1. **New Declarations of Interest**
   None reported.

2. **Apologies for Absence and Committee Membership**
   Apologies were accepted from Mrs Margaret Eva.

   The Chair noted the retirement of Mr Bunker and Mr Ashwin from the Board and Dr Boyland’s resignation. Members acknowledged the contribution each had made to the Board and the Committee. The Governors’ Nominations & Effectiveness Committee had met and was seeking to fill the vacancies on the Committee as soon as possible.

3. **Minutes of the previous meeting**
   S&RC/7/09

   The Minutes of the meeting held on 10 November 2009 were agreed and signed as an accurate record.

4. **Matters arising**

   4.1 **Item 4 - Unlocking the Potential**

   Dr Baker reported that the bid to secure the additional £600,000 from the South East England Development Agency (SEEDA) had now been submitted. The bid focussed on improving the look and feel of the Dome for high quality business use, upgrading the environmental performance of the building and funding more ICT to support high value business units, not currently available on the West Sussex coast.

   The Vice-Chancellor took the opportunity to report that VCG was working to achieve the surpluses required by the Board over the next three years. A comprehensive savings exercise was underway. The University had been awarded 200 Additional Student Numbers (ASNs) for 2010 to accompany the Strategic Development Fund funding (SDF) for The Dome in support of the regeneration of Bognor Regis Campus. The Higher Education Funding Council for England (HEFCE) was unlikely, however, to be in a position to award any more Additional Student Numbers (ASNs) in the foreseeable future.

   The current management structure had been predicated on the aspirations to recruit 1,000-1,200 funded additional students over a four to five year period. Dr Baker had led a management review which took account of feedback through the staff survey that the structure was top heavy. Once there was agreement between Governors and the executive on the most appropriate structure, the model would be made available. Dr Baker was in the process of meeting those individuals whose roles would be affected by the proposed changes. His aim was to secure £400-£500,000 of recurrent savings through a structure that is more stream-lined.
The *Higher Ambitions* document issued by the Department of Business, Innovation and Skills (BIS) and the Secretary of State’s letter to HEFCE in December made clear that the focus of research funding would be on STEM¹ subjects and opportunities to institutions like Chichester to bid for contracts would be fewer. For example, one of the Arts & Humanities Research Council’s (AHRC) funding panels had just had funding cut by 55pc. A full report on UTP would be made to the Committee in March.

4.2 **Item 4.2 - Subject Location**
The Committee noted the Board of Governors had approved the recommendation that Sport would remain at Bishop Otter Campus and Teacher Education would remain at Bognor Regis Campus

4.3 **Item 5.2.1 - The Dome**
The Committee noted the Board of Governors had approved the refurbishment project for The Dome, Bognor Regis Campus, to proceed to planning.

4.4 **Item 5.2.2 - Learning Resource Centre**
The Committee noted the Board of Governors had approved the new Learning Resource Centre project at Bognor Regis Campus to proceed to planning.

4.5 **Item 7 - Finance**

4.6 **Item 9.2 - Grievance Policy and Procedure**
The Committee noted the Board of Governors had approved the revised Grievance Policy and Procedure; copies were now available on the University’s website and had been circulated for inclusion in the Governors’ Handbook.

4.7 **Item 10 - Corporate Planning Statement**
The Committee noted the Board of Governors had approved the updated Corporate Planning Statement; this has been submitted to HEFCE and circulated for inclusion in the Governors’ Handbook.

4.8 **Item 12 – International Strategy**
The Board had received a presentation on the International Strategy, which Governors welcomed.

5. **Agenda Planning**
Governors received an up-to-date summary of the way in which the Committee discharged its responsibilities and of the timing of forthcoming papers.

6. **Finance**

6.1 **HE Sector funding 2010-13**
The Chief Financial Officer (CFO) presented the briefing paper on the Secretary of State’s letter to HEFCE about funding for the forthcoming financial year (April 2010 to March 2011). With the plans in the Pre Budget Report (PBR) issued by the Chancellor in December, the HE sector could expect to receive further funding cuts over the next three to five years. Further reductions could also be expected after the 2010 General Election. Over and above the reductions previously notified, the PBR contained the following:

¹ Science, Technology, Engineering and Mathematics
• Further budget cuts of £600m between 2011 and 2013, making the total budget reductions of £915m (approximately 12.5% of total HEFCE income)
• Increases in NI contributions for both employers and employees would parallel a cap on public sector pay increases for 2011 and 2012 of 1%
• Pension arrangements would be under pressure to improve long term affordability.

The University would be able to plan more effectively when the HEFCE letter to institutions was sent in early March; this would give the outline funding for 2010-11 for Chichester. HEFCE had already notified the sector of the withdrawal of the following:
   Premia for Old and Historic Buildings (£313k in 2009-10)
   The 10pc premium for Foundation Degrees – this would not be implemented in full but institutions had responded to the Government’s agenda to introduce the two year degrees to address employers’ requirements
   The 25pc uplift for postgraduate taught programmes (PGT) in recognition of the four months in year 2 which students needed to complete their work; grant would be awarded for one year only

In addition to the management review previously referred to, members of Vice-Chancellor’s Group (VCG) were committed to identifying savings. The University had been awarded £436k for research for 2009-10 but this was thought to be a one-off and could be reduced to £200k-£300k next year.

The Committee complimented the CFO on his excellent analysis of the current position. Mr Child assured the Committee that plans were being prepared for cuts beyond those currently anticipated through assessments of the academic and financial performance of all Subject areas as well as the professional services. Governors would discuss a first cut of the budget at its meeting in May.

The publication by Lord Browne of his report on tuition fees was expected in the autumn. This may recommend an increase in tuition fees to, say, £5,000 a year. When first introduced in 1997, the majority of institutions charged the maximum; if the cap was removed, then institutions would need to position themselves in the market according to the quality of experience and profile of students. For Chichester, this would require a fundamental review of how it engaged with stakeholders and operated as a University. HEFCE was also reviewing the teaching funding methodology, followed by the Research Excellence Framework. There would therefore be continued turbulence in the sector.

6.2 Outline forecast outturn for 2009-10 as at month 4

The Committee received income and expenditure monitoring reports on a quarterly basis. In view of the ever-changing financial climate, the Chair had asked the CFO to prepare a summary of the University’s financial position as at month 4 (30 November 2009). The report to 31 January would be presented to the Committee on 9 March.

The Committee welcomed the current forecast that the target surplus of £504k would still be achieved.

The principal risks, stated in the paper, were as follows:
   The University’s appeal to HEFCE about the Student Data Audit and the recruitment of 95 Additional Student Numbers (ASNs) for 2008-09 and for 2009-10. The outcome of the appeal should be known by the end of January. If the appeal failed, VCG was committed to finding savings to the equivalent funding lost (£369k).
   The University must not report a financial deficit for 2009-10; Mr Child outlined the provisions for the costs for restructuring (for which the timing and cost impacts would be carefully monitored) and for Financial Reporting Standard (FRS) 17 for pension costs adjustments. The grant repayable to HEFCE for
non-completing students in 2008-09 had been less than allowed for in the financial statements. This shortfall had been brought forward to provide for the restructuring costs.

- The University had provided for a 3pc pay increase for the 2009 pay round. Agreement had been reached nationally to award a 0.5pc increase and the over-provision had been transferred to fund research student bursaries and any shortfall caused by student residences not being taken up. The latter had been caused by a change of policy in allocating accommodation in 2009. Arrangements had been altered for 2010-entry; however some rooms would be held back so they were available for students recruited through Clearing.

Officers reminded the Committee of the precise nature of the exercise to recruit to the maximum intake target whilst not exceeding the HEFCE contract number which would result in the financial penalties outlined in the Secretary of State’s letter (£4,000 per student). The 2009 recruitment had resulted in 192 extra students, which represented significant growth; it was, however, within a very small margin of the BIS limit. The Early Student return (HESES) and the full year return (HESA) had both been audited with no adjustments required.

6.3 TRAC Return
S&RC/1/10/4

The University was required to submit an annual return setting out data relating to the allocation of staff time on publicly and privately funded teaching and research and other activities. Mr Child was pleased to report that the response rate had improved to 81pc from 71pc in the previous year. Whilst the original purpose was to provide HEFCE with information to demonstrate that public funding was not subsidising work which should properly be funded privately, it provided institutions with figures to indicate whether sufficient investment was being made in its estate and infrastructure.

The financial deficit returned for 2008-09, caused by the HEFCE adjustment, had affected the overall figures which showed a TRAC deficit of £3.86m. On research, it was disappointing that after five years of full Economic Costing (fEC), the University had very few, if any, contracts funded at this level. Current bids now took IEC figures into account.

A lot of work had been done to allocate estates costs; the TRAC results showed that not enough was being invested in the estate, long term maintenance or replacement of residences. The forthcoming Accommodation Strategy would address this. Estates costs had declined slightly whilst indirect costs had gone up significantly.

The summary data for all institutions would be published so that the University could assess its performance against relevant benchmarks. The Committee authorised the CFO to submit the return to HEFCE.

6.4 Cheque Signatories
S&RC/1/10/5

The Governors’ Strategy & Resources Committee formally appointed Mr Derek Jenkins as a Category C signatory on the University’s bank accounts. The Committee agreed that Mr Richard Bunker, former Chair of Governors, should be removed from the list of University signatories. The Committee also agreed that the title of the new post in Finance, ‘Head of Finance’, should replace the ‘Head of Finance and Management Information’ as a category B signatory.

6.5 Capital Programme Funding
S&RC/1/10/6

The Strategy & Resources Committee in November had requested a detailed paper on the options for funding the University’s capital projects of The Dome refurbishment
and the construction of the new Learning Resource Centre, both at Bognor Regis
Campus. The University needed to identify funding of £4.6m to supplement the grants
from HEFCE and SEEDA. Mr Child was continuing his discussions with the banks
about the options of a revolving credit facility, a short or long term loan. These
discussions appeared more positive than previously, though Governors recognised
that interest rates would be higher than previously enjoyed.

The Board must ensure that it had adequate funds before the contract for either
project was let. Mr Child had further meetings planned and had not ruled out re-
financing the loan currently with Allied Irish Bank UK (AIB(UK)) in order to secure less
stringent covenants. A full proposal would be submitted to the Board at its March
meeting.

6.6 HEFCE Funding arrangements

6.6.1 HEFCE Financial Memorandum Part 1

The Funding Council had issued a consultation document showing proposed
changes to the Financial Memorandum Part 1, which set out the funding
arrangements for the sector in general. The Committee noted the gradual
move away from the ‘light touch’ approach in view of the pressures on funding
for the public sector. Principal changes to be introduced from 1 August 2010 were:

- The publication of institutional risk assessments earlier than the three
  years currently in place if HEFCE deemed it necessary
- A greater emphasis on the roles of Governors in ensuring financial
  stability and the introduction of an engagement letter for the Chair of
  Governors, similar to that currently issued to the ‘Designated Officer
  to be retitled the ‘Accountable Officer’ from the new financial year
- The needs for Governors to gain assurance about the academic
  standards of an institution
- A right for HEFCE to insist on a change of Chief Executive and/or
  Board of Governors if there was a loss of confidence

The VC reported that the deep concern in the sector regarding the latter; Mr
Child would draft a response to the consultation and the Committee agreed
this should come from the Chair of Governors on behalf of the Board of
Governors rather than the executive.

6.6.2 HEFCE – Role as Principal Regulator for Charities

The Committee also noted the consultation document setting out the way in
which HEFCE would operate in its new role of Principal Regulator for
institutions’ charitable status. This included the collection of Governors’
names in their role as trustees, an explicit statement on the website
explaining how the University can demonstrate its public benefit and inclusion
in the financial statements of overseas operations where there was material
expenditure. HEFCE was also consulting on whether the VC or an
independent governor should declare, on behalf of the Board, that the
institution had complied with charity law and reported on any ‘serious
incidents’.

6.7 Finance Staffing

Three posts within Finance had been advertised recently. The CFO hoped to be able
to make an internal appointment for the Management Accountant post. The closing
date of 28 January 2010 applied to the two senior posts of Head of Finance and Head
of Financial Services. Mr Child would keep the Committee informed of progress.
7. **Health & Safety and Environment**

S&RC/1/10/8

The Committee noted the report prepared by the University's new Health and Safety Officer, Anne Canning, and the Director of HR. Arising from Governors' comments at the last meeting, the CFO confirmed that the HSO was required to approve the risk assessment and that there were appropriate procedures before a field trip took place. The HSO would monitor activity to ensure that Subject Areas were adhering to this policy.

The Committee welcomed the implementation of 115 of the 116 actions to be taken arising from the Fire Risk Assessment in 2009 and asked the nature of the outstanding item. [Post meeting note: The outstanding item related to a minor recommendation concerning fire doors that has now been rectified.]

The Committee regretted the unnecessary number of fire alarm activations resulting in attendance by the Fire Service and noted the actions taken to reduce this unacceptable figure.

8. **Estates and Facilities**

8.1 **Capital Projects Register**

S&RC/1/10/9.1

The Committee received the updated Projects Register. There had been no changes and all projects were on track.

8.2 **Annual Plan for maintenance**

S&RC/1/10/9.2

The Committee noted the summary of minor works and irregular maintenance for the remainder of 2009-10 and the summer period of 2010-11.

9. **Human Resources**

9.1 **Implementation of the 2009-10 Pay Award**

S&RC/1/10/10.1

The Committee noted the agreement, reached nationally, by the Unions to accept the employers’ offer of 0.5pc from 1 August 2009; this concluded the pay negotiations for 2009. The Committee formally agreed that the pay award should be implemented.

9.2 **Staff Survey**

S&RC/1/10/10.2

The Committee welcomed the Director of HR to the meeting; Mrs Whitaker introduced herself and reminded the Committee that her role extended to health and safety and to environment issues as well as leading the HR team.

The previous survey had been conducted in 2007, using a model prepared internally. For 2009, the model adopted would enable an analysis of the results year on year so that trends could be tracked. Governors noted the summary of the results and, in particular, the three areas where VCG members had agreed that a University Champion should take forward an action plan to address staff concerns:

- **Communication across the University** – Pro Vice-Chancellor to take forward
- **Bullying and harassment (in the form of unkind words or behaviour)** – the Deputy Vice-Chancellor would lead on this. The Committee was concerned that an unacceptable level of bullying and harassment had been reported. Mrs Whitaker confirmed that the current policy and procedure would be reviewed, probably under the banner of 'Dignity at Work' to provide a greater focus on positive behaviour. The University had a policy of zero-tolerance which would be reinforced through a Code of Acceptable Behaviour.
Leadership and Management – Vice-Chancellor. The Director of HR reported that 62 managers had undergone a national programme accredited by the Institute of Leadership and Management (ILM). Discussions had been held with colleagues in Chichester College about joint provision of training and development opportunities.

Approximately one third of the staff had responded to the survey; of these some 70pc had undergone a performance review in the last year. This fell short of the 100pc target in the HR Strategy but the survey data could not be drilled down to ascertain the proportion who may be Associate Lecturers and therefore less likely to be reviewed on such a regular basis.

Under the new Performance Review and Development Plan arrangements (PRDP), the paperwork should now be submitted to HR for record purposes. The Committee asked for a future report to show the number of PRDPs completed and whether there were particular areas which were not doing so. The next survey would be conducted in October 2010.

10. Student Recruitment

10.1 Data Assurance and the HESES Return 2009

The Committee noted the CFO’s report, the contents of which had been referred to under item 6.2.

10.2 2010 Recruitment

The Deputy Vice-Chancellor tabled a status report for 2010-entry, following the UCAS deadline date of 15 January. This showed a 19.6pc increase in the number of applications on the previous year and an increase of 16.4pc in the number of offers made. To encourage applicants to make their final choice, the University had brought forward all interviews and auditions for those subjects requiring an interview before an application could be progressed.

The Academic Management Team (AMT) reviewed the figures at each fortnightly meeting against the BIS target plus 118 full-time students and 20 part-time students. Admissions were working to recruit the 200 ASNs, which would be based mainly in SEMAL; this had enabled the Accounting & Finance, HR Management and Marketing routes in Business to be launched. Some programmes, for example Social Work, were limited by the number of placements required.

Professor Behagg confirmed that plans were in place to recruit to target; an additional column had been inserted in the table to show the number of students rejected. In many cases, this was for valid reasons, such as not having the relevant qualifications, but AMT wanted to assure itself that applicants were not being rejected unnecessarily.

The Deputy Vice-Chancellor reported that recruitment of overseas students remained in line with previous years; the arrangement with Chichester College to recruit 50 students was expected to result from applications through the Hong Kong Clearing and these would not be known until early September 2010. To offset this delay, the University was working with Language Schools and overseas agents.

11. Risk Management

The Pandemic Response Group (PRG) had tested the University’s procedures to deal with an outbreak of swine flu. The Group was confident that there were adequate arrangements in place, based on the advice received from the Health Protection Agency.
During the recent adverse weather, the University had closed for only one day. Arrangements were made for those applicants travelling to Bishop Otter Campus for interview for places in 2010-11. Stocks of grit had been sufficient and Mr Child paid tribute to the work of the Estates staff who had ensured the campus could operate as far as possible; this had been helped as students did not return, in the main, until 18 January.

The CFO reported that the Risk Management Group had met on 25 January with a view to preparing a document which summarised the University’s top ten risks. The Critical Risks facing the institution had changed significantly from the previous meeting in the autumn and took account of the change of Vice-Chancellor in 2010, at a time of great financial pressure.

12. **Gatwick Diamond and West Sussex Innovation Growth Team Limited**

   S&RC/1/10/12

   The Committee received the CFO’s report on the University’s agreement to become a member of the Gatwick Diamond and West Sussex Innovation Growth Team Limited (GDWSIGT), a company limited by guarantee and without share capital. The membership had been approved by the Vice Chair and then Chair of Governors in December 2009. The company was a consortium, including the Universities of Chichester, Brighton and Surrey, West Sussex and Surrey County Councils and Chichester District Council, to support business innovation in the Gatwick Diamond and West Sussex. The Innovation Growth Team complemented the University’s work through the School of Enterprise, Management and Leadership (SEMAL) and the employer engagement strategy.

   Funding for the project was awarded by SEEDA and the University’s liability was limited to £1. The Pro Vice-Chancellor, Professor Sandra Jowett, was the University’s representative on the SE BIG Team Board. Beyond this, the University’s support included hot-desk accommodation for one of the Portfolio Managers and the appointment of an Innovation and Growth Team Manager to interface with the portfolio managers. This was funded through the Higher Education Innovation Fund (HEIF4).

   The Committee noted the very limited obligations and risks for the University and endorsed the Chair’s action.

13. **Marketing and External Relations**

   The Committee noted that Ms Helen Aspell would take up the post of Director of Marketing on 1 February 2010. The Corporate Planning Statement included a commitment to prepare a University Marketing Strategy.

14. **Students’ Union**

   14.1 **SU Financial Statements**

   S&RC/1/10/13

   The audited statements for 2008-09 were still with the SU’s accountants and would be circulated as soon as they were available.

   14.2 **SU Governance arrangements**

   The Committee noted that the SU Governance Group had met on 25 January 2010. Good progress had been made in drafting the proposed Memorandum of Understanding and the new Constitution which were subject to approval by the Board of Governors. It was proposed to submit the final versions to the Board on 30 March 2010 for approval.

15. **Date of next meeting**

   Tuesday 9 March 2010, Bishop Otter Campus

   The meeting will start at 3.00 pm so that business can be completed in time for a presentation by the Students’ Union on the proposals for their new legal status.