

**Minutes of the fourteenth meeting of the Board of Governors
held on 22 June 2005**

Present: Sir John Carter

Peter Anwyl	Raj Patel
Graham Castle	Helen Peters
Bill Clark	Celia Phillips
Linden Ife	Brian Roper
James Kempton	Cherrill Scheer
Jeremy Mayhew	Fred Smith
Dame Barbara Mills	Orhan Tsolak
Bob Morgan	

Clerk to the Board: John McParland

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

Apologies: John Haworth, Stephan John, Abdul Rahim, Finlay Scott, Michael Snyder and Sarah Tyacke

161. Chair's Announcements

The Chair announced that this would be the last meeting for Helen Peters, Teaching Staff Governor and Orhan Tsolak, Students Union President, as their terms of office would be coming to an end on the 30 September 2005 and 15 July 2005 respectively.

162. Minutes of the meeting held on 16 March 2004

(Agenda item BG 14/1)

The minutes of the meeting held on 16 March 2004 were confirmed as a correct record and signed by the Chair subject to the following amendments:

- that the following sentence should be added on page 8, 4th paragraph from the bottom of the page - "It was noted that the Professional Service Department staff contract had been adopted as a result of agreement between the relevant Unions and the University."
- that on page 13 it was Abdul Rahim who had contributed to the Middle States Accreditation Commission visit and not Graham Castle.

It was also noted that the President of the Student Union could discuss the matter he raised about the Student Union and the Articles of Association (Minute 153) outside of the meeting with the Clerk to the Board.

163. Report for the period 16.3.05 - 10.6.05 from the Vice-Chancellor

(Agenda item BG 14/3.1)

The Board received and noted the report by the Vice-Chancellor together with the University's sporting achievements over the past year.

164. QAA Institutional Audit - April/May 2005

(Agenda item BG 14/3.2)

The Board received the report from the Director of Quality and Standards and noted the successful outcome indicated by the QAA in their provisional findings for the first draft report expected to be received by 11 July 2005.

The Board also noted the comments of the Director of Quality and Standards that the QAA auditors had not been deflected by strike action called by NATFHE and that staff who had originally intended to be absent had been present for the audit.

The Board commended all the staff involved in the preparation for and conduct and outcome of the visit.

Financial Reports

165. Performance Indicator Monitoring 2004

(Agenda item BG 14/4.1)

The Board received the report on Performance Indicator Monitoring and noted the comments on the red indicators where performance had fallen short of target.

The following points were also noted:

Student employment

- that it was disappointing that the employment statistics had deteriorated but the benchmark had also worsened indicating a decline across the HE sector. This was a key indicator in marketing terms. It was noted that an audit of student employability was being undertaken to assess the situation. It was also noted that the job market in the computer industry at the time of the audit could have had an effect on employment levels, as well as the graduate labour market in London as ethnicity had a major impact on employment rates in the capital.

Support Staff Costs

- that there was no increase in the number of academic support staff and that some reclassification was required. This could increase the academic staff costs but the increase overall was funded by external grants and project income.

Condition of Estate

- that the change in the baseline from which the target had been set was being investigated and would be reported to the Property Sub-Committee

It was also noted that the range of Performance Indicators would need to be revised in the light of the new business plan and upon completion of the HEFCE Milestones targets in September 2005.

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

166. Management Information (Agenda item BG 14/4.2)

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

- that enrolments at 31 May 2005 for home students was below target
- that £1.3m contingency had been set aside for clawback of HEFCE grant and the figure had yet to be confirmed but could be £1.7m

- that student withdrawals were being reviewed and would reduce student numbers
- that departmental overspends would be off-set by departmental underspends but measures were in place to reduce unauthorised spending
- that the impact of the increased LPFA employer's contribution would have an affect on financial performance as would increases in future energy costs of c55%
- that aged debt was becoming harder to collect and that a housekeeping exercise would be undertaken on a case by case basis to clear aged debt from the ledger
- that while the volume of staff advertising had not increased the costs had increased considerably and a review of these would be undertaken

Strategic Development

The Board received a presentation covering the three agenda items:

Educational Character and Mission
 Revised Business Plan
 Budget 2005/06

The Vice-Chancellor introduced the presentations and outlined the key issues which included:

- the scale of the academic endeavour and internal harmonisation since the merger which had been a remarkable achievement
- the increasing strength of research activity including the growing number of active researchers in Research Institutes and research centres, 70% of the activity being supported by external grants
- a more focused estates strategy
- the harmonising of employment policies throughout the University, with only a small number of policies to be completed
- integrated IT systems with proposals to HEFCE for funding for further investment, and progress with a new and innovative overarching IT system.

It was noted that a presentation on this would be made to a future meeting of the Board.

- the successful QAA visit (agenda item BG 14/3.2) covering 11% of the University's provision, and various successful quality inspections and periodic reviews since merger
- that improved communications systems were now in place

The Board noted that the strategy was ambitious and focused on excellence and commended this.

As an indication of success, even in the last week, the Board noted the following achievements:

A LondonMet graduate won Graduate Designer of the Year in the prestigious Design and Decorations Awards

Special prize for the Graduate Centre designed by Daniel Libeskind

The Guardian had reported LondonMet's website to be the best in the UK

The University's very successful sporting season

(The overheads are attached.)

167. Educational Character and Mission (Agenda item BG 14/5.1)

The Board received the report on Educational Character and Mission together with the Departmental Academic Vision Statements. It was noted that this has also been submitted to the Academic Board and Governors noted the comments by the Vice-Chancellor and the Deputy Vice-Chancellor in the preceding presentation.

The following point was also noted:

- that a changing shift in the strategic direction proposed in the academic vision would require "drive" and endurance and that selectivity and hard budgetary decisions would be necessary

The Board fully supported the approach and noted that further work would be undertaken to develop the necessary Academic Plan.

(Action: Deputy Vice-Chancellor (Academic))

168. Revised Business Plan 2005/10

(Agenda item BG 14/5.2)

The Board received the revised Business Plan which incorporated the recommendations from the Finance and Human Resources Committee (FHR) at its meeting of 11 May 2005.

The Board noted the following points:

- a rigorous approach to third stream income was required to ensure that activities provided a genuine contribution to the University's bottom line
- the emphasis on research and its significance for the design and delivery of the University's taught post-graduate provision represented an explicit change in emphasis
- the goal of excellence required the selection of and investment in those areas where the University could achieve this standard
- whether the number of staff posts involved (7% of employees) in the restructuring would include those approaching retirement age. It was noted that it would be difficult to pre-determine the outcome of the scheme. It was also noted that applications for voluntary severance would only be accepted where the post would not need to be replaced or could be replaced at lower cost and that thereafter involuntary severance would be required.
- no enhancements to pensions were envisaged under the voluntary severance scheme
- other points for consideration when applying the scheme were the age of the workforce and that further legislation enabling people to work beyond 65 was imminent
- 1650 hour model used for TRAC considerations. It was noted that the Deputy Vice-Chancellor (Research and Development) would explain the meaning of this to the Teaching Staff Governor outside of the meeting
- that the assumptions about the surpluses (red) were based on the original business plan at the time of the merger

- that the Medium and Restructuring model would produce a deficit, before restructuring costs, of c£4.24 million in 2005/06
- that there would be an exceptional cost of £5 million in 2005//06 followed by £2.5 million in 06/07 and a further £1 million in 08/09 to fund staff restructuring, largely through redundancies, leading to savings of £31.5 million over the period
- that staff restructuring on this scale would involve the permanent loss of approximately 170 posts in total
- that in addition to the staff restructuring savings, the model contained £2.5 million in non-staff cost reductions in each of the three years 2005/06 to 2007/08
- the size of the development fund would be kept under review.
- it was noted that there were no plans to increase staff numbers.

The Board were cautious about the 'Medium and Restructuring' version (Appendix 1 to the report) and concern was expressed about whether the identified savings and extent of restructuring proposed would be sufficient.

Governors agreed to accept this model for the next five years subject to any revision being reported to the Board if targets could not be met.

(Deputy Vice-Chancellor (Research and Development))

Performance Indicators

It was noted that proposed Performance Indicators for the new Business Plan would be submitted to the October meeting of the Board.

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

169. Budget 2005/06

(Agenda item BG 14/5.3)

The Board received the report on the draft Budget for 2005/2006, together with the Capital Budget and Plan, and an annex on the Canary Wharf Ideas Store, approved for recommendation to the Board by FHR on 11 May 2005.

The following points were noted:

- that Departmental Heads had identified about 5% of the 10% savings that they had been asked to make in 2005/06
- that the findings from the Student Satisfaction survey would be programmed into any cost savings schemes, eg Value for Money reviews, better use of space and better use of IT
- that income was budgeted to grow by 1% whilst total costs were expected to grow by 8.6%
- that FHR had approved the draft budget but asked management to identify savings of £2.5m to be achieved during the year
- that discussions had taken place with budget holders to identify costs savings
- the need for further planned cost reductions including:
 - voluntary and involuntary severance schemes
 - a strengthened value for money group
 - ongoing review of the estates strategy
 - using capital grants to improve IT infrastructure

The Board approved:

- the proposed revenue budget for 2005/06
- the capital budget for 2005/06 including the Canary Wharf ideas Store
- the indicative level of commercial borrowing required over the next three years, subject to detailed proposals for each loan

The Board noted:

- the indicative capital plan from 2006/07 to 2009/10
- the building projects under review

In the event that income targets were not met the Finance and Human Resources Committee would give early consideration to responding in a measured and realistic

way. An initial report on recruitment and fee income would be provided at the October Board.

(Action: Director of Finance/Vice-Chancellor)

170. Student Residential Strategy
(Agenda item BG 14/6)

The Board received the report on the Student Residential Strategy. Governors agreed that further work was required to assess the type and cost of accommodation required and the nature of the likely demand.

The Board agreed to adopt the following approach recommended by FHR at its meeting on 11 May 2005:

- that further work would be undertaken to develop a strategy in respect of the future development and management of James Leicester and Tufnell Park Halls
- that planning permission for the redevelopment of James Leicester Hall would be sought
- that further work would be undertaken on the disposal of freehold and leasehold assets in particular the financial sensitivities

It was noted that further reports would be submitted to future meetings of the Board.

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

171. Industrial Relations Update - oral

The Board received an oral update on the current industrial relations position from the Vice-Chancellor. The Board had already received a copy of the exchange of emails and letters which had taken place in June between the Vice-Chancellor and the General Secretary of NATFHE.

The Vice-Chancellor reported that he had that day received a further letter from the General Secretary of NATFHE. The Vice-Chancellor stated that this letter of 22 June represented a welcome change in position regarding the suspension of industrial and other action. The Vice-Chancellor read out the General Secretary's letter dated 22 June, clarifying two points arising from the Vice-Chancellor's letter of 21 June as follows:

- "1. The ACAS involvement earlier this year was conciliation, not mediation, and there is a substantial difference between the two.
2. Our offer includes an indefinite suspension of industrial action for the duration of the talks."

All previous NATFHE proposals had required talks to commence whilst't action remained in place. This directly contradicted the Board's position that talks should not be conducted under duress.

The Vice-Chancellor considered that the General Secretary should be responded to positively and if the Board were agreeable he would write to the General Secretary to propose dates for talks.

The Board considered the contents of the latest exchanges and the following views were expressed:

- the teaching staff Governor urged that a positive response should be supported and that ACAS mediation was essential. The process of mediation was such that an outcome to the talks would be guaranteed. ACAS involvement was needed to re-establish trust between the parties. In respect of the suspension of action when talks commence, however, this was not what the NATFHE Branch had agreed to at their meeting held the previous week and such suspension would not be allowed. The letter from the Vice-Chancellor of 6 June to the General Secretary had been unhelpful in introducing non-negotiable points or principles. The Board should recommend mediation.
- the expression, "duration of the talks" used by the General Secretary in relation to suspension of action required clarification given the comments of the elected Staff Governor. Subject to the confirmation that the expression encompassed suspension of action from the commencement to the conclusion of talks the General Secretary's offer should be positively responded to. The opportunity should be seized.
- ACAS mediation was not arbitration. The process of mediation could not guarantee an agreement or conclusion.
- the talks should be mediated as respective positions had become entrenched. It was clear from the legal advice obtained in 2002 that changing the contract of former UNL staff at that time was not possible. The involvement of a third party would assist. There should be a sustained attempt to move forward.

- if talks were to proceed with a mediator the terms of reference for mediation and the role of the mediator would need to be clearly established at the outset. Mediation per se would not guarantee an outcome.
- the letters between the Vice-Chancellor and General Secretary of 21 and 22 June respectively were a step forward to resolution. The dispute was damaging the University and so the involvement of ACAS required clarification if talks were to be successful. If the position were ACAS involvement or no talks then ACAS involvement should be agreed.
- the dispute required resolution. The presentation that evening on the Business Plan had illustrated the challenges ahead for the University and to face those required that the dispute be settled. ACAS involvement should be agreed.
- the student Governor stated that the University's reputation was being tarnished and that NATFHE now wanted, and had always been the only party that wanted, to negotiate
- the Board should encourage the Vice-Chancellor to respond but should not direct that ACAS be involved. The detail of the process and structure of the process and structure of the talks should be determined by the Vice-Chancellor. As it was unclear what the mediation role would involve the merits of such involvement should be left to the Vice-Chancellor to determine following further discussion with the General Secretary.
- the Board should not direct the Vice-Chancellor in respect of the method of the discussions but that no artificial stumbling block should be placed in the way of the talks commencing.
- staff were demoralised by the dispute and face to face talks would not resolve it. ACAS mediation was necessary.
- the elected teaching staff Governor had been given a NATFHE petition and pro-forma letters from students of the University seeking an end to the dispute as soon as possible and she read out some of the students' comments and presented the petition and letters to the Chair of the Board.

The Vice-Chancellor reiterated his optimism following the General Secretary's 22 June letter. He was hopeful that if talks were to commence a settlement could be found. ACAS mediation, however, was no guarantee of a solution. The proposal

had not featured in the meetings and earlier exchanges with the General Secretary and it was unclear why NATFHE considered it would be more useful than face to face talks. The use of ACAS would be discussed further with the General Secretary and would not be ruled out. The University had attempted to pursue negotiation from October 2002 but without success and always desired and sought agreement.

The conclusion of the discussions after consideration of the views expressed above was that the Board welcomed the proposal by the General Secretary of NATFHE to recommence discussion on the basis of "an indefinite suspension of industrial action for the duration of the talks".

It was agreed that the Vice-Chancellor be encouraged to provide a positive response to the General Secretary and seek to clarify why ACAS mediation was thought by NATFHE to be helpful. It would be for the Vice-Chancellor to determine the format of the talks but in doing so he would take into account the views expressed by the Board and would report to the next FHR Committee on progress.

(Action: Vice-Chancellor)

172. Appointments to Governorships
(Agenda item BG 14/8.1)

The Board received the report on Appointments to Governorships and noted the following points:

- that nominations in respect of co-opted governors had been sought from the City Corporation and the Cass Foundation and that responses were awaited
- that elections would be held for the Teaching and Non-Teaching Staff Governors in September
- that nominations for the two Academic Board Governors would be sought at its next meeting and an election be held if necessary
- that recommendations in respect of the currently vacant Independent Lay Governorships would be made to the October Board

The Board approved the reappointment of the following Independent Lay Governors to serve for a further three years term from 1 October 2005 until 30 September 2008:

Sir John Carter

John Haworth
Stephan John
Dame Barbara Mills
Finlay Scott

(Action: Secretary and Clerk to the Board)

173. Students Union Elections 2005

(Agenda item BG 14/8.2)

The Board received the report on Students Union Elections 2005 for sabbatical and non-sabbatical Union Officers and noted the following results.

President	Michelle Louise Haris
Vice President (North campus)	Mohammad Audod
Vice-President (City Campus)	Noreen Fatima
Communications Officer (City Campus)	Maria Gianneli
Participation and Development Officer	Fernando Gonzales
Diversity Officer	Frederica Cocco
Welfare Officer	Andy Mitchell
International Students Officer	Mohammed Monjural Ahsan
Student Development and Monitoring Officer	Alexandre Jean Michel Audran
Student Volunteering Officer	Beatriz Castel Arles
Student Council Officer (North Campus)	Tariqul Hasan Mir Shah Newaz

The Board noted the views of the President of the Student Union that the election had not been conducted in accordance with the constitution.

The Clerk responded that the election had been conducted in accordance with the constitution and that the Constitution allowed for a postal ballot but not for an electronic vote only. Offering students the facility to vote both electronically as well as by postal vote had indicated that an electronic vote appeared to have been a popular way of voting for students and there had been no issue of security.

The Board approved the following proposed amendment to the Constitution to allow an electronic vote only to take place in the future:

Para 5d (iii)
Method of Election

Elections shall be conducted by Single Transferable Vote (STV). All elections for

Sabbatical and Non-Sabbatical posts shall be conducted either by postal ballot or by electronic means or by combination of the two methods and the services of an independent balloting company experienced in the conduct of such ballots shall be engaged by the Returning Officer the costs of which shall be borne by the University.

The Board again noted the views of the President of the Student Union that the Student Union were unable to conduct their affairs within the current Constitution. It was noted that the President would discuss this outside the meeting with the Clerk to the Board and that proposals would be submitted to a future meeting of the Board on a review of the constitution. The review would include the incoming officers of the Union and consultations with past officers since 2002.

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

174. Use of Company Seal
(Agenda item BG 14/8.3)

The Board received the report on the Use of the Company Seal and noted the documents where the seal had been affixed in the past year.

175. Membership of Companies - The National Validation Council Ltd
(Agenda item BG 14/8.4)

The Board received and noted the report on membership of The National Validation Council Ltd.

It was noted that the cost of membership was covered within the existing subscription.

The Board approved:

- a) that the University becomes a member of The National Validation Council Ltd in accordance with the Articles of Association of that company; and
- b) that the Vice-Chancellor exercise the duties of membership under the Articles of Association of the company
- c) that the Company's Quality Assurance process and Foundation Degree Regulations as allowed for in paragraph 54 of the Articles of Association be approved

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

176. Joint Standards Board

(Agenda item BG 14/8.5)

The Board received the report on the Joint Standards Board and approved the appointment of Peter Anwyl and Jeremy Mayhew to serve. It was noted that the Nominations Committee would be seeking a third appointee.

(Action: Secretary and Clerk to the Board)

177. Design Trust

(Agenda item BG 14/8.6)

The Board received the report on the Design Trust and noted that there remained a number of items to be resolved.

The Board approved in principle that the transfer of the Trust to the University take place, subject to resolution of outstanding issues, and agreed that final approval would be confirmed by the Finance and Human Resources Committee on 20 July 2005.

(Action: Secretary and Clerk to the Board)

178. Date of Next Meeting

It was noted that the next scheduled meeting of the Board would be held on Wednesday 19 October 2005 at 4.45pm in the new Boardroom, Calcutta House (City Campus).

AGENDA PART TWO

179. The Board noted for information

(Agenda items BG 14/9.1 - BG 14/10.3)

- a) Dates of Future Meetings 2005/2006

Governance Effectiveness Review Meeting - Monday 19 September

Governors were encouraged to complete and return the questionnaires by 1 August 2005. A similar survey had been used at a previous effectiveness review by the then UNL Governors.

- b) Current Membership
- c) Outline Agenda for next meeting
- d) Student Satisfaction Survey 2005

It was noted that more detailed information on the Student Satisfaction Survey was available on request.

It was also noted that there was a generally improving trend but there were areas which could be further strengthened. The differences between the campuses could be a reflection of historic investment decisions.

180. The Board noted the unconfirmed Minutes of:

(Agenda items BG 14/10.1 – 14/10.3)

- a) Minutes of the Finance and Human Resources Committee - 11 May 2005
- b) Minutes of the Nominations Committee - 12 May 2005
- c) Minutes of the The Women's Library Council - 24 May 2005