

**Minutes of the twelfth meeting of the Board of Governors
held on 16 December 2004**

Present: Sir John Carter

Peter Anwyl	Bob Morgan
Graham Castle	Raj Patel
John Haworth	Helen Peters
Linden Ife	Brian Roper
James Kempton	Cherrill Scheer
Jeremy Mayhew	Orhan Tsolak

Clerk to the Board: John McParland

In attendance:	Bob Aylett	Rachel Thomas
	Jill Grinstead	Chris Topley
	Lyn Link	Max Weaver
	Chris Croker)	for items 12/4.1
	Danny Hannibal)	and 12/4.2.1

Apologies: Judith Baines, Bill Clark, Stephan John, Dame Barbara Mills, Celia Phillips, Abdul Rahim, Finlay Scott, Fred Smith, Michael Snyder and Sarah Tyacke

126. Chair's Announcements

The Chair announced that this was the last meeting for Max Weaver, Deputy Vice-Chancellor (Planning and Resources). The Board thanked him for his contribution to the work of the Board and wished him success in his new role.

It was noted that Frank McLoughlin had resigned as a Governor from the Board. Governors acknowledged the significant contribution he had made, both to the work of UNL and London Metropolitan University Boards.

127. Minutes of the meeting held on 20 October 2004
(Agenda item BG 12/1)

The Teaching Staff Governor raised the following points about the accuracy of the Minutes:

Minute 115 - Matters Arising

The Governor claimed that the following points had not been made at the meeting.

"Such coverage as had appeared had been initiated, encouraged and sustained by NATFHE" - page 8, para 5.

"It was noted that the Dispute Committee referred to at the last meeting had been offered to and rejected by NATFHE" - page 9, para 4.

The Board confirmed that both these points had been made. For the avoidance of doubt the Vice-Chancellor repeated the statement on page 8, para 5.

Commercial Road - Temporary Closure

The Teaching Staff Governor claimed that the point made by the President of the Student Union concerning Commercial Road had not been minuted. The Teaching Staff Governor considered that the point should have been recorded under Matters Arising 115. The Board noted that this point had been recorded under Minute 124 as it referred to the report from the Student Union President.

It was also noted that a report on post merger grading issues, which had been considered by the Finance and Human Resources Committee at its meeting on 24 November 2004, had been included in Part Two of the agenda and this addressed the issues on merger integration raised at the last Board meeting.

The Chair pointed out that the minutes were a summary of key points and recorded decisions. They are and were not intended to be a verbatim record.

The minutes of the meeting held on 20 October 2004 were confirmed as a correct record and signed by the Chair.

128. Matters Arising
(Agenda item BG 12/2)

The Board received the report on Minute 115/Minute 91 - Contract of Employment NATFHE dispute. It was noted that the meeting of the Disputes Committee would take place on 11 January 2005.

It was also noted that extensive discussions had been taking place with NATFHE in an attempt to resolve the dispute. Proposals had been made to amend the Contract Handbook Guidelines to reflect the concerns raised by NATFHE. NATFHE had held a ballot for industrial action.

The results of the ballot were as follows:

	304 out of 610 members had voted		
For strike action	199	Yes	
	101	No	
	4	Spoiled	
For action short of strike	232	Yes	
	17	No	
	2	Spoiled	

The following points were noted:

- that NATFHE were clearly implying that the difficulty in fixing a date for the Disputes Committee rested with the University. This misrepresented the University's position. Governors had received direct from NATFHE (Greg Barnett, Chair of Co-ordinating Committee) a letter of 14 December. Governors felt that the letter clearly suggested that the University had been at fault in setting a date for the Disputes Committee. This in turn provided the rationale for the ballot for industrial action. The email correspondence attached to the report clearly recorded the University's endeavours to find suitable dates for both the Disputes Committee and the officer level Negotiating Committee.

The Board noted the copy emails appended to report BG 12/2.1 concerning the Disputes Committee. The NATFHE letter of 14 December was described as disingenuous and disgraceful. Governors questioned whether this approach was symptomatic of NATFHE's conduct in the dispute.

Governors also questioned whether the Disputes Committee should convene

in circumstances where industrial action was threatened, particularly if such action took place on the day of the Committee. It was agreed that the Committee would proceed and Governors who were serving on it would take a view on the matter in the light of events prior to 11 January.

- that the University **had** responded to NATFHE's concerns as could be seen in the attached draft working document on the Handbook.

It was noted that further reports on this matter would be submitted to the Board.

(Action: Director of Human Resources/Vice-Chancellor/Clerk to the Board)

129. Report for the period 11.10.04 - 3.12.04 from the Chief Executive
(Agenda item BG 12/3)

The Board received the report by the Vice-Chancellor.

Award Ceremonies

The Board noted that the arrangement for the Awards Ceremonies had worked well. The Chair and Vice-Chair between them had attended all 9 ceremonies. The Chair stressed that it was important for other Governors to try and attend at least one of these events if at all possible.

Financial Reports

130. University's Final Accounts

The Board received the University's Final Accounts for 2003-4 and commended the effort of all those involved, including the finance staff and the auditors. The following key points were noted:

- that the figures exceeded budget and were close to the mid-year forecast
- that the performance of the IT Learning Exchange would be kept under review
- that income had increased by 8.3%
- that the increase in fees from international students was offset by a reduction in fees from Home and EU students
- that the increase in staff costs, caused by pay rises, regradings, increases in

London weighting, pension costs and National Insurance, was a major concern

- that the maintenance and repairs programme was progressing
- that total group net assets had increased
- that the FRS 17 deficit on the LPFA pension fund remained a major concern. It was noted that a working group, including the Chair and Vice-Chair of the Board, had been established to better understand the issues and options available to the University.
- that there was a significant risk of clawback of funding by HEFCE and that the level of provision for grant holdback may need to be reviewed

It was noted that overall the University had performed well during the second year of the merger.

The Board agreed, on the recommendation of the Finance and Human Resources Committee, to authorise the Chair and the Chief Executive to sign the Balance Sheet of the accounts for London Metropolitan University for 2002-3, as required under Section 233 (1) of the Companies Act (as amended); and to authorise the Company Secretary to sign the Governors' Report as required under Section 234A of the Companies Act (as amended).

(Action: Chair, Chief Executive and Secretary and Clerk to the Board)

131. Management Information (Agenda item BG 12/4.2.1)

The Board received the report from the Director of Finance on Management Information. The following points were noted:

- that the initial indications were that student numbers for 2002/03 would not be sufficient to bring the University within the HEFCE tolerance band which could result in loss of grant
- that a meeting had taken place with LPFA whose representatives could provide no credible reasons for the very poor investment performance, which had under performed the stock market. It was noted that the external investment managers had been replaced and that the poor performance could be a governance issue. The effect of the pension deficit could mean an

increase in the University's contributions to 19% over the next 20 years. It was noted that there was a separate report on this matter elsewhere on the agenda (Agenda item BG 12/8.5).

- that debt recovery remained a high priority
- that cash and short-term deposits totalled £18.2m at 31st October 2004

It was noted that the University needed to remain vigilant to maintain income and keep expenditure under control. The decreasing contingency funds were also noted.

132. Student Numbers

(Agenda item BG 12/4.2.2)

The Board received the report on student recruitment at 1 December 2004 and noted the comments by the Deputy Vice-Chancellor (Research and Development). An overall analysis had been provided for individual Departments.

It was also noted that the recruitment figures for Humanities Arts and Languages had not been compared on a like for like basis with those for the previous year. The true position was that the current figures were just below target.

It was noted that the report was helpful and the following further information would also be useful when monitoring the new fee regime:

- the current student population
- trends showing the non-completion rates for students in the 2nd and 3rd year of their courses
- reasons for the decline in part-time students numbers and the non-completion rates for part-time students by department

It was noted that a further report would be provided to a future meeting of the Board.

133. Fees and Bursaries

(Agenda item BG 12/4.3)

The Board received the report on Fees and Bursaries which had been recommended for approval by the Finance and Human Resources Committee. The following comments were noted:

- the timing and process for submission of the University's proposal to OFFA

- the ability of OFFA to process applications within the time limit for publishing the new prospectus
- the assumptions made for estimating the administrative costs of collecting bursaries
- the assumptions for the bursary models which did not include the effect of any HEFCE clawback

The Board approved the proposals based on the assumptions in the report for submission to OFFA.

(Action: Director of Finance)

134. Capitalisation of Inherited Leases

(Agenda item BG 12/4.4)

The Board received the report on Inherited Leases and approved the recommendation by the Finance and Human Resources Committee to accept the terms offered as set out in the report.

(Action: Director of Finance)

135. Report from Academic Board

(Agenda item BG 12/4.5)

The Board received the report from Academic Board and noted the comments by the Vice-Chancellor, Deputy Vice-Chancellor (Academic) and Director of Quality and Standards on the draft Self-Evaluation document. The Board also noted the approach and consultation process which had taken place during the preparation of the document for submission to the Quality Assurance Agency (QAA) in January 2005.

The Board also received and noted the tabled University Newsletter on Quality and Standards concerning the preparations for the forthcoming QAA Institutional Audit, including the separate submission from the Students' Union.

The following comments were noted:

- that a consistent style should be maintained throughout the document

- that some of the terminology was opaque to a lay reader and greater clarity was required

The Board approved the draft Self-Evaluation document for submission in January 2005 to the QAA subject to final editing.

(Action: Deputy Vice-Chancellor (Academic)/Director of Quality and Standards)

136. Governance and Review of Strategy (Agenda item BG 12/6)

The Board received the report on Governance and Review of Strategy, together with the revised Committee for University Chairmen (CUC) Guide for Governors and a summary version of the Guide. The Board also received a paper outlining academic and other progress against the Strategic Plan.

Governors commended London Metropolitan University's achievements during the first period of the merger, which more than fulfilled expectations that the merger would succeed. It was noted that this "Good News Story" should be communicated to University staff.

(Action: Deputy Vice-Chancellor (Research and Development))

The Student Union President expressed concerns at the condition of student social facilities at Goulston Street. It was noted that a feasibility study was planned for a major overhaul of Goulston Street and that Funding Council grants for capital funding could not be used to fund the maintenance programme.

Governors noted and approved the proposed approach that the review process for the Board effectiveness take place alongside the review of the Business Plan character and mission.

It was noted that the Chair and Vice-Chancellor would bring proposals on Board effectiveness to the Board at its meeting in March 2005. The effectiveness review would take place between March and June 2005 alongside the wider strategic review.

(Action: Chair/Vice-Chancellor/Secretary and Clerk to the Board)

137. Audit Committee Annual Report (Agenda item BG 12/7)

The Board received the Audit Committee's Annual Report. It was noted that the report was very positive and only one priority one recommendation had been made in the current year compared to five in 2002/2003 and ten in 2001/2002.

138. Date of Next Meeting

It was noted that the next scheduled meeting of the Board would be held on Wednesday 16 March at 4.45pm in the new Boardroom, Calcutta House (City Campus).

AGENDA PART TWO

139. The Board noted for information

(Agenda items BG 12/8.1 - BG 12/8.6)

- a) Dates of Future Meetings
- b) Current Membership
- c) Outline Agenda for next meeting
- d) Post Merger Grading Issues

It was noted that the Board advised that the non-teaching Governor should refer any further comments on grading issues to the Director of Human Resources.

- e) LPFA - Actuarial Valuation
- f) Industrial Relations Update

The Board noted the Teaching Staff Governor's pessimistic view that it would not be possible to resolve the dispute given the University's response to the Union's concerns. The Board expressed the view that this opinion was unfounded as the report on Industrial Relations simply represented the respective views of both parties prior to further discussion.

140. The Board noted the unconfirmed Minutes of:

(Agenda items BG 12/9.1 – 12/9.6)

- a) Minutes of the The Women's Library Council - 21 October 2004
- b) Minutes of the Health and Safety Council - 26 October 2004
- c) Minutes of the London Metropolitan University Student Centre Ltd - 3 November 2004
- d) Minutes of the London Metropolitan University Enterprises Ltd - 3 November 2004
- e) Minutes of the Audit Committee - 10 November 2004
- f) Minutes of the Finance and Human Resources Committee - 24 November 2004

141. Final Accounts 2003/2004

(Agenda items BG 12/10.1 - 12/10.2)

The Board noted the Final Accounts 2003/2004 for:

- a) London Metropolitan University Enterprises Ltd
- b) London Metropolitan University Student Centre Ltd

142. Annual Reports

(Agenda item BG 12/11.1)

The Board noted the Health and Safety Committee Annual Report.