

Minutes of the Board meeting of the Board of Governors of Glyndwr University held on **Friday 30<sup>th</sup> November** 2018 at 9.00 am in 1887, Plas Coch, Wrexham.

**Present**

Mr Paul Barlow  
 Mrs Laura Gough  
 Mr Angus Hamill-Stewart  
 Mr Colin Heron  
 Professor Maria Hinfelaar  
 Mr Kieran Irwin  
 Mrs Celia Jenkins (*present for items 18.28 to 18.37*)  
 Professor Sandra Jowett  
 Mr Paul McGrady  
 Dr Jayne Mitchell  
 Mrs Judy Owen  
 Ms Maxine Penlington (Chair)  
 Mr Lee Robinson  
 Dr Colin Stuhlfelder (*present for items 18.28 to 18.37*)  
 Mr David Subacchi  
 Mrs Caroline Whiteley (*present for items 18.28 to 18.38*)

**Officers:**

Mr David Elcock (*Director of Finance*) (*item 18.31 onwards*)  
 Mr Pete Gibbs (*Director of Human Resources*)  
 Mrs Lynda Powell (*Director of Operations*) (*item 18.31 onwards*)  
 Professor Claire Taylor (*Deputy Vice Chancellor*) (*item 18.31 onwards*)  
 Dr Aulay Mackenzie (*PVC Partnerships*) (*present for items 18.31 to 18.38*)

**Apologies:**

Mr Askar Sheibani  
 Mr Barrie Jones

**In Attendance:**

Mrs Val Butterworth (Clerk to the Board)

<b>18.28</b>	<b>Welcome and apologies</b>	
	Members were welcomed to the meeting and apologies were noted. Mrs Whiteley was welcomed to her first Board meeting.	
<b>18.29</b>	<b>Declarations of interest</b>	
	There were no interests declared regarding any items on the agenda.	
<b>18.30</b>	<b>Membership</b>	
	<b>Received:</b> A report and recommendations from the Nominations and Governance Committee.  <b>18.30.01 Chair of the Board</b> <i>Ms Penlington left the meeting for discussion of her appointment.</i>  <b>Resolved:</b> To APPROVE the re appointment of Ms Penlington for a second term of office and APPROVE her re appointment as Chair of the Board to 31 <sup>st</sup> March 2022.	

	<p><b>18.30.02 Vice Chair of the Board</b>  <i>Mr Paul Barlow left the meeting for discussion of this item.</i></p> <p>Following a nominations process, Mr Barlow had been nominated and seconded for the position of Vice Chair.</p> <p><b>Resolved:</b>  To APPROVE the appointment of Mr Paul Barlow as Vice Chair of the Board, noting that his term of office would re commence.</p> <p><b>18.30.03 Membership search</b>  The Clerk updated members on the search for a new governor to fill the current vacancy. A high standard of applications had been received.</p> <p><b>Resolved:</b>  To NOTE the report.</p>	
<b>18.31</b>	<b>Minutes</b>	
	<p><b>Received:</b>  Minutes of the meeting held on 12<sup>th</sup> October 2018.</p> <p><b>Resolved:</b>  That the minutes were a true and accurate record of the meeting.</p>	
<b>18.32</b>	<b>Matters arising</b>	
	<p><b>Received:</b>  A matters arising report provided by the Clerk.</p> <p><b>Reported:</b></p> <p><b>18.32.01 Vice Chancellor's report (minute 18.07)</b>  Members were updated on the budget announcement regarding the North Wales Growth Deal. The UK Chancellor had announced £120m of funding from the UK Government for the North Wales Growth Deal and this would be match funded by Welsh Government. This left a gap in funding to enable completion of all 16 projects within the Growth Deal. A meeting was scheduled to take place on 7<sup>th</sup> December to discuss the way forward.</p> <p>In the meantime a meeting of the Finance Directors of the university and college partners had taken place to discuss potential models for interest charges for each project. They had come to a common position and the interest costs are expected to be modest and proportionate to each institutions' projects.</p> <p><b>Resolved:</b>  To NOTE the report.</p>	
<b>18.33</b>	<b>Students' Union</b>	
	<p><b>Received:</b>  Report from the Students' Union President.</p> <p><b>Resolved:</b>  To NOTE the report.</p>	
<b>18.34</b>	<b>Draft annual report and financial statements</b>	

**Received:**

- (i) Draft annual report and financial statements for year ended 31<sup>st</sup> July 2018.
- (ii) Annual report of the Audit Committee 2017/18
- (iii) Internal Auditors annual report 2017/18

**Reported:**

The Director of Finance presented the financial statements and key points from the discussion are highlighted below.

- (i) There had been no significant changes since the statements were considered by the Strategy and Finance and the Audit Committees.
- (ii) The financial accounting operating surplus was £1.01m with a net surplus after pension costs of £412K. The reasons for the difference from the projected outturn had been explored in detail by Strategy and Finance Committee.
- (iii) The group's cash balance was £4.1m at the end of the year which was ahead of the forecast position.
- (iv) The University's reserves had increased to £30m compared to £16.7m in 2015/16; this was largely due to actuarial gains on the pension scheme valuation.
- (v) The London Campus had been closed as had the Optic Glyndŵr subsidiary company. Wrexham Student Village was not recognised in the 2017/18 statements as the acquisition had been completed after 31<sup>st</sup> July 2018.
- (vi) Glyndŵr Innovations Ltd (GIL) had returned a loss which in part was associated with the changes made the previous year to apply the true cost of its activities against its budget, but also due to a number of contracts that had been awarded later than anticipated and some that hadn't come to fruition. Since the year end however GIL had been awarded two major contracts and a WEFO grant totalling £6.8m. It was noted that robust cost and project management would be required for the projects particularly those with European obligations. Dedicated project management was built into the WEFO grant.
- (vii) North Wales Science had returned an agreed modest loss due to having taken on a short term lease on town centre accommodation in anticipation of the outcome of the Inspiring Science Fund bid. Feedback from the Inspiring Science Fund had been welcomed, and a meeting was scheduled to take place with the Fund on 4<sup>th</sup> December. It was anticipated that a decision would be made before Christmas.
- (viii) The University had provided letters to the Boards of both subsidiary companies to guarantee its continued support of both companies. Strategy and Finance Committee would continue to monitor the financial performance of the companies during 2018/19.
- (ix) Suggestions made by both Strategy and Finance Committee and Audit Committee to enhance the annual report had been included in the final version presented.
- (x) The Auditors had indicated that they would be issuing an unqualified audit opinion.
- (xi) It was noted that there was a requirement to publish the approved annual report and financial statements on 30<sup>th</sup> November in both English and Welsh and this requirement would be met.

**18.34.01 Audit Committee's Annual Report 2017/18**

The Chair of the Audit Committee presented the Committee's report which highlighted the External Auditors' view as reported in their management letter to the Committee. KPMG had made three recommendations for management action, implementation of which would be monitored by the Committee. It was confirmed that the Committee has the power to invite recommendation owners to the meeting for discussion where a

	<p>management action relating to either external or internal audit is not being implemented in a timely manner. To date the Executive had responded well to management actions.</p> <p>The Committee had been pleased to see the employment of a procurement advisor during the year and to have approved a refreshed procurement policy. All internal audits during the year had received a positive assurance opinion.</p> <p><b>18.34.02 Corporate Governance Statement</b></p> <p>Having considered the report of the Audit Committee which drew on the Internal Auditor's annual report as well as the External Auditors management letter, members were comfortable with the content of the corporate governance statement.</p> <p>The Director of Finance and his team were thanked for their significant work in delivering the financial statements for 2017/18.</p> <p><b>Resolved:</b></p> <p>(i) To APPROVE the annual report and financial statements for 2017/18 including the corporate governance statement and AGREE that the Chair should sign the letter of representation to the auditors.</p> <p>(ii) To NOTE the annual report from the Audit Committee.</p> <p>(iii) To NOTE the annual report of the Internal Auditors 2017/18.</p>	
<b>18.35</b>	<b>Annual Sustainability Assurance Report</b>	
	<p><b>Received:</b></p> <p>Annual Sustainability Assurance Report December 2018 and supporting evidence.</p> <p><b>Reported:</b></p> <p>The background to the submission of the ASSuR was provided. It was clarified that the MSI calculation looked at operational cash against total income; and with an improved MSI from the prior year of 7.5%, (6.8% in 2016/17) the University stood within the range of other institutions in Wales which was between 5% and 15%.</p> <p>Members considered the narrative provided against each of the sustainability statements, and those made relating to going concern in addition to the consideration of the financial statement noted above. The Board determined that the University continued to be a going concern and sustainable for the foreseeable future.</p> <p><b>Resolved:</b></p> <p>To AGREE that the University remained sustainable for the foreseeable future and APPROVE that the Chair be delegated to sign the ASSuR Statement on behalf of the Board for submission to the Funding Council.</p>	
<b>18.36</b>	<b>Report from the Quality and Standards Scrutiny Panel</b>	
	<p><b>Received:</b></p> <p>(i) Notes, report and recommendations of the Quality and Standards Scrutiny Panel.</p> <p>(ii) Update on implementation of the recommendations arising out of the pilot HEFCW quality assurance review June 2017.</p> <p><b>Reported:</b></p> <p>The Chair of the Board's Quality and Standards Scrutiny Panel presented the report. She highlighted that the Panel had revisited and considered the reports provided to the Board during the year as well as having early sight of the Academic Board reports later on the agenda, noted at minute 18.41; and which members had taken into consideration, in addition to the Panel's report, when reaching their conclusions.</p> <p>The Panel had been strengthened with the addition of new members and a thorough process had been undertaken in scrutinizing the documentation provided. The Panel</p>	

	<p>had considered the progress to implement the recommendations made in 2017 and made further recommendations for 2018/19.</p> <p>Overall the Panel had a sense of a culture of continuous enhancement and improvement and recommended the Board's approval of the signing and submission of the five assurance statements for 2017/18.</p> <p><b>Resolved:</b> To APPROVE confirmation of the five quality and standards assurance statements and the signing of the statements by the Chair of the Board for submission to HEFCW.</p> <p>To AGREE to accept the recommendations for improvements made by the Quality and Standards Scrutiny Panel.</p> <p>To NOTE the progress report of recommendations arising out of HEFCW's pilot quality and standards assurance review.</p> <p>To NOTE the reports provided by Academic Board as part of the evidence base to support the assurance statements.</p>	
<b>18.37</b>	<b>Quality Enhancement Review</b>	
	<p><b>Received:</b> Draft Change Report and Self Evaluation Analysis (SEA).</p> <p><b>Reported:</b> The Deputy Vice Chancellor explained the purpose of both the Change Report and the SEA. Since the draft had been issued to members significant work had been undertaken to address feedback received from several internal and external sources including the Student Council.</p> <p>Noting that the document needed to be evaluative and self-reflective the Board provided general advice that included:</p> <ul style="list-style-type: none"> <li>(i) balancing the descriptions of the period of turbulence and the relative newness of the Executive Team and the Governors, with assurance about the continuous security and oversight of academic quality and standards;</li> <li>(ii) ensuring 'change' was not used interchangeably with 'enhancement' as they were different, and strengthening the enhancement theme, including making reference to the enhancement framework earlier in the document;</li> <li>(iii) reflecting on the frequency of references to the newness of policies and processes;</li> <li>(iv) using evidence to demonstrate how challenging situations had been dealt with;</li> <li>(v) demonstrating engagement with the student body as a whole and not just with the Students' Union;</li> <li>(vi) ensuring the document reflects coherent and co-ordinated oversight of academic quality and standards;</li> <li>(vii) considering the order of the sections to ensure the flow of the narrative.</li> </ul> <p>If there was time it was suggested a glossary of acronyms might be helpful.</p> <p><b>Resolved:</b> To ENDORSE the draft Change Report and Self –Evaluation Analysis.</p>	

	To AGREE to delegate review of the final draft of the documentation to members of the Quality and Standards Scrutiny Panel through circulation.	
<b>18.38</b>	<b>Strategic Planning and Engagement Document</b>	
	<p><b>Received:</b> Draft Strategic Planning and Engagement Document (SPED)</p> <p><b>Reported:</b> It was reported that to date submission of the SPED had been an annual requirement and this year sought information on performance for 2017/18. As the continuation of the SPED was under review by HEFCW, targets for 2018/19 had not been requested.</p> <p><b>Resolved:</b> To NOTE the draft SPED and AGREE delegated authority to the Chair to APPROVE the final version for submission to HEFCW.</p>	
<b>18.39</b>	<b>Financial Management Report</b>	
	<p><b>Received:</b> Quarter 1 financial management report (August to October 2018)</p> <p><b>Reported:</b> The Director of Finance presented the report and the reasons for the new format. The following points were highlighted:</p> <ul style="list-style-type: none"> <li>(i) The level of returning students had impacted on the budget and some savings would be required in year to ensure a retained surplus, although forecast income levels were prudent.</li> <li>(ii) Fixed assets had increased following the acquisition of Wrexham Student Village as had the corresponding debt as a result of the loan arrangement.</li> <li>(iii) A new liquidity graph had been included which shows the three instances where the working capital facility would need to be accessed temporarily, although the HEFCW capital funding received would help alleviate the level required until it is spent.</li> <li>(iv) Performance against the financial loan covenants had been included in the report; all had been met for the first quarter and were forecast to be met for the full year.</li> <li>(v) No funding in relation to part-time credits had been returned to HEFCW in 2017/18; and members noted the remaining credits that needed to be delivered by 31<sup>st</sup> July 2019.</li> <li>(vi) Staff costs were stable, although as a percentage of a lower forecast turnover they were higher.</li> <li>(vii) It was noted that the £1m cash repayment off the AIB loan would be due in August 2019 when the University would have a high level of cash; and the impact would be seen in cash levels in 2019/20, subject to capital receipts.</li> </ul> <p>Members went on to discuss the reduction in the forecast pension provision interest based upon early indications by the actuaries of the likely level. Members were cautious about over reliance on this reduced level given risks that it may change, alongside the need to secure an appropriate level of surplus which demonstrates improvement on previous years. Members noted the Executive's reasoning for the revised pension interest provision and asked the Executive to continue with close monitoring of income, including any deterioration in student recruitment income against forecast, reflect on the forecast income targets and continue to exercise tight control of expenditure</p>	<b>DE</b>

	<p>Members welcomed the new presentation format and requested a small number of amendments:</p> <ul style="list-style-type: none"> <li>(i) The KPIs should be moved to the front of the report with the full year and year to date provided as well as both operational and net surplus in the same format as the tables showing the performance of the subsidiary companies;</li> <li>(ii) It would helpful to see the faculty staff costs as a percentage of income in line with the way it was shown for the subsidiary companies;</li> <li>(iii) Adjust the presentation of the covenants so that actual and forecast data are clearer;</li> <li>(iv) Increase the size of the liquidity table so that is more easily readable and show the impact of the £1m repayment on the AIB loan.</li> <li>(v) Members would find it helpful to have some commentary included in research bids that are being submitted and their likelihood of being achieved.</li> </ul> <p><b>Resolved:</b> To NOTE the report.</p>	<b>DE</b>
<b>18.40</b>	<b>Campus 2025</b>	
	<p><b>Received:</b></p> <ul style="list-style-type: none"> <li>(i) An update report on progress of Campus 2025.</li> <li>(ii) Proposed phasing diagram</li> <li>(iii) Planned maintenance programme</li> <li>(iv) Prioritisation of phase 0 diagrams</li> <li>(v) Updated governance framework for Campus 2025 approvals</li> </ul> <p><b>Reported:</b></p> <p>The report was taken as read and the Director Operations and the Director of Finance highlighted that the £750k of capital funding for Campus 2025 refurbishments had been received from HEFCW and would be spent by 31<sup>st</sup> July 2019. Business cases for each of the identified capital projects would be presented to Strategy and Finance Committee in February 2019. The refurbishment projects were anticipated to be undertaken between May and July 2019.</p> <p>Wrexham County Borough Council's special planning committee are due to meet in the New Year and the outcome was expected by the end of January/beginning of February. At the Council's request the University had provided some additional information on highways, ecology and conservation.</p> <p>The offers received on the surplus land adjacent to Wrexham Student Village were being finalised and an options paper and relevant charities reports would be presented to the Board for consideration in January. Members were updated on the aims of Gateway Partnership Group.</p> <p>Following the Board's approval to lease Collier's Park to the Football Association of Wales and signing of the development agreement, improvement works were underway. It had come to light that to support the improved facilities Scottish Power would need to locate a substation on the site. There is no material impact on the Board's previous decision and no cost to the University, however a small parcel of the land already leased to the FAW will now need to be leased to Scottish Power on which to locate the substation. The relevant reports were being commissioned.</p> <p><b>Resolved:</b> To NOTE the report.</p>	

	<p>To APPROVE the holding of a special Board meeting in January 2019 to consider and make a decision on the offers for the surplus land adjacent to WSV.</p> <p>To APPROVE delegation to the Chair of the Board to consider relevant documentation and sign the 99 year lease to Scottish Power to locate a substation on Collier's Park.</p>	
<b>18.41</b>	<b>Chair's report</b>	
	<p><b>Reported:</b>  The Chair reported that she had attended a range of meetings and events on behalf of the University since the October Board, including presenting to a Vietnamese delegation on governance in Welsh universities hosted by Universities Wales on 13<sup>th</sup> November and the Armistice concert by the Wrexham Symphony Orchestra.</p> <p>The visit by the Cabinet Secretary for Education on 15<sup>th</sup> November to see first-hand how the University is fulfilling its civic mission had been successful and the Minister had been impressed with the depth of the University's engagement. A group of governors had enjoyed a tour and meetings with staff in the Faculty of Social and Life Sciences on 29<sup>th</sup> November.</p> <p>Members were reminded about the date of the announcement of the University's new Chancellor and the date of the installation which had been scheduled for 12 noon on 15<sup>th</sup> February.</p> <p>The Clerk would contact governors after the meeting regarding the date for the January Special Board meeting and the development day that had been agreed as a result of the Board's effectiveness review.</p> <p><b>Resolved:</b>  To NOTE the report.</p>	
<b>18.42</b>	<b>Academic Board</b>	
	<p><b>Received:</b></p> <ul style="list-style-type: none"> <li>(i) A report of matters considered at the November 2018 Academic Board meetings.</li> <li>(ii) Research integrity annual report 2017/18</li> <li>(iii) Annual standards overview report 2017/18</li> <li>(iv) External Examiners overview report 2017/18</li> <li>(v) Annual report on student complaints 2017/18</li> <li>(vi) Annual student conduct report 2017/18</li> <li>(vii) PSRB register and current activity</li> <li>(viii) WGU Degree outcomes report 2017/18 report</li> <li>(ix) Destination of Leavers Survey from HE 2015/17 report</li> <li>(x) Student Engagement in Quality Assurance and Enhancement Policy</li> </ul> <p><b>Reported:</b>  The Vice Chancellor highlighted key points from the report including that Academic Board had approved the Student Engagement in Quality Assurance and Enhancement Policy.</p> <p>There has also been discussion regarding the Degree outcomes report in light of the national upward trend in the awarding of first and upper second class degrees. The University has seen an increase in these higher level degree awards but the increases were modest and behind the sector average. The UK Standing Committee for Quality Assessment had recently launched a consultation on proposed changes to the degree classification system in the UK to seek common criteria and scoring systems to determine final degree classifications.</p>	

	<p><b>Resolved:</b> To NOTE the Academic Board Report and associated annual reports.</p> <p>To APPROVE the Research Integrity annual report 2017/18 for publication.</p>	
<b>18.43</b>	<b>Corporate Strategic Risks</b>	
	<p><b>Received:</b> (i) A summary of the University's corporate strategic risks. (ii) Corporate risk register</p> <p><b>Reported:</b> The Chair of Audit Committee highlighted that following review by management there had been a renaming of two risks to better reflect the current situation, and the Committee had asked management to reflect on risks relating to external negative perceptions of the HE sector in light of the media attention regarding tuition fees, senior staff pay, value for money, grade inflation, increase in unconditional offers. The Committee had also suggested that management undertake some stress testing of a number of scenarios to determine which would have the most significant negative impact on the University.</p> <p><b>Resolved:</b> To NOTE the report.</p>	
<b>18.44</b>	<b>Circulars and consultations</b>	
	<p><b>Received:</b> Briefing on the content of the HEFCW circular relating to the NSS 2019.</p> <p><b>Resolved:</b> To NOTE the report.</p>	
<b>18.45</b>	<b>Application of the University Seal</b>	
	<p><b>Received:</b> Report on the application of the University seal since July 2018.</p> <p><b>Resolved:</b> To NOTE the report.</p>	
<b>18.46</b>	<b>Committees of the Board</b>	
	<b>18.46.01 Strategy and Finance Committee</b>	
	<p><b>Received:</b> (i) Report of the meeting held on 9<sup>th</sup> November 2018. (ii) Proposal and recommendation regarding a Greenfield Lease at Northop Campus including a Charities Report. (iii) Ethical Fundraising and Donations Policy</p> <p><b>Reported:</b> The proposal and recommendation regarding the Greenfield Lease on the Northop Campus was explained. The mast had been in position when the University had acquired the Northop campus and it took up a very small area. It was noted that hosting of masts including those on top of buildings could generate reasonable income levels.</p> <p>It was noted that there were break clauses and rent reviews scheduled into the lease as well as the ability to give notice after the first five years with 12 months' notice, in the event that the University wishes to redevelop the Northop site.</p>	

	<p>Members requested that where revised policies were being presented that the changes from the original were shown.</p> <p><b>Resolved:</b> To NOTE that the minutes had been circulated in advance of the Board papers.</p> <p>To NOTE the report of the Committee.</p> <p>To APPROVE the Ethical Fundraising and Donations Policy.</p> <p>To APPROVE the letting of a 25 year lease to Cornerstone Telecommunications Infrastructure Ltd and to delegate signing and sealing to the Chair and one other governor.</p>	
	<b>18.46.02 Human Resources Committee</b>	
	<p><b>Received:</b> (i) Report of the meeting held 8<sup>th</sup> November 2018</p> <p><b>Reported:</b> The Chair of the Committee highlighted key matters from the report, including that KPIs to monitor health and safety were being reviewed by management's Safety, Health and Environment Committee and would be mapped against the previous KPIs with the rationale as to the continuation or discontinuation of each one.</p> <p>The Staff Engagement Survey response deadline had been extended to 7<sup>th</sup> December with a target 70% completion rate.</p> <p><b>Resolved:</b> To NOTE that the minutes had been circulated in advance of the Board papers.</p> <p>To NOTE the report of the meeting.</p>	
	<b>18.46.03 Audit Committee</b>	
	<p><b>Received:</b> (i) Report of the meeting held 17<sup>th</sup> November 2018.</p> <p><b>Reported:</b> The Chair highlighted key matters from the report, including that the University would need to go out to tender for external audit services during 2019.</p> <p><b>Resolved:</b> To NOTE that the minutes had been circulated in advance of the Board papers.</p> <p>To NOTE the report of the meeting.</p> <p>To APPROVE the appointment of KMPG as the University's external auditors for 2018/19.</p> <p>To APPROVE the appointment of RSM as the University's internal auditors for 2018/19.</p>	
<b>18.47</b>	<b>Fee and Access Plan Monitoring</b>	
	<p><b>Received:</b> Paper seeking delegated authority for the Chair to approve the Fee and Access Plan Annual Monitoring Statement. (circulated for consideration under Any Other Business).</p> <p><b>Reported:</b></p>	

	<p>It was highlighted that the University had been preparing Annual Monitoring Statements (AMS) annually in September. However under the HE (Wales) Act 2015 the AMS relating to the 2017/18 Fee and Access Plan would be the first that would require Board sign off. It had come to light very recently that the date for this would be mid-January and a HEFCW circular was expected imminently.</p> <p><b>Resolved:</b> To NOTE the report.</p> <p>To APPROVE delegated authority to the Chair of the Board to review and sign the AMS following scrutiny and recommendation by the Vice Chancellor's Board.</p>	
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