

**TEESSIDE UNIVERSITY
BOARD OF GOVERNORS**

A meeting of the Board of Governors was held on 6 July 2018.

Present:	Mr P Booth OBE Mr R Bloom Mr D Cooley Mr R Cuffe Ms S Khan MBE Mrs H Page Mr A Richardson	Mr C J Fleetwood Professor P Croney Mr J Cross Professor P Jones Mr A MacColl (Chair) Mr T Platt Mr G Worsdale OBE
Apologies:	Dr J Atkinson Mr J Hogg Ms S McArdle Mr S R Tonks Mr I Wardle	Ms A Burns Ms Sue Kiddle Mr D Russell Professor J Turner OBE
Officers:	Ms J Amos Mrs H Cutting (Secretary) Mr M Page Mrs S Thompson (Asst Secretary)	Dr D Bell Professor S Hodgson Professor M Simpson

The Chairman welcomed Mr Andrew Richardson to his first meeting of the Board.

TU 3415 DECLARATIONS OF INTEREST

It was **NOTED**:

1. That no declarations of interest were made regarding matters on the Agenda.

TU 3416 COMMITTEE TERMS OF REFERENCE & WORK PLANS

It was **NOTED**:

1. That the terms of reference and associated work plans for each Committee have been reviewed resulting in minor amendments, including references to HEFCE being replaced with OfS (Office for Students).
2. That, going forward, a review of the Student Experience Committee will take place to consider an alternative solution for embedding student engagement and academic governance into the Board's activities.

It was **AGREED**:

3. To approve the revised Terms of Reference and Work Plans for each of the following committees:

Audit Committee
Resources Committee
People & Organisational Development Committee

TU 3417 MINUTES – 25 MAY 2018

It was **AGREED**:

1. To approve, as an accurate record, the minutes of the meeting held on 25 May 2018.

TU 3418 VICE-CHANCELLOR'S REPORT

It was **NOTED**:

[FOI Exempt - Prejudicial to Commercial Interests and Personal Information].

TU 3419 CAPITAL AND ESTATES PROGRAMME 2017/18 – UPDATE NO 5

It was **NOTED**:

1. That Members have received the Capital and Estates Programme Monitoring Update No 5 for the 2017/18 financial year and noted the positive progress to date.
2. That demolition of Centre House is scheduled for October 2018, making way for the development of the Student Life Building.
3. That demolition of the Brittan Building in November 2018 is the catalyst for the creation of a new Northern Gateway from the Campus Hart to the town centre and will also showcase the new civic entrance to the new Business School.

TU 3420 CAPITAL BUDGET 2018/19 AND ESTATES PROGRAMME 2018-2023

It was **NOTED**:

1. That Members have received the Capital Budget 2018/19 and Estates Programme 2018-2023 which has previously been considered by the Resources Committee at its meeting on 27 June 2018, and recommended for approval by the Board.
2. That key headlines for the proposed Capital Programme 2018-2023 include:
 - A capital programme of **[FOI exempt – Prejudicial to Commercial Interests]** is proposed over the 5 year period
 - A significant capital budget of **[FOI exempt – Prejudicial to Commercial Interests]** is proposed for 2018-19
 - Investment is based upon the University Estates Strategy and Campus Masterplan (2016-2026) agreed by the Board in March 2017
 - Investment is focussed upon academic provision; student experience and support; and student accommodation
 - Based on current forecasts the majority of the capital programme is cash funded, supplemented by an assumed **[FOI exempt – Prejudicial to Commercial Interests]** of debt leverage in 2019/20 **[FOI exempt – Prejudicial to Commercial Interests]** and 2020/21 **[FOI exempt – Prejudicial to Commercial Interests]** proposed in respect of the Gresham Student Accommodation development
 - The Capital Programme will continue to retain flexibility and fluidity to respond to changing strategic requirements as required
 - External funding opportunities will continue to be sought as part of the 2018-2023 programme.
3. That key projects to be delivered through to 2023 as part of Campus Masterplan Phases 1 and 2 include:
 - Business School
 - Demolition of Centre House and Brittan Building
 - Student Life Building
 - National Horizons Centre
 - Woodlands Student Residential Accommodation Phase 1
 - Gresham Student Residential Accommodation
 - Strategic Acquisitions
 - Students' Union Phase 1
 - Digital Production Centre
 - School Zoning
 - Northern Gateway
 - Teaching Space Development
 - New Social Learning Spaces

- Significant Capital Equipment and IT Infrastructure Investment

It was **AGREED**:

4. To approve the inclusion, within the financial forecasts, of the expenditure on the estate for the period 2018/19 – 2022/23, on the understanding that any major projects will require specific Board authorisation.
5. To approve the 2018/19 Capital Budget on this basis.

TU 3421 REVENUE BUDGET MONITORING UPDATE NO 5 AND REVENUE BUDGET 2018/19 AND 5-YEAR FINANCIAL FORECASTS 2018-2023

It was **NOTED**:

1. That Members have received a detailed report on the 2018/19 budget and financial forecasts 2018-2023 ('The five-year forecast').
2. That it is now a requirement of the Office for Students (OfS) that the University is to submit full financial forecasts for the five-year period 2018/19 to 2022/23.
3. That the report has been considered by the Resources Committee at its meeting held on 27 June 2018, and recommended to the Board for approval.
4. That the 2018-2023 Forecast headlines include:
 - All Corporate Financial KPIs and Financial Strategy Objectives forecast to be met over the period
 - Further growth in student numbers over the period
 - Significant Income Growth over the period (**[FOI exempt – Prejudicial to Commercial Interests]**).
 - Focus on growth and downward pressure on staffing cost base
 - Appropriate provision made for pay award, cost pressures, growth and efficiencies
 - Strong Capital Programme to continue delivery of Campus Masterplan
 - Capital Programme includes significant Student Accommodation investment
 - Debt requirement of circa £20m for **[FOI exempt – Prejudicial to Commercial Interests]**, built in
5. That Forecast Growth and Investment includes:
 - Further growth in student numbers is assumed across the forecast period
 - International, Business School, ODL and PG remain key areas of focus for growth and, along with Student Accommodation, have been supported with investment
 - Support to Research including Professors recruitment
 - Further significant IT and Equipment investment
 - Digital Investment focussed on Future Facing Learning and Process Automation
 - Significant Capex investment will be delivered over the period

6. That Forecast Risk and challenges include:
 - Continued challenging student recruitment context and market.
 - A need to diversify and grow income streams
 - Need to address cost base challenge
 - Health and Social Sciences
 - Potential Fee Reduction – Scenario and Stress Testing underway
7. That all financial KPIs are anticipated to be fully achieved.

It was **AGREED**:

8. To approve the 2018 five-year forecast for submission of the OfS.
9. To approve the 2018/19 Revenue Budget; and
10. Authorise Officers to allocate budgets for 2018/19 in line with the current Forecast.

TU 3422 STUDENTS' UNION BLOCK GRANT

It was **NOTED**:

1. That, it is a requirement of the Education Act 1994, that 'appropriate arrangements should exist for the approval of the Students' Union budget and the monitoring of its expenditure by the Governing Body'.
2. That the budget for 2018/19 includes an increase of **[FOI exempt – Prejudicial to Commercial Interests]**, which represents an increase of **[FOI exempt – Prejudicial to Commercial Interests]**, on the 2017/18 block grant.

It was **AGREED**:

3. To approve the block grant of up to **[FOI exempt – Prejudicial to Commercial Interests]**, for the year ending 31 July 2019.

TU 3423 STRATEGIC RISK MANAGEMENT UPDATE NO 5

It was **NOTED**:

1. That Members have received an update on Strategic and Operational Risk Management activity.
2. That detailed risk assessments have been prepared for the 10 new risks, previously approved by the Board at its meeting on 25 May 2018.

It was **AGREED**:

3. To endorse the Strategic Risk Management Update and the University's revised Strategic Risk Register.

TU 3424 OJEU – OPT OUT OF EU PROCUREMENT REGULATIONS

It was **NOTED**:

1. That Members have received a report on the risks and opportunities to the University of opting out of the Public Contracts Regulations 2015 by determining its status as a non-contracting authority.
2. That the report presents the University's updated Procurement Strategy, reflecting the opting out.
3. That the main benefits to the University will be the freedom to award contracts for goods, works, and services more flexibly and without having to comply with the complex EU procurement rules.
4. That, despite opting out, a rigorous procurement process will still apply, as per the suggested strategy in the paper.
5. That the report was considered in detail by the Resources Committee at its meeting on 27 June 2018.

It was **AGREED**:

5. To approve the self-determination of status of the University as a non-contracting authority and, as such, the opting out of the Public Contracts Regulations 2015.
6. To approve the revised Procurement Strategy, subject to any minor amendments.

TU 3425 GIFT AID PAYMENTS 2017/18

It was **NOTED**:

1. That, in December 2017, the Financial Reporting Council published its amendments to FRS 102 arising from its triennial review, and although these amendments are not effective until 1 January 2019, with early application permitted, the University proposed to adopt early amendment relating to gift aid payments made within charitable groups.
2. That, this amendment confirms that gift aid payments by subsidiaries of charities are recorded when the subsidiary becomes committed to them and as such the University will be entering into Deeds of Covenant with its relevant subsidiary companies.

It was **AGREED**:

3. To acknowledge the intention of the University Subsidiary Companies, through Deeds of Covenant, to gift aid the lower of their accounting or taxable profits to the University.

TU 3426 TREASURY MANAGEMENT POLICY – ANNUAL REVIEW

1. That, following annual review, Members have been presented with an updated Treasury Management Policy.
2. That the main changes to the Policy include:
 - Adoption of an update to the 2011 Edition CIPFA Treasury Management in the Public Services: Code of Practice, to a 2017 Edition, and that key changes within the Code relate to Value for Money, Benchmarking, and Effective Risk Management.
 - An update to reflect legislative and governance changes
 - Inclusion of references to any new policies e.g. Modern Slavery Policy (Ethical Investment Policy)
 - Update to references to **[FOI exempt – Prejudicial to Commercial Interests]**, the University's treasury advisor, following its sale to **[FOI exempt – Prejudicial to Commercial Interests]**,
 - Removal of the option to invest in Band 2 category of investments as the University does not make investments with institutions with a credit rating of 6 or above.

It was **AGREED**:

3. To approve the reviewed Treasury Management Policy, subject to any minor amendments.
4. To review, annually, the Treasury Management Policy and give authority for any minor amendments or housekeeping updates to be made by the Chief Operating Officer, in consultation with the Chair of the Resources Committee.

TU 3427 OFFICE FOR STUDENTS & RESEARCH ENGLAND FUNDING 2018-19

It was **NOTED**:

1. That Members have received a report on the recent OfS and Research England Funding Announcements.

TU 3428 STUDENTS' UNION CODE OF PRACTICE

It was **NOTED**:

1. That Members have received the Students' Union revised Code of Practice.
2. That the University is required by Section 22 of the Education Act 1994 to take such steps as are reasonably practicable to secure that the Students' Union operates in a fair and democratic manner and is accountable for its finances and that this Code of Practice is brought to the attention of students on an annual basis.

It was **AGREED**:

3. To approve the revised Students' Union Code of Practice for annual publication.

TU 3429 TU ADVANCE SCHEME – JOHN SMITH'S ASPIRE CARD

It was **NOTED**:

1. That, at its meeting on 22 March 2018, the Board received details of the proposed TU Advance Scheme that includes the provision of iPads to academic staff and first year students from September 2018, alongside the provision of **[FOI exempt – Prejudicial to Commercial Interests]**, Aspire cards, credited with £100 per annum for each progressive year of study to assist students with the purchase of course textbooks and other relevant materials.
2. That the Board approved the award of a contract to **[FOI exempt – Prejudicial to Commercial Interests]**, for the provision of iPads and associated servicing/maintenance in academic years 2018/19 and 2019/20.
3. That the contract award to **[FOI exempt – Prejudicial to Commercial Interests]**, did not include the **[FOI exempt – Prejudicial to Commercial Interests]**, Aspire Cards, which would be subject to a separate award.
4. That Members have now been provided with details of the procurement process and that the cards have been sourced by Direct Award, under an existing framework: 'the SUPC (Southern Universities Procurement Consortium) Books, E-books, Standing Orders and Related Material – Inter-regional Agreement – Lot 7', on a ranked basis to the 1st ranked supplier: **[FOI exempt – Prejudicial to Commercial Interests]**.

It was **AGREED**:

5. To note the updated forecast for the TU Advance Scheme expenditure, based on latest student number forecasts.
6. To approve the award of a contract to **[FOI exempt – Prejudicial to Commercial Interests]**, for the provision of the Aspire Cards in connection with the TU Advance Scheme on the terms set out in this paper and for the projected sum of **[FOI exempt – Prejudicial to Commercial Interests]**, inclusive of VAT (although this is not payable on the majority of the contract sum) for the duration of contract.

7. To approve the ability for the Vice-Chancellor and the Chief Operating Officer to agree any increase or decrease in the sums payable to **[FOI exempt – Prejudicial to Commercial Interests]**, under the contract award based on any changes to actual student recruitment figures during the contract term.

TU 3430 PRO VICE-CHANCELLOR PORTFOLIO TEACHING UPDATES

It was **NOTED**:

1. That Members have received an update report on the key activities carried out by the portfolio of each Pro Vice-Chancellor:

[FOI Exempt - Prejudicial to Commercial Interests]

TU 3431 NATIONAL HORIZONS CENTRE – UPDATE

It was **NOTED**:

1. That Members have been presented with an update on the progress of the National Horizons Centre.

TU 3432 HEALTH, SAFETY & WELLBEING QUARTERLY UPDATE – JANUARY-APRIL 2018

It was **NOTED**:

1. That Members have been presented with a quarterly update on Health, Safety & Wellbeing which provides information relating to the University's accident statistics and key initiatives in this area.

TU 3433 CORPORATE PERFORMANCE REPORT – PERIOD 10

It was **NOTED**:

1. That Members have been provided with the Period 10 Corporate Performance Report for 2017/18.
2. That the report covers the period August 2017-May 2018, providing performance to date and forecast outturn information.

TU 3434 EQUALITY & DIVERSITY ANNUAL REPORT

It was **NOTED**:

1. That Members have been provided with the Equality and Diversity Annual Report 2017.
2. That the Report summarises progress made by the University during 2017, against the four-year Equality and Diversity Action Plan (2016-2020), along with key statistical data, including the results of the 2017 Equal Pay Audit.

TU 3435 PEOPLE & ORGANISATIONAL DEVELOPMENT COMMITTEE – 8 JUNE 2018

It was **NOTED**:

That the Committee has considered:

- 1.1 Governance
- 1.2 Annual Equality and Diversity Report
- 1.3 Health and Safety Update
- 1.4 General Staffing Update
- 1.5 Investors in People
- 1.6 National Pay Negotiations

TU 3436 AUDIT COMMITTEE – 18 JUNE 2018

It was **NOTED**:

That the Committee has considered:

- 1.1 Governance
- 1.2 Strategic Risk Management Update No 5
- 1.3 Draft Internal Audit Plan
- 1.4 Health and Safety Audit Plan
- 1.5 UUK Accommodation Code Update
- 1.6 Review of Strategic Risk A – Inability to achieve student enrolment targets
- 1.7 Assurance Framework Update No 5
- 1.8 International Compliance Update No 5
- 1.9 Risk and Control Assurance Update No 5
- 1.10 Internal Audit Progress Report
- 1.11 Implementation of Internal & External Audit Recommendations
- 1.12 External Audit Update
- 1.13 Prevent Duty Update No 5
- 1.14 GDPR Update No 5

TU 3437 RESOURCES COMMITTEE – 27 JUNE 2018

It was **NOTED**:

That the Committee has considered:

- 1.1 2018-23 Financial Forecasts
- 1.2 Revenue Budget Monitoring Update No 5
- 1.3 Capital Budget 2018/19
- 1.4 2018/19 – 2022/23 – Estates Programme
- 1.5 Treasury Management Update No 5
- 1.6 Treasury Management Policy
- 1.7 Gift Aid Payments 2017/18
- 1.8 Opting out of EU Procurement Regulations
- 1.9 Corporate Performance Report 2017/18 – Period 10
- 1.10 OfS & Research England Funding 2018-19
- 1.11 OfS for Students: Regulatory Advice 9: Accounts Direction
- 1.12 Governance
- 1.13 Students' Union Block Grant
- 1.14 Students' Union 2018-19 Update No 4
- 1.15 Capital and Estates Programme Monitoring Report No 5

TU 3438 STUDENTS' UNON UPDATE

It was **NOTED**:

1. That Members have received an update reflecting on activities during the last academic year and plans for the coming year.
2. That activities for the 2017/18 academic year have included:
 - Tees Wear Varsity triumph
 - Final Fling 2018
 - Student Recruitment
3. That the year ahead holds exciting opportunities and challenges and campaign priorities in Semester One include:
 - Student Safety, Consent, and Mental Health
 - Yes to Respect
 - Sexual Health Awareness
 - Drug/Alcohol awareness and doping in sport

TU 3439 SCHEDULE OF MEETINGS & EVENTS

It was **NOTED**:

1. That the following times have been scheduled for meetings of the Board:
 - Friday 28 September 2018
 - Friday 16 November 2018
 - Friday 25 January 2019
 - Friday 29 March 2019
 - Friday 24 May 2019
 - Friday 12 July 2019
 - Friday 27 September 2019
 - Friday 15 November 2019
2. That the summer Graduation Ceremonies will take place, on Campus, from Monday 16 July 2018, to Friday 20 July 2018.