



**Minutes
Board of Governors
20 April 2023**

The meeting was held in the Waldegrave Drawing Room and Online

Present: Mr Ben Andradi
Dr Fiona Gatty
Mr Dave Hartnett
Mr Anthony McClaran – Vice-Chancellor
Ms Claire McDonnell
Dr Mary Mihovolovic
Rt Rev Richard Moth (Chair)
Ms June Mulroy
Ms Adeola Oke
Professor Dominic Tildesley

In Attendance: Mrs Jo Blunden – Chief Operating Officer (“COO”)
Mr Andrew Browning – University Secretary (Minutes)
Professor Symeon Dagkas – Provost
Mr Tim Emmett – Business Development Director
Mr Richard Solomon – Chief Financial Officer (“CFO”)

Apologies: Pietro Palladino, Paul Barber, Deborah Streatfield, David Brambell

22/48	<p>The meeting opened with a prayer.</p> <p>PRESENTATION BY THE DEAN OF BUSINESS AND LAW</p> <p>Before the full meeting started the Dean of Business and Law gave a presentation on the strategic plan for the Faculty of Business and Law. During the presentation she highlighted the need for the faculty to increase international recruitment and develop an MBA, the work of the Research Centres and how the faculty was planning its resources, including</p>		
-------	--	--	--

	what it was hoping to gain from the development of the refectory building.		
22/49	<p>APPOINTMENT OF NEW GOVERNORS</p> <p>Ben Andradi and Adeola Oke were formally appointed to the Board of Governors.</p>		
22/50	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest.</p>		
22/51	<p>MINUTES OF PREVIOUS MEETING</p> <p>Subject to the correction of two typographical errors, the minutes of the previous meeting of 29 January 2023 were approved by the Board.</p>		
22/52	<p>MATTERS ARISING</p> <p>22/30 – The Prevent Annual Return, which had been approved for signing at the meeting of the Board in November, had been acknowledged by the OfS with no further action being required.</p> <p>22/37 – The University Secretary gave an update on Maryvale that he had received from the Director of IoTLA.</p> <p>He told the Board that preliminary work for a draft proposal for pursuing an acquisition of part of the Maryvale portfolio is being worked-on by staff within IoTLA in partnership with staff from the Archdiocese of Birmingham and Maryvale itself. This document will propose a significantly reduced acquisition from that of early discussions, in reflection of the due diligence process to date – to ensure the staffing levels can match the University’s workload modelling and module size expectations. It includes a reduced curriculum of the BA in Philosophy in the Catholic Tradition and the MA in Catholic Applied Theology, as well as a proposal to enrol PhD students under the Maryvale brand at St Mary’s (as St Mary’s students and following St Mary’s regulations).</p> <p>Prior to submission to the Board of Governors, the proposal requires final costings data of the two</p>		

	<p>degree programmes under discussion (forthcoming), and due diligence around the TUPE implications from the acquisition of the intellectual property affiliated with the programmes. Initial scoping suggests the maximum TUPE obligation is 2FTE.</p> <p>In the meantime, the structure of the proposal in its current form went to the Archdiocesan Trustees for comment earlier in the week, with a view to gaining initial consensus prior to formal submission to the Board of Governors. The Trustees' representative responded by saying that they thought the proposal is workable</p> <p><i>Board of Governors Away Day</i></p> <p>The University Secretary gave a summary of the actions that had been taken or would be taken following the Board of Governors Away Day.</p> <p><i>Governor Recruitment</i></p> <p>The University Secretary said that he had met with a potential new governor that day and was arranging for them to meet the Vice Chancellor and the Chair to get their view on their suitability to come onto the Board before going through the Nominations Committee process. He was also going to be meeting with another potential Board member at some point over the next couple of weeks.</p> <p>A request for nominations for the staff governor position would be going out next week, with elections taking place in time for the new staff governor to come onto the Board in June.</p> <p><i>Review of Governance</i></p> <p>Following the discussion at the Away Day regarding the terms of reference of the review, SUMS had revised these and the review would be starting in the coming weeks. It was likely that all committee chairs would be interviewed as part of the review and that someone from SUMS would attend the next Board meeting.</p> <p><i>Board of Governors Training</i></p> <p>Presentations on relevant issues relating to the University would continue to take place at the start</p>		
--	---	--	--

	<p>of each Board meeting with the exception of the November meeting.</p> <p>The University Secretary was meeting with the Director of Human Resources on 27 April and will be discussing what online training could be provided to Board members e.g. Prevent, EDI, and data protection.</p> <p>A half day training day was also going to take place in the autumn. This would also include a meeting only of Board members which was intended to be more free-flowing in nature in order to facilitate general discussion on the future of the University.</p> <p><i>St Mary's Online</i></p> <p>It was expected that the agreement would be signed by the end of next week. A paper on St Mary's Online would also be going to the Academic Board for discussion.</p>		
22/53	<p>MEDICAL SCHOOL UPDATE <i>Paper 3 refers</i></p> <p>The Vice Chancellor opened the update on the medical school saying that there was no decision point being reached at this meeting of the Board; however, the GMC submission would be coming to the next meeting for the Board's approval.</p> <p>The Business Development Director said that a Programme Office had been created with Professor Mike Bewick being appointed as Founding Dean and Neil Carleton being appointed as Programme Manager. The steering group was continuing to meet taking detailed interest in the work of the programme office and the application to the GMC. The post of Founding Dean was an interim role and it was the expectation of both the University and Professor Bewick that in due course the permanent role would be advertised on the open market.</p> <p>The GMC application was being prepared and it would include the necessary assurances relating to the contingency medical school which was expected to be UCLAN. A proposal in principle had been received from them and the detail including the contract needed to be agreed.</p>		

	<p>The Business Development Director drew the Board's attention the second page of the paper which listed the letters of support received by the University, which was still continuing to grow. Discussion had been taking place with Health Education England, the Chief Medical Officer, and various specialists and consultants from NHS Trusts around the country.</p> <p>The Board asked about Professor Bewick and his appointment to the role of Founding Dean. The Business Development Director said that he was one of the consultants initially engaged to consider the feasibility of setting up a medical school at the University, he was an experienced medical practitioner and had worked with Sir Bruce Keogh, the then Chief Medical Officer. He had been involved in the setting up of other medical schools including the one at UCLAN. It was felt that he covered the bases needed in terms of expertise and his network to ensure that the application and setting up of the medical school was successful.</p> <p>The Board asked how the University was balancing the need to have a financial outlay for the setting up of a medical school with the risk that it may ultimately not come into existence. The Vice Chancellor said that this was a difficult balance and that the University's approach had been to minimise continuing expenditure until the GMC had given a response to the University's application . He said that appointing Professor Bewick on an interim basis was good way to hedge against the financial exposure that the University faced were the medical school to fail to materialise. He said however that Professor Bewick and others within the University felt increasingly positive that the proposal would be well-received by the GMC.</p> <p>The Business Development Director went through the risk register which had been prepared for the Medical School project. There were six categories of risk: corporate governance, financial, regulatory, operations, stakeholder engagement, and academic/clinical with scores given for each risk contained within the categories. These scores were dynamic and would change. The CFO said that an omnibus overall risk for the project had been considered at the Risk Management Group which</p>		
--	---	--	--

	<p>would also be coming to the Audit Committee in the usual way.</p> <p>The Board asked about the financial contingency which had been put in place for the project. The CFO said that a reasonable amount of contingency had been put in place for the project; however this was being reviewed constantly as financial pressures such as wage inflation and capital and operational costs changed over time. The project had been subject to financial stress testing to ensure that the contingency costs.</p> <p>The Chair of the Audit Committee, June Mulroy, said that she was pleased with the risk register which had been produced and that one of the members of the Board, David Brambell, had been able to attend a meeting of the Risk Management Group when it met that week.</p> <p>The Board had their attention brought to the market analysis that had been carried out into the requirement for medical school places. It remained the case that both nationally and internationally demand exceeded supply.</p> <p>The Board noted the report. The application to the GMC would be considered for approval at the next meeting of the Board in June.</p> <p><i>Tim Emmett and June Mulroy left the meeting</i></p>	MB/NC	20/06/23
22/54	<p>VICE CHANCELLOR'S REPORT <i>Paper 1 refers</i></p> <p>The Vice Chancellor said that the University was continuing with development of the University Estate and that it was currently taking advice from architects regarding the developing the current refectory building. There would be a need to liaise with Historic England due to the proximity of area of proposed development to the Chapel; however, the architects were confident that this would not be a significant issue. It was hoped that the new building would have a new reception area and the refectory facilities would be transformed. Proposals for alternative catering provision during the works would need to be considered due to the overwhelming</p>		

	<p>majority of the University accommodation being catered.</p> <p>The Vice Chancellor highlighted the achievement of St Mary's Alumnus Jason Arday who has been appointed Professor of Sociology of Education at Cambridge University, becoming the youngest black professor ever appointed at Cambridge.</p> <p>The University had recently been visited by the Rob Wilson, the Social Mobility Commissioner. On 7 June the editor of the Spectator, Fraser Nelson, would be coming to the University to be interviewed by Professor Philip Booth. Invitations would be sent to all Board members.</p> <p>The University was also going to be visited in the coming weeks by Archbishop John Wilson of the Southwark Diocese, Bishop Bernt Ivar Eidsvig of the Diocese of Oslo, and the Bishop Kenneth Nowakoski of the Ukrainian Greek Catholic Church in London.</p> <p>The Vice Chancellor said that he would be traveling to Rome next week for the meeting of the AVEPRO Board and also making first contact with the new Dicastery of Education and Culture. He was also meeting with the European University of Rome with whom St Mary was looking to enter into a partnership to teach an MSc in International Finance.</p> <p>The University has been in discussions with the Chair and Director of Strawberry Hill House to look at how the University and the trust could work more closely together.</p> <p>The OfS will shortly be publishing a case study detailing how they handled the insolvency of ALRA and market exit. The University is mentioned in the case study either in factual or positive terms.</p> <p>The academic restructure is continuing, with the posts of Dean the Faculty of Education, Theology and Arts and the Director of Recruitment, Admissions and International being advertised.</p> <p>The Board expressed their concern that, as highlighted in the Vice Chancellor's report, the OfS wished to charge universities for the costs of its</p>		
--	--	--	--

	<p>investigations. The Vice Chancellor said that there were concerns regarding this across the sector. He said that these were being raised in the House of Lords Committee which was considering the work of the OfS, at which he would appearing in his capacity as Chair of GuildHE.</p> <p>The Board noted the Vice Chancellor’s report.</p>		
22/55	<p>STUDENT UNION REPORT <i>Paper 2 refers</i></p> <p>In the absence of the SU President the COO presented the report from the Students’ Union.</p> <p>The SU elections had taken place with student participation being increased. As well as the sabbatical positions a number of new Vice President roles had also been elected.</p> <p>There had been good engagement by the student body with the sexual harassment and awareness week.</p> <p>The West London Varsity had been won by St Mary’s with the event taking place at the University being well run and very few issues in terms of the behaviour of participants and supporters.</p> <p>The Simmie Safety campaign was underway with a survey on student safety being carried out. There had been a good response to the survey and work was already being carried out to respond to the concerns raised. It was necessary for the University to try and differentiate between perceptions of safety levels and actual safety levels on campus, and what was actually required. Sexual violence and liaison training was being given.</p> <p>Claire McDonnell thanked the Students Union for the report. She said that a paper was coming to the next Board of Governors regarding the issues raised with it. There were some positive aspects to the report in that most students were comfortable to go to security if there was an immediate problem; however, the current “report and support” system needed improvement. The VC said that ensuring student safety from sexual harassment and misconduct was both intrinsically serious and likely to become a</p>	SW/CF	20/06/23

	<p>condition of registration, so this work was very important.</p> <p>The Board noted the Student Union update.</p>		
22/56	<p>MANAGEMENT ACCOUNTS <i>Paper 3 refers</i></p> <p>The management accounts to the end of February were presented by the CFO. He said the operating profit (EBITDA) was £2.7m which was £0.35m ahead of budget. The University was currently at a £93k deficit; however, this was due to phasing of income. It remained the case that income remained adverse to target, with undergraduate student recruitment being lower than targeted. This was however offset by postgraduate recruitment numbers and by staff and non-staff costs being lower than forecast. The cash balance remained strong at around £15.1m.</p> <p>The Board asked about the cash position of the University, noting that it currently held more than three months cash and whether its cash balance was too high. The CFO said that the University was required to notify the OfS if its cash level fell to a point that it was unable to meet its liabilities over a one-month period. It was however his view that one months' cash was not a sensible level to remain at and the University was targeted to hold three months. He said that during the year income levels fluctuated and he had been recently reviewing the payroll for the coming month and due to the timing of tuition fee income the University's cash balance would drop just below three months, albeit briefly. He was therefore comfortable with the current level of cash that the University was carrying.</p> <p>The Board raised the shortfall of students in some partnerships and that it may be helpful particularly during the early stages of a partnership to have regular financial reports on their performance appended to the management accounts. The CFO said that partnerships could be fast-moving and there was a need to disentangle those revenue streams. He said that he would look to include such a note to future reports.</p> <p>In his capacity as Chair of FRC, Dave Hartnett pointed out FRC had seen January's management</p>	RS/BW	20/06/23

	<p>accounts rather than February's which gave him some concern regarding oversight and governance of the management accounts. The University Secretary said that due to Easter and the timing of other Committee meetings there had been a longer than usual gap between the meeting of FRC and Board of Governors, meaning that during the intervening period the February management accounts had come out. He said that it was right that the Board should see the most recent version of the management accounts. The University Secretary said in order to try and avoid this being an issue next year he would review the timing of FRC particularly in in the spring.</p> <p>The Board noted the management accounts.</p>	AB	20/06/23
22/57	<p>Planning Round Financial Parameters <i>Paper 4 refers</i></p> <p>The CFO said that the strategic first phase of the planning round had been completed and the University was now moving into phase 2 by setting detailed budgets. Once approved internally these will be coming to FRC and the Board for approval.</p> <p>The proposed budget had been revised with a targeted net surplus of £800k from £1.6m. The five-year plan was still looking to generate operating surpluses of £36.4m by 2026/27.</p> <p>The CFO said that there were positive signs for the financial trajectory of the University including a three-fold increase in applications for postgraduate study, the University performing better than its competitor group in undergraduate applications, and impressive shifts in its league table position. There were however headwinds including the most recent salary settlement implemented through UCEA which was 4% higher than envisaged, inflationary pressures, partnership revenues falling short and the need to invest in the University's estate.</p> <p>The Board highlighted table 3 of the paper and how challenging it would be for the University to double its margin and asked what plans there were achieve this. The CFO said that the franchise partnership model would be profitable if it grows and that should shift the margins of the University in a positive</p>		

	<p>manner. The CFO said that the current staff costs to income ratio also remained high and that one of the big drivers behind the OEP was to reduce additional costs. He said that reducing the staff costs to income ratio to below 55% was possible but the University was fighting a lot of challenges.</p> <p>The Vice Chancellor said that the University had gone through its portfolio and the 25% lowest recruiting modules had been removed. He said that the recruitment function at the University had become more imaginative, creative, and energetic. The most recent UCAS report on recruitment anticipated a growth in demand in undergraduate places. He said that the University faced a big challenge in converting applications.</p> <p>The Board noted that the financial plans were placing a heavy onus on large partnerships and projects such as the medical school to reach the surpluses forecast for 2026/2027. The CFO agreed that this was the case and that there was a risk that significant expansion in some areas may not pan out. He said that there was an income contingency of £2.5m which if increased any further would mean that the University would be unable to increase its budget for capital projects.</p> <p>The Vice Chancellor said that the level of international applications was transforming and he believed that the University being at its highest position in the league tables would have had a positive impact. He was asked about the risks posed to the University by the government’s attitude to international students. The Vice Chancellor said that at a government level there was a debate regarding the levels of international students coming into the country. He said that at a university-level it had to ensure that it is admitting students who will stay the course. The COO said that the University was still getting through the long tail of students who were completing their studies at SMULIC and this would impact the number of CAS’s the University was issued with.</p> <p>The Board endorsed the Planning Round Financial Parameters and the final Budget and Financial Forecasts would be coming to the next meeting of the Board.</p>	RS/BW	20/06/23
--	---	-------	----------

	<i>Jo Blunden left the meeting</i>		
22/58	<p>STUDENT RECRUITMENT UPDATE <i>Paper 5 refers</i></p> <p>The Provost said that 30 June marked the end of the UCAS cycle and that 8 June would be the “decline by default” date. The applications through UCAS were slightly down for the University from the previous year but it was doing better than its competitor group and the sector nationally. The number of current firm acceptances were up on the previous year and specific events for conversion post-application were taking place with the conversion rate increasing by 24% in some areas. The Provost said that it was looking positive for the University as it entered into the clearing period and it was expected to do better than last year.</p> <p>The Board asked whether the University was exploiting the alumni and connections within schools. The Board also suggested sharing information with Directors of Education in dioceses and to work with the multi-academy trusts. The Provost said that the University was trying to expand into the Catholic Schools and utilising teachers who were alumni of the University . He said that he was happy to bring a paper to Board which would set out what the University was doing. Engagement with alumni was a specific part of the plan for relaunching the University’s development function.</p> <p>The Board noted the student recruitment update.</p>	SD	20/06/23
22/59	<p>PARTNERSHIPS UPDATE <i>Paper 6 refers</i></p> <p>The University Secretary presented the paper which gave a brief update on the governance and management of partnerships. He said that the Board’s Partnership Sub-Committee was continuing to meet on an ad hoc basis to give the final approval of partnerships. An internal audit of partnerships was currently being carried out and the future partnerships framework was being developed by the Dean of Business and Law and should be coming to the next meeting of the Board.</p> <p>The Board noted the partnerships update.</p>	SD/AB	20/06/23

22/60	<p>ANY OTHER BUSINESS</p> <p>There was no other business.</p> <p>The independent members of the Board remained to discuss an item of Reserved Business.</p>		
22/61	<p>Dates of Next Meetings</p> <p>20 June 2023</p>		

END