

**Minutes of the thirty fifth meeting of the Board of Governors
held on 29 April 2009**

Present: Peter Anwyl, Chair

Bob Aylett
Graham Castle
Katia Kramer
Jeremy Mayhew

Bob Morgan
Abdul Rahim
Sir Michael Snyder
Sarah Tyacke

In attendance: Paul Lister
Pam Nelson
Lyn Link
Rachel Thomas

Keith Pringle) Independent Consultant
For presentation

Clerk to the Board: John McParland

Apologies: Stephan John, Prof Zenobia Nadirshaw, Raj Patel and Finlay Scott

450. Presentation – Cost Reductions

The Board received a comprehensive presentation on the Cost Improvement Programme from Keith Pringle, Independent Consultant

employed as the interim Director of the Strategic Programmes Office, together with the tabled Cost Improvement Programme Outline, Financial Forecast income, expenditure, cash flow and balance sheet assumptions for 2008-09 to 2011-12.

It was noted that the rationale for the University's strategic plan was that cost savings would be made in the first three years and a rigorous process had been followed to identify savings across the departments. These savings had been validated from the bottom up and a realistic rationalisation programme was taking place.

The following particular points were noted:

- that HEFCE officers had received the same presentation on cost reductions and responded positively
 - that protecting and sustaining the University's mission had been considered alongside the cost savings plan
 - that the plan concentrated on "low risk items" where savings could be made and also allowed for flexibility. It was noted that low risk items were those which were considered to be achievable. The plan was cautious and prudent and assumed '0' income growth in the first three years.
 - that the cost base for current spending levels would be reduced by at least £25m (lowest level of risk) and up to a possible £32.2m by 2011.
 - That the key to the tabled spreadsheet was:
 - Red Full value down to 50% of the value
 - Amber Full value down to 75% of the value
 - Green Full value in excess of 100% of the value
 - that effective governance was essential to ensure the success of the savings plan
- IT**
- that IT provided the greatest opportunity in terms of savings and value but presented the greatest risk. The current IT systems needed to be modernised as well as rationalised. Modern approaches were required to update the department which was

overstaffed against comparators. The department needed new direction and vision.

It was noted that the University should consider what kind of IT resources it would need if it was designing the department from scratch. It was also noted that there were many issues which needed to be carefully considered including outsourcing and the University would need an IT infrastructure with reduced operational cost that would respond to changes within the institution.

The Board noted the requirement to engage a blue chip multi-disciplinary consultant to recommend best value-options. The savings made over time, should cover the costs and a bid could be made to HEFCE for funding from the strategic development fund.

It was noted that a detailed report on the engagement of a consultant would be submitted to the Board.

(Action: Vice-Chancellor and Chief Executive)

Financial forecasts

The Board noted the Financial Forecasts for 2008-09 and 2011-12. The forecasts included income, expenditure, cash flow and balance sheet assumptions.

It was noted that the forecasts reflected the current cost savings under review. A figure of £50,000 including redundancy payments had been used as a base figure per full time employee and the assumptions made would change over time.

The following points were also noted:

- that the forecasts presented would form the basis for the University's formal budget.
- that a report on the sale of the Arcade would be submitted to the next meeting of the Board.

(Action: Director of Finance)

- that there were factors which would have an affect on the

University's cash flow, ie tuition fees, tuition fee contributions and a fall in international student numbers.

- the programme reporting structure envisaged to ensure communications were maintained between the Executive Group and the Senior Management Group. It was noted that the system used (PRINCE) would ensure effective communication across the University. It was also noted that the programme reporting structure should ensure that departments were more accountable for costs.
- Governors were concerned about whether or not the plan was realistic and achievable. The external consultant assured the Board that he had a high degree of confidence that the plan could be delivered.
- that 550 posts represented a reduction of 20% of the University's establishment.

HEFCE

It was noted that a meeting had now taken place with HEFCE officers to discuss funding that would be available from the strategic development fund. It was noted that the maximum bid would be £10m.

Sir Michael Snyder pointed out that during previous meetings with HEFCE the clear inference had been that the University would be given agreeable terms for repayment of the clawback and would receive substantial support.

It was noted that the costs of the University's widening participation agenda, the clawback and the need to invest in the University's IT infrastructure and estate were points that needed to be raised with HEFCE.

It was noted that a further meeting with the incoming Chief Executive, HEFCE, was planned for 14 May at which the Acting Vice-Chancellor, Sir Michael Snyder and the Clerk would attend.

Industrial relations – outcome

The Board noted the comments from the Director of Human Resources on the consultation process with the TUs and the response to the voluntary redundancy scheme.

The Board also noted the outcome of UCU's ballot for industrial action on 7 May 2009.

Number of members of UCU entitled to vote	607
Number who participated in the vote for strike	349
Number who voted for the strike	223
Number who voted against strike action	126
Number who voted for action short of a strike (partial performance)	245
Number who voted against action short of a strike	100

Total number of academic staff employed in the University:

971	substantive academic and research staff
939	part time teachers

The Board noted the concerns of the Director of Human Resources about the voluntary redundancy scheme and how to ensure that the scheme was equitable and fair for all staff.

The Board agreed that revisions to the scheme should be considered for staff who had not applied for the current time-limited University-wide voluntary redundancy scheme but whose work was planned to cease in July 2010 or later. It was noted that any proposals should take into account the additional benefits received by staff being able to work for longer, ie pension contributions, salary.

It was agreed that a report would be submitted to the next Finance and Human Resources Committee meeting.

(Action: Director of Human Resources)

451. Minutes of the meeting held on 18 March 2009
(Agenda item 35/1)

The minutes of the meeting held on 16 February 2009 were confirmed as a correct record.

452. Appointment of Vice-Chancellor

The Board noted the oral report from the Chair of the Board on the appointment of the Interim Vice-Chancellor.

It was noted that an offer had been made but the contract terms and conditions were under discussion and that Governors would be kept informed of the outcome.

(Action: Chair of the Board/Director of Human Resources)

453. Rent Review 100 Hornsey Road

(Agenda item 35/4)

The Board received and noted the report on the Rent Review 100 Hornsey Road.

The Board approved that the rent be settled at £37,750 as recommended by the University's appointed surveyors.

454. Any Other Business

Croydon College

The Board noted the oral report by the Acting Vice-Chancellor and that a report on this matter would be submitted to the June Board.

(Action: Acting Vice-Chancellor)

455. Date of Next Meeting

It was noted that the date of the next scheduled meeting of the Board would take place on **Wednesday 24 June 2009** at 5pm in the 8th Floor Boardroom, Technology Tower, 166-220 Holloway Road, London N7 8DB. (Note: **Special Board Meeting now convened for 15 June 2009**).

