

**Minutes of the thirteenth meeting of the Board of Governors
held on 16 March 2005**

Present: Sir John Carter

Peter Anwyl	Helen Peters
Judith Baines	Celia Phillips
John Haworth	Abdul Rahim
Linden Ife	Brian Roper
Stephan John	Cherrill Scheer
Jeremy Mayhew	Fred Smith
Dame Barbara Mills	Michael Snyder
Bob Morgan	Orhan Tsolak
Raj Patel	Sarah Tyacke

Clerk to the Board: John McParland

In attendance: Bob Aylett Rachel Thomas
Jill Grinstead Chris Topley
Pam Nelson

Apologies: Graham Castle, Bill Clark, James Kempton and Finlay Scott

Presentation - Re-Engineering the Business Plan

The Board noted the presentation from the Deputy Vice-Chancellor (Research and Development). (The overheads are attached). Reports would now be presented to the May Finance and Human Resources Committee and the Board in June.

The Board considered that the risks and challenges faced by the University were such that a higher annual surplus and a higher level of contingency was required. It was noted that pre-merger annual surpluses of 3% in 5 years and 5% in 7 years had been considered as the target.

It was agreed that the Business Plan would provide a base case with options. It was acknowledged that the Plan as yet did not focus on the academic objectives of the University. The Plan provided the financial underpinning and the final document would be informed and prefaced by a clear strategic statement currently under discussion (see Minute 156 - Report from Academic Board).

143. Chair's Announcements

The Chair announced that this was the last meeting for Judith Baines, Non-Teaching Staff Governor, as she would be leaving the University to take up a new post. The Board thanked her for her contribution to the work of the Governing Body and wished her success in the future.

144. Minutes of the meeting held on 16 December 2004 (Agenda item BG 13/1)

The minutes of the meeting held on 16 December 2004 were confirmed as a correct record and signed by the Chair.

145. Matters Arising (Industrial Relations Update) (Agenda item BG 13/2)

The Board received the report on the NATFHE dispute from the Director of Human Resources which updated the Board on developments in respect of the dispute with NATFHE since the last Board meeting on 16 December 2004. The Board also received the following appendices attached to the report:

1. Minutes of the Disputes Committee (11 January 2005) as approved by the Chair.
2. Contractual clauses proposed by NATFHE and management sides' responses/requests for clarification.
3. Management's final proposal to NATFHE during the ACAS talks.
4. Management's proposal in respect of mediation.
5. Letter to all Academic Staff

6. NATFHE's proposed contract and accompanying analysis by the University which was enclosed separately with the agenda.

The Vice-Chair of the Board, who was Chair of the Disputes Committee on Tuesday 11 January, outlined the process that had taken place and referred the Board to the final statement (page 23 of the agenda), which had been agreed. He also pointed out that it had been made clear at the Disputes Committee that the Board's position was that the contract was approved and in place and that management were not authorised to change this position. On the Handbook management were authorised to discuss and agree changes. It was noted that the Handbook provided guidance and interpreted the terms of the contract.

The Vice-Chair confirmed that the minutes of the Disputes Committee were an accurate interpretation of what had taken place.

On the issue of mediation the Vice-Chair stated that this had been considered and the Disputes Committee Governors saw no merit in pursuing this course and that external advice had confirmed this.

The Vice-Chancellor outlined the process which had been followed during the time limited negotiations which had taken place at ACAS. It was noted that this was the fourth and final stage of the disputes procedure. It was also noted that it had not been possible to identify any matters of substance which required change to the contract and that the main issue arising from the negotiations was the different interpretation of events that had taken place.

The three Governors who had sat on the Dispute Committee tabled the following statement on the Board's position which they felt was the only possible way forward at this time.

STATEMENT

The three governors who sat on the Disputes Committee panel were asked, on behalf of the Board of Governors, to convene with NATFHE to seek a process for resolving this dispute. Our view, for which we will be seeking support from fellow lay Governors at the Board of Governors' meeting on 16 March 2005 is as follows:

1. The London Metropolitan academic staff contract, on which all mainstream academic staff at the University are now employed, was negotiated and agreed with NATFHE locally, regionally and nationally in 1999.

2. In the five years in which this contract has been in operation, there have been no reported difficulties with the contract.
3. There have been no dismissals by virtue of this dispute and there are no threats of dismissal.
4. The Board has explicitly requested in the past to be informed of the matters of substance in respect of the contract, which concern NATFHE. We have been unable to identify any that require change to the contract. The University's negotiating side and the Disputes Committee panel have proposed that amendments to the guidelines, which accompany the contract and which form part of the Teaching staff handbook are the way to address any concerns about implementation of the contract. We made clear to NATFHE the Board's position on the contract. We believe that the management should remain prepared to consider introducing amendments to the existing staff handbook and are authorised to discuss these with NATFHE. This is however all that the Dispute Committee panel believes should be discussed. Such discussion cannot however be undertaken under the threat of industrial action and/or academic boycott.

Peter Anwyl

Barbara Mills

Sarah Tyacke

The following points were noted in connection with the Statement:

- that point 1. should be reworded to make it clear which contract was agreed in 1999 and between whom ie UNL and NATFHE
- that there should be a reference in Paragraph 1 to the merger and the need for a single contract
- that it should be made clear that negotiated changes to the Handbook could be reflected in the contract, if agreed by management and accepted by the Finance and Human Resources Committee

It was agreed that the Statement would be issued subject to amendment to reflect the above comments.

The following comments were also noted:

- that the Teaching Staff Governor pointed out that ex-LGU staff felt that the academic contract had been imposed on them and that there should be a new contract for a new University.
- that the original decision of the Board in 2002 had been taken in the context of the requirements of TUPE which protected the terms conditions and contracts of former UNL staff. Legal advice had been provided at the time on this issue and it was noted that this advice would be confirmed to the Finance and Human Resources Committee.
- that over 300 North campus staff had benefited from the performance related pay award scheme which was voluntary. One Governor stressed that the Board should not take any decision which would, while addressing concerns of some City campus staff, alienate the North campus staff, who had benefited over 6 years from the terms of the current contract.
- that the University management had offered NATFHE face to face discussions on a one to one, two to two and four to four basis throughout the period of the dispute but that this had been rejected by NATFHE.
- that the Vice-Chancellor pointed out that the proposals made by NATFHE at ACAS and the subsequent contract produced by them did not represent a new contract for a new University. Its terms were in large part the same as the previous LGU contract as outlined in the attachment to the paper. This had been rejected by the Board in October 2002.

(The amended Statement is attached to the Minutes).

The Vice-Chancellor was encouraged by Governors to take a proactive approach to updating staff about the dispute to mitigate the false and/or misleading statements being circulated by NATFHE.

(Action: Vice-Chancellor/Director of Human Resources)

146. Report for the period 6.12.04 - 18.2.05 from the Vice-Chancellor
(Agenda item BG 13/3)

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

Financial Reports

147. Management Information

(Agenda item BG 13/4.1)

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

- that the University was slightly ahead of budget for the first six months of the financial year
- that income for the year was expected to be on target
- that the main areas of uncertainty were:
 - (a) anticipated holdback of HEFCE grants of £1.3m provided for in contingency
 - (b) that fee income could be slightly less than projected as further fee adjustment might be required
 - (c) that the annual impact of the LPFA deficit would be an increase of £2.5m
 - (d) that the debtors position as at 31 February had reduced to £31.2m
 - (e) that a further payment of c£7m had been received from the Student Loan Company and every effort was being made to reduce student debt
 - (f) that £17m had been received from HEFCE in settlement of their liability to fund inherited lease revenue costs.
 - (g) Cash and short term deposits now totaled c£33m.

148. Budget 2005/06 (Budget Principles)

(Agenda item BG 13/4.2)

The Board received the report on the 2005/06 budget and noted some of the issues that would have a significant impact, including the LPFA deficit, the decrease in grant income of £3.2m, and increasing salary costs.

The following points were also noted:

- that the term , 'over-funded', referred to the possibility that the University

may fall outside the tolerance band set by HEFCE, and could be subject to clawback of funds

- that home student applications for undergraduate entry in 2005 appeared promising. Student retention would continue to be an important issue.
- that the University's position concerning the poor performance of the LPFA pension fund should be communicated to staff. It was noted that the additional employer's contribution required to recover the deficit had been estimated at £2.5m per annum, based on an increase to 19.6%.

149. Offa Submission/Bursaries

(Agenda item BG 13/4.3)

The Board received the report on OFFA (Office for Fair Access) Submission/Bursaries. Governors approved the formal submission and Access Agreement to OFFA which incorporated the policy agreed by the Board in December.

150. Graeae Theatre Project

(Agenda item BG 13/4.4)

The Board received the report on the Graeae Theatre Project and were supportive of the project subject to satisfactory resolution of the detailed issues. It was noted that a further report would be submitted to a future meeting of the Board.

(Action: Deputy Vice-Chancellor (Academic))

Formal Matters

151. Appointment to Committee

(Agenda item BG 13/5.1)

The Board received the report on Appointment to Committee. Governors approved the appointment of Celia Phillips to serve on the University Research Ethics Committee.

152. Public Interest Disclosure Procedure

(Agenda item BG 13/5.2)

The Board received the report on Public Interest Disclosure Procedure and on the recommendation of both the Finance and Human Resources Committee and Audit Committee the Board approved the procedure.

153. Student Union - Compliance with 1994 Act
(Agenda item BG 13/5.3)

The Board received the report on Student Union Compliance with the 1994 Education Act and noted that arrangements were in place to address the provisions of the Act. The Board approved the Code of Practice to comply with Section 22(3) of the 1994 Education Act.

Governors also noted the formal complaint of the Chair of the Student Council that the elected office holders had not been performing satisfactorily or in an accountable manner consistent with the terms of the constitution. It was noted that this matter was being addressed and that a report would be submitted to the next meeting of the Board, as necessary.

The Board noted the response of the President of the Student Union that the Student Union was unable to conduct its own affairs as the staff supporting the Union were employed by the University. He also suggested that this arrangement was contrary to the provisions of the Articles of Association in respect of the Union.

The Clerk confirmed that there was no conflict with the provisions of the Articles. It was also noted that the employment of Student Union support staff by the University was common practice across the Higher Education sector.

It was also noted that the University Secretary would send the President a copy of the Financial Memorandum governing financial activities of the Union.

(Action: Secretary and Clerk to the Board of Governors/Student Union President)

154. Effectiveness Review
(Agenda item BG 13/5.4)

The Board received the report on Governing Body Effectiveness and noted that this matter had been considered by the Nominations Committee. The report set out the proposal framework, context, process and timescale for the review.

It was also noted that any comments on the content or the process of the review should be sent to the University Secretary.

155. LGU Enterprises Ltd
(Agenda item BG 13/5.5)

The Board received and noted the report on LGU Enterprises Ltd and approved the following recommendations:

- a) to rescind its earlier decision to wind up LGU Enterprises Ltd
- b) to note that the company has changed its name to Shoreditch Consortium Ltd
- c) to agree that the tender bids to the BBC can be made in the name of Shoreditch Consortium Ltd
- d) to agree that the Finance and Human Resources Committee on 11 May receive a report on the outcome of bids to the BBC together with proposals for the operation of the Company as a trading venture including Business Plan.
- e) to agree that the final report be submitted to the next Board meeting to approve arrangements in respect of the company.

(Action: Secretary and Clerk to the Board)

156. Report from Academic Board

(Agenda item BG 13/6)

The Board received the report from the Academic Board and noted the comments of the Deputy Vice-Chancellor (Academic). It was noted that Governors' comments about the Business Plan currently lacking emphasis on academic content were addressed in the debate at Academic Board, and in the revised statement of the University's educational character and mission.

The Board also noted the arrangements in place for the Quality Assurance Agency Institutional Audit (QAA) and other quality assurance matters. The Vice-Chancellor reported that NATFHE had not given an undertaking not to disrupt the QAA Audit. Governors would be involved as appropriate in the light of the QAA teams requirements.

The Chair thanked Peter Anwyl and Graham Castle for their contribution to the accreditation visit by the Middle States Commission on Higher Education.

Joint Standards Board

The Board received and approved the membership and terms of reference of the Joint Standards Board.

157. Date of Next Meeting

It was noted that the next scheduled meeting of the Board would be held on Wednesday 22 June at 4.45pm in the 8th Floor Boardroom, Technology Tower, Holloway Road (North Campus).

AGENDA PART TWO

158. The Board noted for information

(Agenda items BG 13/7.1 - BG 13/7.4)

- a) Dates of Future Meetings
- b) Current Membership
- c) Outline Agenda for next meeting
- d) Development Fund

159. Annual Reports

(Agenda item BG 13/8.1)

The Board received and noted the Annual Report on the Access to Learning Fund.

160. The Board noted the unconfirmed Minutes of:

(Agenda items BG 13/9.1 – 13/9.6)

- a) Minutes of the Finance and Human Resources Committee - 16 January 2005
- b) Minutes of the Nominations Committee - 2 February 2005
- c) Minutes of the Audit Committee - 15 February 2005
- d) Minutes of the London Metropolitan University Enterprises Ltd - 9 February 2005
- e) Minutes of the Health and Safety Council - 3 March 2005
- f) Minutes of the Women's Library Council - 2 March 2005