
Board of Governors – 19 May 2011

**Minutes of the forty eighth meeting of the Board of Governors held on
Wednesday 16 March 2011**

Present:

Clive Jones – Chair
Yeashir Ahmed
Laura Carstensen (until part way through item BG
48/6.2.1 – 6.2.5)
Dr Kathy Castle
Kay Dudman
Katherine Farr
Emir Feisal
Prof Malcolm Gillies
Rob Hull
Tony Millns
Ann Minogue
Dr Daleep Mukarji
Mark Robson
Prof Dianne Willcocks

In attendance:

Brian Bointon, Acting Deputy Vice-Chancellor (Academic)
Paul Bowler, Deputy Chief Executive
Sean Connolly, Director of the Programme Office
David Lane, Director of Marketing and Communication
Lyn Link, Director of Human Resources
Paul Lister, Deputy Vice-Chancellor (Research and
Development)
Peter McCaffery, Deputy Vice-Chancellor
Pam Nelson, Director of Finance
Rachel Thomas, Assistant Secretary
Jonathan Woodhead, Executive Officer
Sir Alan Langlands HEFCE

David Noyce HEFCE
Rachel Taylor)
Glen Babcock) PricewaterhouseCoopers
John Berriman) For presentation
Iain Alexander)

Clerk to the Board: Sally Neocosmos, Interim Clerk to the Board

Apologies: Maureen Laurie

652. Minutes of the Confidential Session of the Board held on 26 January 2011
(Agenda item BG 48/1)

The Board met without officers present and approved a confidential minute arising from the 26 January 2011 meeting.

Announcements

The Chair welcomed Sir Alan Langlands, Chief Executive, and David Noyce, Associate Director, London and East Institutional Team, HEFCE; Paul Bowler, newly appointed Deputy Chief Executive; Peter McCaffrey, newly appointed Deputy Vice-Chancellor; David Lane, Director of Marketing and Communications, attending to give a presentation; Rachel Taylor, Glen Babcock, John Berriman and Ian Alexander of PricewaterhouseCooper, also attending for a presentation; and Sally Neocosmos Interim Clerk to the Board.

653. Minutes of the meeting held on 26 January 2011
(Agenda item BG 48/2)

The minutes were confirmed as a correct record and signed by the Chair.

654. Matters Arising

Minute 647. Disposal of Tower Hill (100 Minorities)

It was noted that there had been a slight delay arising from a query leading up to exchange of contracts but this was not expected to prevent completion. The Finance and Resources Committee would be informed of progress.

(Action: Pam Nelson, Director of Finance)

655. Discussion with Sir Alan Langlands (HEFCE)

The Board received a comprehensive presentation from Sir Alan Langlands on the background to current funding issues, including, the delayed White Paper, the Student Loan Company, tuition fees, the widening participation agenda and future reductions in HEFCE funding. Sir Alan thanked the Board for its support for the University and reported that HEFCE would be reviewing the University's risk position over the next year. During discussion the following points were clarified:

- That HEFCE's role in the turbulent times ahead for HE would not be to bale out universities.
- That HEFCE would not be taking a view on fee levels set by institutions.
- That HEFCE had undertaken some modeling on the effect of spending cuts across the whole HE sector and that the current level of demand exceeded the number of places available. If demand held up the sector would be financially sustainable.
- That HEFCE was encouraging institutions to undertake financial scenario planning albeit without recommending a particular methodology.
- Capital funding was an emerging risk as HEFCE funding was withdrawn.

656. Presentation: Updated Options Review – PricewaterhouseCoopers (PWC)
(Agenda item BG 48/5)

The Board received the report and a copy of the presentation was tabled. The Board noted the five options listed below, the financial projections and sensitivity analysis and noted that the report would be used as a basis for discussion at the Strategy Day in May:

- Option 1: Continuation (with Sustainability Action Plan)
- Option 2: Growth
- Option 3: Merger
- Option 4: Carve Out
- Option 5: Closure

(Action: Executive Group)

It was agreed that a small group of Governors to include Clive Jones, Emir Feisal, Tony Millns and Mark Robson would work with the Vice-Chancellor to plan the Strategy Day.

(Action: Malcolm Gillies, Vice-Chancellor/ Clive Jones/Emir Feisal/Tony Millns/Mark Robson)

657. General Report from the Vice-Chancellor
(Agenda item BG 48/6.1 (a))

The Board received and noted the General Report from the Vice-Chancellor.

The following points were also noted:

Reviews

The Vice-Chancellor drew attention to some inconsistencies between the reviews and explained that these would be addressed with input from the Deans on course structures and sustainability action plans within the next few weeks.

Abu Dhabi

The Board noted the current position on the Abu Dhabi office. It was noted that the development would now fall under central University authority and that this would form the model for any future overseas partnerships. It was also noted that given the current sensitivities about engagement in the Middle East and North Africa the University would also take steps to assure itself of ethical, academic quality and student experience considerations.

The Finance and Resources Committee and the Board would be kept informed of progress.

(Action: Malcolm Gillies, Vice Chancellor/Sally Neocosmos, Interim Clerk to the Board)

Undergraduate student recruitment 2010/11

The Board noted the improved position following the successful second semester recruitment drive, with a shortfall of just over 1% (55) students. It was reported that the lack of connection between various stages in the recruitment, application, offer and enrolment sequence and hence the University's relatively poor conversion figures was being addressed as part of the Business Process Review. It was recognised that there had been some damage to the University brand which would be addressed in the presentation from the Director of Marketing and Communications later in the Agenda.

658. Strategic Plan reviews and update

(Agenda items BG 48/6.2.1 – 6.2.5)

(i) Pay and Reward

The Board received the report on the Pay and Reward review.

The Board noted the actions in response to the Beamans' recommendations on pay and reward and noted that discussions would continue with the recognised Trade Unions.

The following points were also noted:

- The cost of buying out the various contractual performance related pay provisions.
- That the University should be moving towards the sector average for pay costs. A comparison of peer group average pay would be circulated to the Board.

(Action: Lyn Link, Director of Human Resources)

- That the University's longer term strategy on cost savings, including detailed options about how these savings could be achieved, should be reviewed.

(Action: Lyn Link, Director of Human Resources)

- That it had previously been concluded - for financial reasons and because the University already had its own pay spines and job evaluation systems - that the University would not adopt the national pay framework. It was noted that this decision could be revisited but that any change was likely to incur significant costs.

(ii) Business Process Review of Support Services

The Board received the report on the Business Process Review of Support Services. (The full report was included in Part Two (BG 48/11.9) and noted that that the recommendations set out on pages 56-58 would be developed in more detail. A reduction in the size of the University's Estate by approximately 20% was expected as part of the Estates Master Planning exercise. Both these reviews would be moving towards action plans by the time of the Strategy Day on 19 May.

(iii) Review of Undergraduate Education

The Board received the report and noted the Vice-Chancellor's comments. The following points were also noted:

- The move to 30 weeks teaching was supported by the Board. This would enable more direct contact with students and require a lean, sustainable course portfolio. Thinking about this in pedagogic terms would give the University a competitive advantage.
- It was noted that the Academic Board had debated at length the feasibility of the so-called 'Big Bang' approach to implementation of the new undergraduate curriculum and that this was still the intended approach. (BG 48/12.6 refers).

(iv) University's Strategic Transformation Programme

The Board received the review of the University's Strategic Transformation Programme and noted that all the reviews would be brought together under one umbrella to ensure co-ordination and coherence.

The following points were noted in discussion:

- That the transformation programme would change the nature and the future of the University and different skills would be required. The Vice-Chancellor was holding meetings with all Professional Service Departments (PSD) areas and preparations for change were being made. Review documentation was available on *Livelink* and the new Deputy Chief Executive would lead the transformation programme, particularly administrative reform.

- That implementation of different aspects would follow different timescales depending on the complexity of the area. The Board requested greater clarity on the role of senior staff so that accountability was absolutely clear, ie in the form of an expanded organogram.

(Action: Sean Connolly, Director of the Programme Office/Malcolm Gillies, Vice-Chancellor)

(v) Agreed Suite of Key Performance Indicators (PIs)

The Board noted the progress towards developing a suite of PIs which would both meet HEFCE's current requirements and be a useful management tool with the University.

It was noted that HEFCE, when considering the suite of indicators to measure progress towards the Strategic plan, had reduced the number of indicators to 5 by omitting indicators relating to research. It was noted that the Academic Strategy Committee could review the performance indicators for student experience and research excellence.

(Action: Academic Strategy Committee)

It was noted that the PI targets would need to be revisited. The only indicator currently suggesting problems was cash flow as a % of income.

(Action: Sean Connolly, Director of the Programme Office/Pam Nelson, Director of Finance)

(iv) Governance Review

The Board received the report on the Governance Review and noted the comments by the Chair of the Governance Committee.

Committee Membership as approved by the Governance Committee

The Board noted that the changes to Committee membership would take immediate effect except for the appointments of the Chair of the Audit Committee (Katherine Farr) and Chair of the Finance and Resources Committee (Mark Robson) which would take effect on 15 June.

Terms of Reference

The Committee noted and approved the proposed amendments to the Terms of Reference for the Finance and Resources Committee and Remuneration Committee.

Future Work of the Committee

The Board endorsed the Future Work of the Governance Committee.

Articles of Association

It was noted that the process for making changes to the University's Articles would be explored in more detail with the Department for Business Innovation and Skills (BIS) and the Privy Council Office. It was noted that it may be possible to make minor changes, eg to clarify wording without too much difficulty, but any

major changes of principle would almost certainly require the permission of the Privy Council.

(Action: Sally Neocosmos, Interim Clerk to the Board)

Remuneration Committee

It was noted that meetings of the Remuneration Committee would need to be arranged in May or June and September.

(Action: Sally Neocosmos, Interim Clerk to the Board)

659. Tuition Fee policy

(Agenda item BG 48/6.3)

The Board received and noted the report on Tuition Fee Policy.

The Board supported the general direction for the setting of fees and portfolio of courses offered by the University as set out below:

1. London Met will in 2012/13 only offer a portfolio of undergraduate courses that is financially sustainable, both for the University and, after adjustment for progressive implementation of a Resource Allocation Model, for individual Faculties.
2. London Met will charge a number of different tuition fees for UK and EU undergraduate students, within a possible range of £4,500 to £9,000.
3. London Met will accordingly submit an Access Agreement for 2012/13.

It was noted that a special meeting of the Academic Board would be convened on 14 April to approve proposals on undergraduate courses and tuition fees to underpin the submission of the Access Agreement to OFFA on 19 April.

It was agreed that a small group of Governors would be convened for one meeting to approve the final proposals on behalf of the Board. The group would consist of Dianne Willcocks, Rob Hull and Mark Robson.

Action: Sally Neocosmos, Interim Clerk to the Board)

660. HEFCE Assurance Review (HAR) Visit 14 April 2011

(Agenda item BG 48/6.4)

The Board received the report on the HEFCE Assurance Review and noted the arrangements for the review visit on 14 April.

(Action: Sally Neocosmos, Interim Clerk to the Board)

661. Risk Management Policy and Strategy

(Agenda item BG 48/6.5)

The Board received the report on Risk Management Policy and Strategy.

The Board approved minor updates to the policy and strategy as outlined in section (1).

The Board took a view on the effectiveness of the risk management policy and strategy over the past year and agreed the suggested way forward for further evaluation as set out in Section (2). It was also noted that the Board should be aware of the risks around statutory requirements for Health and Safety.

The Board noted that the Audit Committee would be recommended to commission a number of reports on risk.

(Action: Sean Connolly, Director of the Programme Office/Sally Neocosmos, Interim Clerk to the Board)

662. Presentation: Marketing and Communications

The Board received and commended the presentation from David Lane, Director of Marketing and Communication.

It was agreed that a regular report, possibly at every other meeting, on the University Marketing Strategy including press coverage and the University's active response, should be submitted to the Board.

(Action: David Lane, Director of Marketing and Communications, Sally Neocosmos, Interim Clerk to the Board)

663. Proposed Staff Redundancies

(Agenda item BG 48/8.1)

The Board received and noted the report on the proposed staff redundancies.

The Board:

- Supported the approach being taken towards achieving greater efficiency and cost savings.
- Noted that the concern raised about a specific set of contracts was referred for discussion with the Director of Human Resources outside the meeting.
- Acknowledged in response to a point raised by the Elected Staff Governor that redeployment would be considered before redundancy was confirmed.

The Board approved:

A statutory section 188 notification.

Communication of the statutory disclosure of information and further details of the proposals to recognised trade unions and staff representatives.

Immediate commencement of a 30 day period of consultation with staff and trade unions to seek ways to reduce or eliminate the need for redundancies.

It was noted that this matter would normally have been handled by the Finance and Resources Committee but the timing of meetings had meant that this had not been possible.

(Action: Lyn Link, Director of Human Resources)

664. Carbon Management Plan

(Agenda item BG 48/8.2)

The Board received the report on the Carbon Management Plan and commended the policy which set out a strategy for managing the reduction in carbon emissions during the next five years.

The full Carbon Management Plan had been included in Part Two of the Agenda (BG 48/11.8).

The Board approved the Carbon Management Plan as previously approved by the University's Executive Group.

665. British College of Osteopathic Medicine (BCOM)

(Agenda item BG 48/8.3)

The Board received the report on BCOM.

The following points were noted:

- That there were some small risks to the University's reputation which were considered manageable.
- That BCOM was a charity and a company limited by guarantee.
- That the Board of BCOM had been approached about the proposals and understood the position.
- That the University would continue to use the College name.
- That qualifications would be awarded by LondonMet as the validating body.
- That there would be no additional teaching grant available for 2011/2012 meaning that any HEFCE funding would be diverted from elsewhere.

The Board approved:

The giving of assurances to BCOM regarding student intake to LondonMet validated courses and planning for 2011/12 and following years.

Entry into detailed discussions over the conditions under which BCOM might become a School or College within London Metropolitan University, such negotiations to be finalised no later than December 2011.

It was noted that the Board would be kept informed of progress and any further queries should be directed to the Acting Deputy Vice-Chancellor (Academic).

(Action: Brian Bointon, Acting Deputy Vice-Chancellor (Academic)/Sally Neocosmos, Interim Clerk to the Board)

666. January 2011 Management Information
(Agenda item BG 48/9.1)

The Board received and noted the report.

667. HEFCE Grant letter 2011/12

The Board received an oral update on the HEFCE Grant Letter for 2011/12 from the Director of Finance. The University had received its provisional recurrent funding allocation for the academic year 2011-12. Overall the grant had decreased but was £3.1m more than had been included in the University's forecasts. Moderation funding to provide support in managing the changes to the grant would be for one year only.

A copy of the Grant Letter would be circulated to the Board and any queries could be addressed to the Director of Finance.

(Action: Pam Nelson, Director of Finance)

668. Report from the President of the Students' Union (SU)

The Board received and noted the oral report from the President of the SU. He thanked Governors for their involvement in events and their commitment to the Union. It was noted that the SU election process was underway and more than 100 candidates were standing for election.

The Board congratulated the President for the contribution he had made to the revival of the SU.

669. Any Other Business

Arson attack

The Vice-Chancellor informed the Board about a recent incident at the University and additional security and safety measures that had been deployed.

AGENDA PART TWO

670. The Board noted for information

(Agenda items BG 48/11.1 - 48/11.9)

- a. Dates of Future Meetings
- b. Current Membership
- c. Outline Agenda for Next Meeting
- d. January Management Information
- e. Use of Company Seal
- f. NAO Report on Regulating Financial Sustainability in Higher Education
- g. QAA Report – Draft Confidential
- h. Carbon Management Plan
- i. Business Process Review of Support Services

671. The Board noted for information the unconfirmed Minutes of:

(Agenda items BG 48/12.1 – 48)

- (i) The Staff/Management Consultative Forum – 8 November 2011
- (ii) The Governance Committee:
 - (a) 10 January 2011
 - (b) 3 March 2011
- (iii) The Audit Committee – 19 January 2011
- (iv) The Finance and Human Resources Committee – 26 January 2011
- (v) The Women's Library Council – 2 March 2011
- (vi) The Academic Board – 8 March 2011

672. Date of Next Meeting

Wednesday 22 June 2011, 8th Floor Boardroom, Technology Tower, 166-220 Holloway Road (North Campus) at 5pm.