

UNIVERSITY OF HERTFORDSHIRE HIGHER EDUCATION CORPORATION

BOARD OF GOVERNORS

Minutes of the meeting of the Board of Governors held on 14 July 2026 on Fielder Centre.

PRESENT: David Sproul (Chair)

Professor Anthony Woodman
Raj Singh
Lesley Titcomb
Karen Trew

Lionel Wallace
Dr Jon Walmsley
David Williams
Professor Paul Layzell

Claire Sanders
Dr Nermeen Varawalla
Dr Justin Daniels
Dr Luke Wood

IN ATTENDANCE:

Dr Matthew Andrews (Secretary)
Stephi Brett-Lee

Dr Charmagne Barnes
Helen Davidson

Alistair Moffat
Shahib Uddin

140 **APOLOGIES**

Apologies for absence were submitted on behalf of Dr Janet Bohrer, Helen Goddard, Tamia Crawl and Bob Macnaughton.

141 **CHAIR'S OPENING REMARKS (IF ANY)**

The Chair reflected on the close of the 2025/26 academic year and acknowledged the Vice-Chancellor's successful leadership during his first year in post, during which the University had undertaken extensive transformation. The Chair considered that the University was well positioned to address the challenges ahead.

The Chair thanked Governors for their continued contribution, leadership and engagement during the year. The Chair also noted that the terms of office of Dr Janet Bohrer, Anthony Kypreos and Tamia Crawl would conclude at the end of the academic year and recorded the Board's appreciation for their service.

DECISION:

The Board of Governors **NOTED** the Chair's Opening Remarks.

142 **CONFLICTS OF INTEREST (IF ANY)**

The Chair advised that no notices of conflicts of interest had been received and no additional conflicts were declared.

143 **MINUTES - 9 JUNE 2026 MEETING**

The Board of Governors **APPROVED** the Minutes of the meeting held on 9 June 2026 as a correct record.

(Agenda Paper 4 refers)

144 **SCHEDULE OF ACTIONS ARISING FROM THE MINUTES**

The Secretary & Registrar presented the Schedule of Actions Arising from the Minutes. No questions were raised.

DECISION:

The Board of Governors **NOTED** the Schedule of Actions Arising from the Minutes.

(Agenda Paper 5 refers)

145 **HOME AND INTERNATIONAL STUDENT RECRUITMENT**

The Chief Marketing Officer presented the Home and International Student Recruitment update. Home undergraduate applications continued to outperform the sector and the University's competitor group. The Chief Marketing Officer clarified that the reported conversion data included applications to Humanities courses which were no longer being offered and therefore did not follow through to offers and firm acceptances in the usual way. The Board noted that UCAS expected Clearing activity to increase by approximately 4% in 2026, with the strongest growth anticipated in London and the Southeast, presenting both an opportunity and a competitive challenge. Home postgraduate recruitment remained difficult and broadly consistent with the previously reported trajectory.

International applications and offers had begun to show the anticipated year-on-year decline after earlier timing differences in some markets. Confirmed deposits remained comparatively resilient and the University had accelerated the issue of Confirmations of Acceptance for Studies in lower-risk markets to support visa applications and improve its Basic Compliance Assessment position. In relation to Hertfordshire Medical School, the recent GMC visit had been positive. Deposits had increased from 28 in the paper to 32, with 35 anticipated by the end of the week. The pipeline contained sufficient warm prospects to support continued confidence in conversion, although the position remained demanding.

In discussion, the Board of Governors raised the following points:

- Members sought clarification of the term 'UK International' and the significance of the International Baccalaureate results date for Medical School conversion.
- Members asked when Clearing activity would peak, how long the Clearing period would continue and how marketing investment would be deployed around key results dates.
- Members sought assurance that the University's Clearing arrangements, including technology failure and other business continuity scenarios, had been subject to appropriate review through the assurance framework.
- Members questioned whether the Medical School conversion team had sufficient resource, including access to targeted financial incentives, and emphasised the importance of securing a viable cohort for the student experience as well as for financial performance.

Responding, the Chief Marketing Officer reported that the UK International category referred to international students already studying in the UK. The International Baccalaureate results had generated an initial increase in deposits and further movement was expected following subsequent results dates. Clearing was already open and would continue over an extended period, with only a minority of applications received on the principal A-level results day. Marketing expenditure and paid media would be concentrated around the key conversion period, supported by the University's improved league table and student experience messages.

Continuing, the Chief Marketing Officer confirmed that the conversion team had a strong plan and sufficient resource. Additional expenditure was unlikely to generate material new applications at that stage of the cycle, although all available conversion opportunities would be pursued. A cohort of 50 would represent a strong initial outcome, while the University continued to aim for the full capacity of 70 students.

Responding, the Vice-Chancellor advised that the Medical School financial model had tested lower cohort scenarios, including intakes of 30 and 50, and that these would be operationally manageable. The Vice-Chancellor agreed that the quality of the cohort experience remained a material consideration.

Responding, the Deputy Secretary & Registrar confirmed that the business continuity and assurance arrangements for Clearing would be taken through the Audit and Risk Committee.

DECISION:

The Board of Governors **NOTED** the Home and International Student Recruitment update.

ACTION:

Deputy Secretary & Registrar to take assurance over the University's Clearing business continuity arrangements through the Audit and Risk Committee.

(Agenda Paper 6 refers)

The Group Chief Financial Officer presented the Quarter 3 Financial Forecast, the final formal forecast for 2025/26. The Group forecast showed a deficit of £2.8 million, £0.6 million adverse to the Quarter 2 forecast. Management advised that the underlying trading position had improved and that the forecast included approximately £2 million of restructuring costs expected before 31 July 2026; the eventual charge might be lower.

Potential upside remained from tuition fee income, pension adjustments and a lower cost run-rate, while bad debt and investment market movements remained the principal downside risks. A break-even outturn was still possible. Forecast capital expenditure had reduced to approximately £37 million, largely because of timing movements into the following year, which provided some additional year-end cash headroom.

DECISION:

The Board of Governors **NOTED** the Quarter 3 Financial Forecast.

(Agenda Paper 7 refers)

147 **APPROVAL OF ANNUAL BUDGET FOR 2026/27**

The Group Chief Financial Officer presented the proposed annual budget for 2026/27. The budget showed a break-even Group position on income of £439.3 million after allowing for £4 million of restructuring costs. The planning process had commenced from an initial deficit of approximately £9.5 million and the combined effect of Project Compass savings, revised income assumptions and other cost measures had improved the position by approximately £13 million.

The proposed capital programme totalled £58.3 million and was dominated by the Health Building, for which approximately £40 million of expenditure was expected during 2026/27 following the Board's approval in June 2026. Year-end cash was forecast at approximately £38 million. No additional borrowing was expected to be drawn in 2026/27, although a new facility was likely to be required in 2027/28 to support working capital during the Health Building construction programme.

The Board was advised of material changes arising after preparation of the paper. A reduction in the Teachers' Pension Scheme employer contribution rate was expected to produce a saving of approximately £2 million in 2026/27 and approximately £7 million annually thereafter. This benefit had been partly offset by subsequent reductions in Office for Students grant allocations for strategic priorities and high-cost provision totalling approximately £1.3 million, illustrating the continuing volatility of the external funding environment.

The Chair of the Finance Committee confirmed that the Committee had scrutinised the budget in detail and recommended approval. The proposed balanced position was considered stretching but reasonable. The Committee had placed particular emphasis on monitoring delivery of the Project Compass savings and benefits, and a monthly tracker had been agreed to support oversight by the People and Culture Committee and the Board. Confidence was also taken from the University's track record of forecasting and delivery and from the recruitment assurances received earlier in the meeting.

In discussion, the Board of Governors raised the following points:

- Members emphasised that delivery of the Project Compass cost savings and benefits would be critical to achievement of the budget and required close, regular governance oversight.
- Members sought assurance that the income assumptions remained achievable in the light of the Quarter 3 forecast and the evolving recruitment position.

Responding, the Group Chief Financial Officer confirmed that the budget incorporated the currently identified Project Compass costs and benefits and had been subject to detailed challenge through the business planning process and Finance Committee. The budget would be monitored through the normal monthly financial reporting process, alongside the dedicated Project Compass tracker.

DECISION:

The Board of Governors **APPROVED** the annual budget for 2026/27, comprising a break-even Group position on income of £439.3 million, a capital programme of £58.3 million and forecast year-end cash of approximately £38 million.

(Agenda Paper 8 refers)

148 **APPROVAL OF TUITION FEES FOR 2027/28 – HOME POSTGRADUATE AND INTERNATIONAL**

The Group Chief Financial Officer presented the proposed unregulated Home postgraduate and international tuition fees for 2027/28. The proposals were intended to recover inflationary and other cost pressures and improve margin, while remaining informed by course demand, competitor benchmarking and insight analysis. A weighted average increase of approximately 8% was proposed across postgraduate taught fee bands, with course-specific variations. The proposals had been considered through the University's fee-setting processes and by the Finance Committee.

The Board noted that applications for 2027/28 would open in September 2026 and that early approval was therefore required to enable timely and transparent publication to prospective students in accordance with consumer protection requirements.

In discussion, the Board of Governors raised the following points:

- Members questioned where the proposed average increase would position the University against competitors and the extent to which competitor fee decisions were known.
- Members sought clarification as to whether fees shown for one-year and two-year postgraduate programmes were annual fees or whole-course fees, particularly for extended Engineering and Computer Science programmes, and noted that the presentation of the schedule could be clearer.
- Members sought clarification on the timing and impact of the proposed £925 international student levy, including whether students commencing in 2027/28 could become chargeable during later years of study and whether this should influence current fee-setting.
- Members challenged the governance and financial control arrangements for scholarships, discounts, agent commission and other student acquisition costs. They requested clearer visibility of the aggregate financial impact, the authority for approving discounts and the status of the existing Board-approved ceiling for first-year acquisition costs.

Responding, the Group Chief Financial Officer advised that complete competitor information for 2027/28 was not yet available, but that the proposals reflected the University's competitive set, historic market behaviour and advice from Marketing and the International Office. Discounts and scholarships were netted against tuition fee income and averaged approximately £2,000 per student, although the precise amount varied by market and cohort. Two-year programme charges were not simply double the one-year fee, but the presentation of the schedule required clarification.

Responding, the Chief Marketing Officer reported that the University was reviewing the strategic mix of published fees, scholarships, discounts and revenue management. The current eligibility and application arrangements could be summarised, but the Board's challenge related specifically to authorisation and control and required a wider governance response.

Responding, the Vice-Chancellor advised that the proposed international student levy was expected to be modelled through a shadow period before charging commenced. Students beginning in 2027/28 could nevertheless be in scope during later years, with the effect likely to be absorbed initially through reduced margin. He also recalled the existing Board authority relating to the proportion of first-year income that could be used for acquisition costs and agreed that the policy and subsequent practice should be revisited.

DECISION:

The Board of Governors **APPROVED** the recommended Home postgraduate and international tuition fees for 2027/28, subject to clarification of the presentation of fees for extended programmes.

ACTION:

Chief Marketing Officer to review the fee schedule before publication for the 2027/28 recruitment cycle so that annual and whole-course charges for extended programmes were clearly distinguished.

ACTION:

Group Chief Financial Officer, Chief Marketing Officer, and Deputy Secretary & Registrar to coordinate a review of the governance, authorisation and financial reporting arrangements for scholarships, discounts, agent commission and other student acquisition costs, including the status of the existing Board-approved ceiling.

(Agenda Paper 9 refers)

149 **UH GOVERNANCE DOCUMENTS**

The Deputy Secretary & Registrar advised that the proposed revisions to the University's principal governance documents had been considered by the People and Culture Committee. The Committee had supported the direction of the changes arising from the Governance Effectiveness Review but had provided constructive feedback requiring further refinement. The documents would therefore be brought to a future meeting following completion of that work.

DECISION:

The Board of Governors **NOTED** the deferral of the UH Governance Documents.

(Agenda Item 10 refers)

150 **BOARD OF GOVERNORS MEMBERSHIP ALIGNMENT**

The Secretary & Registrar presented proposals to align the Board's membership categories with the Instrument and Articles of Government. Over time, additional descriptions for co-opted members had developed which were not recognised in the governing documents and created uncertainty when applying requirements relating to, for example, independence, internal membership, quoracy and committee composition. It was proposed that members should be designated consistently as the Vice-Chancellor ex-officio, one of the three Internal Members, or an Independent Member.

Future Independent Member appointments would be informed by a regularly reviewed skills and experience matrix and the Board's priorities at the point a vacancy arose, enabling flexible use of external search, open advertisement and direct approaches. The Board noted that the revised definitions would result in 17 Independent Members until the end of August 2026 and 14 thereafter, one above the maximum stated in the University's corporate governance arrangements. Scheduled turnover in summer 2027 would reduce the number to 13 and resolve the temporary exception.

In discussion, the Board of Governors raised the following points:

- Members sought assurance that the revised classifications would be reflected appropriately in the composition and quoracy of Board subcommittees.
- Members noted that some Governors did not currently serve on a subcommittee and requested that committee membership and longer-term succession planning be considered alongside the proposed reduction in Board size.

Responding, the Secretary & Registrar agreed that subcommittee composition, quoracy and succession planning required further review. The Secretary & Registrar advised that the revised designations would not materially change members' current experience but would provide clarity and a clearer and more flexible framework for future appointments.

DECISION:

The Board of Governors **APPROVED** the recommendations on Board membership alignment, including the revised designation of current members, the skills matrix approach to future Independent Member appointments and the temporary transitional position of 14 Independent Members until summer 2027.

ACTION:

Secretary & Registrar to review Board subcommittee composition, quoracy and succession planning in the light of the revised membership designations.

(Agenda Paper 11 refers)

151 **CLERK'S REPORT**

The Clerk presented the Clerk's Report and its appendices. The Board received the Minutes of the Audit and Risk Committee meeting held on 16 June 2026. The Committee had escalated significant concern regarding the Phoenix Programme, which was rated Red, and a Limited Assurance internal audit opinion on Tuition Fee Invoicing arising from continued reliance on manual processes and system complexity. The Board also noted the Committee's assurance in relation to the UKVI Track 1 audit and the University's response to the

recent Canvas cyber incident, together with continuing development of the Corporate Risk Register, including a proposed artificial intelligence risk.

The supplementary June 2026 Financial Management Report showed a Group year-to-date surplus of £0.9 million, £1.6 million favourable to forecast, supported principally by tuition fee income and lower expenditure. Cash stood at £90.1 million. Capital expenditure to the end of June was £23.2 million against a full-year forecast of approximately £37 million, with timing of major projects and the remaining electric bus expenditure expected to determine the final position. Investment values had moved adversely during June but remained capable of further movement before year-end.

The Board noted the publication of the Committee of University Chairs Code of Higher Education Governance 2026 and the associated letter from the Chair of the Office for Students, which emphasised active Board oversight of accountability, risk, financial sustainability and governance effectiveness and the need for institutions to evidence their application of the Code. The Minister for Skills' letter highlighted further regulatory focus on quality, student outcomes, value and prospective minimum English language requirements. The Board also noted that the School of Law and Education would be renamed the School of Law, Education and Society to reflect the transfer of Sociology, Geography and Environmental Science.

The Clerk reported that, following legal and professional advice and agreement from the external auditor, the Audit and Risk Committee recommended that the UH Charitable Trust should move from an external audit to an independent examination. This would remain compliant with the Trust's requirements and reduce cost.

In discussion, the Board of Governors raised the following points:

- Members expressed concern about the continuing losses on student accommodation and asked how the Finance Committee and management were addressing estate utilisation.
- Members questioned whether unoccupied rooms could be made available to other groups in the context of homelessness, or whether parts of the accommodation could be physically separated to enable wider use.
- Members asked whether achievement of the Home undergraduate recruitment target would materially improve accommodation occupancy.
- Members sought assurance on the University's position in relation to the prospective minimum English language requirement referred to in the Minister for Skills' letter.

The Group Chief Financial Officer reported that a significant proportion of accommodation costs was fixed. Management was considering mothballing approximately 25% of the rooms in three de Havilland blocks, which could save approximately £0.5 million in 2026/27; this saving had not been included in the approved budget. Marketing activity continued to maximise student occupancy and an arrangement was being progressed with Oaklands College for 50 rooms. Wider third-party use was more difficult because of security, safeguarding and regulatory considerations associated with mixing residents with students. Physical separation of blocks might be possible but would itself require investment.

The Chief Marketing Officer advised that the growing sector-wide tendency for Home students to commute or remain living at home meant that increased Home undergraduate recruitment would not necessarily translate into equivalent accommodation demand. Improving conversion of international students into University accommodation was likely to offer a more material opportunity. She confirmed that student accommodation was also subject to requirements which constrained use by non-student residents.

The Vice-Chancellor confirmed that the University's existing English language standards and controls were strong.

DECISION:

The Board of Governors **RECEIVED** the Minutes of the Audit and Risk Committee meeting held on 16 June 2026.

DECISION:

The Board of Governors **APPROVED** the replacement of the external audit of the UH Charitable Trust with an independent examination.

DECISION:

The Board of Governors **NOTED** the Clerk's Report and its remaining appendices, including the June 2026 Financial Management Report, the CUC Code of Higher Education Governance 2026, the OfS and Ministerial correspondence, and the renaming of the School of Law and Education.

(Agenda Paper 12 and Supplementary Agenda Paper 12 refer)

152 **RISK AND EQUALITY IMPACT ASSESSMENT**

153 **EMERGENCY BUSINESS**

There was no emergency business.

There being no further business, the meeting closed at 5.16pm.