

Key abbreviations/acronyms used in these Minutes:

NSS	National Student Survey
SMT	Strategic Management Team
REF	Research Excellence Framework
PGT	Post Graduate Taught
PGR	Post Graduate Research
HE	Higher Education
HEFCE	Higher Education Funding Council for England
STEM	Science, Technology, Engineering & Mathematics
SLC	Student Loan Company
QAA	Quality Assurance Agency
HS2	High Speed 2 (high-speed rail network)
HR	Human Resources

Papers: You can request a copy of the reports to which reference is made below from the Manager, Secretariat: Tel: 0151 231 3116 or email: secretariat@ljmu.ac.uk *[please note some information is marked as Restricted Business which will not be available to the public].*

PRESENT: Mr R Hill (Chairman)
Ms D Shackleton (Deputy Chairman)
Ms N Benson
Mrs K Byrne
Mr D Cole
Ms S Davys
Mrs D Fantin
Mr P Holme
Mr A Holroyd
Mr P Hyland
Ms S Maclennan
Sir B Massie
Mr B McCann
Ms J Murphy
Mr J Stopforth
Professor N Weatherill

IN ATTENDANCE: Professor A Al-Shamma'a (Dean, Faculty of Technology & Environment)
Ms J Bertolini (Finance Director & Deputy Chief Executive)
Professor P Byers (Pro-Vice-Chancellor (Education))
Mr P Evans (Strategy Management Director)

Mr D Fletcher (Internal Auditor – Observer)
Dr E Harcourt (Pro-Vice-Chancellor (External Engagement))
Professor R Leatherbarrow (Pro-Vice-Chancellor (Scholarship, Research & Knowledge Transfer))
Mr M Power (Registrar & Deputy Chief Executive)
Mr R Schooler (Head of Financial Planning & Modelling)
Professor A Scott (Dean, Faculty of Education, Health & Community)
Ms D Tipping (Meeting Secretary)
Professor P Vickerman (Executive Director, Strategic Initiatives & Enhancement)
Professor R Webster (Dean, Faculty of Science)

LJMU 14.76 **WELCOME**

The Chairman welcomed Mr D Fletcher (Internal Auditor) who was attending the Board as an observer as part of an internal audit into ‘Governance Effectiveness’.

The Chairman also welcomed Mr R Schooler (Head of Financial Planning & Modelling) who would be presenting a paper at item 13 on the agenda.

LJMU 14.77 **APOLOGIES**

Apologies for absence were received from Mr G Morris and Professor P Wheeler.

Preliminary Formal Business

LJMU 14.78 **DECLARATION OF INTERESTS**

Any member of the Board who had (or who knew of a family member who had) a material, personal, financial or other beneficial interest in any item on the Agenda was requested to declare that interest at the beginning of the meeting, or to the Chairman prior to the meeting, in order that such declaration could be recorded in these Minutes. No such interest was declared.

Noted.

LJMU 14.79 **BRIBERY ACT 2010**

Governors were reminded of their ongoing commitment to the requirements of the Bribery Act 2010, and to the Chairman of the Board’s Statement stipulating that the University values its reputation for ethical behaviour and financial probity, and that it is University policy to comply with all applicable anti-bribery laws. The Statement goes on to say that the Board of Governors of the University expects

that all staff, associates and agents will conduct business in accordance with the highest standards of ethical behaviour.

Noted.

LJMU 14.80 **MINUTES OF THE MEETING HELD ON 29TH SEPTEMBER 2014**
(LJMU 14/59)

Commented:

- The Chairman, on request, was advised on the latest position in regard to recruitment figures. The Vice-Chancellor & Chief Executive informed the Board that the present position was consistent with that reported to the last Board.
- The Chairman requested that the planning application to maximise the development potential of the I M Marsh Campus be reported to the Copperas Hill Steering Group in January, and at the next Board meeting in March 2015.

Action: Finance Director & Deputy Chief Executive

- The Finance Director & Deputy Chief Executive provided an update to the Board on the latest land acquisitions regarding the Copperas Hill site, and which were also noted in the Board level authorisation on the use of the University Seal (LJMU 14/62).
- The Chairman requested, in regard to the 'Destination of Leavers' Survey' reported to the Board at its last meeting, that a further report be presented to the Board on the impact and the benefits of the action plans which had been drafted for implementation within some schools to address low numbers of graduates entering graduate level jobs or further education.

Action: Registrar & Deputy Chief Executive

Approved

LJMU 14.81 **MATTERS ARISING FROM THE MINUTES**

All matters arising were covered as separate items on the agenda.

Noted

LJMU 14.82 **HEALTH AND SAFETY MATTERS (standard item)**

- The Chairman informed the Board that Health & Safety issues were reported to the Employment Committee with exception items also reported to the Board.

- The Vice-Chancellor and Chief Executive had one exception item to report; that a serious accident had occurred at a rugby match between LJMU and University of Cumbria students. Unfortunately, a Cumbrian student had suffered a serious injury due to a rugby tackle and the matter is currently being investigated by the police. The Vice-Chancellor had written a letter to the parents of the student concerned, co-signed with the Vice-Chancellor of the University of Cumbria, expressing his concern and to say that the University is fully co-operating with the investigation. The President of the Students' Union echoed the Vice-Chancellor's comments and was awaiting the outcome of the investigation.

Noted

LJMU 14.83

NSS ACTIONS

Received: The report of the Pro-Vice-Chancellor (Education) (LJMU 14/60).

Reported:

- The purpose of the report was to provide the Board with an update on the actions taken following publication of the NSS 2014 results, which leads into preparation for NSS 2015.
- That the developing strategy has been to focus NSS activity closer to the point of delivery, for example, the creation of School-level NSS Champions. This approach has been developed further through the introduction of a Director's report for each school, requiring Directors to analyse and reflect upon the NSS 2014 data for their School, and to provide a written account.
- In regard to Programme specific NSS improvement action plans, criteria had been articulated that would trigger the formulation of a Programme-level NSS Improvement Action Plan. The criteria are based on (i) the performance in NSS 2014; (ii) longitudinal performance across the last two years; and (iii) programmes identified by School Directors.
- A detailed semantic analysis of the narrative provided by students in relation to '*Teaching on my Course*' in NSS 2014 had been undertaken and provided to Faculties and Schools for further consideration e.g. in the formulation of NSS 2015 Action Plans.
- Each year, HEIs are able to include Institution specific questions within the NSS. In NSS 2015, the '*Learning Environment*' has been identified as an area of interest, and two questions have been included: one linking to teaching accommodation; and the second linked to the virtual environment, i.e. 'Blackboard'.

Commented:

- Governors were interested in the extent of feedback to students in the context of the School Directors' reports. It was recognised that participation from students in the NSS may increase if they received feedback and could see where improvements had been made as a consequence of their comments. The Pro-Vice-Chancellor (Education) informed the Board that the NSS School Champions continued to provide such feedback and worked closely with the Students' Union who were part of this process. A Student Engagement Panel had been established which was chaired by an Associate Dean and had membership from the student body and academic body to consider the whole issue of student engagement, and in particular aspects such as how the University is feeding back, what methods are used to feed back to students, and whether the methods currently being used are effective. The whole area of student engagement was under active consideration.
- Governors sought further clarification around the findings in regard to '*lecture delivery can be problematic*', and in particular that sometimes lectures can be as long as 3 hours. The Pro-Vice-Chancellor (Education) advised that this had been identified through the analysis and applied to a particular area of the Institution.
- The Chairman asked how the University would deal with improvements that had not been delivered. The Pro-Vice-Chancellor (Education) advised that action plans would be reviewed on an annual basis and that direct intervention would be taken where improvements had not been made. In the past this had led to recruitment to courses being put in abeyance until improvements had been made, and in other cases some programmes had been closed.
- The Vice-Chancellor & Chief Executive informed the Board that other possible actions would include replacement of Programme Leaders.
- Governors clarified that information was recorded in relation to the cancellation of lectures. The Head of Operations in each Faculty monitor the cancellation of lectures and report this at the Faculty level. There is a policy in relation to cancellation of lectures which states cancellations are tolerated only in exceptional circumstances, e.g. staff illness, and the cancellation of lectures had decreased as a consequence of the implementation of the policy.

Noted.

LJMU 14.84 **THE CLOUD COMPUTING**

Received: The report of the Registrar & Deputy Chief Executive (LJMU 14/61).

Reported:

- That the University's approach to commercial cloud solutions was raised at the last Board of Governors' meeting as part of the discussion on the IT Strategy. The report sought to reassure the Board that current investment proposals are made within the context of a clear understanding of the options available to the University.

Commented:

- The Chairman sought assurance that the security of information would be retained through cloud computing. The Registrar & Deputy Chief Executive assured the Board that services provided through the public cloud are subject to appropriate due diligence and contractual agreements in terms of location and security of the data.
- The Chairman sought clarification on the financial implications of cloud computing and the University's IT Strategy. The Finance Director & Deputy Chief Executive advised that an amount had been built into the cash flow but that more detailed work was being undertaken on the technology requirements and the consequent efficiency savings and articulation of process/service improvements.

Noted.

LJMU 14.85 **BOARD LEVEL AUTHORISATION**

Received: The report on the use of the University Seal and Board Level Authorisation (LJMU 14/62)

Noted.

Matters for discussion

LJMU 14.86 **RISK MANAGEMENT – INSTITUTIONAL RISK REGISTER**

Received: The report of the Director of Strategy Management (LJMU 14/63)

Reported:

- The latest version of the Institutional Risk Register was provided to the Board for information.
- That the SMT had formally reviewed the Risk Register by reference to the current Strategic Plan objectives and local risk registers from the Faculties and Divisions were considered by the Monitoring and Risk Manager during October 2014. These local risk registers were also formally considered by SMT at their 4th November 2014 meeting.
- The format of the Institutional Risk Register had been reviewed with the objective to provide an accessible format. Changes included an amendment to the coding of risks to align each risk in a “best fit” approach with the areas of the Strategic Framework to which they relate. Moreover, for the first time, the strategic, reputational and financial impact of each risk are explicitly considered on the Register and scored in accordance with the University Risk Management Policy.
- The Risk Register will be the subject of a much more detailed analysis which will be informed by the outcome of a recent helpful advisory audit carried out by the Internal Auditors. In parallel the SMT will be giving further scrutiny to the Institutional and local Risk Registers at the SMT meeting to be held early in December, which will ensure that all academic and business risks are captured and appropriately assessed.
- The report outlined changes made to the Risk Register since last reported to the Board, namely there had been three deletions from the Register and a number of new risks added.

Commented:

- The Chairman requested that a full copy of the Risk Register is provided to the Audit Committee in the future. The Chairman of the Audit Committee welcomed the approach to provide assurance to the Board that the Risk Register was being effectively managed and assessed.

Action: Strategy Management Director

- The Vice-Chancellor & Chief Executive assured the Board that he and the SMT wanted the Risk Register to be a dynamic, open and transparent document, to be used at all levels across the University, and would encourage all employees to raise any items of concern, in relation to risk, to their line managers for appropriate reporting and assessment.
- The Deputy Chair of Finance Committee informed the Board that financial and estates risks are being considered at the Finance

Committee and that a full copy of the Finance and Estates elements of the Risk Register would be reported to Finance Committee annually to see where actions have been taken and any new risks added.

- Governors found the full Risk Register to be helpful but sought further clarification regarding the top ranking risk in relation to research staff, and whether the University's pension risks should be included within the Register. The Vice-Chancellor & Chief Executive informed the Board that in relation to the recruitment of research staff the University had been very successful in recent campaigns, i.e. 'Inspire 1' and Inspire 2' for the recruitment of academic staff; however, due to the very competitive market in this area and this being a key activity for the University it was felt important that it should be added to the Risk Register.

In relation to the risks around the pension deficit this had been discussed in some detail at the Finance Committee and the University was taking this issue seriously and closely monitoring the situation.

Noted.

LJMU 14.87 **ANNUAL STRATEGIC PERFORMANCE REPORT 2013/14**

Received: The report of the Strategy Management Director (LJMU 14/64).

Reported:

- The report provided information on the progress made against the Strategic Framework 2012-17, including significant headlines, Key Performance Outcomes (KPOs), and progress and further action.
- The report was set out in three substantive sections: (1) Headline Performance; (2) Strategy Assessment – 'Two Years On'; and (3) Key Performance Outcomes 2013/14.

Commented:

- Governors welcomed the indicators that University students were achieving good degree honours and sought further clarification that this was not due just to higher marking. The Vice-Chancellor & Chief Executive reported that a number of initiatives had been made to improve teaching and learning across the University, but that also there were rigorous and independent processes in place, through the external examiner system to ensure due diligence in the marking process. In addition to this, it was recognised that there had been an increase in the quality of students recruited to the University which in turn would reflect on the quality of results.

- Governors also highlighted the statistical information provided around research measures and that the University has demonstrated a strong upward trend for research publications. Governors sought further information in relation to targets in the future – for example 28% staff participated in the current REF, and given this is a key strategic activity for the University, whether the proportion of staff participation should increase further. The Pro-Vice-Chancellor (Scholarship, Research & Knowledge Transfer) informed the Board that the University set an internal quality threshold for submitting to the REF and that for the current round there was just short of 250 staff submitting to the REF, compared to 190 staff in 2008. To compare the University to other institutions the University would need to know how other institutions set their internal quality threshold. If the exact rules remained in place for the next REF it was estimated that 40% staff would submit to the REF, but that this may change depending on new rules and financial incentives. The REF outcome will be published on 16th December 2014 and will be reported to the next Board in March 2015.

Action: Pro-Vice-Chancellor (Scholarship, Research & Knowledge Transfer)

- The Vice-Chancellor & Chief Executive informed the Board that the University regularly monitors research income and that he is optimistic that the research income achieved this year will exceed that achieved last year.

Governors noted that student retention figures showed a significant drop from 2012/13. The Vice-Chancellor & Chief Executive informed the Board that the retention rate has deteriorated and a review is taking place to understand better why this has happened, particularly as retention rates have been improving over the last few years. A further report will be presented to the next Board in March 2015 to update the Board once the analysis has been completed.

Action: Vice-Chancellor & Chief Executive

- Governors noted the year on year growth in teaching related qualifications for staff but that the target of 100% would not be realistically achievable. Governors sought further clarification around the barriers that would prevent the 100% target being reached. The Vice-Chancellor & Chief Executive informed the Board that some of the barriers related to the culture and reluctance of staff to participate in these training programmes, but that the University would continue to try to engage all teaching colleagues in the importance of continuing professional development and improvement. A lot of work continues to take place, with the creation of the Teaching and Learning Academy from September 2014; work around reward, recognition and

incentivisation; through the PDPR process; and mentoring. Good progress is being made but more still needed to be done.

- Governors noted the composition of the student body and that undergraduate intake was increasing with postgraduate decreasing. The Vice-Chancellor & Chief Executive reported that the University is in a transitional period and in alignment with the Strategic Plan would wish to increase both its PGT and PGR student intake. A lot of work had taken place in renewing the PGT portfolio and bringing in new programmes. The SMT had spent some considerable time discussing the size and shape of the University over the next five years and though recognising the importance for the whole student experience in ensuring the percentage of post graduate students increased, it was recognised that the University should bear in mind how positive the undergraduate intake has been, with an increase of 10% from last year, and which has not been at the expense of the quality or commitment of students.
- In relation to revamping and modernising core human resource policies and procedures Governors sought further clarification around timelines, consultations and communications. The Vice-Chancellor & Chief Executive informed the Board that at the Governors' Away Day in January 2014 there had been a session to discuss the Human Resource Strategy (HR Strategy) and the delivery of the HR Strategy. Governors had strongly expressed the view that in order to keep pace with what was happening in the employment market place, and what was happening at other HE institutions, the University needed to look afresh and renew some of its policies and practices. That work has started, with a dialogue through the Employment Committee, and will be moving forward in a systematic way, reporting back to Employment Committee at regular intervals. It is envisaged that suggestions and ideas coming forward will be warmly received by University staff.

Noted.

LJMU 14.88

ANNUAL MONITORING STATEMENT

Received: The report of the Registrar & Deputy Chief Executive (LJMU 14/65).

Reported:

- HEFCE requires universities, as part of their accountability returns, to submit an Annual Monitoring Statement. The Statement monitors the use of special-initiative funding outside the main teaching and research funding allocation. HEFCE also use the Annual Monitoring Statement exercise to inform their view of key issues and developments in Higher Education in England, and institutions' responses to these. To support this,

HEFCE state that they value institutions' views about the most significant areas of opportunity and challenge, and the ways in which they are responding to them.

- In a change to last year HEFCE are using the Annual Monitoring Statement this year to seek information about the impact of the Key Information Sets on institutions to inform their current review of the Key Information Sets and Unistats.

Commented:

- Governors suggested that in addition to reporting on the University's 2014 Athena SWAN Bronze Award, it would also be encouraging to report on the Aurora Initiative which is an initiative that has been designed to help address the reducing number of women in senior posts in higher education and which is supported by eight senior female members of staff from the University who act as role models and mentors.

Action: Registrar & Deputy Chief Executive

- The Chairman noted that on page 14 it stated that 'student number control arrangements' presented one of the most significant challenges for the University in the next three years, and that the University states: "*operating within tight constraints restricts rapid growth of emerging areas of demand and late-stage adjustments to post-confirmation decisions (clearing, AAB, ABB) makes even medium-term planning very difficult*". It was the Chairman's understanding that this was changing and that the cap on student numbers would be lifted. The Registrar & Deputy Chief Executive reported that the cap on student number controls was being lifted but that the Statement is trying to reflect that the University has a range of internal constraints, particularly around physical resources in certain areas.

Approved with the additional statement on the Aurora Initiative to be added.

LJMU 14.89

2012/13 ADMINISTRATIVE STAFF COMPARISON TO PEER GROUP INSTITUTION

Received: the report of the Head of Financial Planning and Modelling (LJMU 14/66).

Reported:

- The Board had requested information in relation to how the proportion of administrative staff at LJMU compares to other institutions across the sector.
- The comparison of LJMU's non-academic pay costs and ratios for 2012/13 sits broadly in the middle of the range. It was noted

that LJMU has the second lowest student head count and second lowest total income, when benchmarked against the Institutions included in the peer group analysis.

- The analysis would lead to the conclusion that administration efficiency is broadly driven by higher revenue and higher student numbers.

Commented:

- Governors noted that the report indicated that administration efficiency is broadly driven by economies of scale and therefore did not understand why LJMU, as one of the largest universities, was not reaping the benefit of those economies of scale. Governors were trying to determine what the University should be doing differently to improve its position regarding staff/student ratios within the league tables and despite receiving two reports were still not sure about what the University could do to make improvements in this area.

The Finance Director & Deputy Chief Executive informed the Board that it was difficult to make comparisons with similar size institutions, for example, the University of Liverpool, as the make-up of the University is so different from LJMU. Whilst the University is trying to understand the reasons why LJMU has a high proportion of staff to students, when digging down into the detail it had become apparent that the University is in the middle range compared to those universities with a similar profile. Other universities have a lot of other income streams which reflect better in the league tables; however, although LJMU is not where it wants to be it is moving in the right direction.

The Vice-Chancellor & Chief Executive reported that LJMU is the twelfth largest Institution in the UK for undergraduate intake and the seventh largest University in the UK for STEM. The peer group used within the paper are also large universities by those same measures. However, the University is not large in terms of its international intake, remaining at the bottom 5%-10% of all universities, and this would be a significant income stream for universities across the sector. LJMU's international intake has increased this year and the Vice-Chancellor & Chief Executive was hopeful that this trend would continue, alongside increases in PGT and PGR.

- Governors also asked whether the University would see increased efficiency once the Estate had been rationalised. The Finance Director & Deputy Chief Executive informed the Board that one of the universities doing better in the league tables than LJMU is the University of Cumbria, which is spaced over a very large geographical area, and therefore this may not be one of the indicators of efficiency. However, there will be other efficiencies from the rationalisation of the Estate in terms of estate

management; sports provision; and libraries. The challenge for the University is that whilst our financial position has been improving the University will need to invest in skill sets across the University to deliver change and improved technology may provide some of these efficiencies.

- The Chairman reported that his own view was that the University should pursue the University's clear objectives and what it wants to achieve in terms of the optimum balance between academic and administrative staff.

Noted and debated.

LJMU 14.90 **2013/14 YEAR END FINANCIAL STATEMENTS & THE MONITORING FORECAST REPORT FOR 2014/15**

Secretary's Note: Items 14 and 15 on the agenda as above were received as one item below:

Received: The reports of the Finance Director & Deputy Chief Executive (LJMU 14/67) and (LJMU 14/68).

Reported:

- That the financial statements had been provided to the Finance Committee on 27th October 2014 and the Audit Committee on 3rd November 2014. The Finance Director & Deputy Chief Executive reported that the Finance Committee had been inquorate but had endorsed the financial statements for onward submission to the Board for approval.
- The Finance Director & Deputy Chief Executive also requested approval for writing off the bad debts of £252,000. This had been reported to the Finance Committee in October and had received no objections, but due to the inquoracy of the meeting this was also presented to the Board for approval.
- The group historic cost result for the year was a surplus of £13.3m. This is an improvement of £9.4m over budget and £1.9m over the June forecast. The result was comprised of a group operational surplus of £19.6m adjusted by an impairment/revaluation of the Tithebarn building of £6.13m, a £1.25m charge for FRS 17 (Pensions) and the sale of the Dean Walters building which generated a surplus of £1.1m in the year.
- Income: There was an overall increase against budget of £5.2m. The major reason for this being that the tuition fees were £5.8m more than the budget.
- Expenditure: Pay and Non-Pay net result is £4.0m less than budget. The major reason for this being the savings in pay and

non-pay in faculties and divisions, and the impairment revaluation of the building of £6.13m.

- Cash Balances and Bank Covenants: Cash and bank £12.9m better than forecast, £25.8m better than budget (£6.7m due to increased opening balance and £9.4m due to an improved in-year performance with an additional £6.1m being impairment and not cash. There was a further improvement of £3.5m due to delayed capital expenditure.
- Pensions FRS 17 is £1.75m less than Forecast and Budget. The P&L impact of FRS 17 was £1.25m, an improvement of £1.75m over both the budgeted and forecast values of £3.0m.
- The current bank covenants require the University to generate sufficient cash to meet its loan and finance charge obligations, and also to have debt service levels below a specific percentage income. The University result for 2013/14 comfortably meets, and exceeds, all of Barclays Bank covenant requirements.
- The Finance Director & Deputy Chief Executive provided a brief overview of the current status of the 2014/15 year. The budgeted historic cost surplus for the year is £9.3m, which includes assumed costs of FRS 17 (Pensions) at £3.0m. If this is excluded, the budgeted operational surplus is £12.3m.
- The University had increased its home student recruitment targets and it is anticipated at this stage of the enrolment cycle that the net effect of the tuition fee income across all categories will be an increase of £1.3m.
- Expenditure in the forecast has increased by £0.6m. The major reason for this being an assumed full year saving of £500k in lease costs associated with the planned purchase of a currently leased building. Negotiations for this purchase with the administrator had become protracted and this forecast now assumes a full year of lease costs.
- The forecast position for the year has been increased by £0.7m to show a surplus of £13m (excluding FRS 17 pension costs), and £10m surplus after including the £3m charge for FRS 17. It is anticipated that the year-end cash position for 2014/15 will improve by approximately £13.9m from £46.2m to £60.1m as a result of the improved 2014/15 opening cash balance and improvement in the forecast surplus.
- The University will comfortably achieve all of the banking covenants associated with the loan facility provided by Barclays Bank Plc. However, there remains, as a result of the change in the payment profile by the SLC, and the developing Estates Strategy, potential pressures on bank balances in the spring and autumn of each year for the next few years.

- The Finance Director & Deputy Chief Executive reported that last year the University had received no Management Letter points from the External Auditors, but that this year three performance improvement observations had been reported in relation to: (1) reporting of student numbers and the associated fees charges (medium risk); (2) HR control processes (medium risk;) and (3) the treatment of fully written down assets in the balance sheet (low risk).

Commented:

- The Deputy Chairman of Finance Committee reported that in relation to the bad debt write-off, the Finance Committee had received adequate information and explanation in this regard and compared to previous years the Committee was happy to endorse the write-off to the Board of Governors but had been unable to approve in the usual way due to the inquoracy of the meeting.
- Governors welcomed the positive financial status of the University but recognised that this brought with it the challenges around where the University invests such a large amount of money. A paper had been previously brought to the Board to ascertain guidance on the Governors' thinking around their priorities in terms of investment returns, liquidity or safety. The feedback received at that time was that firstly the money needed to be safe, then liquidity and then return. The University has found it difficult to invest the money in order to generate any significant return during the current economic climate, and this is an issue across the sector.
- The Chairman welcomed the positive financial statements recognising that it was a significant achievement for a complex organisation to achieve close to its forecast target, and thanked, on behalf of the Board, the Finance Director & Deputy Chief Executive and the Finance team for the work they have put into the financial statements.

Approved the Financial Statements and the Bad Debt Write-off of £252,000.

LJMU 14.91

ANNUAL SUSTAINABILITY ASSURANCE REPORT (ASSUR)

Received: The report of the Finance Director & Deputy Chief Executive (LJMU 14/69).

Reported:

- Governors were informed in 2013 of the new HEFCE requirements for the Governors of all institutions to conduct an annual sustainability assessment of their institution beginning in 2013. Institutions are required to give assurance that they have

in place a proper process for monitoring and managing the sustainability of their institution, and of its core activities.

- The University had identified a number of KPIs as particularly worthy of governors' attention at present and has assessed its performance against these. The University will continue to monitor its performance against this set of KPIs over a period of at least three to five years. These include KPIs in: teaching and learning and the student experience; research; financial health; and the average operating surplus the University needs in order to generate cash to invest in and manage the business for a sustainable future.

Approved.

LJMU 14.92

VICE-CHANCELLOR & CHIEF EXECUTIVE'S REPORT

Received: The report of the Vice-Chancellor & Chief Executive (LJMU 14/70).

Reported:

- The Chancellor had hosted a dinner at Middle Temple on 29th October 2014 to which distinguished guests and friends of the University were invited. The focus of the evening was to connect with friends of the University and to raise the University's profile as a 'Modern Civic University'.
- The Chancellor had also hosted a Reception in the Great Hall of the Middle Temple on 10th November 2014 where over 200 guests had been invited. The primary focus of the evening was to give 200 of the University's students the opportunity to visit the Middle Temple and to meet the Chancellor. Governors had also been invited together with some Programme Leaders and distinguished guests based in and around London.
- That HEFCE would be conducting an assurance review on 8th January 2015.
- That November graduation ceremonies will take place on Thursday 27th and Friday 28th November in the Anglican Cathedral, as will the Fellows' Dinner on 27th November 2014.
- That the Centre for Public Health staff has been augmented by the addition of a telephone survey team. This team will be an important resource for the Centre itself but also for researchers across the Faculty and wider university.

Commented:

- The Vice-Chancellor & Chief Executive had received positive feedback from distinguished guests who attended the

Chancellor's Reception on 10th November 2014, who had particularly welcomed the University's students' attendance at the event. The Vice-Chancellor & Chief Executive had been extremely proud of the students who attended the event and the way they had participated in and acknowledged the evening.

- The Vice-Chancellor & Chief Executive thanked all those staff from the University's Corporate Events and Engagement Team, and the Director of Corporate Communications, who had been involved in the organisation of the event. He also acknowledged the enthusiasm, drive and leadership from the University's Chancellor in his support for the University.
- The Vice-Chancellor & Chief Executive also informed Governors that the QAA will undertake its Higher Education Review of the University in February 2016 and work was ongoing to ensure actions are in place for a favourable review.
- The Vice-Chancellor & Chief Executive informed the Board of the new Honorary Fellows to be awarded at the graduation ceremonies next week, namely:
 - Sir Jon Murphy QPM, the Chief Constable of Merseyside
 - Ian Meadows OBE DL, ex-High Sheriff and Chairman and Chief Executive of R S Clare & Co Ltd, Liverpool's oldest manufacturer.
 - Darren Henley OBE, Managing Director of Classic FM
- The Vice-Chancellor & Chief Executive also reported that the University was very grateful to Andrew Miller MP, who is also the Chair of the all-party Science and Technology Committee, for giving the inaugural lecture in the University's series of lectures on women in STEM.
- The Vice-Chancellor & Chief Executive also reported that he had attended a CBI Dinner recently and had been informed that the new Chief Executive of HS2, Simon Kirby, is an alumnus of LJMU. Simon has been invited to attend the University to give a lecture on HS2 and to talk to students.
- The Vice-Chancellor also reported that Sir Bert Massie would be giving a Fred Freeman lecture tomorrow at the University of Liverpool on the subject "there is more to philanthropy than money".
- The Vice-Chancellor & Chief Executive informed the Board that the December Workshop to be held on 1st December 2014 will be reviewing governance effectiveness, with the formal session starting at 5pm. He invited all governors to attend the new Careers Zone at Aldham Roberts beforehand at 4pm. Invitations would be sent out shortly. There would also be the possibility of

inviting Governors to visit the new Students' Union premises in the John Foster building.

- The Vice-Chancellor & Chief Executive also notified the Board of the Chancellor's Dinner to be held on 27th November and the Christmas Event on 16th December 2014 which will provide an opportunity for Governors to meet with colleagues from across the University.
- The Vice-Chancellor & Chief Executive informed the Board that two long-serving and dedicated members of staff will be retiring in the near future, namely the Strategy Management Director who will be leaving the University in February 2015 and the Dean of the Faculty of Arts, Professional & Social Studies, who will be retiring in the Spring or Summer of next year.
- Governors also wished it to be noted that they too enjoyed the Chancellor's Reception of 10th November 2014 and had been most impressed with the LJMU students who attended the event.

LJMU 14.93

LIVERPOOLSU REPORT: STUDENT ISSUES

Received: The report of the President and Vice-President (Community Engagement), LiverpoolSU. (LJMU 14/71).

Reported:

- The President of the Students' Union also reported the success of the Chancellor's Dinner held on 10th November 2014 and had received very positive feedback from students who were honoured to attend the event.
- That six sessions of course rep training had taken place, training 265 course reps from across all schools so far this year. The training focused on how to get feedback from students and how to deal with issues formally and informally.
- This year the students' union had focused on asking students specific questions around their academic experience which will formulate the Faculty Student Voice Reports. Questions are around what students think is good about their course; what makes the course good; why does it work for the individual student; what do students dislike about the course, and why; and how could the course be improved.
- The report outlined feedback received from students at Levels 4, 5 and 6. The Vice-President (Community Engagement) reported that the union had asked 299 students about their personal tutoring and had received mostly positive feedback.

Commented:

- It was reported that the issues outlined in the report regarding the studios at IM Marsh have now been addressed.

Noted.

LJMU 14.94

YEAR END ANNUAL REPORTS TO HEFCE

Received: (i) The Annual Report of the Audit Committee (LJMU 14/72).

Reported:

- The Chairman of Audit Committee reported that this report will be forwarded to the Head of Regulation at the Funding Council and that the internal auditors' annual report, and the external auditors' management letter (and management response), will be included as appendices to the Annual Report.
- The Chairman of Audit Committee highlighted the opinion of the Audit Committee outlined in the report that "on the basis of all the elements noted in the report, it is the Committee's opinion that the arrangements for assurance and the controls and management of risk at Liverpool John Moores University are sound".
- The Audit Committee had also received assurances from the External and Internal Auditors that the University had "a basically sound system of internal controls, which should provide substantial assurance regarding the effective achievement of the University's objectives", and that "overall the University had controls in place which provided the external auditors with assurance over the integrity of the financial statements".
- The Chairman of Audit Committee also reported that to reassure the Audit Committee that there were no outstanding audit recommendations, the new Internal Auditors, Baker Tilly, would be carrying out a review to ensure there were no outstanding actions and would report back to the next Audit Committee.

Commented:

- The Chairman thanked the Audit Committee for their report, which was an impressive summary of the work carried out throughout the year by the Audit Committee, and thanked them, on behalf of the Board, for their work over the last year.

The Board:

Noted the Annual Report of the Audit Committee for 2013/14.

Noted that the report will be forwarded to the Head of Regulation at the Funding Council by 1st December 2014.

Noted that the Corporate Governance Statement & Public Benefit Report had been incorporated into the Financial Statements.

LJMU 14.95 **MEMBERSHIP & GOVERNANCE ISSUES**

- (i) **Approved** the appointment of Mr J Rowan to the Board as from 30th March 2015, on the recommendation of the Nominations Committee.
- (ii) **Received** for information the 'Memorandum of assurance and accountability between HEFCE and institutions' (LJMU 14/73)
- (iii) **Noted** the report from Nominations Committee on 'Attendance Policy Monitoring' (LJMU 14/74)
 - The Chairman expressed his thanks to Governors for all the work they do on behalf of the University and for their excellent attendance at the Board, its committees, and workshops.
- (iv) **Noted** the December Workshop to be held on 1st December 2014.

LJMU 14.96 **CHAIRMEN'S & COMMITTEE REPORTS**

Received: the oral report and highlights from the Chairmen of Committees and the relevant minutes.

Reported:

Audit Committee (LJMU 14/75) and (LJMU 14/76)

- The Chairman of Audit Committee reported that in the main the last two Audit Committees received in draft format the Corporate Governance Statement including the Public Benefit Report, the Internal Control Effectiveness Statement, and the Audit Committee's annual report. These had been discussed as separate items on the agenda today.
- Further reported that the new Internal Auditors, Baker Tilly, had now effectively taken over from the previous auditors, and that the Committee had been assured that follow-up actions were taking place and as reported earlier any outstanding actions were being reviewed.
- That the Chairman and Deputy Chairman would be interviewed as part of the HEFCE assurance review to be held in January 2015, and stressed the importance of ensuring we receive a favourable outcome to the review.

Employment Committee (LJMU 14/77)

- The Chairman of Employment Committee reported that the main focus of the Employment Committee, at its last meeting, was in relation to the delivery of the HR Strategy. The Committee had been reassured by the appointment of the Strategic Initiatives and Enhancement Executive Director to lead on this initiative and the use of external support via an external consultant with experience and expertise in this area. Work would be ongoing over the next six months and an extra Employment Committee had been arranged for the 28th January 2015 to receive further updates. The Employment Committee is very keen to ensure that the University is clear on what it wants for its long-term HR Strategy and the pragmatic steps it will need to take in the short, medium and long-term.

Finance Committee (LJMU 14/78)

- The Deputy Chairman of Finance Committee reported that the main business of the meeting was to have oversight of the Financial Statements and Monitoring Report which have been discussed earlier in the agenda. One further point she would like to add is that the Committee had looked at the Faculties' income and noted that, with one exception, all income had decreased over the year and a lot of contracts had come to an end and had not been replaced. The Committee had, therefore, requested management to bring a further report back to Finance Committee to report back on what improvements have been made to further reduce the reliance on home undergraduates.
- The Finance Committee had also noted that the Carbon Management Plan is under review, and that the aim is to produce the new plan, which will be linked to the University's Estate Master Plan, for approval by SMT and the Board of Governors by July 2015. The Finance Committee have asked, as part of this paper, that there will be an action plan for dealing with the wider issues around environmental sustainability, and will continue to monitor the progress made against the plan.
- The Deputy Chairman of Finance Committee also reported that the Finance Committee had received, for the first time, a financial report from LiverpoolSU via the Finance Director & Deputy Chief Executive and were pleased to note that there had been an improvement in the forecast outturn for the students' union which allowed the pension payment to proceed without the need for additional cash support from the University.
- The Finance Committee had received a report on the financial aspects of 'Sensor City University Enterprise Zone (UEZ)' and welcomed the joint venture with the University of Liverpool. This did, however, prompt a discussion around delegations of authority for new initiatives and the Committee has asked

management to review the delegations of authority, not just in terms of financial spend, but also for any third party relationships the University enters into and to ensure they are receiving the relevant approvals at the right level.

- The Finance Committee had also received a report on the HEFCE initiative for the presentation of financial information for students. The Committee had welcomed the design and presentation of information provided by the Deputy Finance Director.

Nominations Committee (LJMU 14/79)

- The Chairman reported that the role of the Nominations Committee included reviewing the board membership and the balance on the Board in terms of gender, disability, diversity and skills to give the Executive Team the necessary support to deliver the strategy of the University.
- The Chairman informed the Board that continuity is an important factor as is succession planning, particularly for the key Committee Chair roles. Unfortunately, in the next twelve to eighteen months the Board will lose two or three experienced governors and therefore action is being taken now to identify suitably experienced and skilled replacements. The Committee has currently two or three replacements in mind but has taken the decision, for the first time, to appoint external recruitment consultants to identify particular people with the right skills required and whether their links into the local and wider community match up with the candidates the Committee already has in mind. The Nominations Committee will receive a report back from the external consultants at the end of January 2015 and will report back to the Board in March 2015.

Remuneration Committee (LJMU 14/80)

- The Chairman of Remuneration Committee reported that discussions had taken place regarding responsibilities around the HR Strategy and the links between Remuneration Committee and Employment Committee.
- The main focus of the last meeting was to consider the performance of the senior management team and approve an award where appropriate, as outlined in the minutes presented. The Remuneration Committee had received the relevant performance indicators before taking a view and had been pleased overall with the contribution of the SMT and the Vice-Chancellor & Chief Executive.

Academic Board (LJMU 14/57)

- The Board received the minutes of the Academic Board meeting held on 22nd September 2014 for information.

Copperas Hill Steering Group (LJMU 14/82)

- The Chairman of the Board reported that for the first time the Board has sight of the Copperas Hill Steering Group minutes to ensure that all governors are kept up to date with the Estate master planning and major capital developments. The next meeting of the Group is being arranged for January 2015 and work is ongoing on the design and to appoint the main contractors subject to the scheme going ahead with the approval of the Board in July 2015.

Noted.

LJMU 14.97

ARTS & CULTURAL PARTNERS

Received: The report of the Pro-Vice-Chancellor (External Engagement) (LJMU 14/83).

Reported:

- Governors were provided with an overview of the University's developing programme of partnerships with local arts and cultural organisations.
- The primary driver in putting these relationships in place is about improving the student experience; providing opportunities for LJMU students to access for free or at discounted rates the premier cultural establishments within the city. Additional benefits accrue, including opportunities for academic collaboration and co-creation of exhibitions and performances, as well as corporate benefits such as reputational enhancement through joint events and co-branding.
- That four head-line partnerships are now in place with: (1) the Royal Liverpool Philharmonic Orchestra (RLPO); (2) The Everyman and Playhouse; (3) Tate Liverpool; and (4) the Royal Court Theatre.
- In addition the University has sponsored a number of cultural events or arts organisations, notably: (1) Light Night; (2) Homotopia; (3) The Biennial; and (4) the John Moores Painting Prize.

Commented:

- The Chairman welcomed the informative report which would be most useful to Governors, and would appreciate regular updates going forward.

Action: Pro-Vice-Chancellor (External Engagement)

LJMU 14.98

ANY OTHER BUSINESS

- The Chairman, on behalf of the Board, thanked the Strategy Management Director for his commitment and contributions to the University and also for his contribution to the Board in delivering informative and open reports which had been most helpful to the Board. The Chairman would have a further opportunity to say more at the Strategic Event in January, but wished his thanks to be noted in the minutes of the last Board meeting for the Strategy Management Director. The Chairman would also take the opportunity to thank the Dean of the Faculty of Arts, Professional and Social Studies at a future Board.

LJMU 14.99

DATE OF NEXT MEETING

Monday 1st December 2014 at 5.00pm (Workshop)

Wednesday 28th/Thursday 29th January 2015 (Overnight Strategic Event)

Monday 30th March 2015 at 5.00pm (Board Meeting).

LIVERPOOL JOHN MOORES UNIVERSITY

BOARD OF GOVERNORS

Action Point Control Register – Status of Open Action Points as at 30th March 2015

Minute	Action	By Whom	By When	Status
LJMU 14.10	<p><u>Spatial Masterplan:</u></p> <p>(i) The Project Board will develop a full feasibility report and business case to the Board at its September meeting.</p> <p>(ii) Governors requested further detail on how the completion of the Copperas Hill site would align with the budget deficit envisaged within the Five Year Plan.</p>	<p>Finance Director & Deputy Chief Executive</p> <p>Finance Director & Deputy Chief Executive</p>	<p>29th September 2014</p> <p>6th July 2015</p>	<p>Discharged</p> <p>Discharged for September 2014. Re-opened for 6th July 2015</p>
LJMU 14.28	<p><u>2012/13 HESA RETURN STAFF FTE AND STAFF COST ANALYSIS:</u> The Chairman requested a further paper outlining staffing priorities across the Institution and how the proportion of administrative staff compared to other Institutions across the sector. Governors also requested the views of SMT overall, having taken account of the information provided within the report, and any costs that would be incurred in changing the current balance of staff across the Institution.</p>	Vice-Chancellor & Chief Executive	17 th November 2014	Discharged
LJMU 14.32	<p><u>INSTITUTIONAL RISK REGISTER:</u></p> <p>(i) Governors would welcome further comfort around commercial and collaborative income streams and felt that this should be included on the Risk Register, along with timescales for mitigating the risk.</p>	Strategy Management Director	17 th November 2014 and Audit Committee on 9 th March 2015 and Board of Governors on	Active

Minute	Action	By Whom	By When	Status
	(ii) That the Strategy Management Director re-visit how risks are presented to governors to ensure that the Board are fully aware of the risks to the Institution so that in turn they may assure regulators and others that risks are being managed effectively.	Strategy Management Director	30 th March 2015 17 th November 2014 and Audit Committee on 9 th March 2015 and Board of Governors on 30 th March 2015	Active
LJMU 14.33	RISK MANAGEMENT POLICY 2014: That in light of discussions around the Institutional Risk Register the Risk Management Policy would reflect any changes made and be brought back to the Board in due course for approval.	Strategy Management Director	17 th November 2014	Discharged
LJMU 14.64	SPATIAL MASTERPLAN REPORT: (i) On completion of the initial stage of the RIBA Stage 3 developed design for the Copperas Hill site and the associated landscaping, a report will be submitted for approval to the Board of Governors' Meeting in July 2015 detailing the budget cost of the project. (ii) A report will be submitted for approval to the July 2015 Board of Governors' Meeting detailing the preliminary cost of the RIBA Stage 2 concept design for the John Foster Campus, to house the Faculty of Education, Health & Community.	Finance Director & Deputy Chief Executive Finance Director & Deputy Chief Executive	July 2015 July 2015	New New

Minute	Action	By Whom	By When	Status
LJMU 14.65	<u>NSS 2014 OUTCOMES:</u> For future reports Governors requested further clarity around the analysis of data and the subsequent actions to be taken by the University.	Registrar & Deputy Chief Executive	September 2015	New
LJMU 14.68	<u>GOVERNANCE EFFECTIVENESS REVIEW:</u> That this would be taken forward at the Governors' December Workshop.	Vice-Chancellor & Chief Executive	December 2014	Discharged
LJMU 14.71	<u>SENSOR CITY:</u> The Chairman of Finance Committee requested a paper to come to the Finance Committee which has responsibilities for ratifying large capital expenditure.	Finance Director & Deputy Chief Executive	27 th October 2014	Discharged
LJMU 14.72	<u>CHAIRMEN'S & COMMITTEE REPORTS:</u> The Chairman of the Board requested a paper outlining the University's partnership arrangements with local arts and cultural organisations and the costs and benefits to the University.	Vice-Chancellor & Chief Executive	November 2014	Discharged
LJMU 14.80(i)	<u>MINUTES:</u> That the planning application to maximise the development potential of the I M Marsh Campus be reported to the Copperas Hill Steering Group in January, and at the next Board meeting in March 2015.	Finance Director & Deputy Chief Executive	March 2015	New
LJMU 14.80(ii)	<u>MINUTES:</u> The Chairman requested, in regard to the 'Destination of Leavers' Survey' reported to the Board at its last meeting (29.9.14), that a further report be presented to the Board on the impact and the benefits of the action plans which had been drafted for implementation within some schools to address low numbers of graduates entering graduate level jobs or further education.	Registrar & Deputy Chief Executive	March 2015	New

Minute	Action	By Whom	By When	Status
LJMU 14.86	<u>RISK MANAGEMENT – INSTITUTIONAL RISK REGISTER:</u> That a full copy of the Risk Register is provided to Audit Committee in the future.	Strategy Management Director	March 2015	New
LJMU 14.87 (i)	<u>ANNUAL STRATEGIC PERFORMANCE REPORT 2013/14:</u> The Pro-Vice-Chancellor (Scholarship, Research & Knowledge Transfer) The REF outcome will be published on 16 December 2014 and will be reported to the next Board in March 2015.	Pro-Vice-Chancellor (SRKT)	March 2015	New
LJMU 14.87 (ii)	<u>ANNUAL STRATEGIC PERFORMANCE REPORT 2013/14:</u> The Vice-Chancellor & Chief Executive informed the Board that the retention rate has deteriorated and a review is taking place to understand better why this has happened, particularly as retention rates have been improving over the last few years. A further report will be presented to the next Board in March 2015 to update the Board once the analysis has been completed.	Vice-Chancellor & Chief Executive	March 2015	New
LJMU 14.88	<u>ANNUAL MONITORING STATEMENT:</u> It would be encouraging to report on the Aurora Initiative as part of the Annual Monitoring Statement.	Registrar & Deputy Chief Executive	3 rd December 2014	Discharged
LJMU 14.97	<u>ARTS & CULTURAL PARTNERS:</u> That regular updates be reported to the Board.	Pro-Vice-Chancellor (External Engagement)	November 2015	New