

**Minutes of the thirty ninth meeting of the Board of Governors
held on 30 September 2009**

Present: Peter Anwyl – Chair

Alfred Morris	Tony Millns (after item
Yeashir Ahmed	BG 39/2)
Graham Castle	Abdul Rahim
Stephan John	Finlay Scott
Katia Kramer	Michael Snyder
Jeremy Mayhew	Sarah Tyacke
Bob Morgan	

In attendance: Bob Aylett
Sean Connolly
Caroline Ellis (for item BG 39/9.2)
Paul Lister
Pam Nelson
Lyn Link
Rachel Thomas

Clerk to the Board: John McParland

Apologies: Prof Zenobia Nadirshaw and Raj Patel

490. Announcements

It was noted that this was the last Board meeting for Finlay Scott who would be stepping down from the Board and as Chair of the Audit Committee on 22 October 2009. The Board thanked him for his contribution to the work of the Board and the Audit Committee.

It was also noted that this was the last meeting for Katia Kramer and the Board thanked her for her contribution to the work of the Board over the past year.

The Board welcomed Yeashir Ahmed, President of the Student Union, to his first meeting of the Board. Yeashir had been nominated by the Student Union pending an election. The Board also welcomed Sean Connolly the recently appointed Director of the Strategic Planning Office.

491. Appointments of Chair and Vice-Chair
(Agenda item BG 39/1)

It was noted that as it was the first meeting of the Board in the academic year it was necessary to appoint a Chair and Vice-Chair/s for the ensuing year in accordance with Article 8 of the Memorandum and Articles of Association. The Clerk to the Board took the Chair.

The Board noted the report and noted the recommendations of the Governance Committee for the appointment of the Chair, Vice-Chair and second Vice-Chair.

The Board approved the following appointments:

- a) the appointment of Peter Anwyl as Chair, proposed by Sarah Tyacke and seconded by Graham Castle.
- b) the appointment of Abdul Rahim as Vice-Chair, proposed by Peter Anwyl and seconded by Graham Castle.
- c) the appointment of Michael Snyder as second Vice-Chair, proposed by Peter Anwyl and seconded by Abdul Rahim.

(Action: Secretary and Clerk to the Board of Governors)

492. Appointment of Governors
(Agenda item 39/2)

The Board received and noted the report on the Appointment of Governors.

It was noted that the election for the Staff Governor was currently in progress and the results would be available on 12 October 2009.

The Board approved:

- a) That Peter Anwyl, Raj Patel, Abdul Rahim and Sarah Tyacke be re-appointed to serve as Independent Lay Governors from 1 October 2009 to 30 September 2012.
- b) That Graham Castle be appointed to serve for one year from 1 October 2009 – 30 September 2010. Thereafter a candidate would be sought to serve for the remaining two years.
- c) That Philip Bignell be appointed to serve as an Independent Lay Governor from 22 October 2009 – 30 September 2011.
- d) That Tony Millns be appointed to serve as an additional Co-opted Lay Governor from 30 September 2009 – 30 September 2012.

The Board then invited Tony Millns to join the meeting.

493. Minutes of the meeting held on 12 August 2009
(Agenda item 39/3)

The minutes of the meeting held on 24 June 2009 were confirmed as a correct record.

494. Matters Arising
(Agenda item BG 39/4)

Minute 483 – HEFCE Meetings

The Board received and noted the record of meetings held with HEFCE.

BCOM

It was noted that the “novation” from LondonMet to Westminster was being finalised.

Minute 482 Melville/Deloitte Review

It was noted that the report was now expected to be published in November and would be submitted to the November meeting of the Board.

Minute 487 Information Systems and Services PricewaterhouseCoopers Review

It was noted that agreement had been reached in principle with HEFCE on the funding for the review. Guidance on the process to obtain formal agreement was awaited. The Board expressed concern that the funding may not be forthcoming and were assured that a figure had been set aside in the budget to

cover this eventuality.

Minute 488 – Media Strategy Further Action

It was agreed that the University should not pursue this matter further through legal action.

495. Reports from the Vice-Chancellor and Executive Group

(Agenda item BG 39/5.1)

It was noted that Sean Connolly's appointment (Director of the Programme Office) would now enable a review of the Strategic Plan.

The following points were noted:

- **Executive Group**

The list of work in progress by the Executive Group

- **Review of National Issues and Development**

That HEFCE had commissioned a review of its terms of reference and operation.

That it was expected that there would be cuts in funding for the HE sector in the region of 10-20% over the next three years.

- **Strategic and Departmental Planning**

Progress with the strategic plan and financial credibility

- **HEFCE Risk Letter**

That the first draft had been received and the letter would be submitted to a future Board meeting when finalised. Representatives from HEFCE would be attending that meeting. The Board stressed that these representatives should be decision makers, ideally the Chief Executive.

The Board noted the process from the issue of the draft 2009 letter to the final document. It was also noted that the 2008 letter had changed considerably from the initial draft.

It was agreed that the draft letter should be copied to the Chair of the Board and the two Deputy Vice-Chairs prior to response to HEFCE with the University's comments.

- **Vice-Chancellor's Role in Redundancy Appeals**

The Board received the tabled report setting out the role of the Vice-Chancellor in Redundancy Appeals together with the Regulations for Dismissal. The following points were noted:

- That given the current number of redundancy appeals it was impractical for the Vice-Chancellor to hear all of them.
- That it would be more appropriate to take a hierarchical approach ie appeals heard by one level above the member of staff's line manager or that the Vice-Chancellor should decide who should hear appeals.
- That the appeals process now underway could not be changed once commenced.

The Board agreed that the current regulations should be reviewed to allow the Vice-Chancellor to delegate the power under article 42 d to dismiss staff to another member of the Senior Staff. Such a review would include the necessary consultation with the Trade Unions.

(Action: Director of Human Resources)

- **Risks**

The VC drew the attention of the Board to the additional risk of succession vulnerability and outlined some examples.

496. Student Recruitment – oral update

The Board received an oral update on Student Recruitment by the Deputy Vice-Chancellor (Academic). The following points were noted:

- that there had been a surge of late acceptances of offers
- that subjects and courses that had appeared vulnerable now had acceptable levels of students
- that the level of acceptances could be comparable with last year
- that tuition fee income was up by c£1m but changes to the installment system of paying fees should be taken into account. The level of enrolments was looking even and not unhealthy, although the process was volatile.

497. Offa – Revised Policy
(Agenda item BG 39/5.3)

The Board received the report on Offa – revised policy. It was noted that the University's current Offa policy was in excess of the minimum requirements for institutions with successful widening participation records. It was proposed, given the University's changed financial circumstances, that the policy should be reviewed to consider the level, and focus of bursaries and applicants' financial circumstances.

Governors supported the approach proposed and agreed to delegate approval of the final submission to the Finance and Human Resources Committee.

(Action: Deputy Vice-Chancellor (Academic)/Director of Finance/Clerk to the Board)

498. Budget 2009-10
(Agenda item BG 39/6.1)

The Board received the report on the Budget 2009-10 and noted the comments by the Director of Finance. The following points were noted:

- that the main changes were set out on page 47 of the report. The increase in permanent staff costs was due to natural wastage shown in the CIP not yet allocated to departmental budgets. When allocated this would affect the numbers.
- that other operating expenses were a best estimate and reflected savings of £5.2m
- that Funding Council grants had been based on the 08/09 grant letter. HEFCE had capped the grant and the budget included no holdback for 2008/09. It was noted that there was a risk that any residual data could impact on holdback for 2009/10.
- That the BCOM franchise payment was still included pending formal confirmation of the transfer to Westminster University.

A governor expressed concern that the University had moved from its original position in June 2008 of not setting a deficit budget. It was pointed out that the budget was a pragmatic approach to the 2-3 year CIP agreed by the Board and the approach had evolved over the last year in response to events and as

reported to the Board. The Board agreed that it should formally confirm and record that its decision of June 2008 (Minute 381) had been amended and that the subsequent budget plans adopted required deficit budgets in 2008/09 before returning to break even and surplus in subsequent years.

It was also noted that the required £1.7m saving from natural wastage would be monitored separately as vacancies came into place and were considered by the Vacancy Approval Panel. This would also include savings made by delaying the appointment process.

Capital Programme

It was noted that the University remained optimistic that the Funding from Project Capital 5 would be approved by HEFCE.

The Board approved the proposed revenue budget and cash flow as set out in appendices A and B of the report. It was also noted that the proposed budget set an operating budget deficit of £3.1m and a historical cost budget deficit of £5.6m.

499. Data Quality

(Agenda item BG 39/6.2)

The Board received the report and noted the comments of the Deputy Vice-Chancellor (Research and Development) that he remained confident that the University would be able to produce more robust data returns than in previous years. He also pointed out that the systems in place were not fit for purpose and everything that could be done to produce accurate data was being done. In the longer term the PWC review and Strategic Fund bid could also provide a major investment for a significant upgrade in activity. It was noted that there remained the risk that the focus on data quality and the adherence to HEFCE's interpretation of their rules may produce numbers for 08/09 that fell short of the allocation by more than the normal tolerance band. However, it was also noted that this may not have direct financial implications because of the capped position for 08/09.

It was noted that it would be difficult to predict whether or not the numbers would be outside the tolerance band and the Deputy Vice-Chancellor (Research and Development) was not in a position to give a reasonable estimate of the risk.

It was recognised that although there were clearly errors with the data that it was important that this was corrected. However it was also important to establish the relative impact of simple data error compared to interpretation of

the funding definition. Concerns were expressed about the level of resources required to produce such information and detracting from current immediate tasks. It was noted that the University had previously quantified the number of students who had graduated from the University for whom the University had received no funding and work on this could be progressed. Governors stressed that it was essential that the University had this information as well as reaching a position where the data processes were robust.

The Board noted the comments of the Interim Vice-Chancellor on progress and that work on the PricewaterhouseCoopers (PWC) review had begun. The Board also noted the concerns of the Vice-Chancellor about the level of risk of further clawback, that the data system was not fit for purpose and could remain so for the immediate future. Governors also noted his comments about moving forward and that HEFCE were keen to assist the removal of the University from their at risk categorisation. He also pointed out that the relationship between the Board and HEFCE was critical for future funding. However Governors were of the opinion that it was important to defend the institution, by taking a measured but robust approach and that this did not mean jeopardizing the University's relationship with HEFCE.

It was agreed that the Executive Group would explore the most cost effective way of providing the information requested without detracting from the immediate task of submitting current returns.

The Board also noted the timelines for the HESA and HESES returns.

It was noted that Data Quality would be a standing item for the Audit Committee and the possible financial implications would be a standing item for the Finance and Human Resources Committee.

(Action: Interim Vice-Chancellor/Deputy Vice-Chancellor (Research and Development))

500. Arcade - outcome
(Agenda item BG 39/6.3)

The Board received the report and noted the corrections to the figures on page 85, that the enhanced deposit paid up front was £5m and that Opal had paid compensation of £115,000 to meet the University's costs arising from failure to complete the 2007 agreement on time.

The Board noted the outcome of the negotiations with Opal which was consistent with previous decisions and agreed that this represented the best

achievable position.

501. Metropolitan Works
(Agenda item BG 39/6.4)

The Board received the report on Metropolitan Works which set out future options and noted the comments by the Deputy Vice-Chancellor Academic.

It was noted that Metropolitan Works had significant commitments to the LDA arising from their funding contribution to the building project, involving delivery until the end of 2011. Early closure would have a significant, financial and reputational impact on the University. More academic integration would be an important use of the facilities of Metropolitan Works to draw in academically related income streams. The Board noted the possible options available including Option Four as the recommended way forward.

The Board expressed concerns that Metropolitan Works had not generated any significant income since it had been trading and could be in the same position in two years time. The view was also expressed that the plan proposed was not a typical business plan and that the University had experienced similar problems in the past with other “commercial” ventures ie Metropolitan New Media.

It was also noted that Option Four could be acceptable if Metropolitan Works could be academically integrated. It was noted that Metropolitan Works also had the potential to be successful if a large private sector partner could be found.

The Board approved Option Four subject to a review in June 2010 rather than June 2011 with plans for an exit strategy if targets were not met by then. In the meantime the detailed management accounts of Metropolitan Works would be monitored by the Finance and Human Resources Committee.

It was also noted that the Management Board of Metropolitan Works would need to be strengthened and membership would be reviewed.

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

502. Cost Improvement Programme (CIP)
(Agenda item BG 39/8.1)

The Board received the report on the Cost Improvement Programme.

It was noted that the shortfall against the CIP proposal was 92.4 FTEs. It was also noted that non-staff savings would protect 102 FTEs and it seemed likely that these savings would be achieved.

The Board pointed out that the new posts identified should be monitored carefully as it would be pointless to delete posts only to replace them later.

503. Industrial Relations
(Agenda item BG 39/8.2)

The Board received the report on Industrial Relations.

Dispute over Compulsory Redundancies

It was noted that the planned two day strike was now being considered for 17th and 18th October. Formal written notice would be required 7 days in advance.

The Vice-Chancellor circulated a letter from UCU which outlined details of the various requests made by them.

The Board also noted the tabled report on the ongoing dispute with the Trade Unions and agreed that the Interim Vice-Chancellor should be empowered to continue discussion with the Trade Unions to explore resolution.

In encouraging the Interim Vice-Chancellor to maintain discussions the Board affirmed its previous views that a) the need for cost reductions through staff number reduction in 08/09 and 09/10 which had been subject to a full section 188 consultation was not negotiable, b) that terms for these compulsory redundancies could not be the same as previously offered for voluntary redundancy and c) that any proposals for redundancies in 10/11 would be subject to a fresh section 188 consultation.

(Action: Interim Vice-Chancellor)

National Pay Claim

The Board noted the position.

504. Local Government Pension Scheme (LGPS)

(Agenda item BG 39/8.3)

The Board received the report on LGPS.

It was noted that the FR17 deficit had increased from c£50m to c£70m since June/July 2008, which would almost certainly mean an increase in the employer contribution and would have an additional impact on the University's financial position.

It was noted that the Interim Vice-Chancellor would raise this matter of an additional financial liability with HEFCE.

(Action: Interim Vice-Chancellor)

505. Student Union Funding

(Agenda item BG 39/9.1)

The Board received the report on Student Union Funding and as agreed at the June Board reconfirmed funding and recognition.

506. Women's Library Council Annual Report

(Agenda item BG 39/9.2)

The Board received the Women's Library Council Annual Report. The Board noted the comprehensive presentation from Caroline Ellis, Head of Special Collections for the Women's Library. It was also noted that the Library was now focusing on its unique role in supporting the University, and wider responsibilities to London and the community of the Higher Education sector. The Board commended the hard work of the Head of Special Collections to integrate the library into the University. The Board received a copy of the Collection Management Practical Guide and noted the significant contributions of the Library to examples of best practice for other organisations to follow.

507. National Student Survey (NSS)

(Agenda item BG 39/9.3)

The Board received and noted the report on the National Student Survey and noted the comments of the SU President and that it was important for students to receive feedback on issues which had been raised.

The Board also noted the views of the President about the SU. Governors

supported his approach and one Governor commented that he would welcome an effective Student Union in which students were fully able to participate.

508. Risk Register

(Agenda item BG 39/9.4)

The Board received the Risk Register.

The following points were noted:

- that each risk be set out on a separate page
- that the “further action” column should be re-named “mitigation”

The Board approved the Risk Register subject to the changes referred to above. It was noted that the Register would be updated and submitted to each Board meeting.

AGENDA PART TWO

509. The Board noted for information

(Agenda items BG 239/10.1 - BG 39/10.3)

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

510. The Board noted the unconfirmed Minutes of:

(Agenda items BG 39/11.1 – 39/11.7)

- a) Minutes of the Staff/Management Consultative Forum – 19 May 2009
- b) Minutes of the Audit Committee – 1 July 2009
- c) Minutes of the Women’s Library Council – 7 July 2009
- d) Minutes of the Finance and Human Resources Committee – 8 July 2009
- e) Minutes of the Governance Committee – 28 July 2009

f) Minutes of the Women's Library Council – 9 September 2009

g) Minutes of the Audit Committee – 22 September 2009 (tabled)

511. Date of Next Meeting

It was noted that the date of the next meeting of the Board would take place on **Wednesday 18 November 2009** – venue to be arranged.