

Confirmed Minutes – including reserved items.

## Board of Governors

Held on 23 November 2023, at 09:30

Present:	Dame Julia Unwin	Chair of the Board of Governors
	Neil Braithwaite	Deputy Chair of the Board of Governors
	Jennifer Adams	Chair, Audit Committee
	Alison Davies	Chair, People Committee
	The Rt Revd Richard Frith	Chair, Foundation Committee
	Prof. Karen Bryan OBE	Vice Chancellor
	Matt Blackstock	Student Governor
	Prof. Graham Henderson CBE DL	Governor
Apologies:	Pauline Waterhouse OBE	Governor
	Dr Ernestine Gheyoh Ndzi	Staff Governor
	Mohammed Ali OBE	Governor
	The Rt Revd Dominic Barrington	Governor
	Andrew Chang	Governor
	Brian Chiyesu	Governor
	Andy Falconer	Governor
	The Rt Rev'd Paul Ferguson	Governor
In attendance:	Mark Fordyce	Governor
	Prof. Richard Bourne	Pro Vice Chancellor (PVC): Education
	Rob Hickey	Chief Operating Officer
	Kathryn Kendon	University Secretary & Registrar
	Prof. Rob Mortimer	PVC: Research & International
	Mia Bryden	Head of Governance and Compliance
Christopher Howell	Minuting Secretary	

### 01/23 Welcome and apologies

The Chair welcomed everyone to the meeting. The Chair extended a further welcome to Pauline Waterhouse, Governor, and Mia Bryden, the Head of Governance & Compliance, who were attending their first meeting of the Board of Governors.

The Chair thanked the Board and Executives for their support during her recent short-term leave of absence. Additionally, the Chair thanked Neil Braithwaite and Karen Bryan, who had covered aspects of the Chair's role over the last few weeks.

Apologies were noted. For quoracy, the Board agreed that items would be provisionally approved at the meeting by those in attendance and ratified via email from those who had sent apologies. Email approval for all items (M10/23 to M27/23) was received by the following Governors before and during the meeting: Andrew Chang, Andy Falconer, Brian Chiyesu and Mohammed Ali.

## **02/23 Declarations of Interest**

Interest in agenda item 12.2: Governor reappointments, was declared by Jennifer Adams, Neil Braithwaite, and Richard Frith. It was agreed that they would leave the meeting for this item.

## **03/23 Board of Governors membership, Statement of Primary Responsibilities and Schedule of Business**

Paper BoG.23.01.01 was received. The University Secretary & Registrar spoke to the paper.

No changes were proposed to the Statement of Primary Responsibilities. The schedule of business had undergone minor amendments, mainly to better reflect the names of items and reduce duplication on the schedule. The Board's membership had been updated for 2023-24.

The Board received the report and:

- a) **approved** its constitution and Statement of Primary Responsibilities; and,
- b) **approved** its schedule of business.

## **04/23 Minutes of the meeting held on 13 July 2023**

The minutes from the meeting held on 13 July 2023 were **approved** as an accurate record.

## **05/23 Matters Arising**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

There was one matter arising.

## **06/23 Chair's report**

The Chair provided an overview of the meeting. The first Board meeting of the year focussed on approvals for a range of statutory items, particularly finance-related. However, there would also be an item focussing on the University's growth, and a separate afternoon session on York St John's next Strategy; the latter would take a similar form to the discovery sessions attended by students and staff. These non-statutory items would allow Governors to explore the future direction of the University, its identity, and the potential risks, opportunities and challenges it would face in the foreseeable future.

The Chair reflected on the previous week's graduation ceremonies and related dinner. The ceremonies had been well attended and successful.

The Board was informed that the recruitment and advertisement for a new Governor would be going live in December. This appointment was to replace Professor Graham Henderson, who would be departing the Board at the end of

the academic year. Governors were advised that they would be contacted to promote the role in the near future.

A further Governor vacancy would also become vacant at the end of the academic year with the departure of Bishop Paul Ferguson; however, under York St John's Articles of Association, this appointment was made by the National Society Council. The Council was currently considering candidates.

The Board **noted** the updates.

#### **07/23 Vice Chancellor's update**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.02 was received.

#### **08/23 Students' Union President's report**

Paper BoG.23.01.03 was received. The Students' Union President spoke to the paper.

Welcome Week had been very successful for the Students' Union (SU). 3000 students had attended the Freshers' Fair. There had been an additional 1000 students following the SU on social media. There had been improved engagement at the London Campus. 70% of all activities were non-alcohol related, which reflected the shifting attitudes of students.

The SU had received positive feedback from the London Campus regarding the new floor and technology available. At the Republic site, strong relationships were being developed with the other universities based there, to offer more activities and opportunities for all students. While promising progress had been made, it was acknowledged that the SU needed to increase its presence at the campus.

As the University continued to grow, the SU was working with Executives, and the Estates and Timetabling departments to make sure space was fully utilised. Some activities were taking place at off-site venues; the relatively small-size of York meant that students were happy to still attend these events.

The cost-of-living crisis and high rents in York continued to be a concern for students, but it was acknowledged the support provided by the University was helping to alleviate some of the pressures e.g., subsidising accommodation, catering, sports and societies costs. It was noted that students are considered to be time and cash poor and this continues to be an area of concern for the Board of Governors.

The Board thanked the Students' Union President for the report and his leadership.

The Board **noted** the report.

**09/23 Key discussion item: Growth**

The Chief Operating Officer spoke to the presentation.

In 2016, the University had:

- 6300 students (0.33% market share), most of which were from Yorkshire or neighbouring counties;
- nine academic schools, with courses largely Arts and Humanities orientated;
- Psychology and Primary Education as the largest disciplines;
- a very limited research activity; and,
- an operating income of £59 million.

Now, the University had:

- over 10,000 students (0.50% market share), with domestic students coming from all over the United Kingdom and 1/3 of the population being international students. This increase was despite raising its tariffs requirements;
- a campus in London;
- five academic schools (excluding London), with a much more diverse portfolio;
- Business Management as its largest discipline, with Psychology and Primary Education in second and third. Furthermore, Computer Science, Criminology, and Law were now all in the top eight largest disciplines;
- a growing research activity, both in terms of output and quality; and,
- an operating income of £78 million.

The Board highlighted how successful the current University Strategy had been. Not only had the University grown significantly, but this growth had coincided with increased quality and rankings improvement e.g., between 30 and 40 places in the Guardian and Sunday Times League tables. Importantly, the University had not compromised its social justice identity and mission for achieving educational outcomes for the benefit of all; for example, 70% of home undergraduate students had a personal attribute that was not normally associated with higher education.

The Board considered the risks, limitations, and opportunities that future growth could provide. This included consideration of: the effect on the University's approach of students being 'a name, not a number'; the University's financial position; national skills shortages; limited physical space; the availability of student accommodation; demographics peaking by 2030; different ways of teaching (e.g., part-time, and online); Trans National Education; and, the sector's outlook (e.g., competition, Government policies and statutory regulations, and frozen tuition fees).

The Board **considered** the presentation on Growth.

**10/23 Letter of Representation from the Board of Governors to the External Auditors 2022-23**

Paper BoG.23.01.04a was received. The Chief Operating Officer spoke to the paper.

The Letter of Representation:

- a) acknowledged the responsibilities of the Board of Governors;
- b) confirmed that the Board of Governors was not aware of any irregularities or occasions where legal or regulatory requirements had been breached; and,
- c) confirmed that the auditors had full access to all records and information required for their audit.

The Board of Governors **approved** the Letter of Representation from the Board of Governors to the External Auditors 2022-23.

**11/23 Year-End Report from External Auditors 2022-23**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.04b was received.

**12/23 York St John University Annual Report and Financial Statements 2022-23**

Paper BoG.23.01.04c was received. The Chief Operating Officer spoke to the paper.

The Board was informed that the Annual Report and Financial Statements had undergone several layers of scrutiny, including by Audit Committee and Finance and Capital Development Committee.

Governors noted the significant impact that changes in certain areas could have on the University's finances, this included: student recruitment, student retention, external policies and regulations, and pension changes.

The Board praised the quality of the Annual Report and Financial Statements. Significant achievements highlighted in the report included work around teaching quality, the student experience, cost of living support and graduate employability.

The Board of Governors **approved** the York St John University Annual Report and Financial Statements 2022-23.

**13/23 Risk Management Policy and Risk Appetite Statement**

Paper BoG.23.01.04d was received. The Chief Operating Officer spoke to the paper.

No changes were proposed to the Risk Management policy or Risk Appetite Statement at this time.

The Board noted that Audit Committee had suggested a further conversation on the University's risk appetite could be valuable in the near future. Risk Appetite is already on the list of potential future discussion topics for the Board.

The Board **approved** the Risk Management Policy and Risk Appetite Statement.

#### **14/23 Board Assurance Framework**

Paper BoG.23.01.04e was received. The University Secretary & Registrar spoke to the paper.

There had been no material changes to the content of the Board Assurance Framework; however, the document had been updated and reformatted, particularly to make the summary of assurance sources' section clearer when reports are tabled at multiple meetings.

The Board of Governors **approved** the Board Assurance Framework.

#### **15/23 Reappointment of the External Auditors**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

#### **16/23 Revenue and Capital Budget 2023-24**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.05a was received.

#### **17/23 Five-year forecast 2023-24 – 2027-28**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.05b was received.

#### **18/23 Capital investment plan 2023-24 – 2025-26**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.05c was received.

**19/23 Peppermill Court Project Status Update**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.05d was received.

**20/23 Governance & Nominations Committee constitution and terms of reference**

Paper BoG.23.01.06 was received. The University Secretary & Registrar spoke to the paper.

Governance & Nominations Committee's constitution and terms of reference had been amended for 2023-24 to update membership and to reflect that the Committee was now responsible for approving the constitution and terms of reference for all other sub-Committees of the Board of Governors.

Governors queried if it was appropriate for major changes to be made to a sub-Committee's remit without the full Board's oversight. The Board agreed that Governance & Nominations Committee's terms of reference would be amended to state that any significant changes to a sub-Committees constitution and terms of reference would still require the Board's approval.

**CH**

The Board **approved** Governance & Nominations Committee's constitution and terms of reference for 2023-24.

*Secretary's note: Governance & Nominations Committee's constitution and terms of reference were updated accordingly after the meeting.*

**21/23 Governor reappointments**

Jennifer Adams, Neil Braithwaite, and Richard Frith left the meeting for this item.

The Chair spoke to the item.

The Board was advised that three people would come to the end of their first terms as Governors on 31 July 2024:

- Jennifer Adams – Co-opted Governor;
- Neil Braithwaite – Co-opted Governor; and,
- The Rt Revd Richard Frith - Representative of the Lord Archbishop of York

Consideration of reappointment included views of the Executive Board, their skillset, and their contributions to the Board.

The Board received the report and:

- a) **approved** the reappointment of Jennifer Adams for a second term as Governor, until 31 July 2027.
- b) **approved** the reappointment of Neil Braithwaite for a second term as Governor, until 31 July 2027.

- c) **approved** the reappointment of the Rt Revd Richard Frith for a second term as Governor, until 31 July 2027.

### **22/23 Academic Board constitution and terms of reference**

Paper BoG.23.01.07a was received. The Vice Chancellor spoke to the paper.

Academic Board's membership had been updated and responsibility around Visiting Professorships and Fellowships had been clarified.

The Board received the report and **approved** the Academic Board's constitution and terms of reference.

### **23/23 Degree Outcome Statement**

Paper BoG.23.01.07b was received. The Vice Chancellor spoke to the paper.

The Degree Outcomes Statement outlined the University's commitment to protecting the value of our degrees. It demonstrated a transparent, consistent and fair approach to academic standards.

The Board was advised that the percentage of students achieving a 1st or 2:1 had returned to pre-Covid-19 levels. This outcome provided assurance that York St John had appropriate assessment practices in place, with no concerns around grade inflation, which was a key sector concern for the Office for Students. The Board noted that recent industrial action had not impacted assessment outcomes; this was against a vastly varied sector backdrop that ranged from no impact to significant issues.

Despite good progress being made, further focussed work was still required to close the attainment gap from Black, Asian and minority ethnic backgrounds, and for students from the most deprived areas.

The attainment gap for mature students continued to improve, with the 2022-23 data showing a further increase in those students graduating with a first or upper second-degree classification.

The Board noted that 78% of permanent academic staff hold a teaching qualification, and 90% a Fellowship of the Higher Education Academy. This showed the University's commitment to using the UK Professional Standards Framework (UKPSF) as a tool for both initial and continuing professional development, and underpinning its ambition to provide high quality learning, teaching, assessment, and research.

The Board **approved** the Degree Outcomes Statement 2022-23 for publication on the University website.

## **24/23 Research Ethics and Integrity Annual Statement 2022-23**

Paper BoG.23.01.07c was received. The PVC: Research & International spoke to the paper.

As part of the University's commitment to the Concordat on Research Ethics and Integrity, there was a requirement to annually provide details of actions and improvements to ethics processes, and to formally record any misconduct investigations.

This year the University had introduced a new software-based system for applying for, and approving, research ethics. The new Ethics Monitor system had received positive feedback from colleagues for making the process simpler and easier to use than old paper-based forms.

Following a query, it was agreed that Executives would see if there were any benchmark measures of ethics and integrity. **KK**

The Board **approved** the Research Ethics and Integrity annual report 2022-23

## **25/23 Prevent Duty Report and Risk Assessment**

Paper BoG.23.01.08 was received. The University Secretary & Registrar spoke to the paper.

The report provided assurance to the Board and to the Office for Students on the University's approach to Prevent during the year from 01 August 2022 to 31 July 2023.

The University did not make any Prevent returns during the 2022-23 academic year. As in previous years, the University was assured it had proportionate and appropriate processes and approaches to fulfil the Prevent Duty.

The Board received the report and:

- a) **considered** the attached annual Prevent Report and risk assessment; and,
- b) **approved** the University's Prevent data return and declarations for onward submission to the OfS.

## **26/23 Modern Slavery Statement**

Paper BoG.23.01.09 was received. The Head of Governance & Compliance spoke to the paper.

In accordance with section 54 of the Modern Slavery Act 2015, an annual Modern Slavery and Human Trafficking statement must be made and approved by the Board of Governors. It must be published on the University's website, with a link on the home page, within six months of the financial year-end.

The statement had been reviewed and updated by Finance (including Procurement), Governance & Compliance, and Human Resources. New sections had been added on the University commitment to combat modern

slavery and human trafficking, and to signal to relevant policies in which the commitment to acting ethically and with integrity are described.

The Board **approved** the Modern Slavery and Human Trafficking Statement.

### **27/23 Annual Health & Safety Report to the Board of Governors**

Paper BoG.23.01.10 was received. The University Secretary & Registrar spoke to the paper.

The report had been produced to assist the Board of Governors in the discharge of its collective and individual responsibilities for health and safety. The thorough nature of the report was noted.

There was one Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable event during the last academic year.

Following a review of the Grenfell Tower fire, the Government introduced new regulations for high-rise buildings that came into force on 23 January 2023. It was confirmed that the St John Central Accommodation block was the only University property to fall under this category. The cladding on St John Central was noted to be compliant with the required industry standards required by the new regulations.

The Board received and **approved** the report.

### **28/23 Committee reports**

Paper BoG.23.01.11 was received.

The Chair of Foundation Committee spoke to the role of the University's foundation in its next Strategy. This was a key discussion topic at Foundation Committee on 30 October 2023.

As the University continued to diversify its student and staff population, the Committee agreed that the Chaplaincy had a vital role to play. The Chaplaincy provided a hospitable environment for people of all faiths and none, and there was a desire for this to be re-framed into a truly multi-faith team led by an Anglican Chaplain.

Foundation Committee had also considered whether the University's Christian heritage should be explicitly referenced in the new Strategy, as it reflected York St John's values of being open and welcoming to all. This heritage was visible by other means, such as being part of the Cathedral's Group of Universities and on York St John's website. The Committee felt that those of other faiths and beliefs were often attracted to institutions with a religious foundation and believed this was evidenced by the University's significantly growing Buddhist, Hindu, and Muslim student population.

The Vice Chancellor highlighted several items from the Academic Board report. Academic Board had approved the Learning, Teaching and Student Experience (LTSE) Action Plan for 2023-24. The plan's approach for this year was consolidation and consistency of operation for key activities and interventions,

with key themes around: Belonging and Student Engagement; Learning, Teaching and Assessment for Student Success; and, Employability with a Purpose.

Academic Board had also approved a report on the Teaching Excellence and Student Outcomes Framework (TEF) – Next Steps. The report was written to reflect on the outcome published on 28 September 2023. The University had received an overall rating of silver, with aspect ratings of gold for student experience and silver for student outcomes. The University would now focus on preparation for the next TEF exercise, currently expected in 2027. This would include an annual “Mock TEF” exercise and actions under five themes: TEF process, pedagogy, consolidation, consistency and enhancement.

The Board **noted** the reports.

### **Part D of the agenda**

The following starred items were in the Part D section of the meeting’s agenda. No request was made for these items to be brought forward and therefore were noted without discussion.

#### **29/23 Annual report from Audit Committee to the Vice Chancellor and the Board of Governors for financial year 2022-23**

Paper BoG.23.01.12 was received.

The Board **noted** the report.

#### **30/23 Annual report from Internal Auditors 2022-23**

Paper BoG.23.01.13 was received.

The Board **noted** the report.

#### **31/23 Any other business**

There was no other business to discuss.

#### **32/23 Date of next meetings**

Friday 26 January 2024 – Discussion Day held at the London Campus

Thursday 11 April 2024 – Board of Governors’ meeting

Friday 17 May 2024 – Joint meeting with the Academic Board

Thursday 18 July 2024 – Board of Governors’ meeting

**Items marked reserved minutes: commercially sensitive and FOI exempt**

**05/23 Matters Arising**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

There was one matter arising.

The University Secretary & Registrar advised that under the Student Disciplinary Policy and Procedure any disciplinary outcome involving suspension, exclusion or expulsion was required to be reported at the next meeting of the Board.

Two cases were highlighted for the Board's awareness where the disciplinary outcomes for students was expulsion. One student had appealed the decision, but the expulsion decision had been upheld. The other student was still within the timeframe to appeal.

The Board **noted** the update.

**07/23 Vice Chancellor's update**

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.02 was received. The Vice Chancellor spoke to the paper.

York St John University had experienced a positive start to the 2023-24 academic year following a robust series of Welcome Week activities to onboard and support new and returning students. The student population had surpassed the 2026 strategic target of 10,000. Applications for the February 2024 intake have been slower than envisaged because of the Government's decision to prevent international students on postgraduate taught programmes bringing dependents. The picture for September 2024 recruitment looked more promising, but it was still in its infancy. The University continued to look to diversify its international recruitment, such as in Malaysia and Vietnam.

On 07 November 2023, York St John launched its joint civic agreement with the University of York, York College, and Askham Bryan College (Higher York as a collective) at the City of York Council's city plan event. The agreement sets out Higher York's contribution and commitment to the city and a series of collective work strands including; investment in talent; sustainable economic growth and jobs; net zero and the creative and cultural economy. The agreement had been endorsed by key stakeholders across the region. The Board discussed how the University, and Higher York in general, could improve recognition of its contribution to the region.

It was noted that the University was now within scope for an inspection of its degree apprenticeships.

The Board thanked the Chaplaincy for the pro-active measures and the support they were providing for students and staff affected by recent events in the Middle East.

There had been good engagement amongst students and staff during the discovery stage of the new Strategy. Early themes and ideas would be highlighted as part of the afternoon Board Strategy session.

The University had submitted its response to the Research Excellence Framework (REF) 2028 Consultation. The consultation, announced by funding body UK Research and Innovation, sought to understand the impact of proposed changes to the way in which research excellence is measured, which determines research funding allocation for the next REF period. The University had no major concerns with the proposals, but did raise several queries about the impact of changes on equality, diversity and inclusion.

The Board **noted** the update.

*Secretary's Note: In September the Office for Students (OfS) published the latest round of Teaching Excellence Framework (TEF) ratings for universities across England. York St John received a Gold award for Student Experience and a Silver award for Student Outcomes. This resulted in an overall rating of Silver as an institution. Further information regarding the University's outcome has now been published on the [OfS website](#).*

## 11/23 Year-End Report from External Auditors 2022-23

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.04b was received. The Chief Operating Officer spoke to the paper.

The Board was informed that the External Audit work had been completed and it was anticipated that an unmodified audit opinion on the University's financial statements for the year ended 31 July 2023 would be issued in due course.

The External Auditors had advised that the audit process had been positive, with the University being cooperative and open. The work had been carried out in a timely and efficient manner.

The Board noted that there were two unadjusted audit differences highlighted by the External Auditors. The first related to an extrapolated error in relation to creditor cut-off testing, with four payments in relation to works and services carried out pre-year end, but invoices had not been provided for in the year-end accounts (due to being received post year-end). This had occurred in only 0.01% of all transactions. Despite this low error rate, the Finance team intended to deliver more robust training on the OneUni system for all staff. The second unadjusted audit difference related to retention on CAT A works completed on the London premises. Since the report had been circulated, further work had been carried out in this area, and the External Auditors was assured that the University had treated this area appropriately.

The Board highlighted the value of the Looking Forward section as a source of horizon scanning and felt that further exploration of the views and themes of this section could be beneficial. It was agreed that the Governance & Compliance team would add this item to the list of potential future deep-dive topics.

CH

The usefulness of the webinar sessions that were noted at the end of the report was also highlighted.

The Board **approved** the Year-End Report from External Auditors 2022-23.

### 15/23 Reappointment of the External Auditors

**Reserved minute: commercially sensitive and Freedom of Information exempt**

The University Secretary & Registrar spoke to the item.

The Board was advised that the contract for BDO (External Auditors) was due to end on 30 April 2024. Audit Committee had proposed that the contract for BDO was rolled over to 30 April 2025, rather than publishing a tender opportunity at this time. This would provide more value and sustainability for the University in a very difficult external environment, and bring the BDO's contract in line with PwC (Internal Auditors).

The Board discussed whether changing both auditors at the same time was a potential risk. They were advised that this was not an uncommon practice and as they covered different areas any risk was negligible. It was acknowledged however, that the dual tender process would represent some administrative burden.

The Board **approved** the reappointment of the External Auditors and the extension of the contract to 30 April 2025.

### 16/23 Revenue and Capital Budget 2023-24

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.05a was received. The Chief Operating Officer spoke to the paper.

The Board was informed of an improved position against the Draft Budget Principles reported to the June meeting of the Finance & Capital Development Committee, forecasting a surplus of £1.4m (1.3% of income). Factors contributing to the increase were: the University's performance against student recruitment targets; improved student continuation rates; and the positive movements for the North Yorkshire Pension Scheme. The Board particularly praised the work around student continuation, which had been highlighted as a concern as part of the Financial Model deep-dive at the Board's July 2023 meeting (M69/22).

The capital budget was capped at £8.6m, relieving the stress on the banking covenants. To meet the Going Concern requirement, the in-year financial risk assessment had been undertaken and was calculated at £3.1m.

The Board noted that work was ongoing regarding recruiting international students for the February intake. Application numbers had been affected by the change in Government policy to prevent international students on postgraduate taught programmes bringing dependents.

The budget contained £0.475m for ongoing support to students in relation to Cost of Living pressures (excluding accommodation subsidies).

The Board received the report and:

- a) **approved** the 2023-24 Revenue and Capital Budget. The Revenue budget was set at a surplus of £1.4m (1.3% of income) with the Capital Budget capped at £8.6m.
  
- b) **noted** the position in relation to meeting the Going Concern Opinion and the approach to delivering further in year savings, should they be required as a result of emerging risks, to meet the agreed budget strategy.

#### 17/23 Five-year forecast 2023-24 – 2027-28

**Reserved minute: commercially sensitive and Freedom of Information exempt**

Paper BoG.23.01.05b was received. The Chief Operating Officer spoke to the paper.

The key movements since reporting to the Finance & Capital Development Committee in June 2023 included: improved student retention rates; stronger levels of home and international student recruitment; increased Teacher Pension Scheme contributions, whilst in parallel North Yorkshire Pension Fund contributions were budgeted to reduce following successful challenge; and the freezing of the Peppermill Court project.

The Board was advised that the University performed well within the Cash Flow Coverage, Leverage and Cash Balances covenants given the reduction in the capital plan. The University remained in a strong cash positive position despite an overall accounting deficit being reported at year-end.

The Board highlighted the forecast for significant growth in income from International Students (£15.7m - 2023-24 budget, £21.5m – 2025-26 budget). This reflected successful international recruitment and the shift in student population (approximately 1/3 students were now international). The Board was advised that the University used 13 agencies to recruit international students (from using over 100 in 2016); by having only a few agencies, the University could work closely with each one. Agencies charged between 22%-26% commission, which was comparable with fees across the sector.

The Board received the report and:

- a) **approved** the Five-Year Forecast (FYF) 2023/24 to 2027/28, including the assumptions underpinning the Budget scenario presented. The FYF would

be submitted to the Office for Students as part of the Annual Financial Return;

- b) **noted** that the Headroom in performance against the University's banking covenants had been restored to pre-October 2022 levels from 2024/25, which was considered both prudent and deliverable; and,
- c) **noted** that an update of the revised FYF would be presented to the February meeting of the Finance and Capital Development Committee.

## 18/23 Capital investment plan 2023-24 – 2025-26

### Reserved minute: commercially sensitive and Freedom of Information exempt

Paper BoG.23.01.05c was received. The Chief Operating Officer spoke to the paper.

Very few additions had been made to the Capital Investment Plan approved by Board of Governors in November 2022 (M19/22), with the most significant change to the plan being a proposal to freeze the Peppermill Court accommodation project (as discussed in M19/23). The reduction of the University's capital commitment over the next three years reflected an increasingly challenging financial environment for Higher Education in England, as outlined in presentations by the Chief Operating Officer to the Board of Governors in July 2023 (M69/22).

The Board received the report and:

- a) **approved** the overall proposed investment in the 2023/24 capital plan of £8.7m and draft 2024/25 capital plan of £7.4m; and,
- b) **approved** the proposals to increase some individual Project Budgets, as highlighted:
  - London Campus Phase 2B;
  - City Residence refurbishment;
  - Digital Strategy – Customer Relationship Management (CRM) System functionality;
  - Digital Strategy – Core IT Infrastructure Refresh Programme; and,
  - Digital Strategy – Data Interoperability.

## 19/23 Peppermill Court Project Status Update

### Reserved minute: commercially sensitive and Freedom of Information exempt

Paper BoG.23.01.05d was received. The Chief Operating Officer spoke to the paper.

Following the Board's agreement at its July 2023 meeting to fund the Peppermill Court project through a contractual Joint Venture (M78/22), a procurement process was conducted. Despite initial conversations with 12

bidders, only one formal compliant bid was submitted. However, whilst positive negotiations were conducted with the investor, their offer was deemed unacceptable. The lack of competitive bids reflected the stagnant real estate investment market, with investors opting for risk-free Government gilts with favourable yields. The sole investor was requesting a 7.14% average yield, with a 30-year commitment and no break clause. It was therefore recommended the project was frozen and would be reconsidered in two-years' time, or when macro-economic conditions were more favourable. The University would retain the land which was appropriately valued to avoid any risk of impairment on the balance sheet. The site would be grassed over and made accessible.

The Board was advised that no further major projects were at risk of being frozen or cancelled.

The Board received the report and **noted** that:

- a) no funding partner had been secured to allow the University to deliver the Peppermill Court residential accommodation project;
- b) the University would not proceed with the Contractual Joint Venture (JV) approach as outlined in the report to the June 2023 Finance & Capital Development Committee meeting;
- c) the University would freeze the scheme, retaining the site with a view to revisiting funding options in Spring 2025, when macro-economic conditions may have improved. Options open to the University at this stage may include the development of the site by the University, development of the site with a partner, or the sale of the site; and
- d) it was not considered that there was a need to impair the site, given the holding value in the short to medium term.

**Action Log**

<b>Minute</b>	<b>Action</b>	<b>Responsibility</b>	<b>Board Due Date</b>	<b>Status</b>
<b>M11/23</b>	<b>External Audit report – Looking Forward:</b> The Board highlighted the value of the Looking Forward section as a source of horizon scanning and felt that further exploration of the views and themes of this section could be beneficial. It was agreed that the Governance & Compliance team would add this item to the list of potential future deep-dive topics.	CH	Immediate	Complete
<b>M20/23</b>	<b>Governance &amp; Nominations Committee terms of reference:</b> The Board agreed that Governance & Nominations Committee's terms of reference would be amended to state that any significant changes to a sub-Committee's constitution and terms of reference would still require the Board's approval.	CH	Immediate	Complete
<b>M24/23</b>	<b>Research Ethics and Integrity Benchmarking:</b> Following a query, it was agreed that Executives would see if there were any benchmark measures of ethics and integrity.	KK	April 2024	For review and sign-off at the Board of Governors meeting on 11 April 2024.