

**Minutes of the twenty eighth meeting of the Board of Governors held on 25
June 2008**

Present: Peter Anwyl, Chair

Graham Castle	Brian Roper
John Haworth	Finlay Scott
Stephan John	Abu Shohid
Jeremy Mayhew	Michael Snyder
Bob Morgan	Sarah Tyacke
Abdul Rahim	

Clerk to the Board: John McParland

In attendance:	Bob Aylett	Pam Nelson
	Lyn Link	Rachel Thomas
	Paul Lister	

Apologies: Professor Zenobia Nadirshaw and Raj Patel

374. Announcements

The Board noted that this would be the last meeting for the President of the Student Union as his term of office ended on 15 July 2008.

Governors thanked Abu Shohid for his contribution to the work of the Board.

The Board congratulated Michael Snyder on his recent award of Knights Bachelor for services to Business and to the City of London Corporation.

375. Minutes of the meeting held on 21 May 2008

(Agenda item BG 28/1)

The Minutes of the meeting on 21 May were confirmed as a correct record.

376. Matters Arising

Minute 367 - Holdback

The Board received copies of correspondence between HEFCE, the Chair of the Board and the Vice-Chancellor. It was noted that answers to requests for information had not been forthcoming and a request for representation by the University at the HEFCE Board had been rejected. It was also noted that the Chair and other Governors had expressed the wish to meet with the Chief Executive and Chair of the Funding Council prior to the next HEFCE Board meeting and a response was expected imminently (see also Minute 381).

Minute 368 – Capital Budgets

It was noted that HEFCE had declined to approve the total learning and teaching capital allocations until the outcome of the options review was known. The Director of Finance expressed her concerns about this decision as work had begun on the capital projects. It was noted that she would be making vigorous representations to HEFCE on the capital budget allocations as these could simply have been adjusted formulaically in line with the teaching grant.

377. Matters Arising

(Agenda item BG 28/2)

The Board received the report on Strategic Plan progress. It was noted that an advanced draft would be submitted to the September Board and the final plan would be submitted to the November meeting. It was noted that the Strategic Plan would be influenced by the financial parameters within which the University needed to operate. Governors stressed the need to clarify the University's funding position by September.

378. Report for the period 10.3.08 – 6.6.08 from the Vice-Chancellor and Chief Executive

(Agenda item BG 28/3.1)

The Board received the report by the Vice-Chancellor.

The following points were noted:

Dalai Lama – Honorary Award

It was noted that the ceremony had been highly successful and received extensive media coverage.

Latest Sports News

It was noted that the University's men's table tennis team had become the British Universities European Champions. The University had also been voted the most improved sporting institution.

Financial Reports

379. University's Final Accounts

(Agenda item BG 28/4.1)

The Board received the University's Final Accounts and noted the changes which had been made since the December Board 2007. The main changes were:

- Note 20 on page 68 concerning the Prior Year Adjustment relating to HEFCE holdback provision and the effect of this on reserves.
- Note 18 on page 66 concerning an adjustment to core funding of £13.5m. It was noted that this figure may be subject to change if HEFCE does not accept the parameters the University has used in its calculations. If this situation were to arise a large reduction to core funding may be necessary, up to the value of £16m, and the amount not provided for could be up to the value of £2.5m.

The Board agreed:

- 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 2006-7, 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)

380. Management Information

(Agenda item BG 28/4.2)

The Board received the report on Management Information and the following points were noted:

- that the University's performance was £1.9m better than budget for the first nine months of 2007/08
- agency costs remained above budget but are offset by savings in permanent and hourly paid staff
- restructuring costs incurred to April totalled £765k
- bursary payments to date of £2.7m, some £2.6m lower than the forecast for the year. Forecast expenditure reduced by £1.6m
- operating expenses to date £1.1m below budget
- general contingency stood at £3.1m
- adjustments had been made to reflect reduction in London and Skills Council (LSC) and Training and Development Agency (TDA) grants
- forecast had not yet been adjusted for likely reduction to HEFCE grants. Adjustments were being discussed with HEFCE to determine final figures. Measures had been taken to mitigate the effects
- tuition fee income had been reduced from budget by £2.3m
- short course fee income was £760k below target but the budget for year was considered to be achievable
- permanent and hourly paid staff costs had been reduced by £1.5m
- forecast operating expenses had been reduced by £1.1m

- energy costs had been reduced
- other staff related costs had been reduced
- student recruitment and retention continued to be the most significant risk to the University
- gross debtor position at 30 April 2008 was £24.3m
- non-tuition fee debts were £3.1m
- cash and short-term deposits totalled £38.9m
- year-end cash balance projected to be £67m as capital receipt from James Leicester Hall expected in July. These figures did not include any provision for HEFCE holdback
- other cash flow assumptions that were likely to change:
 - a) capital expenditure included as budget at £12.2m
 - b) severance payments included as forecast at £2.1m
- expenditure on capital projects and equipment amounted to £9.4m
- Student numbers. It was noted that if enrolment patterns for the remainder of 2008 were similar to those for 2007 then target student numbers were unlikely to be achieved.

The following comments were also noted:

- that if the University had not been faced with a significant reduction of HEFCE grant (£18m) arising from holdback then the University's projected operating surplus would be £6.7m.
- **Energy Contract**
that when the University's energy contract comes to an end in 18 months there would be a significant increase in costs

(Action: Director of Finance)

- **HEFCE Holdback**
That the University's good financial position, resulting from the

sale of buildings, could be influencing HEFCE's decision not to exercise any discretion about the level of teaching grant reduction. It was noted that HEFCE may be under the impression that the University could afford such a large grant reduction but the true position was that the disposal of these buildings were necessary to fund investment in other areas of LondonMet.

381. Budget 2008/09

(Agenda item BG 28/4.3)

The Board received the report on the University's Budget for 2008/09. It was noted that cost savings had not yet been allocated and that it was not certain whether the budget would be achievable. However, at the current time there was a preference to set the proposed targets rather than post the intention to set a deficit budget as proposed by HEFCE. It was also noted that the interests of the University's students would be of paramount importance and the best possible provision would be made for them within the University's funding constraints.

A detailed minute of the discussions is attached in confidence for Governors only.

The Board approved:

- (a) the revenue budget for 2008/09
- (b) the capital budget for 2008/09

subject to significant review on achievability at the next Board meeting.

The Board noted:

- (a) the proposed revenue budgets for 2009/10 and 2010/11
- (b) the indicative capital plan from 2008/09 to 2010/11.

382. Student Residential Accommodation - update

(Agenda item BG 28/4.4)

The Board received the report on the sale of James Leicester Hall and it was noted that since the last meeting Unite had made a revised offer of

£30m. The University had re-opened negotiations with other potential purchasers but no other offers were currently close to the Unite offer.

The Director of Finance provided an oral update on the negotiations. It was noted that the offer of £30m had been confirmed and exchange of contracts was expected on Monday.

The Board agreed to the sale of James Leicester Hall at the reduced price of £30m.

383. Performance Indicators for 2008/09

(Agenda item BG 28/5.1)

The Board received the report on Performance Indicators for 2008/09. It was noted that a report on revisions to PIs in the light of the budget settlement for 2008/09 and the strategic planning process would be submitted to the September Board.

It was also noted that a report on the University's performance for 2007/08 would be submitted to the November Board and at that stage final targets for 2008/09 would be proposed.

(Action: Director of Finance)

384. Use of Company Seal

(Agenda item BG 28/6.1)

The Board received and noted the report on the Use of the Company Seal.

385. Connected Institution Status – British College of Osteopathic Medicine (BCOM)

(Agenda item BG 28/6.2)

The Board received and the report on the British College of Osteopathic Medicine (BCOM). It was noted that this would be a similar arrangement to that of the London Film School.

The Board approved in principle that BCOM become a Connection Institution on the terms and conditions attached to the report.

The Board authorised the Finance and Human Resources Committee (FHR) to approve at its July meeting the financial details for the

relationship with BCOM and to receive confirmation that the structures and processes required by the agreement had been put in place.

It was also noted that the Funding Council would also need to agree to the financial arrangements and the FHR Committee would require confirmation of that agreement.

(Action: Deputy Vice-Chancellor (Academic))

386. Academic Board
(Agenda item BG 28/7)

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

- the indignation of the members of Academic Board about the HEFCE holdback issue
- that progress was being made towards the development of the Strategic Plan
- the explanation about the meaning of “killer” modules

387. Date of Next Meeting

It was noted that the next scheduled meeting of the Board would be held on Wednesday 24 September 2008 (City Campus) at 5pm.

AGENDA PART TWO

388. The Board noted for information

(Agenda items BG 28/8.1 - BG 28/8.6)

- a) Dates of Future Meetings
- b) Current Membership
- c) Outline Agenda for next meeting
- d) OIA
- e) Estates Property Details
- f) Awards Ceremonies

It was noted that Governors' contribution and attendance at the awards ceremonies last December had been much appreciated and the Chair asked if they could consider attending one or two ceremonies again this year.

389. The Board noted the unconfirmed Minutes of:

(Agenda items BG 28/9.1 – 28/9.5)

- a) Minutes of the Staff Representative Consultative Forum
– 12 March 2008
- b) Minutes of the Governance Committee – 14 May 2008
- c) Minutes of the Finance and Human Resources Committee –
21 May 2008
- d) Minutes of the Health and Safety Council – 28 May 2008
- e) Minutes of the Women's Library Council – 12 June 2008