

MINUTES

Governing Council	
Date	Friday, 03 July 2015
Time	3.00 pm – 5.25 pm
Venue	SB103, Devonshire Dome, Buxton Campus

Independent Members Mr Chris Hughes, Chair of Governing Council
 Mr Ian Gibbard, Vice-Chair of Governing Council
 Mrs Joanne Adams
 Mr Neil Calvert
 Mrs Olivia Dean
 Mrs Tina Heathcote
 Mr Andrew Lewer MBE MEP
 Mr Martin Rogers
 Mr Stephen Smith
 Dr Ian Webster

Other Members Professor John Coyne, Vice-Chancellor
 Mrs Susan Ambler, Staff Member
 Mr Chris Batten, VP, Academic Affairs, University of Derby Students' Union (UDSU)
 Miss Daisy Giuliano, President, University of Derby Students' Union (UDSU)
 Mrs Parminder Johal, Staff (teaching) Member
 Dr Graham Rowe, Academic Board Member
 Dr Ian Whitehead, Academic Board Member

Attendees Professor Margaret Bruce, Deputy Vice-Chancellor, Research & Academic Enterprise
 Professor Rod Dubrow-Marshall, Deputy Vice-Chancellor, Partnerships & Region
 Professor Kathryn Mitchell
 Professor Philip Plowden, Deputy Vice-Chancellor, Academic Portfolio
 Mr Hari Punchihewa, Deputy Chief Executive & Finance Director
 Mrs June Hughes, Clerk to Governing Council
 Mrs Katherine Taylor, Governance Services Officer

1. Introductions, apologies for absence & late arrivals

Apologies had been received from the Ven Dr Christopher Cunliffe and Mr Gordon Lammie.

The Chair welcomed Mr Chris Batten to his first Governing Council meeting. Mr Batten was the new VP, Academic Affairs for the Students' Union.

The Chair had invited Professor Kathryn Mitchell to join the meeting. Professor Mitchell would be taking up the position of Vice-Chancellor from 1 September 2015.

2. Declarations of interest

Stephen Smith declared an interest in item 8 on the agenda but was not required to leave the meeting during its consideration.

- 3. Minutes of the previous meeting, held on Friday 17 April 2015** **GC/15/4/3**
- 3.1 Accuracy**
The minutes of the previous meeting, held on Friday 17 April 2015, were confirmed as a correct record and signed by the Chair.
- 3.2 Matters arising**
There were no matters arising.
- 3.3 Any remaining business from the previous meeting** **GC/15/4/3.3**
Updates noted.
- GC/15/1/8 – Completed. An executive summary had been included into the News from the Colleges report.
- GC/15/1/13 – Completed at the meeting in April 2015.
- GC/15/1/16.1 – The Audit and Risk Committee 11 June 2015 agreed to start its meeting at 3.30pm in order for KPMG to brief members on how FRS102 will affect interpretation of the University's accounts.
- GC/15/2/5 – Report on the combined partnership and international strategy had been deferred to the October meeting to allow the new VC to provide her input.
- GC/15/2/5 – Outcome of the General Election was covered at the informal GC meeting in May and would inform the strategy discussions in November 2015. Completed.
- GC/15/2/7 – The DVC AP provided a verbal update following an investigation in relation to HESA non-completions following the last meetiHHng. The update included the factors that had seen a rise in non-completions between 2012/13 and 2013/14.
- GC/15/2/8 – Consider GC access to Academic Board papers following the Eversheds review of governance and the implementation of Boardpacks. This item would be considered at a future meeting.
- GC/15/2/9 – The Clerk had informed Privy Council of the outcome of Governing Council's decision to extend the current Chair's term of office at its last meeting on 17 April 2015. Completed.
- GC/15/2/10.1 and 10.2 – These items were not yet due for completion.
- GC/15/2/11 – The independent governor advertisement had been updated, published and the closing date had passed on 19 June 2015. Completed.
- GC/15/2/13 – Following student consultation, the 2016 Buxton Awards Ceremonies would take place in November for 2016 and not be moved to July. The date of the 2016 Buxton HE awards ceremonies was confirmed as Saturday 12 November 2016.
- GC/15/2/14 – The outcome of the Governance Effectiveness Review was on the agenda at item 13.

GC/15/2/16 – The Chair had inserted Research Excellence Framework to the GC seminar topic list for the 2015/16 Academic Year. Completed.

GC/15/2/17.1 – The updated performance matrix was on the agenda at item 17.1.

GC/15/2/17.2 – The Director HR had been asked to investigate providing comparative sector benchmark data within future HR reports and comment on LGPS membership.

GC/15/2/17.6 – Include the benefits of the difference between the environmental accreditation standards within the next biannual environmental responsibility report to GC. Due October 2015.

GC/15/2/24 – Update on the Peak Resort was on the agenda at item 18.3.

4. Chair's report.

GC/15/4/4

The Chair highlighted the next big steps for the institution and Governing Council particularly in terms of the Quality and Teaching environments, which HEFCE had indicated Governing bodies would be, in future, expected to take a much more proactive lead.

There was consensus from the comments received that the University would be able to adapt to this change in focus and expectation by being proactive and taking a sector leading approach. It was noted that the Research Excellence Framework had a number of existing monitoring activities associated with it and the experience we had gained from Buxton and Leek College's Ofsted inspection could assist us to plan and prepare for this change.

Teaching and Quality would be a significant item for consideration at the residential strategy meeting in November 2015.

Action: To send members a copy of HEFCE's consultation document on future approaches to quality assessment in England, Wales and Northern Ireland which was published on 29 June 2015. **[GSO]**

5. Vice-Chancellor's Report

GC/15/4/5

The Vice-Chancellor (VC) presented his last report, which included a comparison of the external environment in which he had found the institution when he took up post in 2004, with the much more liberal market model in which we were likely to find ourselves moving forward.

The report also included the three key areas of most recent focus in order to ensure that the momentum in the institution was maintained ahead of our new Vice-Chancellor taking up her post in September 2015; specifically, ensuring recruitment was to target for 2015, to agree a deliverable budget and that new areas of research and enterprise made steps forward.

Governing Council NOTED the report.

6. UDSU Report

GC/15/4/6

In addition to her report, the Chair asked Miss Giuliano to comment on her priorities for her second term. She informed Governing Council that she would be giving more focussed attention to Further Education and the University of Derby Online students.

Mr Chris Batten was invited to comment on his campaign manifesto that had led to his election success. He responded that his campaign had many elements to it but a core theme was 'students as partners'.

The Council NOTED the report and welcomed Mr Batten to Council.

Academic Matters

- 7. News from the Colleges** **GC/15/4/7**
The Deputy Vice-Chancellor Academic Portfolio (DVC AP) presented the biannual report, which summarised the highlights of key activities and achievements from around the Colleges and covered the period January 2015 to June 2015.
- Governing Council welcomed the inclusion of an executive summary with the report following their request at the January meeting.
- It was highlighted that a section was missing from the final report from the College of Life and Natural Sciences.
- Members wished to continue to receive this information. It was noted that the introduction of the BoardPacks electronic meeting papers would allow for the full reports to be posted in the 'Knowledge Area'.
- Action:** DVC AP to follow up the missing item with the Director of Marketing after the meeting to ensure its inclusion in the next update report in January 2016. **[DVC AP]**
- 8. Update on Research and External Bids** **GC/15/4/8**
The Deputy Vice-Chancellor Research, Innovation and Academic Excellence (DVC RIAE) updated Governing Council on the intense bidding activity that had taken place since their last meeting in April 2015.
- Governing Council was pleased to note our achievement in winning the Times Higher Education Leadership and Management Award 2015 for Knowledge Exchange/Transfer initiative at the June 2015 awards ceremony in London.
- Andrew Lewer commented that the University may be able to secure a visit from either of the Secretaries of State for Universities and Science or for Communities and Local Government.
- Action:** To circulate the University's Research Review 2015/15 to members of Governing Council following the meeting. **[GSO]**
- Action:** Invite the Secretaries of State to visit the University. **[VC]**
- 9. Academic Board Minutes – 3 March 2015** **GC/15/4/9**
The minutes of the Academic Board meeting held on 3 March 2015 were noted. Mr Neil Calvert, Independent Governor had been asked to observe a meeting of Academic Board in order to assess whether the Governing Council would benefit from access to the full Committee papers. He had not been able to attend a meeting since the last Governing Council, but would endeavour to do so as soon as possible and report back on his assessment.
- Action:** To ask Neil Calvert to report back to Governing Council following his attendance at an Academic Board meeting. **[NC]**

10. Partnerships Update**GC/15/4/10**

The Deputy Vice-Chancellor Partnerships and Region (DVC PR) presented an update report of the ongoing work of the University's Strategic Partnerships Unit (USPU). The activities detailed in the report related to both international and UK academic partnerships, corporate partnerships for real world learning, apprenticeships and higher apprenticeships, as well as site management (currently principally in Buxton) and set-up/development activities (in Chesterfield).

A discussion took place around the significant work that had been generated as a result of the University's successful partnership activity both in the UK and overseas. Some caution was expressed regarding ensuring that efforts were focussed appropriately on the most fruitful collaborations in order to ensure that due diligence could be followed throughout the life of the partnership.

A report on the combined partnership and international strategy would be brought to the next meeting of Governing Council.

Action: DVC PR to provide information for members following the meeting on the number of the University's students involved in our International partnerships. **[DVC PR]**

Action: To receive a report on the combined partnership and international strategy at the October meeting. **[DVC PR]**

Items for Approval**11. Budgets 2015/16****GC/15/4/11**

Governing Council noted that the report had been considered by the Strategy, Finance and Planning Committee at its meeting on 18 June 2015 and was endorsed by them for Governing Council's approval. The Chair of SFPC reiterated his comment made at the time that it had felt a particularly significant time for the University, which had some pivotal decisions to make. He added that it was entering into a new era with regard to its financial decision making, with regard to the 2015/16 budget and the strategic five year plan, which was considered at item 12.

The Deputy Chief Executive and Finance Director (DCE&FD) introduced the report, which was presented in a market context by the use of sector benchmarking data to compare a range of financial metrics between the University and the institutions considered to be our main competitors.

A detailed discussion took place around the uncertainty of student recruitment numbers for the 2015/16 entry. It was this uncertainty that had informed the University's base budget. The Chair complemented the DCE&FD on the prudent decision to not set the student fees figure at the maximum level permissible of £9k in 2012, which had subsequently resulted in a one-off income uplift for the 2015/16 budget without the need to dramatically increase student numbers.

The Chair highlighted to members that he had asked the DCE&FD to amend the report that was taken to SFPC in June, to show the 2015/16 budget against the final 2014/15 forecast outturn not the previous budget.

The Council's attention was drawn to the University's higher than average Staff Student Ratio and that our income per Full Time Equivalent Staff member was somewhat lower than others in our benchmark group.

It was noted that average academic pay was below the national average. This would suggest that we were employing more staff but that the per FTE income generation was not being realigned as yet.

Governing Council Approved:

1. the University Base Budget and the Growth Budget with the understanding that if we did not achieve the budgeted student numbers, the budget would be revisited to adjust the cost base in line with the revised income.
2. the Capital Budget within the report (£5.5m) and gave delegated authority to the DCE &FD to allocate for projects as approved by the Executive.

12. Five Year Plan

GC/15/4/12

Governing Council noted that the report had been considered by the Strategy, Finance and Planning Committee at its meeting on 18 June 2015 and was endorsed by them for Governing Council's approval. The Deputy Chief Executive and Finance Director presented the report, which informed members how the five year University Forecast had been prepared to show the possible outcomes as an upper and a lower scenario. The upper scenario captured our ambitions to grow in terms of student numbers, particularly in FT UG, UDOL and Overseas students. The lower scenario attempted to capture an outcome where the FT UG and Overseas student number ambitions were moderated to 'nil growth' beyond the 2015/16 budget and could be considered a more prudent view of an outcome.

Both scenarios included continuing investment in Strategic Investment Fund (SIF) and Capital projects, and assumed the same teaching staff student ratios. Pay inflation of 3.5% had been applied in years 2016/17 onwards.

Governing Council APPROVED the Upper Scenario for the five year plan financial forecasts 2015/16 to 2019/20, with the caveat that if the recruitment for 2015/16 were to fall below target then the five year plan would be revised along with the necessary adjustments to the budget.

Action: To take another look at this five year forecast again at the strategy meeting in November 2015 once the actual recruitment position was known.

13. Governance Effectiveness Review 2015 - Recommendations

GC/15/4/13

Governing Council considered the recommendations made by Eversheds following their review of the University's Governance arrangements and the proposed implementation plan put forward by the Audit and Risk Committee at their meeting on 11 June 2015.

Council was pleased to note that there were relatively few issues arising from the review and Evershed's impression of the University's governance had been "one of a well governed institution whose governing body was well organised and fully in control of its duties".

The Audit and Risk Committee had identified that there were varying degrees of complexity associated with implementing each of the 15 recommendations. It was proposed that particular individuals or groups should be responsible for implementing the items as set out in the report.

The Chair invited interest in joining a task and finish group proposed to be composed of a small group of executive directors and independent governors, supported by the clerk. The following volunteers were noted; Chris Hughes, Ian Webster, Olivia Dean and Daisy Giuliano.

[Post meeting note: Ian Whitehead volunteered to be part of the working group following confirmation of his continued membership of Governing Council by Academic Board following the meeting.

Neil Calvert also volunteered to be a member of the group following the meeting.]

During consideration of the item by Governing Council the Chair of FEGC challenged the wording presented in section 5.5 on page 39 and the related recommendation 6.7.3 on page 42 of the report, which stated that FEGC may have taken executive decisions. The Chair of FEGC did not agree that this had ever been the case. The Chair concurred with this and asked the Clerk to revisit this part of the report with Eversheds with a view to amending the final report before its publication on the University's website.

Action: The task and finish group would report back to Governing Council in three months.

Action: To ask the Clerk to revisit the part of the report with Eversheds, which suggested that FEGC may have taken Executive decisions with a view to amending the final report before its publication on the University's website.

Susan Ambler highlighted that the University's group structure chart provided to Eversheds on page 20 could be revised for improved presentation.

Action: To ask Susan Ambler to provide the updated University Group Structure chart for inclusion in the published copy of the governance effectiveness report 2015.[SA]

14. Updated Whistleblowing Procedure – Raising a Concern GC/15/4/14

Governing Council APPROVED the updated Whistleblowing Procedure, subject to a grammatical correction on page 2 under the section 'What Happens Next?' This would be amended to read "Once you have raised your concern it is our responsibility to investigate the matter".

The Policy, which was owned by Governing Council and previously called Raising a Concern had been retitled in order to provide greater clarity and ease of searching on the University's website.

The improved presentation and clarification of the procedure was noted and the contribution made by Human Resources in updating the policy recognised.

Action: To update the University's Ordinances to include the revised whistleblowing procedure and bring a revised copy of the Ordinances to the October 2015 meeting for approval by Governing Council.[Clerk]

Items to Consider and Discuss

15. Business, Finance and Estates Update

15.1 Deputy Chief Executive and Finance Director's Report GC/15/4/15.1

The Deputy Chief Executive and Finance Director (DCE & FD) presented the report. The Committee were informed that the Strategy, Finance and Planning Committee had been particularly interested in the sale of the Harpur Hill Site, at their meeting on 18 June 2015. The report also set out details of a Joint Venture between the University and a Derby entrepreneur and the nature of the Knowledge Transfer investment being made. Governing Council were informed that the investor was so pleased with the progress and developing relationship with the University that we had been asked to assist with two further projects.

Governing Council:

1. ENDORSED the recommendation of the Strategy, Finance and Planning Committee that the DCE&FD be given the delegated authority to negotiate the sale with a minimum target of the current book value of the site as stated in the University's accounts.
2. APPROVED the arrangements of the joint venture as set out in the report.

15.2 Estates Projects Update

GC/15/4/15.2

Council noted the Deputy Chief Executive and Finance Director's (DCE&FD) update report on delivery of the current Estates projects strategy. The Chair commended the progress and quality of the new Sports building facility, which governors had been invited to visit in June 2015, which would be open for the start of the Academic Year in September 2015.

16. Research, Enterprise and Innovation (including IISE) Update

GC/15/4/16

The Deputy Vice-Chancellor Research, Innovation and Academic Enterprise (DVC RIAE) presented a report updating Governing Council on progress with the research strategy implementation, since it was received at the meeting in April 2015.

Of particular note was the rapid expansion of Knowledge Transfer Partnerships and recruitment in to Institute for Innovation and Sustainable Engineering (IISE), which was acting to further strengthen links with key employers including Rolls-Royce.

The report noted again our achievement in winning the Times Higher Education Leadership and Management Award 2015 as highlighted in item 8 on the agenda.

Governing Council NOTED the report and that the new University Research Committee had been constituted and Professor Paul Lynch elected as the Chair of the Professoriate at its first meeting.

17. Performance Reports

17.1 University's Performance Matrix 2014-15 Update

GC/15/4/17.1

The Vice-Chancellor presented the University's performance matrix, setting out the key performance indicator targets for the Academic Year 2014/15, which had been approved by the Council in October 2014. It was noted that data was available at the time for nine of the ten measures; five of which were final outturns and four were interim updates. The student satisfaction data would not be available until after the end of the Academic Year 2014/15.

Governing Council were very pleased to note that in all but one area for which data was available that we were either, on, above or outstanding against our performance targets. Our performance in the proportion of firm versus insurance applications was in the poor category, which remained an area of considerable concern.

The Chair informed Governing Council that the Remuneration Committee had agreed that with this exception the University's performance during the past year had been above target. The EBITDA metric was very strong and we had exceeded our income target for the year.

The Committee NOTED the report and that the 2015/16 Performance Matrix measures would be presented at the October meeting of Governing Council.

17.2 Human Resources Report**GC/15/4/17.2**

The Vice-Chancellor presented the quarterly report and the Chair invited comments from members. An enquiry was received about the nature of the Athena Swann accreditation, which the University had not achieved following its application. The DVC RIAE informed Council that it was a national scheme which recognised a commitment to supporting and advancing women's careers in science, technology, engineering, maths and medicine (STEMM) in higher education and research. She added that we had received a set of recommended actions from the assessors, which the University would be working to address in anticipation of a further future application.

Council NOTED the report.

17.3 Buxton and Leek College – update report**GC/15/4/17.3**

Governing Council considered the Buxton and Leek College update report, presented by the Deputy Vice-Chancellor Partnerships and Region (DVC PR). Members of the Further Education Governance Committee (FEGC) who had attended the Further Education award ceremonies earlier that week commented that the events at both Buxton and Leek campuses were a much improved showcase of the achievements of our FE students than the previous year's events.

It was noted that over 80 applications had been received for the new senior Assistant Principal posts and interviews for these would be taking place in the coming weeks.

The Vice-Chancellor commended the work of the estates team to improve the presentation of the entrance to the Leek Campus as an outstanding piece of work. The Chair of FEGC recommended that Governing Council hold a meeting at the new Leek Campus building in the 2015/16 Academic Year.

Action: To ask the GSO to investigate a suitable venue for Governing Council to hold a meeting at the new Leek Campus during the 2015/16 academic year. **[GSO]**

17.4 Student Admissions and Recruitment**GC/15/4/17.4**

The Deputy Vice-Chancellor Academic Portfolio (DVC AP) provided the most up to date admissions figures since publication of the Governing Council report. **[Confidential Minute]**. He also highlighted to Council that the clearing shortfall this year was likely to be higher than he had originally estimated **[Confidential Minute]**. This information was put into context against the number of students recruited through clearing in 2014, **[Confidential Minute]**.

[Confidential Minute]; it was now more likely we would recruit a similar sized co-hort to last year. Initial calculations of roll forward of current year students also suggested a shortfall although the data was still being validated.

The Chair asked how this forecast compared to others in the sector. The Vice-Chancellor and Professor Kathryn Mitchell concurred that many colleagues in the sector would not share their institution's predictions; although it was noted that one East Midlands University was planning to increase its market share by c2000 compared to last year. Therefore recruitment in clearing would be tough.

Neil Calvert, independent governor, made Council aware that A Levels were likely to have seen lower attainment levels in some subject areas due to the difficulty of exams that year, which may affect the tariff point levels of prospective students. The DVC AP said that he would take this information into consideration when planning for the clearing activities in August.

The Committee NOTED the latest recruitment and admissions update.

18. Strategic Developments

18.1 Royal Malaysia Police (RMP) update [CONFIDENTIAL] **GC/15/4/18.1**
[Confidential Minute]

18.2 Chesterfield Campus **GC/15/4/18.2**
 The Deputy Vice-Chancellor Partnerships and Region (DVC PR) provided an update on progress with the University's new campus in Chesterfield. Since its last update Governing Council noted that two high quality and competitive tenders had been received for the refurbishment work for the St Helena building.

Action: To ask the GSO to investigate a suitable venue for Governing Council to hold a meeting at the refurbished St Helena building in the 2016/17 academic year.[GSO]

18.3 Peak Resort Development **GC/15/4/18.3**
[Confidential Minute]

19. Risk Management

19.1 Corporate Risk Register **GC/15/4/19.1**
 Governing Council considered the latest summary of the Corporate Risk Register. The Deputy Vice Chancellor Academic Portfolio (DVC AP) had highlighted to the Audit and Risk and the Strategy Finance and Planning Committees at their meetings in June the significant risk posed to the University if it lost its sponsor status with the UK Visas and Immigration Service (INTL2).

Since that time the University had learned that it would be audited by the UK Visas and Immigration Service in August 2015.

The Committee NOTED the report and update.

19.2 Business Continuity **GC/15/4/19.2**
 The Committee NOTED the Business Continuity summary report.

Items to Receive & Note

20. HEFCE Assurance Review – final report **GC/15/4/20**
 Governing Council NOTED that the required amendment to the HEFCE assurance review report had been accepted by them. The University had been advised by HEFCE that it would not receive its final Assurance Review report until September 2015.

Governing Council would receive a copy of the final document once available.

21. Chairs' Reports (verbal update).
 No additional updates were received.

22. Information Matters for receipt (as located on the shared drive).
 22.1 Confirmed minutes of FEGC, held on 16 March 2015.
 22.2 Confirmed minutes of A&R, held on 19 March 2015.
 22.3 Confirmed minutes of SFPC, held on 30 March 2015.

22.4 Confirmed minutes of Special GC, held on 28 April 2015.

23. Farewell to retiring members

Floral gifts were presented to the three retiring members of Governing Council; Joanne Adams, Ian Gibbard and Tina Heathcote. Governing Council and members of the Executive joined the Chairman in demonstrating their appreciation with a round of applause.

The Vice-Chancellor added that each of the retiring governors would receive a commemorative gift from the University. Royal Crown Derby had created a limited-edition owl paperweight for the University of Derby to celebrate the heritage, manufacturing and creative legacy of the city.

A round of applause and flowers were also received by the Vice-Chancellor, John Coyne, who would be retiring at the end of July 2015 after 11 years of service.

24. Any Other Business

There was no other business.

25. Date and time of next meeting

Date: Friday 23 October 2015
Seminar: 2:00 pm (University of Derby Students' Union)
Meeting: 3:00 pm
Venue: S104, Dovedale Suite, Kedleston Road

Signed: _____

Chris Hughes, Chair, Governing Council

Date: _____