

**Minutes of the forty first meeting of the Board of Governors
held on 15 December 2009**

Present: Peter Anwyl – Chair

Yeashir Ahmed
Philip Bignell
Graham Castle
Stephan John
Jeremy Mayhew

Bob Morgan
Alfred Morris
Raj Patel
Michael Snyder
Sarah Tyacke

In attendance: Bob Aylett
Sean Connolly
Malcolm Gillies
Paul Lister
Pam Nelson
Lyn Link
Rachel Thomas

Clerk to the Board: John McParland

Apologies: Kay Dudman, Tony Millns, Zenobia Nadirshaw
and Abdul Rahim

530. Announcements

The Board welcomed Malcolm Gillies, newly appointed Vice-Chancellor, to the meeting.

531. Minutes of the meeting held on 18 November 2009

(Agenda item 41/1)

The minutes of the meeting held on 18 November 2009 were confirmed as a correct record.

532. Response to Melville and Deloitte Reports

(Agenda item BG 41/3)

The Board received the report on the Response to the Melville and Deloitte Reports. The Board also received the letter from Sir Alan Langlands to the Chair of the Board dated 14 December. The letter was in response to the Chair's letter of 27 November and a meeting which had taken place between them on 14 December. The letter included a proposed joint statement to be submitted to the Board meeting for agreement.

In accordance with LondonMet's Memorandum and Articles (40a) members of staff withdrew from the meeting while the report, letter and the joint statement were discussed.

The President of the Student's Union read out a statement which is appended to the minutes (Appendix 1).

In respect of the proposed statement the Board agreed that the Chair and Vice-Chairs be authorised to approve the final wording following further discussion with HEFCE on points and amendments raised at the meeting. A separate note of this discussion is appended for Board members.

In respect of the report (BG 41/3) the Board endorsed the recommendations and actions in respect of the Deloitte report (pps 33-53). In respect of the Melville responses recommendations (pps 16-31) the Board agreed:

- a) To draw a line under the disputes of the last two years, and commit to working together with HEFCE for the future good of the University.
- b) To rapidly refresh its leadership/membership according to the schedule laid down in the Joint Statement with HEFCE as amended

at the meeting.

- c) To take legal advice about issues of the culpability of the former Vice-Chancellor raised in the Melville report.
- d) That by working through the new Vice-Chancellor it would initiate a rapid review and revision of University senior management procedures, including delegations and responsibilities as well as management cultures.
- e) To commit to a thorough review of its own effectiveness, to be completed by July 2010.
- f) To dedicate itself to maintaining a more robust process of risk management, covering operational as well as strategic risks.

The Board recognised the need for prompt action on all recommendations of the Deloitte report as well as Conclusions 1-8 of the Melville report and accepted in principle the schedule outlined in BG 41/3.

The Board believed that through the above actions it would reinforce the responsibilities and accountabilities, both of the whole Board of Governors and of its Audit Committee (Melville, Conclusion 13, page 28).

The Board confirmed that in its comments to HEFCE on the joint statement and its response to Melville (recommendation 16), all Lay Governors appointed by or having served before 31 August 2008 would stand down by 31 August 2010 and the Chair would stand down by 31 March 2010. The Governance Committee would be re-constituted by 31 January 2010 to comprise two new lay members and the Vice-Chancellor only. The Governance Committee would identify a new Chair and review the membership of the Audit Committee to ensure its re-constitution by 1 April 2010 with members who had not been on the Board prior to 31 August 2008.

The staff returned to the meeting.

533. Monthly Management Information (Agenda item BG 41/4.1)

The Board received the Monthly Management Information for the four months to 30 November 2009 and the forecast for the year to 31 July 2010.

The following points were also noted:

- That the University had made a small surplus of £124k for the first 4 months, some £240k worse than budget, due mainly to notional interest payable on FRS17 pension liability. **However, it was noted that if this adjustment had not been included the University would have been ahead of budget surplus for the period.**
- That total staffing costs were 1.5% (£511k) below budget
- That non-staff costs were below budget
- That actual bursary payments totalled £22k
- That the 2009/10 budget included £4.8m for development fund initiatives and it had been proposed to utilise £2.3m of this sum.
- That the following budget allocations had been made from contingency:

£250k for asbestos removal at Stapleton House (already approved by the Board)

£7.5k for funding to SU to support QAA audit - approved by the Executive Group

- **Year-end forecast. It was noted that this included the following changes:**

Staffing costs – reduction of £1.4m

Payments to franchise colleges – reduction of £1.3m

Interest payable – FRS17 inclusion of £2.6m

Restructuring costs – reduction of £600k

- **Key Risks**

The following Key Risk were noted.

Funding Council grants – no provision for holdback for 2009/10 (referred to further under Student Numbers below)

Tuition fees – currently behind but expected to reach targets.

Restructuring costs

Delays in Implementation of the cost improvement plan proposals – CIP

phasing under review to ensure delivered as planned

Pension Costs – significant risk - contributions may rise 3%

- **Debtors**

That the gross debtor position stood at £52.9m compared to a figure of £51.3m at the same time last year

- **Cash**

That cash and short-term deposits totalled £35.6m compared to £62.3m at the same time last year.

That the Year-end cash balance was projected to be £32.3m

- **Capital Expenditure**

That Expenditure on capital projects and equipment amounted to £1.3m

That detailed planning of PC5 funded projects was underway

- **Net assets/total funds**

That net assets represented total funds of £30.2m

That creditors payable within 1 year included deferred income of c£45m

That the forecast balance sheet showed net assets representing total funds of £22.7m

That the FRS17 pension liability had been increased by an estimated £2.6m to £79.7m

- London Metropolitan Enterprises

That the Company had made net loss of £187k, some £203k worse than budget

That the forecast profit for the year had been held at £128k

- **Fee Income**

That actual fee income at 30 November 2009 totalled £69,845m

That the budget for the year was £73,008m

That invoiced tuition fee income was 0.9% below budget for the full year

That it was not anticipated that fee adjustments for “early walkers” would exceed the £2.2m reduction included in the budget
That short course fee income was on target

Student Numbers

It was noted that current enrolments were looking positive, however there was still a risk of holdback of grant. The HESA return for 2010/11 had now been submitted which included a non-completion rate of 33% (estimated 8,870 FTES). This would take the University outside the HEFCE tolerance band and the University could be subject to holdback again in 2011.

(Action: Director of Finance/Interim Vice-Chancellor)

534. UCU (Agenda item BG 41/5.1)

The Board received the report on UCU and noted the letter dated 16 November and the two further letters both dated 27 November 2009.

The Board noted the comments on the position by the Director of Human Resources.

ACAS Meeting

It was agreed that this should take place at the end of January with the incoming Vice-Chancellor. It was also noted that the intention would be for the incoming Vice-Chancellor to hold the meeting referred to on page 80, last paragraph, in early January.

535. TVU London (Agenda item BG 41/6.1)

The Board received the report on TVU London and it was noted that there were no objections to the proposed change of name to “The University of West London”.

536. Any Other Business

Deloitte

It was agreed that Deloitte should be retained to monitor the implementation of the recommendations in their report subject to agreement on integration with the work of the Internal Auditors. A quarterly report would be submitted

to the Board.

(Action: Secretary and Clerk to the Board)

AGENDA PART TWO

537. The Board noted for information
(Agenda items BG 41/7.1 - BG 41/7.2)

- a) The final Deloitte Report
- b) The final Melville Report

538. The Board noted for information
(Agenda items BG 41/8)

Correspondence with HEFCE

539. The Board noted for information
(Agenda item BG 41/9)

HEFCE Powers in Respect of “at risk”

540. Date of Next Meeting

It was noted that the date of the next scheduled meeting of the Board would take place on 17 March 2010. A special meeting would be arranged in January/early February to approve the University’s Final Accounts for 2008/09.

(Action: Secretary and Clerk to the Board)

APPENDIX 1

Statement to the Board of Governors at London Metropolitan University

Dear honourable board members.

The reason we are all here is because of London Metropolitan University; an academic institution that provides higher education to people the world over.

London Met has a valuable presence in the local and international community, providing students with opportunities to pursue ambition, improve skills and become contributing members of society.

We are proud to be one of the biggest and most cosmopolitan universities in London and celebrate strong links with The City.

Unfortunately London Met is in a serious financial crisis. The situation has grown considerably large over the last 4 years and unfortunately resulted in severe cutbacks of services such as child day care centres, staff redundancies and closure of student halls of residences.

Moral is at an all time low and as the President of the Students' Union, I plead that all honourable Governors do the right thing and put the sake of London Metropolitan University and its students and staff before everything else.

I am happy to say that the Governors have just appointed Malcolm Gillies, a well distinguished and highly reputable academic as the new Vice Chancellor and chief executive, in such a short time. We very much look forward to working with Malcolm for sustained development of London Met.

The fact is simple. The Higher Education Funding Council for England have lost confidence and only we have the power to restore this confidence and must do all that it takes to start rebuilding the esteemed reputation of London Metropolitan University and give the students who pay thousands of pounds in tuition fees their value for money in education.

APPENDIX 2

Statement from the Elected Staff Governor

"It is clear that London Metropolitan University's future and safety is at stake. HEFCE has made apparent that there is a clear and immediate risk that funding will be withdrawn unless they are convinced that their financial support of the university with public funds is safeguarded to their satisfaction. It is noted that HEFCE itself is not without blame, as cited in the Melville report, in particular for failing to make a written record of meetings.

London Metropolitan University cannot survive without public funds. The

honourable, and indeed the only, course of action is for the members of the Board of Governors who were serving during the period in question to resign, and that the Executive, as highlighted in the Melville report, should follow suit. Their sacrifice will be for the good of the institution as whole, and allow London Metropolitan University the opportunity to flourish once again under the leadership of a new Vice Chancellor, a new Board of Governors, and a new Executive.

I know that the driving force behind those who offer their services to the Board of Governors is the ultimate welfare of the institution, and I am therefore certain that the necessary steps will be taken in order to ensure the University's survival. Resignation is the price that has been demanded, and the price that must be paid. Resignation is now a necessity."