

**Minutes of the thirty sixth meeting of the Board of Governors  
held on 15 June 2009**

**Present:** Peter Anwyl, Chair

Bob Aylett	Bob Morgan
Stephan John	Raj Patel
Katia Kramer	Abdul Rahim
Jeremy Mayhew	Finlay Scott
	Sir Michael Snyder

**In attendance:** Paul Lister  
Pam Nelson  
Lyn Link  
Alfred Morris  
Rachel Thomas

**Clerk to the Board:** John McParland

**Apologies:** Graham Castle, Professor Zenobia Nadirshaw, Raj Patel, and Sarah Tyacke

**456. Announcements**

The Board welcomed Alfred Morris, Interim Vice-Chancellor to the Board Meeting. It was noted that he had attended several meetings of the Senior Management Group and had been impressed with the quality of their work in the University given the current financial difficulties. It was also noted that the Interim Vice-Chancellor would like to meet

with members of the Board, either individually or collectively preceding a future Board meeting.

**457. Minutes of the meeting held on 18 March 2009**

(Agenda item 36/1)

The minutes of the meeting held on 29 April 2009 were confirmed as a correct record.

**458. Matters Arising**

(Agenda item BG 36/2)

The Board received the report together with the letter dated 15 May from HEFCE and noted that The Chair, Sir Michael Snyder and the Deputy Vice-Chancellor (Academic) had met with the new Chief Executive of the Funding Council on 14 May. The Interim Vice-Chancellor had also met with the Chief Executive on 9 June.

The Board discussed the contents of the letter and were disappointed that HEFCE had made no commitment to the level of support the University might expect given the previous discussions which had taken place with Governors and the University management.

The Board agreed that a positive response should be made to the letter from HEFCE but this should also include its record of the meeting on 15 May.

**(Action: Clerk to the Board)**

The Board also discussed the independent report referred to in HEFCE's letter which the HEFCE Board had called for on lessons to be learned from its handling of the LondonMet funding issues. The Board also noted the tabled terms of reference for that review and the comments by the Interim Vice-Chancellor on how a similar review in the University could be conducted. Governors were generally of the opinion that an independent review in parallel undertaken by the University could be helpful and the details of who conducted such a review and how would need further consideration at its next meeting.

A separate confidential note of the discussion is attached for Governors only.

**459. University's Final Accounts**

(Agenda item BG 36/3.1)

The Board received the report on the University's Final Accounts.

The Board agreed, on the recommendation of the Finance and Human Resources Committee and the Audit 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 2007-8, as required under Section 414 (1) and (2) of the Companies Act 2006; and
- b) to authorise the Company Secretary to sign the Governors' Report as required under Section 419 (1) of the Companies Act 2006

prior to the Annual General Meeting on 24 June

- c) authorise the Chair and the Acting Vice-Chancellor to sign the Letter of Representation.
- d) approve the University's profit and loss account as required under section 414 of the Companies Act 2006.

Subject to clarifying a point about prior year adjustments and a grammatical error.

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

#### **460. Cost Improvement Programme**

(Agenda item BG 36/4.1)

The Board received and noted the report on the Cost Improvement Plan. It was noted that representations concerning departmental restructuring proposals had resulted in reinstatement of some posts originally proposed for deletion but that these were marginal in terms of cost savings. It was also noted that the voluntary redundancy scheme had resulted in 113 applications (104 FTE) being approved. The original proposal envisaged 550 FTE post deletions with 220

through natural wastage and 330 through redundancy.

Current plans as set out in Appendix 2 of the report would achieve **416 FTE** post deletions of which **160** would need to be compulsory redundancies, **104** voluntary redundancies and **152** through natural wastage. The financial effects of this would be modeled for budgets over 2009/10 and future years to assess whether this is sufficient or whether the original proposal remains valid. In the event that the original proposal was found to be necessary a third year of cost reduction would be required to reach the target.

The following points were noted:

- That those staff who had applied for voluntary redundancy and had not been accepted as their posts were required for another year should receive an enhanced payment as discussed at the last meeting of the Board and approved at the Finance and Human and Resources Committee.
- That staff who were made compulsorily redundant would be offered post-termination training.
- That academic staff usually commenced working on 1st September. Therefore it had been suggested that it may be unfair that redundancy payments should be calculated up to 31 July 2009. It was noted that the reason for this was because the University's Financial Year ended on 31 July and that this was a reasonable deadline to adopt.
- **CIP Impact Assessment**

It was noted that an initial impact assessment had been completed and sent to the Trade Unions together with a copy of the S.188 notification.

The details and the outcome of the impact assessment as reported at the meeting are attached.

The Board approved the following:

7.1.1 To proceed with the implementation of compulsory redundancy

One Governor, Katia Kramer, dissented. She was of the opinion that savings could be made in other ways and that some of the University's courses would not be fully supported if the job cuts went ahead. It was noted that none of the Governors wanted compulsory redundancies but given the financial position of the University they had no choice.

It was noted that Governors had been sent a letter from UCU setting out their view on compulsory redundancies and alternative suggestions for making savings. It was noted that a full response would be made to the letter after the meeting but that the points raised were not materially different to those raised in the statutory consultation and referred to in paragraphs 2.2 and 2.3 of the report.

The Board formally confirmed the need to proceed with the revised departmental restructuring plans and reluctantly confirmed the need to proceed to compulsory redundancies to achieve the planned cost savings.

It was noted that the Trade Unions had been urged during the 90 day consultation period to put their views in writing but they had not done so until now.

7.1.2 To exercise discretion in relation to the level of payments applied to non-volunteers for redundancy and to approve the recommendations set out in paragraphs 4.2.1 – 4.2.4 subject to a review of the levels of payments in Appendix 3.

7.1.3 To allow redundant staff to complete University courses that are part way through, and allow redundant staff to take up University courses on a fee waiver basis for one course and available for a period of 6 months from the date of redundancy.

The Board did not agree:

7.1.4 to allow redundant staff to have the benefit of a further year's redundancy pay if they had completed 11 months service in their last year of employment.

## **461. Any Other Business**

### **Arcade Disposal**

It was noted that the Board had previously approved the purchase of the Arcade in a back to back sale with Opal. Contracts had been exchanged and a deposit paid to the University by Opal. Following the University's acquisition of the Arcade in March Opal had defaulted on completion as the company had been unable to assemble its finance. Litigation had commenced to recover the costs, which had resulted from the delay, in accordance with the terms of the contract.

The Finance and Human Resources Committee had been informed that a new completion date of 15 June 2009 had been negotiated. However, it was noted that Opal's finances were still not in place to enable them to complete. It was also noted that the company needed to secure the necessary funding and would be meeting with Barclays Bank on Friday. The Board and the Finance and Human Resources Committee would be kept informed of progress.

**(Action: Director of Finance)**

**Audit Committee**

It was noted that the Audit Committee had met the previous week and in particular considered the possible overall internal audit opinion on the University's systems of control and compliance. It was also noted that the internal auditors have to review 4 significant areas:

Value for Money

Risk Management

Control IT Assurance

Governance Data Control and Management

Full review had not yet taken place by the Auditors.

It was noted that out of the four areas there was currently the possibility that in three of these, Risk Management, Control IT Assurance, Governance Data Control and Management the auditors could only give limited assurance and the Committee felt it would be right to advise the Board of the position.

It was also noted that both the University and the internal auditors were currently undertaking work in these areas and the current position was not definitive and unlikely to remain as now in the final audit opinion.

It was noted that an update on the position would be reported to the June Board.

**(Action: Deputy Vice-Chancellor (Academic))**

**462. Date of Next Meeting**

It was noted that the date of the next scheduled meeting of the Board would take place on **Wednesday 30 September 2009** at 5pm in the 8<sup>th</sup> Floor Boardroom, Technology Tower, 166-220 Holloway Road, London N7 8DB. **(Note: A Special Board Meeting may now be convened in July).**

A handwritten signature in black ink, appearing to read "Peter Amory". The signature is written in a cursive style with a long, sweeping tail.