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**Board of Governors – 22 June 2011**

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**Minutes of the fiftieth meeting of the Board of Governors held on Wednesday  
22 June 2011**

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- Present:** Clive Jones – Chair  
Yeashir Ahmed  
Laura Carstensen  
Dr Kathy Castle  
Kay Dudman  
Katherine Farr  
Emir Feisal  
Prof Malcolm Gillies  
Rob Hull  
Dr Daleep Mukarji  
Mark Robson  
Prof Dianne Willcocks
- In attendance:** Paul Bowler, Deputy Chief Executive  
Sean Connolly, Director of the Programme Office  
Prof John Gabriel, Dean FASS and acting Dean HALE (for BG 50/3.5)  
Mark Grayling, Project Manager, Students' Union (for BG 50/6.5)  
Lyn Link, Director of Human Resources  
Prof Paul Lister, Deputy Vice-Chancellor (Research and Development)  
Prof Peter McCaffery, Deputy Vice-Chancellor  
Prof Robert Mull, Conjoint Dean FASD and JCSAMD (for BG 50/3.6)  
Pam Nelson, Director of Finance  
Rachel Thomas, Assistant Secretary  
Jonathan Woodhead, Executive Officer
- Clerk to the Board:** Sally Neocosmos, Interim Clerk to the Board
- Apologies:** Maureen Laurie, Tony Millns and Ann Minogue

### **693. Declarations of Interest**

None were reported.

### **694. Announcements**

**Noted** that this was the last Board meeting for Prof Paul Lister, Sally Neocosmos and Yeashir Ahmed and **acknowledged** their contribution to the work of the Board.

**Noted** a statement to the Board from the UCU Coordinating Committee and the Unison Executive (tabled).

### **Minutes**

#### **695. Minutes of the Annual General Meeting - 11 May 2011** (Agenda item BG 50/1.1)

The minutes were confirmed as a correct record.

#### **696. Minutes of the last Board Meeting - 19 May 2011** (Agenda item BG 50/1.2)

The minutes were confirmed as a correct record subject to inserting the word “key” on Page 9, para 4: “planning ran late, and in some **key** areas.....”

**Noted** the appendix to **Minute 676** (tabled) which summarised the discussion on the fee-setting process which took place at the meeting.

#### **Minute 677 Estates Moves – potential savings**

**Noted** that negotiations were ongoing with the CASS Foundation about the future of the Jewry Street building.

### **Reports from the Vice-Chancellor**

#### **697. General Report** (Agenda item BG 50/3.1)

**Received** the report.

**Noted** that the Dean of LMBS would be stepping down from the Dean’s role at the end of 2011 and retiring from the University in April 2012. A new appointment would be sought by internal and external advertisement.

**Noted** that fee setting would be one of the areas to be overseen by the ‘Office of Institutional Evaluation’ and that a presentation by Dr Mike Middaugh, Associate Provost (Office of Institutional Effectiveness), Delaware University would be arranged for Governors in the Autumn.

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

**Noted** the management arrangements in place for the International Office.

**Noted** the concerns of Governors about press misinformation and the University's media policy.

**Agreed** that the Director of Marketing and Communications would lead a debate about marketing and communications processes in the University with the aim of developing the highest level of good quality communication externally and internally. This would include reassessing skills and resources in the Department.

**Noted** that the Director of Marketing and Communications would make a presentation to the September meeting of the Board.

**(Action: Paul Bowler, Deputy Chief Executive)**

**698. The Strategic Plan Review 2010 – 2013**  
(Agenda item BG 50/3.2)

**Received** the report and **noted** the following points:

- That the first year's actions would be completed on time.
- That new priorities had emerged and in particular it was proposed to develop two new themes during 2011-12:
  1. Embracing the Future
  2. Building a more Trusting Culture
- That the plan provided the basis for transformation in the light of the new tuition fee arrangements, implementation of the new undergraduate course portfolio and budgetary constraints.
- That financial stability was paramount and restructuring essential to obtain a dynamic configuration of administrative and academic activities to meet new demands while being cost effective.
- That retraining and redeployment opportunities were being offered in connection with restructuring and this had been explicitly noted by the formal Disputes Panel at its recent meeting.
- That the University needed to meet financial targets which were below sector benchmarks in order to meet the HEFCE repayment and other financial challenges.
- That the FRC would be considering scenarios for 2012-13 at its next meeting, along with proposals to enhance income. A report would be presented to the Board in September.

Governors **supported** the aims and the direction of the strategic priorities.

**699. Strategic Plan Performance Measures**  
(Agenda item BG 50/3.3)

**Received** a presentation from the Director of the Programme Office.

**Noted** serious concerns about student drop out rates and that new arrangements being put in place for Clearing in 2011 were designed in part to address this. By training more core University staff rather than using temporary staff, the aim was to provide more and better advice and support to prospective students at the critical point of Clearing. This, complemented by more and better support throughout the first year, was designed to enhance retention and student success. The importance of establishing clear mutual expectations at the earliest point in a student's HE career was stressed.

**Agreed** that the tables on employability should in future include graduate starting salaries.

**Noted** that the data would be more readily understandable if presented in graphical form.

**Agreed** that the implementation of a consistent set of delegations could be expected to contribute to achieving the aims of Building a more Trusting Culture.

The Board **approved** the 13 indicators identified as *key* and **noted** the secondary suite of indicators. Also **noted** that the indicators should be linked to the University's targets and business plan and to the Executive Group's targets and responsibilities.

**700. Calendar of Meetings September 2011 – December 2012**  
(Agenda item BG 50/3.4)

**Noted** the calendar and the principles applied in compiling it.

### **Academic Structures**

**701. The Faculty of Architecture and Spatial Design (FASD) and the Sir John Cass Faculty of Art, Media and Design (JCAMD)** (Agenda item BG 50/3.5)

Governors **welcomed** the positive and comprehensive presentation from the conjoint Dean, Professor Robert Mull (overheads attached).

**Noted** that savings were reflected in the cash spend to bring the buildings up to standard and the planned phased timetabling of courses to maximise resources.

The Board **approved** the merger of JCAMD and FASD on 1 August 2012 with development work continuing during 2011-12.

**702. Report on the Faculty of Humanities, Arts Languages and Education (HALE)**  
(Agenda item BG 50/3.6)

**Received** a comprehensive presentation from Professor John Gabriel and commended the work undertaken in a short time (overheads attached).

**Agreed** that Internal Audit would be asked to examine the re-worked costings for HALE.

**Noted** the four options considered in respect of the future functioning of HALE and **approved** Option 4: merger with FASS from 1 August 2011.

**Recognised** the level of work required to facilitate both the merger of FASS with HALE and FASD with JCAMD and **noted** that external expertise should be used to assist the process if necessary.

## **Assurance matters**

### **703. HEFCE Assurance Review Interim Report** (Agenda item BG 50/3.7)

**Noted** that the interim report and the positive findings.

**Noted** that the final report would be made available on request under HEFCE's publication scheme.

**Noted and accepted** the following recommendation:

"The University needs to continue to work on improving data quality so that adequate assurance is provided to its Audit Committee in order to enable it to provide an unqualified opinion on the quality and management of data to the governing body."

### **704. HESA/HESES Submission Programme –Aggregated Critical Issues Resolution** (Agenda item BG 50/3.8)

**Noted** the comprehensive report (and compendium of critical issues raised – BG 50/8.9) from the Deputy Vice-Chancellor (Research and Development).

**Noted** the mechanisms in place to provide assurance to Governors that the HESA/HESES submission programme would continue to ensure accurate data.

### **705. Middle States Commission on Higher Education: report of visit, 25-27 May 2011** (Agenda item BG 50/3.9)

**Noted** that the University had first been granted MSCHE accreditation in 2007.

**Noted** that a representative from MSCHE had visited the University in May to follow up an earlier visit and gain assurance in relation to concerns related to resources.

**Noted** that the University continued to be in compliance with the relevant MSCHE standards 3 and 5.

## **Financial Reports**

### **706. Revenue and Capital Budget 2011/12** (Agenda item BG 50/4.1)

**Received** the report and **noted** the following key points:

1. That the budget for 2011/12 was tight but achievable.
2. That the momentum for savings must be maintained.
3. That the continuing reduction in income needed to be stabilised
4. That the main concern was cash flow which could be jeopardised by the outstanding repayments to HEFCE of £30m.
5. That income could decline as current contracts were terminated as a result of restructuring.

6. That the nature of education was that cost savings take time to achieve, for example reducing staff numbers. Moreover, income from tuition fees could drop suddenly if potential students reacted adversely to the new increased fees as currently indicated by UUK survey data.
7. That a major drop in income had the potential to cause financial failure.
8. That work was being undertaken on scenarios in respect of reduced income in 2012/13 for consideration at the FRC meeting in July. These would also outline actions to reduce potential exposure and include risks such as pension costs. **Noted** that the report for the FRC would also be submitted to the Board.
9. That a 'cash cushion' was essential for 2012/13.
10. That warning signs that may precipitate more stringent actions were:
  - (a) performance in Clearing in August
  - (b) initial performance on application numbers in December 2011.
11. That the redundancy costs included in the budget were based on the original terms and did not include agreed enhancements.
12. That capital projects would only be approved as and when there was a need to place contracts.
13. That the risk of holdback by HEFCE from over- or under-recruiting in 2011-12 was low.

**Noted** the elected staff Governor's comments that staff and students would welcome discussion and engagement in the restructuring process.

**Noted** that the draft budget had been considered by the Finance and Resources Committee (FRC) on 14 June and that the minutes of that meeting recorded the conclusions.

**Approved** on the recommendation of FRC the University's budget for 2011-12 subject to:

- Regular progress reports and a mid-year review to be presented to the Board of Governors in January 2012
- Deeper analysis of the main risks and key sensitivities and discussion of various scenarios for 2012-13 at the next meeting of the FRC on 6 July
- Continuing exploration of other income generating opportunities

## **Human Resources Reports**

### **707. The University as Employer** (Agenda item BG 50/5.1)

**Noted** that the report confirmed, following legal advice, that the University was the employer in relation to issuing the outcome of section 188 consultations.

**Noted** that FRC had adopted a streamlined process for approving the issuing of any further S188 notifications should it be necessary to act swiftly between scheduled meetings.

**Noted** that employment policies and handbooks would be updated to reflect the legal advice.

### **708. Staffing Establishment report**

(Agenda item BG 50/5.2)

**Noted** the report which had been considered by the FRC.

**Noted** that the report did not include enhanced Section 188 costs.

### **Governance Matters**

### **709. Governance Review (including report on AB committee structure)**

(Agenda item BG 50/6.1)

**Noted** the report which covered successive stages of the Governance review which had been carried out in accordance with the HEFCE framework agreement with the University.

**Noted** the conclusions reached and the changes implemented.

**Noted** that the review had been completed on schedule.

The Board **noted** the progress made and **approved** the report which would be submitted to HEFCE.

**Noted** that the Governance Committee would undertake a substantive governance effectiveness review in the Autumn term 2011 and would consider whether to engage external assistance.

**Noted** that the matter of phasing appointments and re-appointments would be addressed early next session.

### **710. Appointment to Governorships**

(Agenda item BG 50/6.2)

**Noted** the report and **approved**:

- (i) the appointments of Laura Carstensen, Katherine Farr and Mark Robson as Independent Lay Governors from 1.10.2011 until 30.9.2014.
- (ii) the appointments of Ann Minogue and Dianne Willcocks as Co-opted Governors from 1.10.2011 until 30.9.2014.
- (iii) that the membership of the Women's Library Council be extended for a further 6 months to cover the period of the review, the outcome of which would be reported to the Board.

**Noted** the position concerning the appointment of an additional member of the Audit Committee.

### **711. Review of the University's Articles of Association**

(Agenda item BG 50/6.3)

**Noted** that the Governance Committee considered that further changes to the University's Articles of Association were desirable in order to achieve flexibility within a clear framework of accountability.

**Noted** the letter from the then Minister of State (2006) which had attempted to deregulate changes to Articles and reduce the role of the Privy Council. Although not implemented, this document suggested that some parts of the Articles may be relatively easy to change and noted that several universities (pre- and post-1992) had subsequently remodelled their constitutional arrangements.

**Noted** that the Executive Group would consider what changes to the Articles would be desirable and that the Governance Committee would progress this matter during the next academic year and submit a report to a future meeting of the Board.

**Noted** that specific comments should be submitted to the Clerk to the Board.

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

**712. Public Interest Disclosure Procedure – change of Designated Assessors**  
(Agenda item BG 50/6.4)

**Received** the report and **approved** the following as the Designated Assessors.

**Paul Bowler**  
Deputy Chief Executive (Lead Assessor)

**Sean Connolly**  
Director of the Programme Office

**Lyn Link**  
Director of Human Resources

**Pam Nelson**  
Director of Finance

**Jonathan Woodhead**  
Executive Officer

**713. New Students' Union Constitution**  
(Agenda item BG 50/6.5)

**Welcomed** Mark Grayling, Project Manager SU, to the meeting to introduce the report.

**Noted** that the new Constitution (the product of a project in the Strategic Plan) was legally compliant and was designed to support the development of the Union and its relationship with the University.

The Board **approved** the new Constitution subject to final proof reading. The Board **authorised** the submission of the Constitution to the Charity Commission for registration and **required** that it be reviewed after one full year of operation and the findings reported to the Board.

**714. Health and Safety Management and Governance Arrangements**  
(Agenda item BG 50/6.6)

**Received** the report and **approved** the proposal that Daleep Mukarji chair a small assurance group which would report to the Board via the Audit Committee. The terms of reference would reflect this reporting line. The main Health and Safety Committee would henceforth be chaired by the Deputy Chief Executive.

**Approved** the proposal that two Governors be appointed to the assurance group and **noted** that this matter would be referred to the Governance Committee.

**715. Review of the Academic Board's Sub Committees**  
(Agenda item BG 50/6.7)

**Noted** the report and **noted** that the Academic Board had considered the rationalisation of its sub-committee structure on 14 June (minutes tabled).

The Board:

1. **Approved** the proposed new Academic Board sub-committee structure.
2. **Noted** that detailed terms of reference and membership of the new committees were being compiled for operation from the start of the academic year 2011- 12.
3. **Noted** that the new arrangements and their operation would be reviewed after 12 months and that the findings would be reported to the Board of Governors.

**Reports from the President of the Students' Union**

**716. Student Union President's Report and Outline Budget for 2011-12**  
(Agenda item BG 50/7.1)

**Noted** the outgoing President's confidence in the Vice-Chancellor's leadership and his appreciation of the support he had received from the Board.

**Noted** the President's report and the outline budget for 2011-12 which was currently under discussion with the Director of Student Services.

**717. Students' Union – Sabbatical Officers Increase in Annual Leave**  
(Agenda item BG 50/7.2)

**Noted** that management had agreed to increase Sabbatical Officers' leave from 20 to 27 days to bring arrangements in line with those in the University and elsewhere in the sector (Minute 637 refers).

## **AGENDA PART TWO**

### **702. The Board noted for information**

(Agenda items BG 50/8.1 – 50/8.10)

- 8.1 Dates of Future Meetings
- 8.2 Current Membership
- 8.3 Outline Agenda for Next Meeting
- 8.4 Awards Ceremonies
- 8.5 Shared Strategy for Relationship Management between HEFCE and Institutional Governing Bodies
- 8.6 Board of Governors: Protocol for Communication
- 8.7 The UK Bribery Act 2010
- 8.8 Assessing the sustainability of HE institutions
- 8.9 HESA/HESES Submission Programme – Aggregated Critical Issues Resolution
- 8.10 QAA Final Report

### **703. The Board noted for information the unconfirmed Minutes of:**

(Agenda items BG 48/9.1 – 9.4)

- 9.1 The Governance Committee – 18 May 2011
- 9.2 Academic strategy Committee – 18 May 2011
- 9.3 The Finance and Resources Committee – 14 June 2011
- 9.4 The Academic Board – 14 June 2011 **(tabled)**.

### **704. Date of Next Meeting**

Wednesday 28 September 2011 at 5pm. Venue to be confirmed.