

**Minutes of the sixteenth meeting of the Board of Governors
held on 14 December 2005**

Present: Sir John Carter

Peter Anwyl	Jeremy Mayhew
Philip Bignell	Dame Barbara Mills
Stephen Bromwich	Bob Morgan
Graham Castle	Abdul Rahim
Alastair Clark	Brian Roper
Bill Clark	Cherrill Scheer
Michelle Harris	Finlay Scott
John Haworth	Michael Snyder
Linden Ife	Cllr Barbara Smith
Stephan John	Timothy Thompson

Clerk to the Board: John McParland

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

Apologies: John Gabriel, Zenobia Nadirshaw, Raj Patel and Sarah Tyacke

201. Chair's Announcements

The Chair welcomed Councillor Barbara Smith, nominee from Islington Council and Stephen Bromwich, elected non-teaching staff Governor, to their first meeting of the Board.

202. Presentation - Student Numbers

The Board received a comprehensive presentation from the Deputy Vice-Chancellor (Research and Development) on student recruitment. It was noted that a summary of the key points was set out on page 119 (Agenda item BG 16/4.3.2).

The following points were also noted:

- that a franchise was where a course was delivered at another location, for example China, Malaysia, FE Colleges, to the University's specification by a local provider
- that the decrease in international students was a sector wide problem possibly caused by difficulties in obtaining visas, costs, and competition in other parts of the world, particularly Australia. It was noted that in the circumstances the sustained international recruitment figures were a significant achievement for the University.
- whether any research had been undertaken by HEFCE on the decline in part-time enrolments. It was noted that a report on the national HE student recruitment position would be submitted to a future meeting of the Board.

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

203. Minutes of the meeting held on 19 October 2005

(Agenda item BG 16/1)

The minutes of the meeting held on 19 October 2005 were confirmed as a correct record, subject to the removal of the following words "his own role and" on page 14, second paragraph under the heading, "Size and Composition of the Board", and were signed by the Chair.

204. Matters Arising

It was noted that a report on Governance Effectiveness had been submitted to the Nominations Committee at its meeting on 7 December 2005. It was noted that further work was in progress on all the issues raised at the Effectiveness Review and a report would be submitted to the March meeting of the Board.

205. Report for the period 3.10.05 - 2.12.05 from the Vice-Chancellor and Chief Executive

(Agenda item BG 16/3)

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

The following points were also noted:

- that Bill Rammell, the Minister of State for Higher Education, had been invited to visit the University again to take part in a further debate with the shadow spokespersons for the other two political parties
- **Security and Policy in London HEIs**
that the University was concerned about the effect of recent terrorist activity on Student recruitment. It was noted that the University had a business continuity plan in place, good communication with the local police and that every effort was being made to ensure the security and safety of University staff and students. It was noted that Michael Snyder would assist if necessary to establish communications networks with the City of London Police.

Financial Reports

206. University's Final Accounts (Agenda item BG 16/4.1)

The Board received the University's Final Accounts for 2004-05 and it was noted that the outturn was a good result in the current climate, and that the University had out-performed its year end surplus targets for the combined first three years of the post-merger business plan. The Vice-Chancellor commended the effort of all those involved.

It was also noted that the accounts had been considered by the Audit Committee on the 9 November 2005 and the Finance and Human Resources Committee on 22 November 2005 and that members' comments were contained in the minutes of that meeting (Agenda item BG 16/9.3).

The following key points were noted:

- that the key ratios for London Met in 2004/05 and the two years since merger were set out in the Table on page 26
- that the surplus had increased by £1,000 since the accounts had been considered by FHR and details were set out in the table on Page 21.
- that there was a shortfall of £1.1m in surplus compared with the budget for the year and the details were set out in Appendix A
- that income had increased by £4.1m

- that other income had fallen by £0.5m
- that income from research grants would be increased later in the year
- that expenditure had also increased, the main element being staff costs. It was noted that although the average number of full-time equivalent staff employed by the University had only increased by 10(0.4%) the costs included substantial increases in the LPFA employer rate, pay rises and re-gradings.
- that there had been a reduction of £1.9m for holdback of grant
- that total fixed assets had increased since 2004
- that the increase in trade debtors was a timing issue because of a delay in issuing invoices
- that a Value for Money review of London Metropolitan Enterprises Ltd activities and their commercial viability was being undertaken and would be considered by the Company Board. A future report would be submitted to the Board of Governors

The Board agreed, on the recommendation of the Finance and Human Resources Committee:

- a) to authorise the Chair and the Vice-Chancellor and Chief Executive to sign the Balance Sheet of the accounts for London Metropolitan University for 2004-5, as required under Section 233 (1) of the Companies Act (as amended)
- b) to authorise the Company Secretary to sign the Governors' Report as required under Section 234A of the Companies Act (as amended).
- c) to authorise the Chair and the Vice-Chancellor and Chief Executive to sign the Letter of Representation
- d) to approve the University's profit and loss account as required under Section 230(3) of the Companies Act

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

207. Revision to Business Plan

(Agenda item BG 16/4.2.1)

The Board received a presentation and a tabled chart from the Vice-Chancellor on the links between the Business Plan, Academic Vision, University Character and Mission, Department Plans and Performance and the University's Performance Indicators, Targets and Quality Standards.

The Board also received the report on Revision to the Business Plan. It was noted that none of the proposed changes would affect the University's mission and Academic Vision which had been previously agreed and reaffirmed by the Board.

The following points were noted:

- the Vice-Chancellor drew to the attention of the Board that the projections had taken into account the new tuition fee regime coming into effect in 2006/07 and the revised figures were based on the expected changes.
- that the revised plan had been subjected to the same sensitivity analysis as the previous plan approved by the Board
- that the revised adjustments to the budget and forecast also reflected the future changes in the level of tuition fees for 2006/2007

Reinstatement of teaching grant

It was noted that reinstatement of the teaching grant "clawed back" would depend on the figure provided in the forthcoming HESA statistical return and it was important to maintain student numbers. The funding methodology was complicated and had been the subject of a presentation at an earlier Board meeting.

The Board approved the revised business plan.

208. University Performance Indicators (PIs)

(Agenda item BG 16/4.2.2)

The Board received the report on PIs. The Deputy Vice-Chancellor described how the indicators had been selected and how they now incorporated the Governors' comments from the previous meeting. He also outlined the proposed annual cycle of target setting and timetable for reporting outcomes to the Board.

The following comments were noted:

- **qualitative reporting**
that this should be in the form of succinct bullet points
- that being able to measure quality of outcome was an important indicator. It was noted that a detailed breakdown of achievement would be contained in the sub-indicators and that this information could be made available if requested and compared with appropriate benchmarks
- whether or not the targets should be set a further year ahead as in schools. It was noted that this point would be considered but most of the information would be available at the June meeting of the Board to enable the next academic year's targets to be set. For example, student number targets were set as early as February/March.
- that the University would be operating in a very different market in September with the introduction of the new tuition fee regime and at this time the PIs may need to be reviewed. It was noted that the financial position would be available throughout the year in the form of the monthly management information
- that the number of indicators should not exceed 12 and each indicator should be clear and focused
- that one of the main indicators should measure staff quality. It was noted that 3.2 could be adapted to reflect this view by incorporating 3.2.6.
- that the Board was too large to review all the sub-indicators and that a small sub-group of the Board could be established to progress work on these. Bob Morgan, Academic Board governor, offered to be a member of this group.

The Board approved the following recommendations subject to the consideration of the points raised:

- a) Reaffirm that the high-level Performance Indicators proposed above are appropriate, in the light of the information on sub-indicators.
- b) Agree that the method of target setting for each sub-indicator should be as given in the attached spreadsheet.
- c) Agree that for the current year the full range of targets for 2005/06 (and beyond in some cases) will be set and presented to the next meeting of the Board (March 2006) and note that, in effect, some are already set by the

Business Plan.

- d) Agree that under normal circumstances the Board will agree the next academic year's targets at its June meeting.
- e) Agree that the Board will receive, at its December meeting, an annual report of performance against each high-level indicator, consisting of a summary of the sub-indicators together with an invitation to receive detailed sub-indicator reports in areas of interest or concern.
- f) Agree that at its December meeting of any given year the Board will have the opportunity to review the targets that were set for that year at the previous June meeting.
- g) Note that the sub-indicators, other than those that can only be meaningfully measured centrally, will form the basis of what is cascaded to the Departments, and hence will be used to measure Departmental performance.

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

209. Management Information

(Agenda item BG 16/4.3.1)

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

- the favourable variance in staff costs because of the timing of paying the cost of living increase
- that further initiatives may be necessary to achieve the required level of staff cost reductions
- that the number of debtors had increased because students were opting to pay by direct debit with the first payment in November as opposed to October under the installment arrangements

- **Movement in General Contingency**

The Board noted the movements in general contingency and the additional resources allocated for Architecture and Spatial design. Current budgetary constraints made it difficult to move resources to successful departments like Architecture and Spatial design which had continued to perform well and received prestigious awards from RIBA. Greater financial flexibility was

needed to target resources.

210. Student Recruitment

(Agenda item BG 16/4.3.2)

The Board received and noted the report on student numbers referred to in the earlier presentation.

211. Audit Committee Annual Report 2004/05

(Agenda item BG 16/5.1)

The Board received the Audit Committee Annual report.

The following points were noted:

- that the appointment of the internal audit consortium had been a positive move
- that the Audit Committee had found the performance of Mazars disappointing because of their lack of resources and audits not being completed, including Value for Money reviews. It was noted that the payroll overpayment could have been prevented if the weaknesses in the system had been identified. It was also noted that the recovery of this sum was being investigated.

212. Membership of Companies - The Energy Consortium

(Agenda item BG 16/5.2)

The Board received the report on Membership of Companies.

The Board approved the University's membership of The Energy Consortium in accordance with the Articles of Association of that company, and that the Vice-Chancellor and Chief Executive exercise the duties under the Articles of the University as a member of the company.

213. Report from Academic Board

(Agenda item BG 16/6)

The Board received the report from Academic Board together with the QAA Institutional Audit Report, May 2005, and a summary of the University Awards Board actions during 2004/05

QAA Recommendations for action

The Board noted the commendations and recommendations set out in the QAA

report (Appendix 1) which was an excellent outcome for the University as the audit had taken place less than three years after merger.

It was also noted that all of the recommendations in the report for action to enhance current practice had been identified prior to the QAA visit in the University's self-assessment document. The Board was invited to formally receive the recommendations which were as follows:

- undertake a review of its committee structure, at departmental as well as institutional level, to ensure that the structure as a whole fulfils its regulatory and deliberative functions in an effective and economical way
- proceed with its stated intention of establishing and embedding a holistic and streamlined quality framework which enables it to have complete confidence in the quality of the student experience across all areas of the institution
- continue to review and refine its collection, analysis and dissemination of management information, particularly relating to students, so as to ensure that its implications are thoroughly understood and addressed such that they contribute optimally to the University's enhancement agenda
- ensure that, throughout the institution, the reports of external examiners are fully and appropriately addressed, and that any consequential changes are communicated directly to the external examiners themselves
- require that its monitoring, reporting and action planning arrangements ensure that realistic deadlines are set and procedures completed in a timely manner

The Board also noted the summary of the University Awards Board actions during 2005/05 and the additional work to be undertaken.

OFSTED

The Board noted the less than satisfactory outcome of the OFSTED visit and that this would prevent the University from taking part in new partnerships. It was also noted that OFSTED did not appear to have an understanding of the work of the University and that future inspections may benefit from the assistance of Further Education (FE) experts. The considerable compliance burden for FE work was noted as an issue for consideration given the proportion of such work within the University's total provision.

(The Chair had to leave the meeting and the Vice-Chair took the chair.)

214. Industrial Relations - NATFHE

(Agenda item BG 16/7)

The Board received the report on Industrial Relations and noted the update on current issues from the Director of Human Resources.

It was noted that NATFHE had sent a letter dated 12 December 2005 to some Governors which contained a number of comments and assertions including the reference to the role of the Board in the decision making process. The Vice-Chancellor confirmed that the correct process had been followed with reports being submitted to both the Finance and Human Resources Committee and the Board. It was agreed that a response be circulated to all Board members on the matters raised in the letter.

County Court Claims

It was noted that one of the claims had not been defended by the University as the University were unaware of its existence the claim not having been received. Consequently, in the absence of a defence the Court had found in favour of the claimant. Application was being made to set the judgement aside to allow a proper hearing.

Employment Tribunal

It was noted that a decision on whether or not to appeal would await the written judgement. Governors expressed the view that such a decision should be for the Finance and Human Resources Committee on behalf of the Board. If a decision needed to be made before the next meeting of the Committee views and approval would be sought by correspondence. The Board stressed the need to consider the likelihood of success in any appeal.

It would be essential to have the full written judgement to understand why the decision had been reached. While it would be disappointing if the University had lost on a procedural point which might be appealable, the costs, delay and public relations issues in appealing should be carefully considered, particularly as events had overtaken the cause of the original claims.

(Action: Director of Human Resources/Secretary and Clerk to the Board)

215. Date of Next Meeting

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

AGENDA PART TWO

216. The Board noted for information

(Agenda items BG 16/8.1 - BG 16/8.5)

- a) Dates of Future Meetings
- b) Current Membership
- c) Outline Agenda for next meeting
- d) Health and Safety Annual Report
- e) HEFCE Milestones

217. The Board noted the unconfirmed Minutes of:

(Agenda items BG 16/9.1 – 16/9.4)

- a) Minutes of the Health and Safety Council - 26 October 2005
- b) Minutes of the Audit Committee - 9 November 2005
- c) Minutes of the Finance and Human Resources Committee - 22 November 2005
- d) Minutes of the London Metropolitan University Enterprises Ltd - 7 December 2005