

**Minutes of the eighteenth meeting of the Board of Governors  
held on 21 June 2006**

**Present:** Sir John Carter

Peter Anwyl	Bob Morgan
Philip Bignell	Zenobia Nadirshaw
Stephen Bromwich	Brian Roper
Graham Castle	Cherrill Scheer
John Gabriel	Finlay Scott
Michelle Harris	Michael Snyder
Dame Barbara Mills	Timothy Thompson

**Clerk to the Board:** John McParland

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

**Observers:** Dr Rosio Alvarez, University of Massachusetts  
Abu Shohid, President of Students' Union  
(from 1 July 2006)

**Apologies:** Alastair Clark, John Haworth, Linden Ife, Stephan John,  
Jeremy Mayhew, Raj Patel, Abdul Rahim, Cllr Barbara  
Smith and Sarah Tyacke

**236. Minutes of the meeting held on 22 March 2006**  
(Agenda item BG 18/1)

The minutes of the meeting held on 22 March 2006 were confirmed as a correct record.

### **237. Matters Arising**

(Agenda item BG 18/2)

The Board received and noted the report on Minute 231 Students' Union Constitution, together with a report which was submitted to the Nominations Committee at its meeting on 17 May 2006.

The Board agreed the revised approach recommended by the Nominations Committee that the Students' Union Constitution be considered further during the Autumn. Governors noted that allowing further time should not lead to a lack of impetus and that regular reports would be made to the Nominations Committee prior to March 2007.

### **Effectiveness Review - Minute 230**

The Board noted that approval to the proposed amendments to the Memorandum and Articles of Association, as agreed by Governors at the March Board, was awaited from the Privy Council, and subject to receiving this an Extraordinary General Meeting would be arranged immediately preceding the Finance and Human Resources Committee meeting on 19 July 2006 to seek formal approval. (NB Privy Council approval received since the meeting and EGM is being arranged.)

It was noted that the Nominations Committee were working through the changes arising from the Effectiveness Review and providing guidance to the Board. It was also noted that the Board would be reconstituted from existing Governors, if possible, and that discussions would take place with current members with a view to establishing the new Board in the Autumn. The process would be undertaken by a Chair's Group over the course of the next few months. Matters to be considered would be skills assessed against the person specification for lay governors, balance, diversity and attendance.

### **Academic Staff representation on the Board**

It was noted that this matter had been discussed at Academic Board and members had expressed the view that three positions be maintained for staff Governors, one nominee from Academic Board, one nominee elected from the teaching and research staff and one nominee elected from the non-teaching staff. Academic Board members had expressed the wish to maintain a link beyond that provided by the Vice Chancellor as Chair of the Academic Board and wished to retain a nominee.

The Board noted the academic staff Governor's proposal for a way to reduce the staff governors to two, which in his opinion would solve the problem. This approach consisted of an elected Teaching and Research staff member to serve on both Academic Board and the Board of Governors. It was acknowledged, however, that the proposal would not allow a nominee to be elected by and from the Academic Board. This had been proposed by the Board of Governors and the Academic Board had confirmed that it wished to continue to so nominate.

The Board discussed the matter further, having noted the views of the academic staff Governor and of Academic Board, and reached the decision that there should be two staff Governors as agreed during the Governance Effectiveness Review, one of whom would be elected by and from the members of Academic Board and the other elected from and by all staff across the University.

**238. Report for the period 13.3.06 – 2.6.06 from the Vice-Chancellor and Chief Executive**  
(Agenda item BG 18/3)

The Board received the report by the Vice-Chancellor. The following points were also noted:

- that the second stage of the Quality Assurance Agency (QAA) audit had just been concluded on “collaborative” arrangements. It was noted that this was a potentially risky area for the University as the outcome was dependent on the performance of partners. The outcome, however, was broad confidence on academic standards and quality of learning experience of students, and a commendation for development of strategy and partnerships. It was noted that the return visit for QAA would be 2010.
- that Governors could be reassured that the University's assessment process had not been affected in any way by any industrial action arising from the national Academic Staff Pay Claim
- that a position paper on the 2012 Olympic Games would be submitted to the Board in the Autumn
- that the University was now 19th out of 150 Universities in the University Sports league tables and top sporting University in London. It was noted that this was a remarkable improvement from an initial position at the bottom of the league.

## **Financial Reports**

### **239. Management Information**

(Agenda item BG 18/4.1)

The Board received and noted the report from the Director of Finance on Management Information for the nine months to 30 April 2006. The following points were also noted:

- that the deficit on continuing operations was approximately £0.5m lower than budget and that measures were being taken to control costs
- that the savings from the second round of the voluntary severance scheme had not been aggregated into the figures provided in the report. 98 staff had been accepted for the scheme and the target figure of 100 was expected to be reached by the end of the financial year. An extra line had been included in the Consolidated Income and Expenditure table to show the voluntary severance savings from the first round.
- that a major item of concern was the costs of agency staff and hourly paid staff
- that the main areas of uncertainty in the year-end forecast continued to be funding council grants, fee income, other income and the development fund. However, it was noted that management were broadly confident of meeting the year-end budget position.
- that there were a considerable number of year end adjustments currently being negotiated with the external auditors
- that currently student enrolments were over target but that the figures included several thousand franchise students and these figures were currently being analysed
- that development fund expenditure forecasts to 2009/10, were set out in Appendix B to the report.
- that debtors had been reduced to 15.6% of income but that there were still 4,000 students with some level of debt to the University

### **Agency Staff**

The non-teaching staff Governor suggested that the increased costs of agency

staff could have arisen because temporary staff were required to cover the posts of staff who had been given voluntary redundancy. It was noted that this was not the case as only those staff whose post was no longer needed had been accepted for the voluntary severance scheme. It was also noted that the agency staff variances were cumulative since the beginning of the year and had not just arisen during the period of the voluntary severance scheme. The employment of temporary staff would be subject to detailed scrutiny and Heads of Department would need to justify employing staff over and above those already permanently employed. Control mechanisms needed to be reinforced to control spending. Rising staff costs, including pay rises and increased pension costs were also a major concern. There would be a need to increase the productivity of permanently employed staff by enabling them to work more effectively and thus decrease dependency on agency staff.

It was noted that a report would be submitted to the October Board

### **Hourly paid staff**

It was noted that it was necessary in certain circumstances to employ hourly paid staff, as their contracts only covered certain activities, but employing too many could affect quality. It was noted that the workloads of existing full time staff needed to be analysed, and many factors needed to be considered, such as tuition from practising professionals being valuable to students.

It was noted that the next Management Information report to the Board in October would highlight progress being made in the area of agency staff and hourly paid staff and would set out the controls in place to control costs and the progress made towards reducing these.

### **(Action: Director of Finance)**

It was noted that the Human Resources Department would confirm with the non-teaching staff Governor the number of temporary staff currently employed by the University.

Governors commended the range of development fund activities being undertaken and improvements in the debtors' position. However, it was recognised that the Finance Department were under pressure and Governors recommended that an additional high calibre member of staff should be employed to help collect outstanding debt. It was pointed out that even if only 5% of the total outstanding debt was collected this would more than cover the additional salary costs. It was noted that most of the outstanding tuition fee debts were being pursued through the Courts, and it was the area of non-tuition fee debt where progress had been slower.

**240. Budget 2006/07**  
(Agenda item BG 18/4.2)

The Board received the report on the draft Budget for 2006/2007 together with the Capital Budget and Plan. The main highlights were noted as follows:

- that modelling was underway to determine the impact of the national pay settlement and staff savings from the second round of the voluntary severance scheme. Any adjustments would be reported to the Finance and Human Resources Committee
- that allocations to departments would be finalised following negotiations. They had been guaranteed 90% of their allocation but must justify anything above this.
- that Funding Council teaching grants had increased by 1%, a reduction of 2% in real terms. Other grants were expected to reduce.
- that bursary payments had been estimated at 33% of additional fees earned
- that other income had been budgeted to fall by 5.5% mainly due to the cessation of the Corporation of London grant
- that investment income was expected to fall
- that total permanent staff costs were budgeted to rise by approximately 0.5%
- that energy costs were £600k more than the increases anticipated in the business plan
- that £2.5m had been set aside for severance costs
- that external benchmarking consultants had been commissioned to prepare a report benchmarking LondonMet 2004/05 expenditure against other Higher Education Institutions
- that general contingency had been increased to 3.5% to reflect uncertainties
- that the Women's Library budget for 2006/07 was approximately £600k and other sources of funding continued to be explored

### **New Commercial Loans**

Governors expressed concern about the £11.5 million allocated for possible commercial loans and the University being put into a position of borrowing to fund a revenue deficit. It was noted that approval for any new commercial loans would be sought from the Finance and Human Resources Committee and the Board. It was also noted that the University was proceeding according to the approved business plan and was on target to make a revenue surplus in 2007/08 with a contingency of 3.5% of income. However, 2006/07 would be another difficult year with rising energy costs, the FR17 issue and the pensions deficit.

### **Jewry Street**

It was noted that Jewry Street required substantial investment and discussions on this matter may need to take place with the Sir John Cass Foundation.

### **Aldgate**

It was noted that the intention to consolidate at Holloway Road, Moorgate and Aldgate had been re-affirmed in the Estates Strategy. The Estates Strategy had been considered in detail by the Property Sub-Committee and the Finance and Human Resources Committee and plans for the Aldgate Development had not yet been finalised. Any proposals would be submitted to the Board for approval. There were no immediate plans for Central House, an over enthusiastic property developer had produced misleading publicity about the site.

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

- (a) the revenue budget for 2006/07
- (b) the capital budget for 2006/07
- (c) the indicative level of commercial borrowing required over the next three years, subject to detailed proposals for each loan
- (d) the updated Estates Implementation Plan.

The Board also noted:

- (a) the indicative revenue budgets for 2007/08 and 2008/09
- (b) the indicative capital plan from 2006/07 to 2009/10

(c) the building projects under review.

#### **241. Performance Indicators for 2006/07**

(Agenda item BG 18/5.1)

The Board received the report on Performance Indicators for 2006/07 and noted the comments by the Deputy Vice-Chancellor (Research and Development). The following points were also noted:

- that the targets for 06/07 were a significant increase over the previous year's target. It was noted that the targets had been considered very carefully and the outturn would be available in December when it would be clear whether the targets were over ambitious.
- that the targets on retention, progression etc (1.3) would be a major achievement

The Board agreed the University Performance Indicator targets as the provisional targets for the Academic year 2006/07.

The Board noted that at its December meeting Governors would receive a report on University performance for 2005/06.

#### **242. Report from Academic Board**

(Agenda item BG 18/6)

The Board received the tabled report from Academic Board. The following points were noted:

- that Academic Board had approved a revised approach to quality management which would reduce bureaucracy
- that a broader review of the University's approach to learning and teaching would be undertaken over the next Academic year
- that a strategy was being developed for migration out of Further Education activities
- that the principles for the review of Academic Board's Committee structure had been approved
- that a number of revisions to the University's Academic Regulations had been

approved

- that postgraduate students would be transferring from regulations of the heritage institutions on a 'no detriment' basis
- the view of Academic Board representation to the Board of Governors

### **243. Date of Next Meeting**

It was noted that the next scheduled meeting of the Board would be held on Wednesday 18 October 2006 in the Science Centre (North Campus) at 4.45pm. It was noted that tours of the buildings would be offered at the conclusion of the meeting.

## **AGENDA PART TWO**

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

(Agenda items BG 18/7.1 - BG 18/7.8)

- a) Dates of Future Meetings
- b) Current Membership
- c) Outline Agenda for next meeting
- d) Student Satisfaction Survey 2006
- e) HEFCE's Assessment of Institution Risk
- f) Higher Education Innovation Fund (HEIF) Grants
- h) National Pay Dispute - Chronology and Offer
- i) Student's Union Election Results

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

(Agenda items BG 18/8.1 – 18/8.4)

- a) Minutes of the Finance and Human Resources Committee - 10 May 2006
- b) Minutes of the Nominations Committee - 17 May 2006
- c) Minutes of the Women's Library Council - 18 May 2006
- d) Minutes of the Health and Safety Council - 5 June 2006