk Committee

33/02 NOTED that:

- a) the annual report on the work of the Audit and Risk Committee was due to be submitted to the OfS with the annual accounts and MTFS. The report had been discussed and approved by the Audit and Risk Committee. It was noted that the membership of the committee had been updated and a section on reportable events had been added in light of the widening of the reportable events which now needed to be advised to the OfS.
- b) it was confirmed that the risk register was considered at every meeting of the Audit and Risk Committee and would usually be presented to every meeting of the Board. Due to the time constraints for the meeting being held today, the risk register had not been included.
- c) the internal audit reports identified recommendations in relation to the areas which had been audited, which were then implemented to deal with any issues.

33/03 AGREED: to approve the annual report for submission to the OfS.

19/34 ANNUAL REPORT ON THE PREVENTION OF TERRORISM

34/01 RECEIVED: a report from the Acting University Secretary in relation to the annual report on the Prevention of Terrorism.

34/02 NOTED: that the University is required to make an annual submission in relation to the prevention of terrorism. It was noted that the OfS operated a Prevent monitoring framework which required the University to collate data on welfare cases, external events and training. The statement had therefore been amended to include this additional information.

34/03 AGREED: to approve the annual report and assurance statement.

19/35 MODERN SLAVERY STATEMENT

35/01 RECEIVED: the modern slavery statement for approval.

35/02 NOTED: that the University was obliged to publish a statement relating to Modern Slavery within 6 months of the end of the financial year. It was noted that the statement would be published on the website.

35/03 AGREED: to approve the Modern Slavery statement.

19/36 CHAIR'S BUSINESS

36/01 NOTED that:

- a) two expenses claim forms had been submitted by the former Chair of the Board. The first for a total of £405 in relation to a journey he made by car to attend an interview at Womble Bond Dickinson. It was considered by the Board and determined that this claim was in line with the Travel and Subsistence Policy and should therefore be approved for payment. The second claim was for £122 and related to a meeting with the South African High Commissioner. It was noted that these expenses were incurred at a time when the Chair was on extended leave and was therefore not approved.
- b) a query had been made in relation to the removal of the college layer. It was noted that there had been three colleges and six schools, however, the college layer had been removed and there were now six schools. This had been achieved with no financial impact and no financial costs. A total of eight members of staff had been affected, five of these staff had now been redeployed and the other three were currently going through an interview process. It was noted that the Board would like to have a high level overview of the restructuring and the new organisation proposed in order for more consideration to be given to the way forward. A paper on revalidation of the academic portfolios is also required to give the board an understanding of the changes.

19/37 FOR INFORMATION

37/01 Marketing and Activity Report

RECEIVED and NOTED: a report from the Chief Marketing Officer providing details of the recruitment activity.

37/02 Annual Cycle of Information

RECEIVED and NOTED: the annual cycle of information.

37/03 Use of the Corporation's Seal

NOTED: that the Corporation's Seal had not been used since the last meeting of the Board held on 29 October 2019.

37/04 Dates of Board Meetings for 2019/20

NOTED: the dates of Board meetings for 2019/20 were:

- 28/29 January 2020 (Board Development Day)
- 24 March 2020
- 26 May 2020
- 7 July 2020

37/05 Forthcoming Events

NOTED: the following events:

- Water Lane Wonderland – 4th December- 12pm-8pm.
- Post Graduate Open Evening – 4th December- Stratford- Great Hall- 5pm onwards
- Royal Docks Christmas Film Festival – 29TH and 30th November – Docklands Campus
- LGBTQ+ Staff / Student Network Event- 30th November - World Aids Day – Red Run – Victoria Park

SIGNED:
Chair of the Board of Governors

DATED: