



Board of Governors

Minutes of the meeting held on 24th November 2020

20/25 Attendance

25.1 Present

Mr J Bateman OBE	Independent Governor, Chair
Mr C Arntzen	Independent Governor
Dr D Beech	Independent Governor
Mr J Bothamley CBE	Independent Governor
Mr S Devlin	Co-opted Governor
Mr R Dudley	Staff Governor
Mrs D Gant	Independent Governor
Professor D Green CBE	Vice Chancellor & Chief Executive
Mrs A Hooper	Independent Governor
Mr D Iddon	Independent Governor
Dr C Jones	Independent Governor
Mr N Khan	Independent Governor
Dr D McDougall	Staff Governor
Rev'd Dr A Pettersen	Independent Governor
Dr S Pittaway	Staff Governor
Miss M Price	Student Governor
Mr M Scriven	Staff Governor
Mr I Smith	Independent Governor
Mr H South	Student Governor
Mrs S Speck	Independent Governor

25.2 In Attendance

Mr R Bonham	Director of Finance & Resources
Mrs J Britton	Director of Communications & Participation
Mrs A Cope	Director of Human Resources
Professor S Greer	Deputy Vice Chancellor & Provost
Ms H Johnstone	Head of Governance and Regulatory Affairs (Clerk to the Board)
Ms T Manning	Vice President, Students' Union
Mrs J Newland	Assistant Clerk to the Board
Mr R Renton	Pro Vice Chancellor Students

25.3 Apologies

Dr S Pittaway	Staff Governor
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20/26 Declarations of Interests

26.1 There were no declarations of interest.

20/27 Minutes

27.1 The minutes of the meetings held on 29th and 30th September 2020 [BG20/18] were confirmed as an accurate record of the meeting.

27.2 There were no matters arising not covered elsewhere on the agenda.

20/28 Chair's Business

28.1 The Chair reported that since the last Board meeting he had spoken at an Advance HE session on how boards should assure progress on equality, diversity and inclusion. He has subsequently discussed with Advance HE their charters on EDI and volunteered the University taking part in a possible pilot. The Chair also attended the recent Advance HE annual Governance Conference along with two other governors and his overwhelming feeling from the sessions was that the University was doing well.

28.2 The Chair and Chair of the Remuneration Committees had completed a CUC and Advance HE survey into senior staff remuneration.

28.3 The Chair reported he had visited campus several times over the past couple of months and felt the arrangements in relation to Covid 19 were being very well managed. It has clearly been a difficult time for staff and he noted the Board's appreciation for all they have done.

28.4 Noting that governors do not have opportunities at the moment to visit the University, a virtual Christmas 'social' is to be organised as an opportunity to come together informally.

20/29 Vice Chancellor's Report [BG20/19]

The Vice Chancellor presented his written report to the Board and drew members' attention to the following:

29.1 The Vice Chancellor noted the sad news of the deaths of Cecil Duckworth CBE and the Hon. Lady Rosalind Morrison, both great friends and supporters of the University.

29.2 Covid 19 has had an impact on every aspect of university life and the Vice Chancellor welcomed the news on vaccines. The University received a Freedom of Information request for the total number of Covid 19 cases amongst staff and students up to 5th November. The total number from 1st August to 5th November was 103 which is less than 1% of the staff and student population. The University continues to be a Covid 19 cold spot, a remarkable tribute to students and staff. There was a modest rise in the number of cases mid November, however this has now fallen again. The University has done its best to minimise education damage; 58% of classes have been in person this semester and it is planned more will be next term. The University is currently implementing the government's 'Home for Christmas' guidance and is staggering the ending of in person teaching which is required to finish by December 9th. Health students are permitted to continue with placements after this date, however the University is still waiting for guidance on teaching student placements. The Senior Pro Vice Chancellor is leading efforts, working with Public Health Worcestershire, to offer innovative, targeted testing for students returning home and the University is looking forward to being part of the vaccination effort.

29.3 Members noted the very safe environment created for the return to campus and that students were appreciative of the regular communications. The governor member on the Community Forum added the Forum had thanked the University for its leadership on the response to the pandemic and councillors thanked students for being so sensible and community-minded.

- 29.4 Equality, Diversity and Inclusion continues to be an integral part of the University's work and the Vice Chancellor drew members' attention to the narrative report of the University's Annual Accounts that provides an opportunity to assess the University's progress.
- 29.5 *[NOT FOR PUBLICATION]*
- 29.6 Longer-term, work is continuing with partners on the Dudley HE Centre, mainly around the building for the HE Centre.
- 29.7 *[NOT FOR PUBLICATION]*
- 29.8 *[NOT FOR PUBLICATION]*
- 29.9 A query was raised on the University's digital estate. The move to online teaching spurred a great deal of innovation and the Board noted a massive programme of work was ongoing, including refurbishing digital capability in teaching rooms, upgrading the University's mobile digital estate, purchase of an online lecture capture system and addressing digital inequality.
- 29.10 *[NOT FOR PUBLICATION]*
- 29.11 The Board received the report.

20/30 Annual Accounts for the University and its subsidiary Companies

The Board received for formal approval the annual accounts for the University and its subsidiary companies. These have been reviewed and recommended for approval by both the Audit and Finance and Development Committees and the reports of both Committees are in the papers for the Board meeting on 25th November. The Board noted the management letters were not finalised when the committees received the accounts. The Board was also asked to note the strategic report at the start of the accounts.

- 30.1 University of Worcester Group Accounts 2019/20 [BG20/20]
- 30.1.1 The Director of Finance and Resources noted the audit this year was carried out almost exclusively remotely and went smoothly with only a few challenges. *[NOT FOR PUBLICATION]*
- 30.1.2 The University recorded a surplus before other gains and losses of £1,487,000, a significant achievement given the reduction in income due to the impacts of the pandemic on accommodation, catering and event income. Staff costs visually appear to have increased but there are some fluctuations on provisions and overall, they are broadly static. Savings on non-pay costs were the main driver for showing a surplus. The Board noted the actuarial loss in respect of pension schemes of £17,757,000, which relates primarily to the local government pension scheme (LGPS). It was noted that the pension liabilities relating to the University have increased by approximately £21m, which is a result of increased liabilities relating to the University's share of the Worcestershire LGPS. The University's cash position at the 31st July 2020 was £44.8m, again a positive outcome. Members also noted the Net Cash flow from operating activities of £11,981,000 that drives the achievement of the covenants and is also an excellent outcome.
- 30.1.3 *[NOT FOR PUBLICATION]*
- 30.1.4 The Chair of the Audit Committee congratulated the Director of Finance & Resources and team on the accounts.
- 30.1.5 The Board **approved** the University of Worcester Report and Financial Statements for the year ended 31st July 2020.
- 30.2 External Audit Completion Report and Management Letter for 2019/20 [BG30/21]
- 30.2.1 Members received further assurance from the External Auditors' Audit Completion Report for the year ended 31 July 2020 and noted the external auditors expected to give an Unqualified Opinion on the

Confirmed

financial statements. The Director of Finance and Resources highlighted the following areas of note: an adjustment was made in the financial statements of UW Developments Ltd due to a deficit valuation of land retained by UW Developments at City Campus. An adjustment was not made for this in the main accounts. An emphasis of matter was included in the external auditor's opinion for UW Developments Ltd with regard to valuation of investment land. A 'significant matter' was raised with regards to the Access & Participation Plan audit, a new requirement. It was pleasing to note no significant deficiencies in internal control were identified.

30.2.2 It was noted the going concern section of the report was not up to date, however the work on going concern had been completed and had concluded the University is a going concern over the next 12 months. It was a very challenging year to assess going concern due to the uncertainties. The Chair of Audit Committee added the Committee had had substantial assurance that the University was a going concern.

30.2.3 The Board **received** the External Audit Report and Management Letter for the year ended 31 July 2020.

30.3 Accounts for UW Developments Ltd 2019/20 [BG20/22]

30.3.1 The Board received the Annual Accounts for the year ended 31 July 2020 for UW Developments Ltd. It was noted the accounts reflect the completion by the Company of the Himbleton Road Townhouse on budget and would have shown a profit but for the valuation of land retained by the Company at City Campus from when the Campus was developed in 2009. *[NOT FOR PUBLICATION]*

The company is currently dormant pending new projects.

30.3.2 The Board **approved** the Annual Accounts for the year ended 31 July 2020 for UW Developments Ltd.

30.4 Accounts for UW Worcester Wolves Ltd 2019/20 [BG20/23]

30.4.1 The Board received the Annual Report and Accounts for the year ended 31 July 2020 for UW Worcester Wolves Ltd. The company made a small profit despite the basketball season being curtailed. The only debate was around going concern due to the uncertainties of the current season, however the situation has become clearer.

30.4.2 The Board **approved** the Annual Accounts for the year ended 31 July 2020 for UW Worcester Wolves Ltd.

30.5 Accounts for UW Enterprises Ltd 2019/20 [BG20/24]

30.5.1 The Board received the Annual Report and Accounts for the year ended 31 July 2020 for UW Enterprises Ltd. It was noted the company is essentially dormant.

30.5.2 The Board **approved** the Annual Accounts for the year ended 31 July 2020 for UW Enterprises Ltd.

Once the accounts are signed, the Board noted they would be filed with the OfS at the beginning of December in accordance with the original deadline.

20/31 Financial Matters

31.1 Budget 2020/21 [BG20/25]

31.1.1 The Board considered the proposed Budget for 2020/21, as considered and recommended by the Finance & Development Committee, and recalled that due to the uncertainties over student numbers an interim budget was approved in July 2020, in line with most of the rest of the sector.

31.1.2 *[NOT FOR PUBLICATION]*

31.1.3 The Board **approved** the 2020/21 Budget.

31.1.4 The Board thanked the Finance team for all their work.

20/32 Formal Approval items

32.1 Annual Prevent Return [BG20/26]

32.1.1 The Board received the Annual Report on the University's compliance with the Prevent Duty Return 2019-20, that informs the Annual Prevent Accountability Statement made on behalf of the Board. It was noted the University did not have any Prevent related cases in 2019-20 and there were no events or speakers where it was necessary to take action under the Code of Practice for the Freedom of Speech. The report includes information required on training specific to the Prevent Duty and on mental health and wellbeing support during the pandemic. The University's Prevent Risk Assessment and Action Plan have been updated to reflect increased concerns on wellbeing due to the impact of the pandemic.

32.1.2 The Senior Pro Vice Chancellor, Joint Prevent Lead, added he was confident in the processes in place and commended the report to the Board.

32.1.3 The Board **formally approved** the Annual Prevent Return 2019-20 for submission to the OfS and authorised the Chair to sign the Declaration on the Board's behalf.

32.2 Annual Report of the Audit Committee [BG20/27]

32.2.1 The Clerk to the Board presented the Annual Report of the Audit Committee 2019/20, part of the annual assurance return to the OfS and highlighted work on risk management, work of the internal and external auditors, governance arrangements, monitoring of value for money and data assurance.

32.2.2 The Board noted the report did not include the Head of Internal Audit Opinion that provided 'partial assurance with improvements' required for the period 1st August 2019 to 31st July 2020. However, work undertaken to assess progress made in addressing key internal audit recommendations made in the year meant that at the date of the report, the opinion was one of 'Significant assurance with minor improvements required'. The report is to be updated and redistributed to the Board.

32.3.3 The Chair of Audit Committee added the Board could have full confidence as to the adequacy and effectiveness of the University's arrangements. He thanked the Audit Committee for their work, including those members not on the Board.

32.3.4 The Board noted the key sources of assurances the Committee derives, and noted the Audit Committee's opinion that the Board should have confidence in the adequacy and effectiveness of the University's arrangements for:

- risk management, control and governance (and that the arrangements are on an ever improving trajectory);
- economy, efficiency and effectiveness (value for money);
- management and quality assurance of data submitted to public bodies.

32.2.5 The Board **approved** the report.

20/33 Compliance with OfS conditions

33.1 The Board received an update on compliance with the OfS and noted letters received by the Accountable Officer, that the University had responded to two OfS consultations and submitted the Interim Financial Data Collection return in accordance with the deadline and that there were no reportable events in the period 29th September to 10th November 2020.

20/34 Any Other Business

34.1 There was no other business.

Confirmed

20/35 Date of Next Meeting

25th November 2020

23rd & 24th February 2021.