LONDON METROPOLITAN UNIVERSITY

Board of Governors

26 January 2016

Minutes of the 80th meeting of the Board of Governors
held on Tuesday 26 January 2016 (5.25pm – 7.20pm)

Governors present:

Mr Clive Jones (Chair)
Ms Rolande Anderson
Dr Kathy Castle
Ms Pauline Curtis
Mr Rob Hull, Vice Chair
Mr Tony Millns
Ms Ann Minogue, Vice Chair
Mr Michael Murphy
Mr Obie Opara, Student Governor
Prof. John Raftery, Vice Chancellor
Ms Cathy Sullivan
Prof. Dianne Willcocks

In attendance:

Mr Paul Bowler (Deputy Chief Executive)
Ms Lynn Burke (Director, Office of Institutional Effectiveness)
Mr Iain Franklin (OCIOC Programme Manager)
Mr Peter Garrod (University Secretary)
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Ms Caroline Jackson (Director of Estates)
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Prof. Peter McCaffery (Deputy Vice Chancellor)
Ms Pam Nelson (Director of Finance)
Ms Siobhan O'Donoghue (Assistant University Secretary) (minutes)
Dr Christopher Sarchet (Director, Strategic Programme Office)

Welcome, Apologies and Announcements

Oral

1. The Chair welcomed Governors and the following attendees to the meeting:

    a. ██████████████████████████ s.43(2) FOIA - commercially sensitive

    b. Iain Franklin, the One Campus | One Community Programme Manager;

    c. Caroline Jackson, Director of Estates; and

    d. ███████████████████████ who was providing advice to the University about the One Campus | One Community programme on a *pro bono* basis. s.40(2) FOIA - personal data

2. Apologies had been received from Governors Adrian Kamellard and Emir Feisal.

Declarations of Interest

Oral

3. **There were no declarations of interest.**

Minutes and Matters Arising

BG 80/1.1

4. The Board received the minutes of the last Board meeting held on 26 November 2015 and approved them as a correct record.

5. There were no matters arising.

6. **The Board of Governors:**

  a. **approved the minutes of the last Board meeting held on 26 November 2015 as a correct record; and**

  b. **noted the table of updates on actions arising that were not dealt with elsewhere on the agenda.**

Vice Chancellor's General Report and   **BG 80/2.1 and BG 80/2.2**
**Quarterly Report to HEFCE and the Board**

7. The Board received the Vice Chancellor's General Report and agreed to discuss it in conjunction with the 23rd Quarterly Report to HEFCE and the Board (covering the period 1 October to 31 December 2015), which had been circulated to Governors previously via email on 12 January 2016.

8. Institutional financial position: Elsewhere on the Board agenda were detailed reports on the University's financial forecasts, student number projections and the One Campus | One Community (OC | OC) programme, which summarised the scale of the current challenge faced by the institution and actions being taken to address it. The University was seeking not only to deliver business as usual, but also an extensive programme of transformative change and estate rationalisation, whilst simultaneously reducing costs and improving academic performance. A further challenge was the legacy of an atomised academic portfolio, which required a move to fewer, larger courses and modules that could be run more efficiently.

9. Student numbers: It was noted that retention rates across all Faculties had improved slightly from 2014/15, and the Vice Chancellor praised the efforts of colleagues in driving this improvement. However, lifting core academic performance was essential in order to retain more students and attract new students to a redesigned course portfolio. Whilst the forecasts assumed an eventual stabilisation in the student number position, there was no reason to believe that the recent trend of falling enrolments (which appeared to be accelerating) would be halted unless two things occurred: first, improved outcomes for students; and secondly, focused investment to demonstrate that the University was improving the student experience. Both would be essential to make London Met a destination of choice for students and to achieve financial stability. OC | OC and the Programme for Improved Student Outcomes (PISO) were the twin elements of the recovery programme intended to achieve these outcomes, so were crucial for the University's future.

10. Headcount reduction: The significant challenge of reducing staff cost as a percentage of income towards the benchmark (with targets of 60 per cent in 2016/17 and 54 per cent from 2017/18) was a priority. However, when considered against the backdrop of the University's falling income, the challenge was even greater. Although the University was operating a voluntary severance scheme to mitigate the need for compulsory redundancies as part of the latest s188 headcount reduction,

compulsory redundancies were, unfortunately, likely to be necessary. In addition to the staff cost targets detailed above, which were intended to bring staff cost at London Met into line with other competing universities, the OC | OC Productivity and Reward workstream was analysing academic workload allocations to identify potential longer-term staff cost savings by Faculty, based on demand for academic teaching. From this work, it was clear that there was substantial scope to improve efficiency within the current academic contract.

11. One Campus | One Community: Discussions with staff, students and stakeholders continued. Communications were focused on promoting the vision of the single Islington campus and the opportunities that it afforded; and addressing inaccuracies and misinformation, particularly regarding the Cass Faculty. Measured and reasonable replies had been sent in response to recent letters received from outside the University and from Cass architecture students, and the correspondence had been shared with Governors; but it remained a frustration that resources and energy had to be diverted away from key priorities in this way. It had been emphasised that there was no threat to the Cass's ethos of 'making', and that the planning process was intended to ensure that the Faculty had the facilities in Islington that it needed for its continuing programmes. Parts of the Cass had been based at Holloway for some time before it was consolidated at Aldgate a few years ago. There was no evidence that moving the Faculty would cause it to fail, and there were many examples of universities outside Aldgate with successful architecture programmes.

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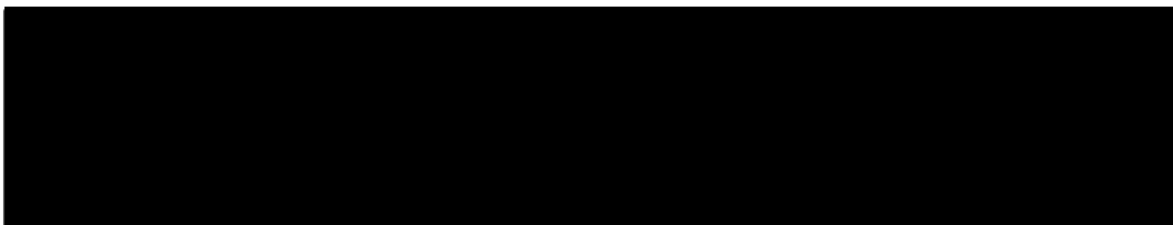
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13. The Chair reiterated that the Board had taken the decision on OC | OC collectively for the best interests – if not the very survival – of the whole institution.

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The Senior Management Team continued to reach out to Cass staff and students to engage constructively with them.

14. **The Board of Governors:**

  a. **noted the Vice Chancellor's General Report to the Board;**

  b. **noted the proposed KPIs, timelines and milestones for reporting on the Strategic Plan, One Campus | One Community and the Programme for Improved Student Outcomes (PISO); and**

  c. **noted the Vice Chancellor's Quarterly Report to HEFCE and the Board.**

One Campus | One Community update   **BG 80/4.2**

15. The Board of Governors received a progress update from the Deputy Chief Executive on One Campus | One Community (OC | OC):

  a. The programme was broadly on track against the original timetable; risks remained unchanged; and, following recent additions to the programme team, current resourcing was sufficient.

  b. Further resourcing around change management, process review, human resources and workplace matters would be added in due course. The University was also seeking consultancy support for the work relating to the Organisational Redesign workstream. The intention was that the appointment would be in place by early February 2016.

  c. In light of unsatisfactory progress made by the initial buyer of Central House in December 2015, following approval by the Finance and Resources Committee, the University had entered into Heads of Terms with an alternative bidder. Following a conference call with the buyer's agents and lawyers earlier that day, the Deputy Chief Executive was content that there were no known obstacles to halt or prevent the sale, and the intention was to exchange contracts on 29 January 2016.

  d. A preferred contractor had been identified via a procurement framework to deliver the temporary relocation of the Cass from Commercial Road to Calcutta House (Project Com-Cal), although costs were likely to be higher than first anticipated.

  e. Following a competitive tendering process, Design Engine had been appointed to lead the masterplanning of the Islington campus. A full range of consultation activities had started, including a workplace effectiveness survey and a series of 'town hall' open meetings.

  f. A key part of the project brief was extensive consultation with students and staff, and there would be a focus on ensuring open communication and conveying compelling visions for Com-Cal and the new Islington campus.

16. The Deputy Chief Executive introduced and welcomed ███████████████ ███████████████████████████████ who had kindly agreed to give informal advice to the University on OC | OC on a *pro bono* basis. ███████████ presented his initial impressions, both in terms of implementation to date and also the viability of the programme:

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  a. The programme was, unquestionably, challenging, complicated and involved a huge amount of change that was probably unprecedented for a university; however, the impetus was also very clear.

  b. The high-level proposals seen so far had been impressive; the level of planning detail had been reassuring; and all elements that should be in place, were in place. There was a thoroughness and completeness, although the detail of execution would be critical.

c. In addition to the detailed plans and timetables, there needed to be meaningful summaries that were accessible and easy to digest by the executive and by Governors. This would help to build confidence in the underlying detailed programme.

d. Given the scale of the programme, there needed to be realistic alternatives and fall-back plans, for example if student numbers fell further than anticipated.

e. The initial phase of the programme was dependent on property disposals. The volatility of the property market and recent trends meant that securing disposals needed to be a priority.

f. Clear and transparent communication, with an energy and investment in all stakeholders, was essential. It encouraged cooperation, and the project could succeed or fail on this.

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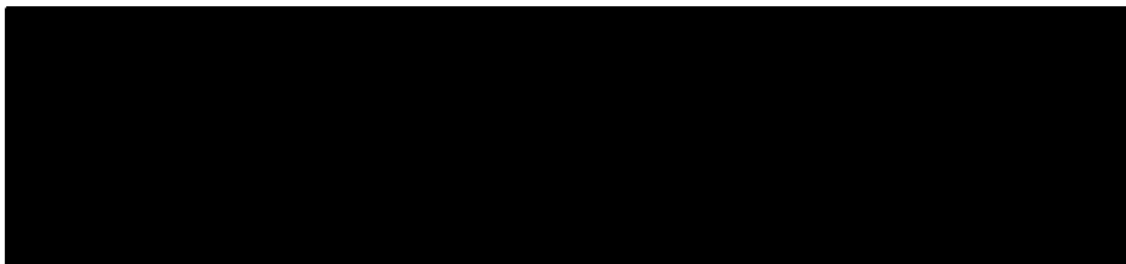
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17. The Board thanked ▮▮▮▮▮ for his observations and reflections on the programme. The Vice Chair, who was a member of the Governor Oversight Group, concurred with ▮▮▮▮▮ assessment that the OC | OC programme management was impressive, but that delivery was fundamental to success. The sale of Central House would be pivotal both financially and with regard to the focus and nature of communications with Cass Faculty staff and students. There would need to be an investment in ensuring cultural change.

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18. Given that financial sustainability was also dependent on the Programme for Improved Student Outcomes (PISO), and the inter-relationship between the two strategic programmes, it was agreed that there should be Governor oversight and engagement with PISO in a similar manner to that for OC | OC (where the two Vice Chairs provided ongoing advice and support). The Chair and Vice Chancellor would discuss how best to effect this outside of the meeting.

19. Regarding the Estates Transformation workstream, it was suggested by one Governor that alternative phasing options could be explored to test the viability of prioritising the GFBL move from Moorgate to Islington; enabling the Cass Faculty to relocate to Calcutta House and remain at an Aldgate location for longer. However, whilst the phasing of estate moves could be reviewed, the Vice Chancellor was clear that there was a financial imperative behind the agreed timescale and programme, in that the consolidation on 'one campus' released the required estate, support service and staff costs.

20. **The Board of Governors noted the update on One Campus | One Community.**

Student Governor's General Report
BG 80/3.1

21. The Board received the Student Governors' general report, noting that there were papers elsewhere on the Board agenda covering the 2014/15 Students' Union (SU) annual accounts (BG 81/3.2) and byelaws for the forthcoming SU elections (BG 80/3.3). It was noted that, with a number of the current executive officers reaching the end of their maximum two-year term, the elections would result in a new team of sabbatical officers and a new SU President. The Student Governor also highlighted recent SU activity, including fundraising and collections for charities; recreational activities; and work with University colleagues on the intra-mural sports programme and the development and enhancement of student spaces.

22. The Student Governor reported that, at the SU AGM in December 2016, a motion was passed relating to the One Campus | One Community (OC | OC) programme that committed the SU to lobbying the University for the development of a two campus plan, which had been related to the Vice Chancellor by the SU President in an open letter.

23. The SU's student survey on OC | OC, reported in headline terms to the November 2015 Board meeting, had raised a number of key questions. The SU was working with University colleagues to seek answers and ensure these were communicated effectively to students; whilst also working with the Masterplanners and Estates team. The SU recognised its vital role in ensuring that the student voice was central to the planning process; but also in working with Cass students to help convey their concerns and provide answers; and help them understand their position in the future community at Islington.

24. Governors concurred with the Student Governor's hope that, in moving forward, the SU could facilitate positive engagement between students and the OC | OC programme. It was noted that the appointed Masterplanners, Design Engine, was due to hold the first of its open meetings with students on 27 January 2016.

25. **The Board of Governors noted the Student Governor's general report.**

Student Union Annual Accounts 2014/15
BG 80/3.2

26. The Student Governor presented the Students' Union audited 2014/15 annual accounts. The Board noted that no issues of concern had been raised by the auditors, and that the accounts had shown a small surplus at year-end.

27. **The Board of Governors noted the Students' Union 2014/15 Annual Accounts.**

Students' Union Byelaws
BG 80/3.3

28. The University Secretary reported that the University was currently carrying out a legal review of proposed amendments to the Students' Union (SU) byelaws, but that a

number of issues required further discussion before the byelaws could be submitted to the Board for approval, which would be at the next Board meeting on 17 March 2016. Given the forthcoming SU election in early March 2016, the Board was asked to approve the establishment of a sub-committee of Governors, to consider specifically those byelaws containing the regulations for the conduct of elections.

29. **The Board of Governors delegated the approval of the SU election byelaws to a sub-Committee comprising Vice Chairs Rob Hull and Ann Minogue and Governor Pauline Curtis.**

Financial Forecast Update   BG 80/4.1

30. At its last meeting in November 2015, the Board received a remodelled 2015/16 budget and scenario to 2017/18, summarising the potential impact of various factors that had changed since the budget and forecast were approved in July 2015. The Director of Finance now presented an updated financial forecast to 2019/20, reflecting actions, risks and assumptions relating to the Programme for Improved Student Outcomes (PISO) and One Campus | One Community (OC | OC).

31. The forecasts supported the transition to financial sustainability, indicating a slow, upward, trend in earnings before depreciation, tax and amortisation (EBIDTA) and net cash flow; with turnaround and positive operating cash from 2017/18 to fund financing costs and capital investment. ███████████████

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32. There remained significant uncertainty, however, and the forecast would need to be kept under continual review as both OC | OC and PISO advanced and greater detail emerged. ████████████████

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33. The estimated staff cost savings required over the five years from 2015/16 – based on a target of 60 per cent staff cost as a percentage of income in 2016/17; and 54 per cent from 2017/18 onward – were substantial, and one Governor expressed concern about the potential destabilising effect on the institution. ████████████ ██████████████████ Fundamentally, the University had to bring its staff costs into line with its competitors. There was also scope to improve efficiency by looking at how the workforce was structured. It was suggested that it would be helpful for reports to include headline figures relating to reduced posts, including where reductions were happening, at what grade, and broken down in terms of frontline/back-office.

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34. Returning to ████████ observations, Governors noted that the forecast position at the end of the period was not where the University needed to be. ████████

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████████████████████████████ Improving revenue and building up the University's reserves would have to be a priority for the Board in the future.

35.	**The Board of Governors noted the Financial Forecast update.**

Risk Management Report   BG 80/5.1

36. The Board received its regular quarterly report on risk management, which summarised corporate risks being managed within the University, noting that risk areas were regularly reviewed by the Senior Management Team.

37. The Board noted that the emergence of government policy and legislation in light of the Higher Education White Paper would inform the University's Risk Register in due course, as would other emerging risks. It was noted that responsibility for risk management had now transferred to the University Secretary's Office, which would be responsible for future reports. Dr Christopher Sarchet, the former Director of the Strategic Programme Office (who had transferred to a role supporting OC | OC), was thanked for his work in supporting the risk management process.

38.	**The Board of Governors noted the risk management report.**

12 January 2016 Academic Board – Meeting Report   BG 80/6.1

39. The Board received a report summarising issues considered by the Academic Board at its meeting on 12 January 2016. The Academic Board had approved a small number of in-year amendments to the University's General Student Regulations, and had considered ways of encouraging and facilitating informal complaint resolution, including mediation.

40.	**The Board of Governors noted the report of the 12 January 2016 Academic Board meeting.**

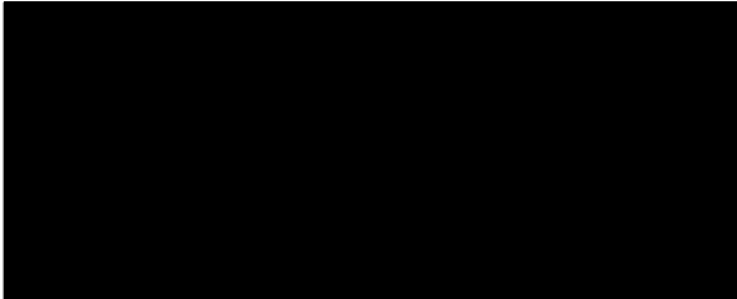## Any Other Business   Oral

41. There were no further items of business.

Siobhan O'Donoghue
February 2016

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Item	Para / Action	For action by who	To be actioned by when	Update on action (as at 10.03.16)
BG 80/4.2 OCOC update	Para. 18) Chair and Vice Chancellor to consider Governor oversight of PISO	Chair / Vice Chancellor	By next meeting	Two Governors to be appointed to PISO Programme Board
BG 80/4.2 OCOC update	Para. 19) Possible alternative phasing of estate moves to be tested for financial viability	Deputy Chief Executive / OCOC Programme Manager	By next meeting	Update to be provided to the Board 17.03.16
BG 80/3.3 Students' Union Byelaws	Para 28) Sub-committee of Governors to consider Students' Union byelaws relating to election regulations	University Secretary	Immediate	Report on election byelaws circulated to sub-committee 8 February 2016; approved subsequently 11 February 2016.