

CONFIRMED

UNIVERSITY OF EAST LONDON HIGHER EDUCATION CORPORATION

BOARD OF GOVERNORS

Minutes of the Board of Governors held on Tuesday 29 October 2019 in Room EB.1.39, Docklands Campus

Present: Anulika Ajufo (Interim Chair) Amanda Broderick (Vice-Chancellor & President), John Garwood, Bindi Karia (via conference call), Mottie Kessler (via conference call), Ismail Mohammed, Tony Mullee (via conference call), Michael Narthey, Gary Stewart (via conference call) and Janette Withey

In attendance: Verity Brown (Pro Vice-Chancellor, Impact and Innovation), Dean Curtis (Deputy Vice Chancellor), Charles Egbu (Pro Vice-Chancellor, Education and Experience), Tristan Foot (Acting University Secretary) and Ian Pickup (Chief Operating Officer)

Officers: Jane Thomas (Governance Manager)

Apologies: Tommy MacDonnell

19/01 NOTICE OF INTENTION TO SPEAK TO STARRED ITEMS

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

19/02 DECLARATION OF INTERESTS

02/01 NOTED: Tony Mullee declared that he was the Chair of UEL Professional Services.

19/03 MINUTES OF THE MEETING OF MEETING HELD ON 9 JULY 2019

03/01 RECEIVED and CONFIRMED: the minutes of the Board of Governors' meeting held on 9 July 2019

19/05 MINUTES OF THE EXCEPTIONAL MEETINGS OF THE BOARD

05/01 NOTED: due to the confidentiality of the minutes of the Exceptional Meetings of the Board which had recently taken place, they had been placed in a separate reading room which was only accessible by independent members of the Board. It was agreed that any comments in relation to the accuracy of these minutes should be provided to the Acting University Secretary by close of play on 1 November. The minutes would be deemed to be confirmed after that date if no comments were received.

05/02 AGREED: to confirm the minutes of the Exceptional Meetings of the Board, subject to any amendments received by 1 November 2019.

19/06 MATTERS ARISING

06/01 NOTED that:

- a) the Interim Chair was arranging to meet the two newly appointed members of the Board prior to them receiving a full induction and joining the Board Strategy Session and Board meeting due to be held on 26 November 2019.
- b) conferencing facilities had been provided for the meeting being held today and permanent facilities would be provided in KD.2.22 going forward.
- c) Vision 2028 was on the agenda for the meeting. It was also agreed that the Board Strategy Session due to take place on 26 November would be used to help Governors understand the strategy.
- d) the Finance and Resources Committee had responsibility for maintaining the Financial Regulations and the Audit and Risk Committee had responsibility for approving the Financial Regulations.

19/07 MINUTES OF THE AUDIT AND RISK COMMITTEE HELD ON 30 SEPTEMBER 2019

07/01 RECEIVED and NOTED: the minutes of the Audit and Risk Committee held on 30 September 2019.

07/02 NOTED that:

- a) internal audit reports had been received in relation to Counter Fraud and Cyber Security in which partial assurance with improvement required was achieved in both cases.

- b) Governors' expenses were discussed. It was noted that the Chair's expenses would be reviewed following the conclusion of a recent report.
- c) the audit plan had been approved for the 2019/20 academic year.
- d) the financial statements would be approved at the next meeting of the Audit and Risk Committee, which would then be presented to the Board of Governors' meeting in November for final approval.

19/08 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE HELD ON 17 OCTOBER 2019

08/01 NOTED: that the minutes of the meeting of the Finance and Resources Committees held on 17 October 2019 would be made available as soon as they had been reviewed by the Chair of the Committee.

08/02 NOTED that:

- a) the securitisation project had been discussed and there had been some concerns raised prior to the meeting of the Board. This item was on the agenda for discussion by the Board of Governors' today.
- b) the Medium-Term Financial Strategy was due to be discussed at the next meeting of the Finance and Resources Committee for approval by the Board of Governors at their next meeting due to be held on 26 November as this was due to be submitted to the OfS by the end of November.

19/09 MINUTES OF THE REMUNERATION COMMITTEE HELD ON 7 JULY 2019

09/01 NOTED: that the minutes of the Remuneration Committee held on 7 July 2019 had been made available in the confidential reading room for the independent members of the Board.

19/10 BUSINESS PLAN

10/01 RECEIVED: a business plan for 2019.

10/02 NOTED that:

- a) the Vice-Chancellor & President (VCP) asked five questions:
 - (i) What are the three regulatory frameworks that the Board of Governors are responsible for assuring themselves on?
 - (ii) In relation to TEF - what is the impact of historical data on managing and monitoring TEF performance and how is progress measured through the TEF framework?

- (iii) In relation to REF - why is it important to the University, what is the risk of REF from a reputational perspective?
 - (iv) What are the other conditions of OFS registration that the Board are aware of and how can this impact on the stewardship?
 - (v) Are colleagues clear about our strategic objectives and how do they balance their understanding of sustainability.
- b) In addition to the questions above, the VCP highlighted three areas on which the Board should focus.
- (i) one of the four objectives under the strategic plan was for sustainable growth. It was noted that the Vision 2028 goals were to have 20,000 students, to achieve £20m revenue per annum and to achieve a surplus position of 3%. A 3% surplus gave UEL a strong reinvestment and sustainability position but ensured that profits were re-invested into the institution. It was noted that the level of growth was important. It was agreed that this should be discussed further at the Board Strategy Session due to take place in November 2019. An in-year trackable baseline had been put in place. It was noted that attrition continued to be a concern, but the information obtained would be used to forecast continuation rates.
 - (ii) there was a need to look at investment priorities for the year ahead. It was noted that UEL has had one of the lowest investment profiles of any university in the sector and was at the bottom of our competitor institutions over the last six years. Given that we were so behind our competitors, it was important to ensure that the timing of the investment was planned.
 - (iii) there was a need to focus on the regulatory KPIs, specifically in relation to Vision 2028, and the way they linked back to the business plan and priorities. It was recognised that there was an issue with the tracking of KPIs due to the lag in the data used. A request was made that information and board training be provided to clarify regulatory requirements for Board members, and it was agreed that this would be discussed further at the Board Strategy Session due to be held on 26 November 2019

10/03 AGREED:

- a) to discuss the level of growth at the Board Strategy Session due to be held on 26 November 2019.
- b) to provide an avenue for discussion and clarification of mission, vision and character of the University on 26 November 2016

- c) to provide the Board with details of what the regulatory requirements were for them as a Board at the Board Strategy Session due to be held on 26 November 2019.

19/11 INSTITUTIONAL PERFORMANCE REVIEW 2018/19

11/01 RECEIVED: a presentation from the Chief Operating Officer on the institutional performance review for 2018/19

11/02 NOTED that:

- a) there were a number of measurements of success, although that there was a data lag which should be taken into account.
- b) work had been undertaken to redesign and revalidate programmes to address issues such as employability. It was noted that we were currently four weeks into a new term in which the redesigned and revalidated courses were being delivered.
- c) there were a number of ways in which success could be measured and it was noted that UEL currently had enhanced monitoring conditions.
- d) financial sustainability was key and progress had been made in 2018/19 in relation to efficiency and student recruitment, which would help towards the removal of the monitoring condition. Financial sustainability was also linked to the approval of the securitisation project, which would enable us to invest in our long-term strategy.
- e) this year's recruitment cycle had been extremely competitive as other Universities had moved into our area and were attracting students which would normally attend UEL. Despite this, UEL did not reduce its tariff points which in turn provided evidence that we had increased our market attractiveness.
- f) in relation to Future Graduate (Education & Experience), it was noted that work that was being undertaken now would impact on the student outcome over time. Work continued, especially in relation to social diversity and it was noted that UEL were the fifth most inclusive institution in the UK. The Convocation had been well received and had attracted hundreds of students. A further Convocation was planned in January 2020.

- g) there would be a focus on moving out of the bronze category for TEF. Programme Leaders would be interviewed in the areas in which the marks were below what was required and the views given by students assessed. It was noted that three schools had done very well, but the impact of this success had been overshadowed by the need for improvement in the other schools. Every Head of School had been asked to produce an NSS action plan which would be monitored by the Pro Vice-Chancellor for Education & Experience.
- h) some areas had already been addressed, for example, the attendance policy had been changed. It was also noted that there was a lack of consistency in good practice, particularly in relation to assessment, where the level of assessment needed to be clear for every student.
- i) in relation to Careers and Enterprise, it was noted that there had been a careers fair on campus the previous week which had been well received.
- j) there had been an increase in the net income for apprenticeships through proactive engagement with employers.
- k) in relation to Future Life, there had been a number of challenges in relation to REF. It was noted that over 40% of academic staff were now engaging with research either as an active researcher or as a “developing researcher”.
- l) the objectives for the Vice Chancellor & President had been approved by the Remuneration Committee held on 21 November and were included for information.

11/03 AGREED:

- a) to discuss at the Board Strategy Session due to be held on 26 November 2019, the careers strategy with respect to measuring outcomes/garnering quality feedback from employers attending careers fairs, all in service to the Future Professional strategic objective

19/12 SECURITISATION

12/01 RECEIVED: a report from the Deputy Vice-Chancellor in relation to the securitisation project.

12/02 NOTED that:

- a) the University had experienced financial difficulties since 2012 when it lost control of its cash position and became reliant on the bank after breaching the covenants. In the Medium-Term Financial Strategy (MTFS) it was planned to pay off the debt to the bank to enable UEL to be able to take back

control of its asset base. In doing this, there was a need to put in place a solution which provided long-term funding.

- b) the proposal to raise money for the institution through a securitisation had previously been approved by the Board of Governors on the recommendation of the Finance and Resources Committee. The final documentation for the deal was now available and the final step was for the funder to receive approval from its Investment Committee.
- c) the proposed transaction was a significant opportunity to make a positive difference to the future of the institution as it would generate a capital receipt which would provide the institution with enough funding to enable us to add £26m to our cash base, to invest in Vision 2028 and to provide a buffer in the event of any disturbance to our trading position.
- d) the Board were asked to consider a number of potential decisions. This included supporting the deal but with the addition of caveats to ensure that any withdrawals made against the capital was utilised for the transformation of the institution or to agree that the deal was good, but that it was not the optimum timing, in which case there was a risk that the funder would withdraw. The funder could be advised on the timing of the delay but was unlikely to accept an indefinite delay.
- e) there was concern expressed about the way in which the funds would be used. It was noted that it was anticipated to use the funds for transformation projects including the exiting of Birkbeck from USS as well as the work in relation to the Connected Campus.
- f) the cost of carrying the loan was acknowledged. The University had a treasury management policy which was very risk averse. This could be reviewed in light of the significant cash injection that the securitisation project would bring about.
- g) it was agreed that the securitisation project would be discussed further at the Finance and Resources Committee due to be held on 5 November. It would then be presented to the Board to make a final decision. It was agreed that an extraordinary meeting of the Board should be held if necessary.

19/13 ACADEMIC PARTNERSHIP REVIEW & 2019/20 RISK ASSESSMENT

13/01 RECEIVED: a report from the Interim Head of Academic and Employer Partnership Office on academic partnerships at UEL

13/02 NOTED that:

- a) UEL were currently engaged in 41 academic partnerships in the UK and internationally across Europe and Asia. However, there were three

partnerships which were currently the largest which included the Metropolitan College, the UCFB College of Football and the Metropolitan Police Service via Babcock.

- b) the scale of the academic partnerships with UEL came with a certain level of risk. However, it was noted that every partnership was reviewed against a set of objective criteria in order to understand what has happened in the past in order to identify some priorities for the medium and short-term. It was noted that the partnership with the Metropolitan Police was one of the biggest apprenticeship programmes in the country and the partnership with the UCFB would develop UEL's portfolio in Sports.

13/03 AGREED:

- a) it was agreed that there should be a focus on rationalising partnerships and providing information and a clear rationale for any proposed terminations at the Board Strategy Session on November 26.

19/14 INFRASTRUCTURE FOR GROWTH AND IMPACT

14/01 RECEIVED: a report from the Deputy Vice-Chancellor and the Provost in relation to delivering an infrastructure for growth and impact.

14/02 NOTED that:

- a) the University had created three Colleges in 2017 as part of a reduction in financial costs which removed large elements of management support and student support from within the schools. As a result, it was noted that there was a very flat structure in some areas, resulting in a high level of staff members reporting to one individual, which in turn did not facilitate career development within the University.
- b) there were three stages to the proposed changes to the infrastructure. Firstly there would be an abolition of Colleges and the establishment of current schools as strategic business units. It was noted that the formal consultation processes were nearly completed.
- c) the second stage was to adjust the internal structures of the Schools. Schools had been asked to produce an academic strategy which included details in relation to the type of programmes they would be providing and how the management and workforce should be recalibrated to ensure that it was fit for purpose in terms of the organisational shape.
- d) the third element to this project would be to realign the professional services with the school structure and to ensure that the support services were working closer to the academic delivery point. It was anticipated that this would bring a number of benefits, particularly to our students, as it was felt that the connectivity of the students to the institution would be improved.

- e) reassurance was sought that the restructuring was in the best interests of the University. It was recognised that there would be an impact on staff who had already been through a number of reorganisations. It was noted that there was a full consultation document which would be brought to the next Board meeting for information in order for governors to fully understand the context and risks of the reorganisation.

14/03 AGREED:

- a) a full consultation document which would be brought to the next Board meeting for information in order for governors to fully understand the context and risks of the reorganisation.

19/15 FINANCIAL UPDATE

15/01 RECEIVED: a report from the Deputy Vice-Chancellor providing a financial commentary on the 2018/19 outturn

15/02 NOTED that:

- a) an operating surplus of £1.6m had been achieved this financial year against a budget reforecast for a £0.1m deficit and an original MTFS budget deficit of £2.6m. This included the cost of the repayment of the hedge of £4m. This had been achieved due to tight cost control over the last two years. An income growth had also been achieved, although not in core areas. Retention had been improved from the previous year, although it was recognised that this remained a significant issue.
- b) a system of commitment accounting was introduced for the 2018/19 financial year in order for us to be in a better position to forecast the spend. However, despite this, a large number of invoices were processed at the end of the financial year. The need to review the forecasting process was recognised to ensure that it was better attuned to what was happening financially within the University.
- c) the pension deficit remained an issue, particularly when looking at the year end accounts. It was noted that a solution would need to be found in order to deal with this issue, especially as there had been a significant increase in the pension obligations. It was noted that, although the scheme had been closed to new members of staff, approximately 350 members of staff were still in the LGPS scheme.
- d) in relation to liquidity, with a closing bank balance at year end of £29.8m after repayment of the loan to Barclays of £21m and breakage costs of £4.1m to Barclays Bank. This had been achieved due to better than expected collections against forecast and effective cost control in relation to

staff costs and capital projects. It was also noted that there was a decrease in the level of debt outstanding at the end of July 2019.

19/16 OFS REPORTABLE EVENT

16/01 NOTED that:

- a) new guidance had been issued by the OfS in relation to reportable events in which any material event which breached, or was likely to breach, the conditions of registration should be reported to the OfS. It was noted that a reportable event had been reported to the Finance and Resources Committee at its last meeting. This was in relation to an underclaim of funding in which a course was miscoded as unfunded instead of funded. As a result UEL underclaimed approximately £1m. This event had been reported to the OfS in light of the new guidance and information had been provided as to what we were doing to rectify the position. It was noted that there was an opportunity to claim the money back through a data error submission.
- b) there had been an improvement in the data collection for this particular return, however KPMG had been asked to undertake an audit of this return as part of the audits they were planning to undertake during 2019/20.

19/17 APPOINTMENT PROCESS OF UNIVERSITY SECRETARY & CHIEF COMPLIANCE OFFICER

17/01 RECEIVED: a report from the Director of HR setting out a proposed process for the recruitment and selection of a University Secretary & Chief Compliance Officer

17/02 NOTED that:

- a) the Acting University Secretary was due to leave UEL at the end of January 2020. It was noted that the post of University Secretary was one of two senior appointments which was a Board appointment.
- b) an interim University Secretary would be recruited in order to ensure a solid transition between the exit of the Acting University Secretary and the person who would fill the post on a permanent basis. A first round of interviews for an interim University Secretary was due to take place the following week. It was proposed that members of the Board would be involved in this process. John Garwood volunteered his services for this purpose. It was also recommended that an existing University Secretary be involved in the process.

17/03 AGREED:

- a) to approve the proposed process for the recruitment of a University Secretary & Chief Compliance Officer

19/18 ACCESS AND PARTICIPATION PLAN

18/01 RECEIVED: a report from the Chief Operating Officer on the Access and Participation Plan

18/02 NOTED that:

- a) under the jurisdiction of the OfS, the Access and Participation framework had moved to a five-year plan. Under the five-year plan further attention to detail was required to identify gaps in data and performance as well as student outcomes in relation to success and progression.
- b) following an iterative process of drafting, receipt of feedback and responses to questions for clarification, the University of East London received formal approval of the 2020-2025 APP from the Director of Fair Access and Participation. It was noted that there was a requirement for enhanced monitoring due to gaps between underrepresented students and their peers.

19/19 ANNUAL STATEMENT FOR THE CONCORDAT TO SUPPORT RESEARCH INTEGRITY

19/01 RECEIVED and APPROVED: a report from the Research, Integrity and Ethics Manager providing an annual statement for the Concordat to support research integrity.

19/20 PREVENTION OF TERRORISM

20/01 RECEIVED: a report from the Acting University Secretary on the Prevention of Terrorism

20/02 NOTED that:

- a) the University had a legal duty to have due regard to prevent people being drawn into terrorism as part of their safeguarding duties. This was an area which was originally monitored by HEFCE. However, this was now the responsibility of the OfS who operated a Prevent monitoring framework which required the University to collect data on welfare cases, external events and training.
- b) a Prevent Working Group met regularly throughout the year and data was being collected in order to provide the statutory return which was due in December. It was noted that this would be presented to the next meeting of the Board of Governors due to be held on 26 November for approval, prior to its submission in December 2019.
- c) the OfS required the Board to make an annual accountability statement which was a statement on behalf of the Board and not one individual. The

proposed statement would also be brought back to the Board of Governors' meeting due to be held on 26 November 2019 for approval.

19/21 CHAIR'S BUSINESS

[Members of UEB left the meeting and this item was discussed by members of the Board only]

21/01 NOTED that:

- a) The Board were informed that, as of 5 pm that evening, the Chair had verbally resigned and had assured the Interim Chair that he would put his resignation in writing the following day.
- b) a revised communication would be finalised by Hanover, which would then be placed on our website and a plan of action followed in relation to wider engagement.
- c) the Chair's resignation would be reported to the OfS. It was also noted that Sally Dyson had resigned.
- d) the Interim Deputy Chair had led the Board in the absence of the Chair whilst he was on extended leave during the course of the investigation. It was acknowledged that now the investigation had been completed, there was a need to make a decision regarding the Chair going forward.
- e) it was recognised that there was a need for continuity on the Board, and more so with its leadership. This was not an ideal time to make a long-term permanent appointment as there were still a number of issues outstanding including the need to recruit new Board members, three new staff governors, a further student governor and a University Secretary.
- f) the Interim Deputy Chair put herself forward to fill the post as Chair of the Board until 31 July 2020. The Articles were explicit that the Board could elect a Chair from amongst its membership. The Board therefore voted unanimously to appoint Anulika Ajufo as the Chair of the Board up to July 2020.

19/22 FOR INFORMATION

22/01 Membership of the Board and its Standing Committees

RECEIVED and NOTED: a report from the Governance Manager with a full list of the membership of the Board for the 2019/20 academic year approved by the Board at its AGM on 9 July 2019.

22/02 Business Calendar

RECEIVED and NOTED: the business calendar for 2019/20.

22/03 Marketing and Activity Report

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

22/04 Academic Board

RECEIVED and NOTED: a report on the business discussed at the meeting of the Academic Board held on 2 October 2019.

22/05 Annual Cycle of Information

RECEIVED and NOTED: the annual cycle of information.

22/06 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 9 July 2019

22/07 Dates of Board Meetings for 2019/20

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

- 26 November 2019 (Board Strategy Session)
- 26 November 2019
- 28/29 January 2020 (Board Development Day)
- 24 March 2020
- 26 May 2020
- 7 July 2020

SIGNED:
Chair of the Board of Governors

DATED: