

CANTERBURY CHRIST CHURCH UNIVERSITY

MINUTES OF THE MEETING OF THE GOVERNING BODY HELD ON TUESDAY 2 JULY 2019 AT 4PM IN OLD SESSIONS HOUSE (Of42)

Present: Mr Frank Martin (Chair), Sir Ian Johnston (Deputy Chair), Ms Nadra Ahmed, Ms Judith Armitt [Except Item 8], Ms Sue Appleby, Dr Alison Eyden, Mr Philip Fletcher, Ms Judith Harding, Ms Pam Jones, Mr Phillip Kloppenborg, Ms Connie Nolan, Ms Meradin Peachey [Items 1-11], Mr Quentin Roper, Reverend Robert Stevenson, Professor Rama Thirunamachandran (Vice-Chancellor)

Apologies: Mr Julian Faber

In Attendance: Professor Helen James (Senior Pro Vice-Chancellor, Education, Enhancement and Student Experience)
Professor Mike Weed (Pro Vice-Chancellor, Research and Enterprise)
Reverend Dr Jeremy Law (Dean of Chapel) [Item 10]
Mr David Leah (Director of Finance and Chief Financial Officer)
Mr Marco Keir (Director of Marketing)
Ms Alison Sear (University Solicitor and Clerk to the Governing Body)
Professor David Shepherd, Deputy Vice-Chancellor
Ms Eleanor Currie (Governance and Legal Services Assistant)

184. Opening Prayer

The opening prayer was said by Ms Judith Armitt.

185. Apologies for absence [Agenda Item 1]

Apologies for absence had been received from Mr Julian Faber.

186. Declarations of Interests [Item 2]

Ms Connie Nolan declared an interest that she had been elected as local Councillor (Barton ward) and member of Canterbury City Council and sat on its Appointments Sub Committee and Planning Committee. This would be a standing declaration of interest. The Committee congratulated Ms Nolan on being elected as a Councillor. Ms Judith Armitt declared an interest in item 8 [Membership of Governing Body] and would exclude herself from the meeting for this item.

187. Minutes of meeting held on 26 March 2019 [Item 3]

The minutes of the meeting of the Governing Body held on 26 March 2019 were agreed and signed as a true record.

188. Chair's Communications

The Chair welcomed Mr Marco Keir (Director of Marketing) to the meeting. The Chair reported that immediately prior to the meeting, there had been a Governing Body visit to Christ Church Business School. Members of the Governing Body had also

attended the annual Staff Garden Party. Both of these events had offered Governors an excellent opportunity to engage with staff.

The Chair reflected that the Governor Visits Programme was a key way to enhance the Governors wider knowledge of the constituent parts of the University. The Vice-Chancellor said that in addition to the usual channel for feedback via the Clerk's office, Governors were welcome to provide feedback directly to him.

The Chair referred to the recent WONKHE publication 'Navigating the Policy Uncertainty' which drew on several articles, one of which he had found to be particularly pertinent to agenda Items 7.1 and 7.2. The Chair pointed to the need for the University to be bold but prudent in its strategy of investing in the future. The University's focus was on the Estate Master Plan to underpin its long term sustainability by creating better facilities and new courses. Its investment was timely given the predicted upturn in the population of young people to unprecedented levels in the next 10 years. The data suggested a potential recruitment crisis in the sector in the near future with an inadequate supply of places to meet demand.

189. Matters arising not appearing elsewhere on the agenda [Item 4]

There were no matters arising not appearing elsewhere on the agenda.

190. Report of the Vice-Chancellor [Paper L120] [Item 5]

The Governing Body received Paper L120, The Report of the Vice-Chancellor. The Vice-Chancellor spoke to the paper.

The Vice-Chancellor confirmed the appointment of the new Bishop of Dover, Reverend Rose Hudson-Wilkin, who was currently Chaplain to the Speaker of the House of Commons. Bishop-Designate Rose had been introduced to the Diocese by the Archbishop of Canterbury at a visit to St George's School in Broadstairs. The Vice-Chancellor noted that this appointment would mean that the Governing Body had a 50:50 female to male gender balance for the first time. He noted that Bishop-Designate Rose would join the Governing Body in November and said the whole University looked forward to welcoming her. This sentiment was echoed by the Chair.

The Vice-Chancellor confirmed that the University had been awarded a Local Enterprise Project capital grant of £4million for the Kent Medway Medical School ('KMMS'). The University had also been awarded a £500k capital grant from the Garfield Weston Foundation to support the delivery of Engineering, Design and Technology programmes.

The conversion rate of offers to acceptance was 2% down compared to the same point in 2017/18, which translated to 47 fewer students. Although recruitment was challenging, the University had prepared a strong clearing campaign to attract 2019 entrants. Open day attendance and engagement had been encouraging for the University, including the KMMS, in terms of 2020 recruitment.

Participation in the 2018/19 staff survey had been 75%, which was higher than the sector average of 68%, and slightly higher than the University's 2017 rate of 74%. Detailed analysis of the feedback and follow up actions would be presented at the Governing Body Away Day in September. Initial feedback suggested staff felt the University was a friendly and supportive environment; however, communication and

SMT visibility had not been as highly rated as in 2017. As usual, a summary of the survey results would be shared with all staff.

The Vice-Chancellor addressed concerns that had been raised regarding Health and Safety staff engagement subsequent to the Health & Safety Annual Report that had been presented to the Governing Body in March. Governors were reassured that the Director of HR & OD, supported by the Health and Safety Manager and the Governor Health and Safety Champion had been working to improve engagement and assure compliance. Completion of Health and Safety training had been made a mandatory condition for new staff, and periodic updates would be provided to Heads of Departments to monitor engagement. Following a question by a Governor, the Vice-Chancellor confirmed that the target date for improving compliance was the end of 2019/20 academic year. It was agreed that Health and Safety reporting be made a separate standing item on future Governing Body agendas.

The Augar review had been published in May, and had been discussed by both the Finance and Resources ('F&R') and Audit Committees. A summary of the key recommendations was provided. The Vice-Chancellor said that whilst none of the recommendations could be actioned until the national political situation became clearer, the University had built the assumption that tuition fee levels would be frozen until 2022/23 into its budgeting. Two significant recommendations for the University were the discontinuation of student loans for Foundation Year programmes; and the proposed annual tuition fee of £7,500 supplemented by a Government funded top up. The recommendation for a lengthened loan repayment period from 30 to 40 years, and the lower threshold for repayment, had been widely criticised. However, recommendations on flexible learning and maintenance grants had been met with support. The University would continue to lobby the Government via its association with Universities UK ('UUK').

The University had hosted several alumni events to strengthen the University's links with its alumni community. The Vice-Chancellor had attended a dinner for previous Students' Union Sabbatical Officers. The Director of Marketing said that the University's alumni activities were currently focussed on relationship development but this approach would be kept under review.

The Vice-Chancellor was thanked for his report.

RESOLVED

That the revised Equality Diverison and Inclusion policy statement be endorsed.

That the revised Health and Safety Organisation Policy HSP01 be approved.

191. Report of the Students' Union President [Paper L121] [Item 6]

The Governing Body received Paper L121, Report of the Students' Union. The President of the Students' Union and Student Governor spoke to the paper.

The President of the Students' Union reported that the Students' Union had voted to remain affiliated with the NUS, with no further referendum permitted within a year.

The Golden Apple Awards had taken place for the final time in its current format after 10 successful years. The Students' Union bar had been Alcohol Impact Accredited and the Students' Union had been Green Impact Accredited.

For the 2019/20 academic year, plans had been approved for Freshers' Week events, and the Students' Union President said that efforts had been made to engage a more diverse student group with a wider range of inclusive activities.

In the short term, the Students' Union goals were to relocate the Union Facilities to be on campus, to improve sporting facilities, to provide an onsite crèche, and to provide out of hours mental health support. The long term goals were increased commercialisation of the Union; to diversify and increase engagement; better engagement with issues of employability; and to improve BAME attainment.

The Chair congratulated the President of the Students' Union on his positive report.

NOTED

192. Financial Plan and Draft Budget for 2019/20 [Paper L122] [Item 7.1]

The Governing Body received paper L122, Financial Plan and Draft Budget for 2019/20. The Chief Financial Officer spoke to the paper.

The Chief Financial Officer said that he would present two papers, the first of which was the budget for 2019/20 [Item 7.1]. The budget had been set in the context of the University's three year financial projections, taking into account its business plan priorities as agreed by the Senior Management Team. The Financial Plan and Draft Budget Paper would be shared with the University's banks.

The financial forecast to 2026/27 Paper [Item 7.2] set out the context to the budget Paper and provided an indication of what the longer term forecast might look like. Both papers had been accompanied by an independent report from the Debt Advisory team at KPMG.

The Chief Financial Officer said that the financial context for 2019/20 remained challenging. The budget had been reviewed by the Finance and Resources Committee at its meeting on 6 June. The F&R Committee had resolved that subject to subsequent further review by both the Chair of the Governing Body and the Chair of the F&R Committee and the Vice-Chancellor, the 2019/20 Budget and associated business planning priorities (as updated, taking into account feedback from the Committee and management remodelling) would be recommended for approval by the Governing Body. Since that meeting, changes to the Budget had been endorsed including:

- the removal of costs totalling approximately £500k from departmental budgets;
- reclassification of some costs relating to major initiative projects as investment, not expenditure, thereby moving £1.1m to the capital budget;
- allocation of £2.96m had been built into the non-staff costs budget to cover general contingencies; and
- a revision of prudent assumptions for donations and grants for the new STEM Building (Building 2) costs, to assume an additional £3m would be raised (of which £2.5m had been raised to date).

In terms of income, the Chief Financial Officer pointed to the inclusion of a contingency of £2.96m in the event the University failed to achieve student number predictions. This had been considered prudent given the challenge of student recruitment, but a clearer position would be available in September, after the clearing concluded. In response to a question from a Governor, the Vice-Chancellor said that the Governing Body would have an opportunity to review student recruitment and retention further at the Governor Away Day in September.

The Chief Financial Officer noted that staff and non-staff costs had incorporated inflationary increases of approximately £5.5m. Tuition fees were not able to be increased in line with inflation and rising staff costs, including significant costs related to the increase in contributions to the Teachers' Pension Scheme. The University was targeting spend on projects that were in line with the University's agreed business plan priorities and the Estate Master Plan.

The £2.96m expenditure contingency was higher than usually budgeted given the uncertainty of costs, including the establishment of KMMS.

The Chief Financial Officer noted that although the budget indicated that there was a risk that the University could potentially breach a covenant in its loan agreement in terms of net debt to EBITDA, the projection itself did not in itself constitute a covenant breach. The Chief Financial Officer had remained in close communication with the banks and there was optimism that their financial support would be maintained.

At the March 2019 Governing Body meeting the impact on staff health and wellbeing as a consequence of necessary spending cuts had been raised by a Governor and discussed. These concerns had been apparent in some of the data produced in the recent staff survey. The Chief Financial Officer said that an effort had been made to balance controls on expenditure with the potential impact on student and staff health and wellbeing, which was a key priority for the University. An overall 2019/20 budget projecting an operating deficit of £795k was proposed in order to enable the University to deliver on its investment strategy to enable growth in future years without risking long term damage to the institution. The Chief Financial Officer concluded that a deficit budget was necessary, as the long term impact of further cuts would cause greater harm to the University.

The Chair of the F&R Committee said that she was content with the revised budget. The Chair of the Governing Body said that universities were in an unenviable financial position presently. The Chair of the Audit Committee said that the budget was consistent with the agreed approach to deliver the University's strategy. The Governing Body after discussion approved the University's financial plan and draft budget noting KPMG's assurance and re-focussing of commitments.

RESOLVED

That the Financial Plan and Draft Budget for 2019/20 be approved.

[The following item is commercially confidential and restricted]

- 193. Estate Master Plan Funding Strategy: Updated Financial Forecasts to 2026/27**
[Paper L123] [Item 7.2]

[End of restriction]

[Judith Armitt absent for Item 8]

194. Membership of the Governing Body [Paper L124] [Item 8]

The Governing Body received Paper L124, Membership of the Governing Body – Appointment of a second Deputy Chair.

The Clerk to the Governing Body explained that the University's Articles of Association provided that the Governing Body could appoint up to two Deputy Chairs. The Governing Body currently had one Deputy Chair (Sir Ian Johnston). At its meeting in March 2019, the Chairs' Committee had approved a proposal to appoint a second Deputy Chair to commence on 1 August 2019 for a period of four years.

Nominations had been opened on 13 May 2019 for a period of two weeks and three nominations (including self-nominations) had been received from eligible members of the Governing Body. The Clerk said that three excellent candidates were nominated which was much appreciated.

In its capacity as nominations committee, the Chairs' Committee had reviewed the nominations. Given her professional experience and experience on the Governing Body to date, the Chairs' Committee had resolved to recommend the Governing Body approve Judith Armitt, Chair of the Finance and Resources Committee, be appointed as the second Deputy Chair, to serve alongside Sir Ian Johnston.

The Chair thanked all those who had self-nominated or had been nominated, and noted that this was a positive sign of engagement. The willingness of Governors to volunteer for additional roles was encouraging for the future of the Governing Body.

RESOLVED

That Judith Armitt be appointed as second Deputy Chair of the Governing Body, for a period of four years, commencing 1 August 2019.

195. Review of the University's Governance Arrangements and Articles Refresh [Paper L125] [Item 9]

The Governing Body received paper L125, Review of the University's Governance Arrangements and Articles Refresh. The Clerk to the Governing Body spoke to the paper.

The Clerk said that the Committee of University Chairs (CUC) Code of Governance recommended that Governing Bodies conduct a review of their governance arrangements every four years. The University had conducted a major review in 2012 prior to the current iteration of the Articles of Association and had participated in a formal peer review in 2016. The next major review was therefore due to take place in 2020. The Governance Effectiveness Review would be undertaken by the Clerk's office by summer 2020.

The Clerk also proposed that the University took the opportunity to refresh its Articles following the Governance Effectiveness Review. Such a refresh was proposed in order to simplify the Articles, update archaic language and remove references to outdated processes or obsolete job roles. It may also be beneficial to reflect the recent changes in regulatory and legislative landscape. This work would be undertaken by the Clerk's office, supported by an external law firm by spring 2021.

RESOLVED

That the effectiveness of the University's governance arrangements be reviewed by summer 2020.
That the University Articles of Association be updated by spring 2021.

196. The Chaplaincy report [Paper L126] [Item 10] [Taken after item 7.2]

The Governing Body received Paper L126, The Chaplaincy Report. The Dean of Chapel spoke to the paper.

The Dean of Chapel said that the Chaplaincy had enjoyed a demanding year in which several new initiatives had been undertaken. It was positive that a new Chaplaincy Centre had been opened in a more prominent site on campus. The Dean of Chapel said the paper aimed to give Governors a narrative to the activities of the Chaplaincy team.

In response to a question from a Governor, the Dean of Chapel confirmed that although it had not been achieved in 2018/19, the Chaplaincy still had ambitions to run an Alpha Course, and plans to work with the Christian Union on this project were under consideration.

The reach of the Chaplaincy beyond the University was discussed. The Chaplaincy had fostered links with the charity Catching Lives and The Salvation Army in Canterbury, and work with Student Support, Mental Health and Wellbeing had ensured the reach to the non-Christian cohort. The recruitment of the Lay Chaplain had also helped in this respect.

A Governor wished to highlight in particular the work of the Chaplaincy for the Remembrance Day activities and Human Trafficking Awareness Week. Governors congratulated the Chaplaincy for continuing to have an impact far beyond the University's Christian community.

Governors said that they considered that the Chaplaincy's outreach into the University Community to be remarkable, with specific references made to the use of Pixie the Therapy Dog, and to community lunches, which were new initiatives enabled by the new premises and enlarged team.

The Dean of Chapel was thanked for his report.

NOTED

197. Unconditional Offer Making [Paper L127] [Item 11]

The Governing Body received paper L127, Unconditional Offer Making. The Deputy Vice-Chancellor spoke to the paper.

The Deputy Vice-Chancellor said that the question of unconditional offers should be considered in the context of the challenging and competitive student recruitment environment.

The admissions procedures at the University, including the use of unconditional offers, had been kept under continual review prior to the current focus from regulatory groups.

The University had made use of unconditional offers since 2017, but had not received any negative press coverage for doing so. The Office for Students ('OfS'), Universities UK and the Department for Education were considering the practice. The University had considered potential changes to internal policies to ensure students were not disadvantaged by the practice.

The University had used an evidence based approach to assess the impact of unconditional offers and had considered that the use of unconditional offers had been a support to its core priority of widening participation. A high proportion of students in receipt of unconditional offers were from widening participation target demographics.

The University had monitored entry qualifications and progression rates of students with unconditional offers compared to their peers who had received conditional offers very closely. This exercise had shown that there had been no negative effect on attainment or progression of students who received unconditional offers. A Governor said she was reassured that the effect of making such offers would be kept under close consideration. The Deputy Vice-Chancellor said that an internal working group had been proposed, chaired by the Vice-Chancellor, to review behaviour of the University's competitors as well as its own use of unconditional offers for the 2020 admissions cycle. A further update would be shared with Governors in due course.

NOTED

198. OfS: Prevent Monitoring (OfS Letter to the Vice-Chancellor dated 15 April 2019) [Paper L128] [Item 12]

The Governing Body received Paper L128, OfS: Prevent Monitoring (OfS Letter to the Vice-Chancellor dated 15 April 2019). The Clerk to the Governing Body spoke to the Paper.

The OfS had confirmed that the University had been considered to be "not at higher risk of non-compliance" with its Prevent Duty and had been judged to demonstrate due regard to it. Although the University had not therefore been automatically assigned a Prevent Review Meeting, it could be required to take part such a review as part of the OfS' planned random sampling exercise.

NOTED

[Meradin Peachy left the meeting during this item]

199. Governor Informal Reviews 2017/18 and 2018/19 [Paper L129] [Item 13]

The Governing Body received Paper L129, Governor Informal Reviews. The Clerk to the Governing Body spoke to the paper.

The Clerk said that Governor Informal Feedback discussions were conducted annually in April and May between the various Chairs and members. Governor feedback was very helpful to inform the Clerk's office on the effectiveness of the governance arrangements in place at the University. The recommendations from these discussions would be kept under review throughout the year and progress reported

in summer 2020. The Clerk confirmed that all recommendations from the reviews conducted in 2017/18 had been completed.

The Clerk said that the Governing Body's role in the oversight of Academic matters would be considered as a topic at the Governing Body Away Day, due to take place in September, along with some of the other issues identified in the feedback provided by Governors during the latest reviews.

The Chair thanked the Governing Body for contributing to the feedback discussions.

NOTED

200. Summary Minutes of the Chairs' Committee held on 6 June 2019 [Paper L130] [Item 14]

The Governing Body received Paper L130, Summary Minutes of the Meeting of the Chairs' Committee held on 6 June 2019, for information.

The Chair said that the results of the Staff Survey would be considered in detail at the next Governing Body Away Day.

NOTED

201. Summary Minutes of the Finance and Resources Committee held on 6 June 2019 [Paper L131] [Item 15]

The Governing Body received Paper L131, Summary Minutes of the F&R Committee held on 6 June 2019, for information.

The Chair of F&R Committee said that the focus of the meeting had been the 2019/20 budget. The Committee had also received an encouraging update on the MOSI project.

NOTED

202. Summary Minutes of the Audit Committee held on 8 May 2019 [Paper L132] [Item 16]

The Governing Body received Paper L132, Summary Minutes of the Audit Committee held on 8 May 2019, for information.

The Chair of Audit Committee said the meeting had focussed on the progress of Internal Audit and the preparation for the External Audit. There had been encouraging progress reported in respect of the implementation of recommendations from Internal Audit reports.

NOTED

203. Summary Minutes of the Academic Board held on 1 April 2019 and 17 June 2019 [Paper L133] [Item 17]

The Governing Body received Paper L133, the Summary Minutes of the Academic Board held on 1 April 2019 and 17 June 2019, for information.

The Chair of the Academic Board highlighted the Annual Student Retention Report; the Framework for Enterprising and Employable Graduates; Linking Education, the Student Experience and Research and Enterprise; and the Revised Quality Assurance Framework as the most notable items. The Chair of the Academic Board also said that Annual Report on Maintenance of Academic Standards and the Management and Enhancement of the Quality of the Student Learning Experience would be brought to the Governing Body in November to support the annual OfS statement.

NOTED

204. Confidential Items [Item 20]

The following matter was as confidential to the Governing Body:

- Item 7.2, Estate Master Plan Funding Strategy – Updated Financial Forecasts to 2026/27

NOTED

205. Any Other Business [Item 21]

None.

The meeting closed at 6:10pm