BOARD OF GOVERNORS 2021/22 M2
27 January 2022, 16:00
Virtual Meeting – Microsoft Teams

Approved Minutes

Present

Mr Graham Raikes MBE (Chair)	Independent Governor	GR
Mrs Emma van der Lugt (Deputy Chair)	Independent Governor	EvdL
Mr John Searson (Deputy Chair)	Independent Governor	JS
Prof Rob Warner	Vice-Chancellor	RW
Dr Greg Borne	Academic Staff Governor (Senate Elected)	GB
Mr Stephen Criddle OBE	Independent Governor	SC
Mrs Kate Doodson	Independent Governor	KD
Miss Lauren Edwards	Student Governor	LE
Mr Alex Hawtin	Independent Governor	AH
Prof Patricia Hind	Independent Governor	PH
Mrs Victoria Holbrook	Independent Governor	VH
Rev'd Preb Prof Gina Radford	Independent Governor	GiR
Prof Gary Shum	Academic Staff Governor	GS
Ms Esther Tonna-Morgan	Professional Services Staff Governor	ETM
Mrs Jackie Westerman	Independent Governor	JW

In attendance

Rt Rev'd Dr Tim Dakin	Co-opted Board Member	TD
Miss Katherine George	Co-opted Board Member	KG
Rev'd Michelle Parkman	University Chaplain	MP
Mrs Jessamie Thomas	Governance Officer (note taker)	JT

In attendance (Senior Management Team)

Prof Michelle Jones *(for Items 1 and 2)*	Deputy Vice-Chancellor	MJ
Mr Simon Arthurs	Chief Operating Officer & Director of Finance	SA
Mr Stephen Plant	University Secretary & Registrar	SP

1.   Welcome, Opening Prayer, Apologies and Declarations of Conflicts of Interests

1.1   The Chair, Graham Raikes, welcomed colleagues. At GR's invitation, University Chaplain, Rev'd Michelle Parkman, opened the meeting with a prayer.

1.2   Apologies were received from Matt Evans and Ruth Mounstephen.

1.3   GR invited colleagues to make any new declarations of interest, in addition to those recorded in the Register of Interests. No new declarations were made.

1.4   GR extended a particular welcome to Co-opted Board members Rt Rev'd Dr Tim Dakin and Katherine George; at GR's request they introduced themselves to their Board of Governors' (BoG) colleagues.

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2.   To Consider Revisions to Articles of Association

2.1   The report was received. The proposed amendments were contained within two documents in Part B: the 'clean' version and the 'track changes' version for ease of comparison.

2.2   GR provided an overview of the rationale behind bringing the proposed amendments to BoG and the robust process which had underpinned this. He invited the Vice-Chancellor, Prof Rob Warner, and University Secretary & Registrar, Stephen Plant, to provide further context.

2.3   RW explained that the focus of the review had been to generate a revised version of the Articles which would be more self-consistent, compliant with current charity and employment law and worded with greater clarity. RW noted that all amendments were in line with advice received from the University's legal advisors, Womble Bond Dickinson and that of HE Shared Legal.

2.4   RW had met with the University's Patron, Rt Rev'd Robert Atwell, Bishop of Exeter, to discuss the proposed revision of the articles. The Bishop of Exeter requested that the wording around the diocesan nominations should refer solely to the Bishop and supported the Vice-Chancellor's desire to emphasise the University's leadership being aligned with authentic Christian values. RW noted that once BoG approval had been given, he would once more consult with the Bishop of Exeter to seek formal approval.

2.5   RW noted flexibility around the size of the Board which the revised wording would bring. He explained that although there was a sector trend currently towards smaller BoGs, it would be helpful to be able to flex numbers within established parameters should BoG wish membership to increase.

2.6   SP drew attention to the cover paper, within which was a summary of key recommendations put forward by the legal advisors which had been incorporated within the revised document. Summarising the changes as contemporary and forward looking, SP emphasised that the changes were not considered to constitute a 'reportable event' as defined by the Office for Students (OfS), given that there would be no changes to charitable status, asset distribution nor the University's ability to deliver good governance.

2.7   SP confirmed that he had engaged with colleagues at other Higher Education Institutions for the purpose of sector benchmarking and discussion of good practice, had consulted with members of the Cathedrals Group of Universities and had referenced agency toolkits, for example that of AdvanceHE.

2.8   SP explained the mechanism behind formal approval, noting that following BoG approval and that of the Bishop of Exeter, consent from the National Society and the Privy Council would also be required.

2.9   GR thanked RW and SP for their explanations. He invited views and comments from BoG. Joint Deputy Chair, Emma van der Lugt, who was also Deputy Chair of Governance & Nominations Committee, confirmed that the revisions were a clear and comprehensive record of the suggestions put forward by that Committee.

2.10   BoG members discussed the amendments carefully and it was agreed that some further amendments to the phraseology would be helpful in the following instances:

- 5.1.10 (a) - Use a less ambiguous phrase so as to indicate that while investments would always comply with the ethical investment strategy, the governors reserved the right to amend the ethical investment policy from time to time.

- 5.1.10 (b) - Add the requirement that the investment fund manager should follow the ethical investment strategy.
- 27.4 and 27.5 - Use wording which would be less limiting around engaging elected governors in committees, thereby allowing discretion to the governing body to flex this matter.
- 28.4 (a) - To allow flexibility in terms of the size of BoG, replace the number 'eight' with 'half or more'

2.11 Subject to amending the wording as detailed above at 2.10, the revised Articles of Association were **APPROVED** for onward submission to the Patron and National Society and on to the Privy Council for final approval. **ACTION: RW/SP**

2.12 RW and SP were thanked for the work which had gone into reviewing the Articles of Association.

3. To Consider the Annual Financial Return (AFR)

3.1 The report was received. GR reminded colleagues of the requirement that the AFR be considered and approved by BoG ahead of being submitted to the OfS. GR confirmed that Finance & Resources (F&R) Committee had met the previous week to scrutinise the AFR, discussing assumptions in detail with Chief Operating Officer & Finance Director, Simon Arthurs. Following careful consideration, F&R Committee had approved the AFR for onward recommendation to BoG.

3.2 GR invited Vice-Chancellor, Prof Rob Warner, to provide further context. RW did so, noting that the purpose of the return was to provide additional assurance that an institution was a going concern; he confirmed his confidence in the position showing in the AFR. RW reminded BoG of the robust liquidity levels which had been demonstrated to OfS the previous year and which continued to be evident in published sector benchmarking, which should serve to provide further assurance to BoG of the robust position and the University's responsible approach to managing its finances.

3.3 GR invited SA to provide an overview. SA explained the AFR approval mechanism and BoG's role. He went on to explain the format in which the financial position was presented, for example regarding the treatment of Salix grant income and the recognition of non-cash adjustments. SA highlighted key income and expenditure assumptions, as per the summary report, which were based on prudence around costs and caution around income. SA confirmed that compliance with the bank covenant had been thoroughly tested for the full period.

3.4 At GR's invitation, Chair of F&R Committee, Alex Hawtin, confirmed that the Committee had carefully assessed the AFR's assumptions and was satisfied with the robustness of the approach underpinning the return and with the prudence of the overall position.

3.5 GR thanked RW, SA and AH and invited questions. With regard to emerging healthcare programmes, SA was asked how much confidence could be drawn from projections and sought confirmation that the narrative was clear and justifiable. SA summarised the reasoning behind the position. RW provided further rationale behind the assumptions, which he confirmed as a realistic reflection of the University's ambitions in this area. It was noted that grant funding had been received and that programme development was on track. Prof Gary

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Shum provided additional information on the programme approval process, the existing infrastructure and the interest being generated and potential recruitment levels. Workforce opportunities across the South West peninsula were noted. Potential pathways with regional partners in education were also highlighted.

3.6 Noting that the University was an educational charity, RW reminded colleagues that where a surplus was generated, this would be used to protect reserves and would be reinvested to repair, replace and improve the campus and facilities so as to enhance student experience and outcomes.

3.7 In response to a question around debt finance, SA provided background to the University's loan repayments and timescales and confirmed that the approach to debt finance would form part of the University's new Treasury Management Strategy.

3.8 No further queries were raised and BoG confirmed its view that the assumptions represented a prudent and acceptable approach. SA was thanked for his work preparing the return and for the clarity of his presentation. BoG **APPROVED** the AFR for submission to OfS. **ACTION: SA**

Close
In closing the meeting, GR thanked BoG members for their support and challenge.

Part B
The following were received for information, with reference to item 2:
Revisions to Articles of Association –'clean' version
Revisions to Articles of Association –'track changes' version