

**CANTERBURY CHRIST CHURCH UNIVERSITY**  
**MINUTES OF THE MEETING OF THE CHAIRS COMMITTEE:**

**THURSDAY 5 NOVEMBER 2020 AT 12:30 PM**

**VIA TEAMS TELECONFERENCE**

**Strictly Confidential**

**Present:** Mr Frank Martin (Chair of the Governing Body)  
Ms Judith Armitt (Deputy Chair and Chair of the Finance and Resources Committee)  
Sir Ian Johnston (Deputy Chair and Chair of the Remuneration Committee)  
Mr Philip Fletcher (Chair of the Audit Committee)  
Professor Rama Thirunamachandran (Vice-Chancellor and Chair of the Academic Board)

**In attendance:** Ms Alison Sear (Clerk to the Governing Body)

**1. Apologies for absence**

There were no apologies.

**2. Declarations of Interest**

The Deputy Chair and Chair of the Finance and Resources Committee declared an interest in respect of Agenda Item 8b (Appointment of Pro Chancellor and Chair of the Governing Body) and did not attend the Teams teleconference meeting discussion for the duration of this item.

*\* To avoid a conflict of interest, the Deputy Chair and Chair of the Finance and Resources Committee was not present on the Teams teleconference meeting discussion for the duration of the following Item 8b. \**

**3. Membership of the Governing Body: Appointment of the Chair of the Governing Body / Pro-Chancellor [Paper N34] (Item 8b. - taken before Agenda Item 3)**

The Chairs' Committee received Paper N34 which was presented by the Clerk to the Governing Body and included the cv and letter of interest submitted by Judith Armitt, who had been nominated the position of Chair of the Governing Body / Pro-Chancellor from 1 August 2021 by the Chair of the Audit Committee. There were no other nominations or self-nominations. The Vice-Chancellor recorded that he had held bilateral conversations with all Governing Body members and had received a strong indication of support for Judith Armitt in terms of the suitability of the nominee for the role of Chair. For good governance, he said that the Chair of the Remuneration Committee, Chair of the Audit Committee and Revd. Robert Stevenson had also been mentioned as potential candidates for the role of Chair. Chairs Committee members also noted that the current Chair of the Governing Body had received a significant endorsement from Governing Body members due to his facilitative leadership style.

Chairs commented that the nominee's cv demonstrated that she was highly suitable for the role of Chair in terms of her profile and notable distinguished career. Her suitability was also evident from her strong and capable track record as Chair of the Finance and Resources Committee. The challenge of taking on the role of Chair at this time was acknowledged. Members of the Chairs Committee were unanimously in favour of recommending, for approval, Ms Judith Armitt to the Governing Body at its meeting on 24 November 2020 to commence in the role of Chair of the Governing Body / Pro-Chancellor from 1 August 2021 for a four year term.

**RESOLVED** to recommend to the Governing Body at its meeting on 24 November 2020, for approval, Ms Judith Armitt to the Governing Body be appointed Chair of the Governing Body / Pro-Chancellor, with effect from 1 August 2021 for a four year term.

*\* The Deputy Chair and Chair of the Finance and Resources Committee re-joined the meeting following Item 8b. \**

#### **4. Chair's Communications**

The Chair welcomed everyone to the meeting.

The Chair reported the decision of the meeting under item 3 above and thanked Ms Armitt for allowing her name to be put forward for approval by the Governing Body.

The Chair provided a brief recap of some of the key points discussed at the earlier Finance and Resources Committee. He said that in the current challenging circumstances it had been welcome news that the University's results for the first two months of the academic year had been more favourable than forecast. Those results were cause for cautious optimism and would now provide the University with a platform from which to revise the financial forecasts for the ongoing discussion with the banks.

The Chair praised the University's tremendous collective efforts to continue to provide a Covid-secure campus for the students and staff.

#### **5. Minutes of the Meetings of the Chairs Committee held on 4 June 2020 and 5 August 2020 and action log**

The minutes of the meetings of the Chairs Committee held on 4 June 2020 and 5 August 2020 were confirmed and signed as accurate records. The action log was noted.

#### **6. Matters Arising not Appearing elsewhere on the Agenda**

There were no matters arising.

#### **7. Strategic Discussion Item [Oral Update] (Item 6)**

The Vice-Chancellor updated the members of the Chairs Committee on the following items.

### Covid-19 Response

- The University's Covid-19 Response Strategic Gold Group, chaired by the Deputy Vice-Chancellor would re-convene to review the University's actions in response to the recently announced four-week national lockdown which had commenced that day. The Students' Union and UCU would be represented at those discussions. On the basis of the current Government advice, the University's approach to maintaining a safe environment for its students and staff was not expected to need any significant revision in order to comply with the new rules.

### Student Recruitment and Retention

- It was encouraging that the University had met its recruitment target of students. Despite the negative impact of Covid-19, so far the overall income position for the first two months of the financial year was a more favourable position than forecast, due in part to the strong performance in relation to student recruitment. There was currently a surplus income against budget but Chairs noted that maintaining this position was heavily reliant on maintaining high levels of student retention against a backdrop of a highly unstable external environment. The Vice-Chancellor noted that, despite the continuation of face to face teaching and the latest Government advice to students to remain at University, it was very likely that some students would be considering returning home following the Prime Minister's announcement regarding the second lockdown.
- Early indications were that the recruitment of part-time and overseas students during 2020/21 would be positive, but Chairs acknowledged that this was still an emerging position. The Vice-Chancellor noted a promising number of overseas students who had been recruited with start dates from January 2021.

### Estate Master Plan including Loan Agreement Update

- The STEM Building (Building 2) was progressing well and the University was still on target to open the doors of the new building to students in January 2021. The Estates team was reviewing as a priority the impact of the second national lockdown on the supply chain in respect of the remaining items required to complete the fit out.
- There were discussions taking place with the City Council's planning team regarding the air conditioning units placed on the roof of the new building. It was anticipated that the University would be required to take some remedial action to mitigate complaints received from local residents about a higher level of sound emissions from the units than had been anticipated.
- The Vice-Chancellor expressed continuing disappointment in the banks' attitude and actions following the University's temporary inability to meet one of its four covenants; the Net Debt to EBITDA covenant in July, as a result of the impact of Covid-19. He noted the significant challenges faced by the University staff members who consequently were undertaking significant levels of additional work whilst carrying out their "business as usual" duties.
- He reported that the University, Lloyds and NatWest banks (and Scottish Widows) had signed fresh waiver letters in relation to the Net debt to EBITDA covenant pursuant to the 2018 re-financing loan. The newly agreed covenant test date was

31 October but the due date for providing the management information to be tested was not until 30 November 2020. Discussions with the banks were ongoing in relation to the University's financial forecasts. On the request of the banks KPMG had been appointed to produce an independent report on the University's current and forecast position to support the University's discussions with the banks. The Committee members noted that the banks had indicated that further work was likely to be requested to be undertaken by the University in order to continue the covenant re-set discussions.

- The Chair of the Finance and Resources Committee observed that the KPMG report, presented to the Finance and Resources Committee earlier that day, could have been a little "warmer" in its appraisal of the University's forecasts. Chairs noted the University's customary prudent approach had been taken in its forecasting.
- The Vice-Chancellor reported that Savills had attended site during the previous week and would prepare a valuation report for the benefit of the banks (and the University) shortly.
- The property due diligence work being undertaken by the external law firm Mills and Reeve was ongoing. The Clerk said that Certificates of Title for some properties had been prepared and shared with Eversheds; the banks' lawyers. The Clerk anticipated that a number of queries would follow and the volume of work carried out at the banks' request would continue to be significant.
- The Vice-Chancellor reported that due to the banks' latest expected challenge on the financial forecasts, there was still significant work to be done in preparation for the University's trustees to be in a position to consider granting the banks security over some of the University's freehold assets in order to secure covenant re-sets going forward. The Committee members noted that such consideration would have to be undertaken in accordance with the requirements of section 124 of the Charities Act 2011 and professional advice would need to be prepared by professional advisors relating to the necessity of any grant of security together with the reasonableness and sustainability of the banks' proposed revised loan terms. It was not a decision which could be taken in the absence of any of the required contextual information.
- The Vice-Chancellor would continue to provide regular updates to the Chairs' Committee members together with the other Governing Body members as necessary.

## NOTED

### Items for Approval

#### **8. Chairs Committee Terms of Reference and Work Plan for 2020/21 and Compliance Statement for 2019/20 and Committee Work Plans for 2020/21 [Paper N33] (Item 7)**

The Clerk presented the draft Chairs Committee Terms of Reference and a Committee Work Plan for 2020/21 for approval. There were no proposed substantive changes to the Terms of Reference which had been updated to reflect the new CUC HE Code of Governance. The Committee had been fully compliant with its Work Plan for 2019/20. The Committee noted this together with the 2020/21 Work Plans for the Finance and Resources and the Audit Committees.

## APPROVED

#### **9. Membership of the Governing Body [Oral Update] (Item 8a)**

The Chairs noted that several Governors' terms of office would be expiring within the current academic year. The Clerk said that a Staff Governor election process would be undertaken in the following calendar year as the terms of office for all three Staff Governors would expire on 31 July 2021.

Committee members also noted that the recommendation to the Governing Body for its approval of a new Chair / Pro-Chancellor from 1 August 2021 was likely to lead to a requirement for a nomination process for a new Chair of the Finance and Resources Committee, with effect from 1 August 2021.

#### **NOTED**

#### **10. Naming of Building 2 [Paper N35] (Item 9) \* STRICTLY CONFIDENTIAL: RESTRICTED ITEM \***

The Chairs Committee, having delegated authority of the Governing Body to act as the Nominations Committee for the University in respect of the naming of the University buildings, rooms and facilities, considered paper N35. The Committee members expressed their support for the proposed name and noted that at its meeting in November 2019, it had approved the recommended name in principle, but agreed that their approval in principle was subject to:

- possible further recommendations received in due course; and
- due diligence checks and subsequent approval of the personal representatives of the estate of the person in question.

The Committee noted that due diligence checks had been completed but agreed that it would be wise to hold off approving the name in case a significant donation for naming rights was received in the interim period.

The Vice-Chancellor said that he sought the Committee's approval that a room or wing of Building 2 be named the Garfield Weston Room or Wing following a £500k donation from the Garfield Weston Foundation. The Committee considered this request and agreed that it met the principles and criteria set out in the University's Naming of Buildings, Rooms and Facilities policy.

**RESOLVED** that the Chairs Committee, acting as Nominations Committee:

- (a) would consider the naming of Building 2 (STEM Building) again should such a donation be received in the interim period. In the absence of any such donation, the Committee would approve the name previously considered; and
- (b) granted its approval for a room or wing of Building 2 to be named 'the Garfield Weston' Room / Wing. This would be reported to the Governing Body at its next meeting on 24 November 2020.

#### Items for Noting

#### **11. Application to the Charity Commission for Ex-Gratia Payment [Oral Update] (Item 10)**

The Clerk updated the Committee in relation to an application which had been made to the Charity Commission earlier in the year following members' consideration and approval. The Clerk said that the Charity Commission had determined that the

application for the ex-gratia payment must be made by the surviving trustees of the charitable trust fund. A further update would be provided in due course.

**NOTED**

## **12. CUC HE Code of Governance [Paper N36] (Item 11)**

The Clerk said that the Committee had considered a compliance statement against the provisions of the draft CUC code in March 2020. The Clerk presented a revised gap analysis demonstrating the University's significant compliance with the newly published CUC HE Code of Governance. The Committee noted that the follow up work after the KPMG review of Governance Effectiveness and the Articles refresh (Agenda Item 12 refers) was expected to address any gaps in compliance. The Committee Chairs noted the updated code and revised compliance statement.

**NOTED**

## **13. Governance Task and Finish Group Feedback on External Governance Review, the Articles and Exempt Charity status including minutes of the Governance Task and Finish Group Meeting [Paper N37] (Item 12)**

The Clerk presented Paper N37 to the Committee together with input from the Chair of the Audit Committee (in his capacity as Chair of the Governance Task and Finish Group ('GTFG')). The Committee noted the outcome of the GTFG meeting which had taken place on 27 October 2020 and the draft revisions to the Articles as presented to the GTFG. Committee members discussed the points set out in the paper for their consideration and the following points were made:

### Draft Revised Articles

Chairs supported:

- strengthening the provisions in the Articles enshrining the University's commitment to the principle of Freedom of Speech within the law;
- the suggested maximum term of office for Governors (10 years), to remove the possibility currently allowed for in the Articles, for a Chair of a committee to have their term of office re-set on a continual basis;
- an annual performance review of the Chair of the Governing Body undertaken by a Senior Independent Governor;
- an amendment to enable co-opted independent members to be appointed to any of the Governing Body's committees; and
- deletion of the reference to the 'Visitor' (on page 130) which was an obsolete reference to an historical role (adopted by a Bishop or similar person) of the last point of an organisation's appeals process.

Chairs did not support:

- the Chair of the Audit Committee automatically becoming the Senior Independent Governor; and
- the Students' Union's proposal for any one of its four presidents to be permitted to act as the Student Governor on the Governing Body.

### Governance Effectiveness Review

Chairs supported:

- the position adopted by the GTFG in relation to the classification of agenda items.

Finally, Chairs requested that the marked-up version of the Articles be further amended to reflect the discussions at the GTFG and the Chairs Committee before presentation to the Governing Body at its November meeting.

**NOTED**

Items for Information

**14. Register of Interests Summary [Paper N38] (Item 13)**

The Clerk presented Paper N38. The Committee members noted the summary of Governors' registered interests for publication on the University's website.

**NOTED**

**15. Any Other Business**

There was none.

**16. Date of next meeting**

The next meeting of the Chairs Committee was scheduled to take place on 4 March 2021 at 12.30pm.

The Chair declared the meeting closed at 2.27pm.

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