

**Minutes of the eighth meeting of the Board of Governors
held on 24 March 2004**

Present:

Peter Anwyl in the Chair

Sir John Carter	Frank McLoughlin Raj
Judith Baines	Patel
Graham Castle	Helen Peters
Bill Clark	Abdul Rahim
Professor Roderick Floud	Brian Roper
Linden Ife	Cherrill Scheer
James Kempton	Finlay Scott
Stavroula Konidari	Michael Snyder

Clerk to the Board: John McParland

In attendance:	Bob Aylett	Pam Nelson
	Mark Bickerton	Rachel Thomas Chris
	Jill Grinstead	Topley
	Lyn Link	Max Weaver

Apologies: John Haworth, Stephan John, Jeremy Mayhew, Dame Barbara Mills, Bob Morgan, Celia Phillips, Fred Smith and Sarah Tyacke

68. Vice-Chair's Announcements

It was noted that the Chair and Professor Floud had been invited to attend the launch of the new Leadership Foundation for Higher Education which

was being launched by The Rt Hon Gordon Brown, and would be joining the meeting later. In the Chair's absence the Vice-Chair took the chair.

69. Presentation

The Board received a comprehensive presentation from the Director of Student Recruitment Marketing and Communications on international student recruitment and international development.

The Board noted the continuing increase in international student recruitment levels, representing funding in the region of £17.5m this year. (The overheads used during the presentation are attached for information)

Governors commended the University's successful international student recruitment strategy and thanked the Director of Student Recruitment Marketing and Communications for the interesting and informative presentation.

The Board noted the concerns raised by the staff governors about the different demands made by international students on academic and service areas, and also noted the University's legal obligations on immigration issues and resource implications.

70. Minutes of the meeting held on 11 December 2003

(Agenda item BG 8/2)

The minutes of the meeting held on 11 December 2003 were confirmed as a correct record and signed by the Chair.

Matters Arising

71. Croydon College

It was noted that an Accreditation Agreement had been signed with Croydon College and that strategic discussions were continuing. A further report on progress would be submitted to the June Board.

(Action: Deputy Vice-Chancellor (Academic))

72. Retirement of Vice-Chancellor

Concerns were expressed by the teaching staff Governor that the retirement of Professor Roderick Floud as Vice-Chancellor and his subsequent re-appointment as President had not been approved by the Board.

The Clerk confirmed that the process that had been undertaken was correct and in accordance with the Articles of Association, the

delegations provided for therein, the terms of reference of the Finance and Human Resources Committee, which had approved the arrangements and the terms of reference of its Remuneration Sub-Committee which had provided advice and recommendation.

It was noted that the Vice-Chancellor had retired, and retirement was not a matter that required to be submitted to the Board. This matter had been delegated to the Finance and Human Resources Committee, which had taken advice from the Remuneration Sub-Committee. The outcome had been communicated to the Board by letter.

The Chief Executive outlined the responsibilities of the role of the President.

It was also noted that the provisions of the Articles (44 b)) determined that where two persons had been appointed to fulfil the role of head of the institution and one vacated office the continuing postholder automatically assumes all the duties of Head of institution.

73. Report for the period 1.12.03 - 12.3.04 from the Chief Executive

(Agenda item BG 8/4)

The Board received the report from the Chief Executive.

74. Report by the Vice-Chancellor

(Agenda item BG 8/5)

The Board received and noted the report from the Vice-Chancellor.

75. Report by President of the Student Union

(Agenda item BG 8/6)

The Board received and noted the report from the President of the Student Union.

Governors commended the report which was considered excellent, well-balanced, very informative and supportive.

76. Management Information

(Agenda item BG 8/7.1)

The Board received the report on Management Information and noted the following points:

- that the February Management Information had now been prepared and the indications were that the University was performing well against budget
- that a significant amount of general contingency had been set aside against possible clawback of HEFCE grant
- that revised debt collection procedures would be fully operational at City campus after Easter
- that an offer of a capital sum from HEFCE of c£11.2m had been accepted, with the agreement of the Finance and Human Resources Committee, to pay various inherited liabilities part of which HEFCE had agreed could be converted into a capital lump sum in lieu of new borrowing

The non-teaching staff governor raised concerns about budget allocations and the HEFCE restructuring funds. It was noted that the following issues needed to be considered:

- the domestic student recruitment position
- increases in staffing costs including pension liabilities

It was also noted that increased expenditure, particularly in terms of staff costs since the merger would need to be offset by efficiency gains of approximately £5m and that proposals would form part of the budget planning process.

77. Budget Principles

(Agenda item BG 8/7.2)

The Board received the report on Budget Principles and on the recommendation of the Finance and Human Resources Committee approved the principles listed in paragraph 11 of the report. The overall principles were:

- The budget should derive from the University's strategic targets.
- The cost centre structure should match current responsibilities.
- The process should be fair and transparent.

- The budget should be linked to 3 year departmental planning, with indicative budgets prepared for 2005/06 and 2006/07.
- The budget should be based on prudent estimates of fee income and debt recovery.
- It should be informed by bottom-up data on staff commitments, based on accurate staffing estimates.
- It should recognise non-controllable costs, i.e. those determined by contracts with external bodies (eg essential subscriptions) or by history (eg depreciation).
- Adequate provision should be made for new initiative funding, to be allocated by review of business cases for investment.
- A clear and transparent policy should be agreed to share surpluses from income-generating projects.
- Adequate provision should be made for contingency.

78. HEFCE Grant Letter

(Agenda item BG 8/7.3)

The Board received the HEFCE Grant Letter together with the analysis. It was noted that the HEFCE allocation provided no real term gains in funding. It was noted that the domestic recruitment problem would need to be addressed and it was now, more than ever, essential to keep costs under control.

79. Science Centre

(Agenda item BG 8/7.4)

The Board received the report on the Science Centre.

It was noted that the Finance and Human Resources Committee had recommended that the project should proceed. It was stressed that £14m of HEFCE funding was at risk if the project did not go ahead.

A governor expressed the view that the Contract for the Science Centre should place as much of the design risk as possible on the Contractor.

There should be no variance to the design once the Contract specification had been agreed. The contingency should be used for unforeseen events and not for additional funding or enhancements. If design changes were necessary due to unforeseen events approval for these should be submitted to the full Board.

It was noted that existing control procedures would be amended to reflect the above.

It was also noted that John Haworth would act as the Property Sub-Committee designated member to oversee the project.

A governor also expressed concerns about student numbers and whether it was prudent to expand present accommodation. It was noted that the current science facilities need to be replaced for safe and efficient operation and that the science areas were not experiencing a student recruitment problem. The use for the old Tower Block would be reviewed as part of the estates strategy.

The Board endorsed the Finance and Human Resources Committee's recommendation to proceed with the project at the revised costs of £27,600,000, subject to the revised existing control procedures outlined above.

80. Banking Arrangements

(Agenda item BG 8/8.1)

The Board received the report on Banking Arrangements and endorsed the following resolutions:

- (a) To appoint Barclays Bank PLC (the Bank) as the Company's bankers.
- (b) To accept the terms of the Barclays Customer Agreement and confirm such acceptance to the Bank by completing the Bank's form of Appointment of Bankers.
- (c) To authorise any two authorised persons to:
 - (i) enter into any other agreements with the Bank (including banking facility agreements and indemnities) which they consider to be in the interests of the Company from time to time; and

- (ii) give instructions concerning the operation of the Company's bank accounts and otherwise communicate with the Bank in each case in writing or verbally, in accordance with the Customer Agreement; and
- (iii) register the Company for the Bank's computer and telephone banking services.

The authorised persons are:

Brian Roper Chief Executive
Pam Nelson Director of Finance
Chris Croker Assistant Director
Daniel Hannibal Management Accountant
Henry Oduwole Principal, Finance Assistant
Peter Chivers Assistant Director
Adam Bailey Senior Accountant
Fiona Steele Management Accountant

provided that the Chief Executive or Director of Finance are one of two authorised persons to so act.

81. Appointments to Subsidiary Boards

(Agenda item BG 8/8.2)

The Board received the report on Appointments to Subsidiary Boards and noted the recommendations of the Nominations Committee at its meeting on 16 March 2004.

The Board agreed:

That Raj Patel be appointed as a Director of the Board of LondonMet Enterprises Ltd.

That the Chief Executive be appointed as a sole director of the following dormant companies:

LGU Ltd
LGU Properties Ltd
Canary Wharf Business School Ltd

and that the Chief Executive also be appointed as the sole director of LGU Enterprises when it becomes dormant in the next financial year.

The current Directors would then stand down:

LGU Ltd

R. Floud
M. Weaver

LGU Properties Ltd

M. Bear
D. Lloyd
T. Thompson
M. Weaver

Canary Wharf Business School Ltd

R. Floud

LGU Enterprises Ltd

R. Floud
M. Weaver

82. Report from Academic Board

(Agenda item BG 8/9)

The Board received the report from Academic Board.

It was also noted that the Department of Architecture and Spatial Design had received a very positive response during the recent QAA visit. Governors congratulated the department on its success.

The Board also formally congratulated the University Challenge team on reaching the quarter finals.

83. Board Membership

Sir John Carter announced the retirement of Professor Roderick Floud as Vice-Chancellor. The Board extended their thanks and appreciation to him for his contribution to the work of the University over the last 16 years.

Governors welcomed Professor Floud to his new role as President.

Professor Floud thanked the Boards who had created LondonMet and all his colleagues for their support. He acknowledged the successful working relationship with the Chief Executive in the role of joint Principal and was looking forward to his new role as President.

84. Date of Next Meeting

It was noted that the next meeting would be held on Wednesday 23 June 2004, 8th Floor Boardroom, Holloway Road (North Campus).

AGENDA PART TWO

85. The Board noted the following reports:

(Agenda items BG 8/10.1 – 8/10.4)

- a) Dates of Future Meetings
- b) Current Membership
- c) Outline Agenda for next meeting.
- d) Financial Memorandum

86. The Board noted the unconfirmed Minutes of:

(Agenda items BG 8/11.1 – 8/11.7)

- a) Minutes of the Health and Safety Council - 3 February 2004
- b) Minutes of London Metropolitan University Student Centre Ltd - 2 March 2004
- c) Minutes of London Metropolitan University Enterprises Ltd –
- 2 March 2004
- d) Minutes of the Audit Committee – 4 March 2004
- e) Minutes of the Finance and Human Resources Committee – 10
March 2004
- f) Minutes of the Nominations Committee - 16 March 2004
- g) Minutes of the Women's Library Council - 17 March 2004 - tabled