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Board of Governors

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Minutes of the fifty-second meeting held on  
Wednesday 23 November 2011

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Present:

Clive Jones – Chair  
Syed Ali  
Laura Carstensen (until minute 727)  
Kathy Castle (until minute 725)  
Kay Dudman  
Katherine Farr  
Emir Feisal  
Malcolm Gillies – Vice Chancellor  
Rob Hull  
Tony Millns  
Ann Minogue  
Daleep Mukarji  
Mark Robson (from minute 722)  
Dianne Willcocks

In attendance:

Paul Bowler, Deputy Chief Executive  
Mark Harris, Deputy University Secretary (Board)  
Lyn Link, Director of Human Resources  
Peter McCaffery, Deputy Vice Chancellor  
Pam Nelson, Director of Finance  
Alison Wells, University Secretary  
Jonathan Woodhead, Executive Officer

For Presentation:

Mark Bickerton, Director of Student Recruitment

**718 Chair's Introduction**

The Chair welcomed Governors to the meeting.

The Board welcomed Syed Ali to his first meeting as the student representative Governor and Mark Harris to his first meeting as Deputy University Secretary.

**719 Apologies**

Apologies for absence were received from Maureen Laurie and from Sean Connolly (Director of the Programme Office).

**719 Declarations of interest**

There were no declarations of interest.

**720 Minutes of the last Board Meeting – 28 September 2011 (BG 52/1)**

The minutes of the last meeting were confirmed as an accurate record.

**721 Matters Arising**

**721.1 Scenario Planning (minute 7c)**

The Board had requested sight of a critical path document. The Board **noted** that this was work in progress and that it was subject to a number of variables (e.g. student numbers and any penalty imposed by HEFCE). A report would be brought to the Board's January meeting, which was due to take place shortly after the first closure of UCAS admissions.

DCE

***Action: Deputy Chief Executive to prepare a critical pathway report for the Board's January meeting.***

**721.2 Format of Minutes**

The Board requested the inclusion of an action sheet. The Chair of the Audit Committee also requested this for Audit Committee. It was also suggested that action points should be identified in a column rather than in the body of the text.

Sec

***Action: University Secretary to review the format of Board and committee minutes.***

### 721.3 Unauthorised Disclosure of Papers

The Board was reminded that a paper intended for its September meeting had been disclosed without authority by a person or persons unknown. Consequently it had not been possible to discuss the subject of the paper at that meeting.

The University Secretary **reported** that she had circulated to all Governors a paper on their duties responsibilities, including the duty of confidentiality, and that all Governors had agreed in writing to be bound by this.

The Chair expressed his wish for the Board to continue to operate in a trusting and collegial atmosphere. He indicated that if a further unauthorised disclosure occurred, he would reluctantly feel obliged to propose that the Board adopt the practice of some other universities and divide its agenda into 'open' and 'closed' parts. The Board **unanimously concurred**.

### 722 Presentation

Mark Bickerton gave a presentation on the review of the University's international strategy, which was currently under way. The Board **noted** that LMU occupied a strong, but declining, position in recruitment of international and EU students, and that it was only a limited participant in transnational education.

The Board **noted** that a further report would be made at its March meeting and thanked Mark for his presentation. Sec

***Action: University Secretary to ensure that international strategy is on the agenda for the March 2012 meeting.***

### 723 Report by the Vice Chancellor and Chief Executive (BG 52/2)

#### 723.1 Policy update

The Vice Chancellor outlined his view of Higher Education policy since the June 2011 White Paper:

Government priorities:

- Less regulation
- Clearer rights and obligations
- More industry/employer involvement
- A proportionate quality mechanism
- Encouragement for developing shared services units (SSUs)

Government omissions:

- Introduction of differentiated loan repayments (differentiation might, for instance, be by institution or by discipline)
- Level of continuing subsidy for STEM subjects (Science, Technology, Engineering and Mathematics)

What to expect soon:

- Resetting of more institutions' undergraduate fee levels to below £7.5k
- Bidding for reallocated student places
- Subsidy levels for STEM and SIVS (Strategically Important and Vulnerable Subjects)
- Further SSU incentives

Continuing areas of uncertainty:

- London institutional weighting
- Policy on taught postgraduate courses (such courses might be unattractive to graduates already in debt)
- Support for widening participation/access from 2012
- Visa policy for Tier 4 applicants students applying to 'Highly Trusted Sponsor' institutions such as LMU.

## 723.2 General Report

The Board **noted** the Vice Chancellor's general report on progress and change in a number of areas and was pleased to hear that the level of non-completions had fallen from 32% to 19% over the last two years.

The Board also **noted** the progress that was being made in addressing the issue of not properly recording overseas students' compliance with UKBA regulations. It was reported that internal investigations had revealed 2920 possible cases, of which 1441 had been resolved. 814 students had so far been contacted and asked to provide documentation, and other students' cases required further clarification. The Board was reminded, however, that the University retained the ultimate sanction of being able to suspend or expel students if the circumstances warranted it.

## 723.3 Quarterly Report to HEFCE

The Board **noted** the Vice Chancellor's quarterly report to HEFCE and asked when the University might hope to be removed from the "at risk" register. The Vice Chancellor reported that he was not going into the forthcoming meeting with HEFCE with a specific request for removal from the register, since there were still some matters of governance, data quality and financial sustainability to be addressed. Further progress regarding "at risk" status would then follow.

In response to a Governor's question about back office redesign, it was **reported** that the Finance and Resources Committee had considered a proposal at its recent meeting and, though very much in favour of the proposal, had expressed concerns which it wished to see addressed before it was prepared to make a recommendation to the Board of Governors.

The Board **agreed** that, if necessary, additional meetings of the Finance and Resources Committee and the Board of Governors should be held to consider a revised proposal.

#### **723.4 Report from the Student Governor**

Syed Ali gave a report, of which the key points were:

- A request that money deducted from staff participating in the strike on 30 November be spent on projects which would enhance the student experience
- A suggestion that enhancing the student experience should encompass improving teaching and research quality, better student services (e.g. library opening hours, WiFi availability), and support services for struggling students.
- A suggestion that the LMU brand might be promoted by providing new students with an LMU branded iPad or laptop pre-loaded with course materials.

The Vice Chancellor agreed to consider these suggestions.

V-C

**Action: Vice Chancellor to consider these suggestions.**

#### **724 Student Numbers Bid 2012-13 (BG 52/3)**

The Board **noted** the paper, of which the key points were that LMU would lose 650 Home Undergraduate places as a consequence of significant adjustments by HEFCE to the Student Number Controls (SNC) for 2012-13, but that LMU was bidding for an additional 960 places.

The nature of the changes to SNC was that:

- Entrants with A-Level Grades AAB or equivalent, of which LMU had 275, would no longer be included in the SNC.
- A "margin" (i.e. a pool) of 20,000 places was being created and HEIs with an average annual fee of £7,500 or less (probably 30) would, along with FE Colleges (but not independent providers), have the opportunity to bid for them.

The Board **noted** that these changes might become regular features and that the AAB bar might be lowered in future.

## 725 Order of Business

The Board **agreed** to take item 12 (Special Collections) next.

## 726 Special Collections (BG 52/8)

Paul Bowler presented a paper setting out the background and present circumstances of the Women's Library, a collection of national significance which, unusually, did not receive national funding from the Government, but was for the most part funded by the University. A number of options had been considered. The paper also considered the circumstances of the TUC Collection.

The Board **noted** the paper's two recommendations, which focused on preparation for closure, and the reputational risk to LMU that closing the Women's Library would entail.

The Board also **noted** that, when this matter had been discussed at the last meeting of the Finance and Resources Committee, questions had been raised regarding a possible conflict of duty on the part of Governors and the possibility of incurring personal liability. The Secretary **reported** that initial legal advice had been taken on these matters which indicated that the possibility of a conflict of duty needed to be considered, and the actions taken recorded, at every step once a decision in principle had been reached.

After discussion the Board **concurred** that the present level of subsidy to the Special Collections was unsustainable and **resolved** to set up a working group to examine all options for it, including:

- The possibility of seeking additional funding from the TUC or elsewhere
- Transfer of the collections to another institution or institutions
- Whether the Women's Library could become part of a Shared Services Unit
- Full or partial closure
- The management of communication with stakeholders
- The extent of any conflict of duty or interest on the part of members of the Board of Governors, and how such conflict might be managed.

The Board **authorised** a panel consisting of the Chair, the Vice Chancellor, Mark Robson and Laura Carstensen to draw up the working group's membership and terms of reference and **requested**, if possible, an interim report at its January meeting.

V-C

***Action: Vice Chancellor to draw up, in collaboration with the Chair, Mark Robson and Laura Carstensen, the membership and terms of reference of a working group on the Special Collections and to report on the group's work at the January Board meeting.***

The Board also **requested** that as a matter of priority the staff of the Women's Library and TUC Collection be informed of its decision. V-C

***Action: Vice Chancellor to communicate the Board's decision to the Women's Library and TUC Collection staff.***

## **727 Financial Reports**

### **727.1 Audit Committee**

Katherine Farr (Chair, Audit Committee), gave an oral report. She reported that, subject to minor changes which were not material, the Audit Committee was satisfied with the financial statements, subject to:

- Agreed accounting treatment of pension liabilities omitted in error by the actuary;
- A change of accounting policy regarding vacant buildings; and
- Various minor changes which were not material.

In addition the statements on corporate governance and public benefit had been revised. The Audit Committee was satisfied that the financial statements complied with regulations and guidance.

Katherine Farr also reported that the Audit Committee had reviewed auditors' reports on possible fraud in the printing department in a period up to 2007 and on compliance with UKBA requirements.

### **727.2 Finance and Resources Committee**

Mark Robson (Chair, Finance and Resources Committee), gave an oral report on its recent meeting. The key points were:

- The Committee considered the draft annual accounts for 2010/11 and noted two significant points: the need for prior-year adjustments in respect of pensioners omitted from the actuary's calculations; and an accounting policy of providing in full for the future operating costs of buildings from the date the Board approves a decision to vacate. FRC noted that various drafting changes had been identified, but was satisfied that these were not material to the year's outturn. FRC approved the accounts so far as it was concerned and commends them to the Board for formal approval.

- [This part of the Minute has been withheld on grounds of commercial confidentiality].
- [This part of the Minute has also been withheld on grounds of commercial confidentiality].
- FRC approved the treasury management policy, as required under LMU's Financial Regulations, and a Single Equality Scheme for the University.
- FRC considered a paper on the Special Collections and requested further legal and financial advice on their responsibility and liabilities in the event of closure.

### 727.3 Financial Statements 2010/11 (BG 52/4.1)

The Board **considered** the financial statements in the light of the preceding oral reports and **noted** that KPMG were providing an unqualified audit opinion.

The Board:

- **Confirmed** the preparation of the financial statements on a going concern basis;
- **Approved** the financial statements ;
- **Authorised** the Chair to sign the report of the Board of Governors;
- **Authorised** the Chair and the Vice-Chancellor and Chief Executive to sign the statement of corporate governance and the balance sheets; and
- **Authorised** the Chair to sign the letter of representation.

### 727.4 Financial Forecasts (BG 52/4.2)

The Board **noted** the forecasts covering the five years to 31 July 2016, which had been reviewed by the Finance and Resources Committee and recommended to the Board for approval. The Board further **noted** that the forecasts would be submitted to HEFCE.

The Board **requested** for its next meeting a timeline for achieving further savings. DCE

**Action: Deputy Chief Executive to prepare for the January Board meeting a timeline for achieving further cost savings.**

The Board **approved** the financial forecasts for submission to HEFCE and inclusion in the financial statements.

#### **727.5 Annual Accountability Return (BG 52/4.3)**

The Board:

- **Noted** the table of responsibilities; and
- **Agreed** to delegate the sign off of the Annual Assurance Return and the Annual Monitoring Statement to the Chair and/or the Chair of Audit Committee and the Vice-Chancellor.

#### **727.6 Management Information (BG 52/4.4)**

The Board **noted** the management information.

### **728 Annual Reports**

#### **728.1 Audit Committee (BG 52/5.1)**

Katherine Farr introduced the report, which would be submitted to HEFCE as part of the Annual Accountability Return. She drew attention to the auditors' comments about improved data quality, which enabled them to give an opinion of 'satisfactory assurance' this year.

The Board **approved** the report.

#### **728.2 Annual Report on VFM (BG 52/5.2)**

The Board **noted** that under University policy the Value for Money (VfM) Group, which had been in abeyance since the resignation of John McParland in February, was required to publish on an annual basis a review on VfM arrangements within the Institution and initiatives conducted during the year. This report was then submitted to the Audit Committee. VfM in this context is defined as the means by which the University discharges its duties in ensuring the efficiency, effectiveness and economy of its activities.

The Board also **noted** that, notwithstanding John McParland's resignation, activities to support the delivery of VfM had continued, through day-to-day operating controls and by the programme of strategic reviews and restructuring carried out during the year, reporting to the Executive Group. Responsibility for the VfM Group had now passed to the Director of Finance and a review of VfM activity planned for the next two years would be carried out for report to the next meeting of the Audit Committee.

**729 Governance Report – Board Effectiveness (BG 52/6)**

Tony Millns (Chair, Governance Committee) presented the paper and thanked Governors for their response to the effectiveness review. As a result the Governance Committee would be considering in 2012 how to plan for and carry out a further and deeper review.

The Board **endorsed** the report.

**730 Human Resources Report – Pay and Reward (BG 52/7)**

The Board **noted** this report. Headline points were:

- 66 applications for voluntary redundancy (including 30 from academic staff) had been received. An Executive Group panel had met to consider them and had approved the vast majority. Indicative savings were of the order of £1.5m.
- The Universities and Colleges Union (UCU) had requested negotiations on financial compensation for the suspension of PRP, but had been advised that they did not have collective bargaining rights for senior managers and that negotiations were not therefore appropriate. To date, no legal claims had been received and only one senior manager remained in correspondence with the University on this issue.
- Work was nearing completion in respect of introducing the new job evaluation tool (HERA) in the ISS Department.
- Constructive meetings had taken place with UCU and UNISON over the summer and early autumn on a single performance review and development framework covering all staff groups.

**731 Agenda Part Two**

The Board **noted** the following papers for information:

- (a) Current Membership of the Board **(BG 52/9)**
- (b) Date of Future Meetings **(BG 52/10)**
- (c) Revised University organisational structure **(BG 52/11)**
- (d) FRC papers of 16 November 2011 on financial forecasts **(BG 52/12)**
- (e) FRC papers of 16 November 2011 on financial statements **(BG 52/13)**
- (f) The unconfirmed minutes of the Academic Strategy Committee – 19 October 2011 **(BG 52/14)**
- (g) The unconfirmed minutes of the Governance Committee - 19 October 2011 **(BG 52/15)**
- (h) The unconfirmed minutes of the Health and Safety Assurance Group – 7 November 2011 **(BG 52/16)**
- (i) The unconfirmed minutes of the Women's Library Council 8 November 2011 **(BG 52/17)**

**732 Any Other Business**

The Vice Chancellor reported an e-mail he had received from the President of the Students' Union, concerning Vice-Chancellor's pledges, to which he would be responding appropriately.

**733 Date of Next Meeting**

Wednesday 25 January 2012 at 5pm in the Board Room, Calcutta House, Old Castle Street E1 7NT.

**Certified to be a true record:-**

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**Chair, 25 January 2012**

**Fifty-second Meeting of the Board of Governors, 23 November 2011****Action Sheet**

<b><u>Minute</u></b>	<b><u>Action</u></b>	<b><u>By</u></b>
721.1	To prepare a critical pathway report for the Board's January meeting.	Deputy Chief Exec
721.2	To review the format of Board and committee minutes.	Univ Sec
722	To ensure that international strategy is on the agenda for the March 2012 meeting.	Univ Sec
723.4	To consider proposals for enhancing the student experience.	Vice Chancellor
726	To draw up, in collaboration with the Chair, Mark Robson and Laura Carstensen, the membership and terms of reference of a working group on the Women's Library and to report on the group's work at the January Board meeting.	Vice Chancellor
726	To communicate the Board's decision to the staff of the Women's Library.	Vice Chancellor
727.4	To prepare for the January Board meeting a timeline for achieving further cost savings.	Deputy Chief Exec