

- Welcomed:
- i) Mr Ken Greetham, Dr John Reade, Mr Ben Shipston, Ms Liz Salter, Mr Talib Sheikh and Ms Uloma Uhunmwangho to their first meeting of the Board
 - ii) Professor Michael Lee in the role of Interim Vice-Chancellor
 - iii) Ms Emily Brown, Students' Union President
 - iv) Mr Sebastian Soneyra (Observer)
- Noted:
- i) that following receipt of two expressions of interest by the due date, and consideration of the same by email circulation, the Board had approved appointments to the roles of Chair and Vice-Chair;
 - ii) that members were encouraged to review the short biographies available on the web site and would have an opportunity to meet each other in person at the next meeting of the Board and at the dinner for retiring members arranged for the previous evening. Members were also reminded of lead roles and Committee roles that had been previously shared by circulation for the year

iii) that the target for undergraduate recruitment had been agreed as 660 with an

explanations of items that had been dealt with by a Committee under its terms of reference. Committee minutes could instead be made available in the Governor's Document Library for members who wished to review the detailed work of a Committee;

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- iii) that although there had been one or two suggestions about the size of the Board, in discussion, members agreed that the size remained about right and permitted members to have sufficient time to play lead roles and be active members of Committees without overburdening members. The lead role system was welcomed and the work of Committees acknowledged as critically important in supporting the Board's work
- iv) that members were looking forward to being able to meet together (any COVID restrictions permitting) in Spring 2021 to review the Strategic Plan when the new Vice-Chancellor Professor Sloan would be able to contribute to the session. It had been suggested that an external facilitator may be worth considering and this suggestion would be discussed with Professor Sloan in due course;
- v) that members had suggested a number of areas that may present further opportunities as set out in the summary report from the Chair. These would be brought forward to the Strategic Plan discussion session in due course.
- vi) that members recognised the need to focus on how the university is engaging with climate change and playing its part in finding and sharing/communicating practical solutions. It was noted that in due course, all UK organisations are likely to be required to consider the environmental impact of all of their suppliers. It was also noted that the University's membership of the Global Farm Platform is enabling it to be involved with emerging ideas such as identification of heat stress tolerant cattle breeds which may be productive in other parts of the world and how to grow alternative crops that can more readily adapt to climate fluctuations and challenges;

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- Agreed:
- i) that members were content with the actions taken by the Chair since the last meeting and had no issues to raise. They were also content to receive an update from the Chair about his work to set initial objectives for the new Vice-Chancellor at the next meeting;
 - ii) to endorse the actions taken by the Chair to approve changes to the capital programme that enabled the University to make what it hoped was a strong bid that met the criteria for OfS capital funding released in late July 2021 with a submission deadline of 9 September 2021;
 - iii) to endorse the action taken by the Chair to agree that the title of the Department of Veterinary Health and Animals Sciences be changed to the Department of Animal Health, Behaviour and Welfare

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21/07 Finance and Planning

- Received:
- i) an oral report on the University Group 2020/21 year- end position/out-turn
 - ii) a proposal to secure private placement funding

- Noted:
- i) that the unaudited outturn for 2020/2 was a loss of £50K. This was a significant improvement on the initially projected loss of c £800K and had been achieved due to the prudent management by the Finance team and individual budget holders throughout the year. The Board expressed its thanks to all concerned;

A detailed discussion took place with regard to the proposal to seek a “private placement” form of capital funding. Key points noted by members were:

- ii) that the Vice-Chair in his role of Chair of Finance and General Purposes Committee and Mr Sheikh, who brings considerable expertise in investment market matters, had worked during the summer period to support the Chief Financial Officer to further explore the options for seeking a private placement in line with the Board’s decision that this matter should be progressed
- iii) that current rates were favourable but are starting to rise, so there would be an important need to manage the timing of decision making while ensuring all aspects of the arrangements being proposed were fully explored. A number of UK HEIs had already secured investment funds in this way and had found the facility to be beneficial when trying to remain competitive and meet student and staff expectations in terms of infrastructure, residential and other types of accommodation needed for delivery of good quality teaching and research on campus. Professor Ormerod and Mr Shipston commented that their respective organisations had similarly raised significant capital funding which had proved very beneficial. The organisations that had made presentations to the University about their track record/ability to represent it in securing such funds had all agreed that the University’s profile was such that it had every prospect in their view of being able to secure such a placement;
- iv) that UG student numbers had improved for 2021 entry and the out-turn for 2020/21 had also indicated the ability to weather major challenges and remain financially sustainable. The placement market would also allow re-structuring of current loans at what it was hoped would be more favourable rates, despite any early settlement fees that may be incurred in some instances;
- v) that while in recent years the University had invested strategically in its estate, infrastructure and in major projects such as the Vet School, it needed to address a range of estates issues if it were to remain competitive and attractive to potential students and staff;
- vi) that the intention was to invest funds secured in projects that would generate a tangible return demonstrated via a business case such as improving student residences and/or securing further student numbers that would increase income levels. In this way the Board could be assured that repayments required to meet the terms of the private placement proposed of up to £25M could be appropriately serviced over the required period. The placement would also help protect the institution against future inflationary increases to current loan repayment rates especially where these have not been fixed to date or were historic rates that were more costly than current interest rates which were now at an all time low. It would also avoid an upcoming bullet payment of £1M that is due on a current loan;
- vii) that capital budgets had been necessarily very constrained in recent years to ensure bank covenants could be met. The proposed private placement funding would enable investment to be made in strategically important areas that could support further income generation and ensure the University retains its current reputation for high quality education and applied research
- vii) that as set out in the paper, it was proposed that the University’s overall indebtedness would not exceed £29M;

Agreed: i) that the University should engage Lloyds Bank PLC to support it to identify institutional investors who are willing to agree to fund a private placement facility of £19-£25M over 15-30 years in the event that satisfactory terms are offered;

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ii) that the Board would delegate all powers, authorities and discretions to the Finance and General Purposes Committee to act on its behalf as may be necessary for the authorisation of all acts, matters or documents in connection with the private placement, including but not limited to:

- A. the preparation, negotiation and final approval of the documents required to give effect to the private placement, including the note purchase agreement;
- B. the final decision on fixing the price (including the underlying Gilt and the spread on top of the Gilt) and terms of the private placement notes, and the choice of investor (including participation in any pricing call with the purchasers(s)) to be delegated to Mr Wong and Mr Sheikh, such authority to be limited to negotiation of the private placement of an amount of £19m to £25m, a term of 15-30 days and any price given to be not less than 98% of the prevailing market price of the underlying Gilt.

v) that

- vi) that Audit and Risk Management Committee would be considering the rating of this risk and reviewing mitigating actions taken to date at its next meeting as part of the annual review of all risks. In discussion, it was also agreed in response to a question from Mr Shipston that the risks relating to financial matters currently rated at 36 needed to be checked with regard to the compatibility of their rating and ~~its~~ descriptor and to ensure risks were being fully and accurately assessed, described and rated;

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