

**Minutes of the seventeenth meeting of the Board of Governors  
held on 22 March 2006**

**Present:** Sir John Carter

Peter Anwyl	Jeremy Mayhew
Philip Bignell	Zenobia Nadirshaw
Stephen Bromwich	Raj Patel
Graham Castle	Brian Roper
Alastair Clark	Cherrill Scheer
John Gabriel	Cllr Barbara Smith
Michelle Harris	Timothy Thompson
John Haworth	

**Clerk to the Board:** John McParland

<b>In attendance:</b>	Bob Aylett	Rachel Thomas
	Lyn Link	Chris Topley
	Pam Nelson	

**Apologies:** Linden Ife, Stephan John, Dame Barbara Mills, Bob Morgan, Abdul Rahim, Finlay Scott, Michael Snyder and Sarah Tyacke

**218. Presentation - Student Numbers**

The Board received a comprehensive presentation from the Deputy Vice-Chancellor (Research and Development) on the current student recruitment position since the last Board meeting.

The Board noted the improving position particularly for first year students. The Board also noted the comments of the Director of Finance on the potentially

improved position on income.

The Board would continue to be updated on progress.

**(Action: Deputy Vice-Chancellor (Research and Development/Director of Finance))**

**219. Minutes of the meeting held on 14 December 2006**  
(Agenda item BG 17/1)

The minutes of the meeting held on 14 December 2006 were confirmed as a correct record.

**220. Matters Arising**

**Minute 214 Industrial Relations - Employment Tribunal**

It was noted that the written judgment had been received and that Counsel's advice was currently being sought. It was also noted that Agenda item BG 17/6.1 referred to this matter.

**221. Report for the period 5.12.05 - 10.3.06 from the Vice-Chancellor and Chief Executive**  
(Agenda item BG 17/3)

The Board received and noted the report by the Vice-Chancellor, including the successful annual Town & Gown dinner, the launch by Tony Benn of a new website for on-line access to the TUC library and the progress with the Science Centre.

**Award Ceremonies**

The Board also noted that the arrangement for the Awards Ceremonies had worked well. The Vice-Chancellor thanked the Chair and Vice-Chair, who between them had attended and presided at all 9 ceremonies.

**Financial Reports**

**222. Management Information**  
(Agenda item BG 17/4.3.1)

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

- that historical cost position was better than budget

- that the position on continuing operations was below budget, but measures were being taken to improve the position
- that uncertainties still remained over 2004/05 holdback of Funding Council grants
- that there was some uncertainty over timing of income from development fund activities
- that debtors were 24.8% of income compared with 38.7% at the same time last year
- that cash and short-term deposits were £26.3m when compared with £8.5m at the same time last year. This was forecast to drop to £3.8m by the end of the year due to capital expenditure.
- that total capital expenditure since merger was expected to be over £50m by year-end

### **Student Numbers**

It was noted that since the February management information had been prepared enrolments had increased significantly and the Director of Finance was cautiously optimistic that fee income would be close to budget.

### **223. Budget Principles**

(Agenda item BG 17/4.2)

The Board received the report on Budget Principles and noted the following points:

- that the HEFCE annual grant had increased by 3.1%, but that this represented a decrease in income compared to inflation costs
- that the income figures may need to be adjusted to reflect any potential holdback of grant both to HEFCE and LSC

The Board also noted the following issues that could have a significant impact on costs:

- a likely 1% increase in the Teachers Pension Scheme employer contribution

- rising energy costs
- the effect of national pay negotiations and whether these could be held to the business plan level

The Board, on the recommendation of the Finance and Human Resources Committee, approved the budget principles.

#### **224. The Arcade**

(Agenda item BG 17/4.3)

The Board received the report on the disposal and re-purchase of The Arcade. It was noted that this matter had been considered by both the Property Sub-Committee and the Finance and Human Resources Committee (FHR) It was also noted that these Committees considered that the purchase and immediate resale could be achieved and should now be pursued, although there may be a funding gap between the purchase and sale prices.

It was noted that the transaction fees were currently being negotiated. The fee for the purchase was expected to be a flat fee in the order of £100,000, while for the sale a fee based on a percentage of the sale price would be pursued, but this had yet to be agreed. It was also noted that the University was exempt from paying stamp duty.

The Board approved the purchase of the Arcade Hall of Residence with its immediate re-sale in accordance with the recommendations of the Finance and Human Resources Committee.

The Board was reminded that this matter remained confidential.

#### **225. 165 Parsonage Leys - Disposal**

(Agenda item BG 17/4.4)

The Board received and noted the report on the disposal of 165 Parsonage Leys.

The Board approved the recommendation of the Finance and Human Resources Committee to dispose of the property on the open market. It was noted that when any of the other properties, purchased to re-house tenants from 43-63 Benwell Road, became vacant the approval of the Board to dispose of or retain them would be sought in each case.

#### **226. Performance Indicators**

(Agenda item BG 17/5.1)

The Board received the report on Performance Indicators for 2005/06 and beyond.

It was noted that there were a small number of indicators which were not quantifiable and their qualitative performance would be assessed by the Executive Group.

It was also noted that 5 of the sub-indicators had yet to be finalised and that this would be achieved over the next month.

The Board agreed:

- to the format of the annual monitoring report
- to the methodology for grading performance on sub-indicators
- to the methodology for aggregating sub-indicator grades into the high-level indicators which would form the heart of the annual report
- to the targets laid out in Appendix 3

**227. Milestones/HEFCE Audit Paper**  
(Agenda item BG 17/5.2)

The Board received, noted and commended the report on Milestones/HEFCE Audit paper and also noted the conclusions of the Finance and Human Resources Committee.

**228. Industrial Relations**  
(Agenda item BG 17/6.1)

The Board received the report on Industrial Relations and endorsed the following conclusions of the Finance and Human Resources Committee at its meeting on 28 February 2006:

- that the Committee confirmed the University's intention to deduct pay for strike action should be notified to staff
- that the Committee supported the University's policy to wholly reject any partial performance and to withhold 100% of pay in the event of any industrial action, continuous or discontinuous, and that in exceptional circumstances management would have discretion to subsequently restore a

percentage of the pay deducted.

**229. Joint Negotiating Committee for HE Education Staff (JNCHES) Framework**  
(Agenda item BG 17/6.2)

The Board received the report on the JNCHES Framework. The following points were noted:

- that no additional funding had been provided by HEFCE for staff pay in real terms and that the University did not have the resources to implement the entire JNCHES framework agreement. Implementation would mean that for every 1% of additional costs over the staff costs budget of £100m 20 posts would need to be deleted. The JNCHES discussions nationally had not addressed or indeed included any productivity element.
- that the University was a subscriber of UCEA but not a member. UCEA was a company whose members were HE representative bodies, for example UUK. The University was a subscriber to the Company's services.
- that not all Universities had signed up to the JNCHES agreement, currently under half of Universities across the sector had done so
- that the Board had been fully apprised from the outset about the JNCHES framework by the Finance and Human Resources Committee. The University had already put in place various aspects of the JNCHES agreement, for example career progression schemes, and had continued to monitor those aspects of the agreement which were consistent with its Human Resources strategy and Business Plan. The Committee and the Board had supported this approach at previous meetings.
- that it would be irresponsible for Governors to agree to the implementation of the entire framework agreement when there were insufficient resources to fund it. The effect of the new tuition fee regime had yet to be understood and it could not automatically be assumed that there would be increased resources available for additional staff costs. In any event the University in its agreement with the Office of Fair Access had been required to make clear how fee income would be allocated. Both the University management and trade unions had a responsibility to make staff aware of the position and

to correct unrealistic expectations.

- that it was important that staff were fully aware of the financial constraints and the implications of implementing the entire JNCHES agreement and that any misunderstandings about the agreement should be clarified

The Board approved the recommendation of the Finance and Human Resources Committee that the University should commit to only those aspects of the JNCHES framework that it considered relevant to the needs and aims of the University. The Board would continue to be informed of progress.

**(Action: Director of Human Resources)**

**230. Effectiveness Review**  
(Agenda item BG 17/7.1)

The Board received the report on the Effectiveness Review together with the revised Articles of Association and noted the conclusions of the Nominations Committee.

The following points were also noted:

- that any minor drafting points in the Memorandum and Articles should be referred to the Clerk to the Board
- that the proposals to reduce the size and composition of the Board were consistent with changes in Governance arrangements across the sector. It was noted that smaller Governing bodies had been found to be more effective. It was also noted that a smaller Board should encourage more commitment and participation.
- that it was important to be able to identify and quantify the skills necessary for members of the proposed new Board, and that at least two people should be considered for every vacancy. This was especially important with a reduced membership. It was noted that this was the current practice of the Nominations Committee and that this was consistent with the recommendations of Nolan.
- that there would be a core of 8 independent Lay Governors to draw from for main Committee business, and that additional co-optees with the relevant

expertise could be brought onto the Committees if it was felt appropriate or necessary

- that discussion and consultation concerning the choice of co-optees and final decisions should reflect the requirements of the Board. The reduction in nominees from external bodies would require careful discussion and explanation to those bodies affected.
- that the question of remunerating Governors for serving on the Board was raised and it was confirmed that remuneration was a subject increasingly debated across the higher education and voluntary sector but that the current view and practice was that fees should not be paid
- that the work load of Governors relating to appeals would be reduced to reflect the outcome of the effectiveness review and to reflect the reduced size of the Governing body
- that the capacity of the student union president and staff to be full members of the Governing body was questioned as it was considered that their position and interests may conflict with the role of governors/directors and their fiduciary responsibility for the University as Company Directors and Trustees.
- the elected staff Governor expressed the strong view that the election of one governor from the teaching staff and one from the non-teaching staff be retained. It was noted that the elected member of the teaching staff could be a member of Academic Board and further consideration would take place about such a proposal, and the Academic Board would be consulted on this matter.

The Board approved:

- (a) the proposals in respect of Induction, Format of reports and Future Effectiveness reviews; and
- (b) the revised Articles of Association, subject to the points raised above, be submitted to the Privy Council for eventual submission to a Company General Meeting for approval.

**231. Student Union Constitution**  
(Agenda item BG 17/7.2)

The Board received the report on the Student Union Constitution and noted the

recommendations of the Nominations Committee. Governors also received the revised Student Union Constitution, which had been confirmed by the University's solicitors as compliant with all appropriate legislation.

The Board received the tabled report by the President of the Student Union, together with her oral comments concerning the process and her view that the students had not been properly consulted.

The Board agreed that there was insufficient time to properly consider the item and agreed to defer a decision about the proposed amendments to the Constitution until the June Board. This would allow for further discussion to take place.

It was noted that the timing of the annual elections for Student Union officers required that the elections would now need to go ahead for the forthcoming year before the revisions to the Constitution could be agreed.

Governors stressed that a final decision on a revised Constitution would be made at the June Board.

**(Action: Student Union President/Clerk to the Board)**

**232. Designation of Senior Staff**  
(Agenda item BG 17/7.3)

The Board received the report on the Designation of Senior Staff. It was noted that the proposal was one that had been adopted by other Universities.

The Board approved the designation of the posts of Director of Human Resources and the Director of Finance as Senior Staff.

**233. Date of Next Meeting**

It was noted that the next scheduled meeting of the Board would be held on Wednesday 21 June 2006 in the new Boardroom, Calcutta House, Old Castle Street (City Campus) at 4.45pm.

## **AGENDA PART TWO**

### **234. The Board noted for information**

(Agenda items BG 17/9.1 - BG 17/9.4)

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

### **235. The Board noted the unconfirmed Minutes of:**

(Agenda items BG 17/10.1 – 17/10.6)

- a) Minutes of the Health and Safety Council - 15 February 2006
- b) Minutes of the London Metropolitan University Enterprises Ltd - 22 February 2006
- c) Minutes of the Finance and Human Resources Committee - 28 February 2006
- d) Minutes of the Audit Committee - 1 March 2006
- e) Minutes of the Nominations Committee:  
7 December 2005  
8 March 2006
- f) Minutes of the Women's Library Council - 9 March 2006