



CONFIDENTIAL

Board of Governors

**Minutes of the fifty-sixth meeting held on
Wednesday 4 July 2012**

Present:

- Clive Jones – in the Chair
- Syed Ali
- Kathy Castle
- Kay Dudman (from minute 769.1)
- Katherine Farr
- Emir Feisal (from minute 769.1)
- Malcolm Gillies – Vice-Chancellor
- Tony Millns
- Ann Minogue
- Daleep Mukarji
- Mark Robson
- Dianne Willcocks

In attendance:

- Paul Bowler, Deputy Chief Executive
- Sean Connolly, Director, Strategic Programme Office
- Mark Harris, Deputy University Secretary (Board)
- Peter McCaffery, Deputy Vice-Chancellor
- Pam Nelson, Director of Finance
- Alison Wells, University Secretary
- Jonathan Woodhead, Executive Officer

765 Apologies for absence

The Chair opened the meeting at 5.08pm and reported that apologies for absence had been received from Maureen Laurie and Rob Hull. He noted that a quorum was not yet present because there were not five independent lay governors (as defined by the Articles of Association) in attendance. A quorum was reached during minute 769.1.

The Board noted that this was its first meeting since the resignation of Laura Carstensen. The Board wished to place on record its warmest thanks to Laura for her service and commitment to the Board of Governors and to the University.

766 Declarations of interest

The Board noted the interests of Clive Jones, Tony Millns, Emir Feisal and Daleep Mukarji in item 9.2 (Reappointment of Governors).

Mark Robson declared an interest in Board business arising from his recent appointment to the board of the Higher Education Funding Council for England (not yet publicly announced). He assured the Board that he was committed to managing any potential conflicts of interest openly and effectively and urged the Board to feel entirely comfortable with asking him to withdraw from any discussion in which his presence as a HEFCE board member might inhibit discussion and debate. It was further agreed that the potential conflict should be considered as a standing item under Declarations of Interest at each meeting.

The Board congratulated him on his appointment and thanked him for his assurances.

767 Minutes of previous meeting (BG 56/1)

The minutes of the meeting held on 14 March 2012 were approved as a correct record.

768 Matters arising

There were no matters arising.

769 Matters from the Vice-Chancellor

769.1 General report and Quarterly Report to HEFCE and the Board of Governors (BG 56/2.1)

The Vice-Chancellor introduced his reports and drew attention to six points:

- The drawing together of the Vice-Chancellor's Office into four sections (Senior Officers; University Secretary and Clerk; Strategic Programmes Office; and Office of Institutional Effectiveness), which was already beginning to deliver benefits.
- The key post of Dean of Students had become vacant and was currently being advertised internally.
- On the Shared Services Initiative, the five original bidders had been reduced to three [NAMES REMOVED ON GROUNDS OF COMMERCIAL CONFIDENTIALITY]. Although the project was running slightly behind the original timetable it remained on track for conclusion in the early autumn. The competitive dialogue process, while intensive and time consuming, was delivering considerable benefits in helping all parties better to define objectives and outcomes.
- With regard to the Strategic Development Fund, although good progress had been made with the projects, the University remained at risk of failing to meet key targets - notably staff costs as a percentage of income, and student retention targets. The Vice-Chancellor reminded the Board that failure to meet two or more main targets might trigger a HEFCE project review, which could in turn lead to the loss of grant/loan funding.
- New business with new partners. [PART MINUTE REMOVED ON GROUNDS OF COMMERCIAL CONFIDENTIALITY]. A new joint venture agreement had been concluded with the London School of Business and Finance. The University had also been exploring the possibility of involvement in large-scale projects to develop higher education in Indonesia and was part of a provisional bid for funding with institutions in France, India and Australia.
- Risk management. A more specific report on this matter was on the agenda, but the Vice-Chancellor's strategic overview noted, inter alia, the alignment of corporate and local approaches to risk, and the continuing key risks to the University that lay in failure to achieve financial sustainability, meet student number targets, and deliver the required return from any given activity. Following discussion it was agreed that Vice-Chancellor and Sean Connolly

would discuss further refinements of the process.

769.2 Strategic Plan – progress with 2010-13 plan, extension of priorities to 2015, and special themes for 2012-13 (BG 56/2.2)

The Vice-Chancellor introduced the paper and there was a brief discussion. A correction was noted on page three: the third from bottom paragraph should be moved to be the penultimate paragraph. The Board endorsed the paper and:

- **approved** a proposal not to proceed with the Review of Academic Structures, originally scheduled for 2012/13 in the Strategic Plan;
- **approved** the establishment of a Working Party to progress the extension and modification of the Strategic Plan for 2013-15;
- **approved** “Building a More Trusting Culture” and “Jobs” as special themes for 2012/13, as part of the Strategic Plan 2010/13;
- **noted** the establishment of a Partnerships Review in 2012/13.

769.3 HEFCE assessment of institutional risk status (BG 56/2.3)

The Board received HEFCE’s risk assessment letter. [REMAINDER OF MINUTE REMOVED ON GROUNDS OF COMMERCIAL CONFIDENTIALITY].

769.4 UKBA compliance update

Paul Bowler reported that the University had received no feedback from the Border Agency’s second visit and that the University was taking steps further to enhance systems of monitoring student attendance as this was a vital component of maintaining HTS status.

While it had been anticipated that the University might introduce electronic attendance monitoring, this was now being reconsidered as the UKBA did not necessarily accept electronic monitoring records as sufficient proof of a student’s attendance.

769.5 International review (BG 56/2.4)

In the absence of the Director of the International Office the Vice-Chancellor presented the report of the University’s international review. He noted that an earlier draft had included references to the Woolf Report and the Bribery Act, as requested by the Audit Committee, but these sections

were insufficiently developed to be submitted for Board consideration.

The Vice-Chancellor drew attention to the scope for expansion of offshore student numbers from the present 2340, and he noted that the equivalent figure for the University of Greenwich was £9125. Fee setting for international students was a key component of a growth strategy and would be discussed at the Senior Management Group's awayday in September 2012.

The Board deliberated at some length on the review and noted that much more work was needed to develop it into a fully formed strategy document with milestones and targets. It was agreed that the University would benefit at this time from a global and strategic perspective on international students and on internationalisation, to complement the operational expertise of the Director of the International Office and to provide leadership across all international activities. The Vice-Chancellor agreed to reflect on this and report back in due course.

The Board noted the report, but felt unable to endorse its recommendations, until such time as it received a comprehensive international strategy document, including targets and deadlines. It **requested** a further report at its autumn meeting.

MB,
VC

Action: Director of International Office, Vice-Chancellor

770 Student governor's report (BG 56/3)

Syed Ali introduced his report and drew governors' attention to key points. He thanked the Board for its support during his year as a member, and noted that this may be his last meeting as elections for the new Students' Union representative to the Board had yet to be held. The matter of student representation on the Board remained under review as part of the revision of the Articles of Association.

771 Resources

771.1 Five-year financial forecasts (BG 56/4.1)

Pam Nelson introduced the forecasts and outlined the key points. The Board noted that an earlier version of the forecasts had been approved by the Finance and Resources Committee on 20 June in order to meet HEFCE's deadline of 21 June for submission.

The Board:

- **approved** the financial forecasts for 2011-12 to 2015-16; and
- **retrospectively approved** the return submitted to HEFCE on 21 June 2012 as part of the University's Annual Accountability Return.

771.2 Budget for 2012-13 (BG 56/4.2)

Pam Nelson gave a report. Key points were:

- An operating surplus of £10.8m (£7.4m after non-operating items) or 6.7% of income;
- Staff costs as 51.3% of income;
- All key performance indicators better than strategic plan targets except year-end liquidity (the cash position to be kept under close review);
- A sustainability action plan was no longer needed, due to income generation and cost reduction initiatives currently under way; and
- Achieving student recruitment targets was the main risk to achieving budgetary outcomes.

The Board noted the proposed capital spend of £3.1m for IT and £10.3m for estates projects, including £5.2m for library consolidation and £1m for carbon management projects.

The Board further noted progress to date in implementing the Resource Allocation Model (RAM) and the intention to build the RAM format into the new collaborative planning tool purchased as part of the finance system with implementation for 2013-14.

The Board **approved** the proposed budget for 2012-13.

771.3 Management information at 31 May 2012 (BG 56/4.3)

Pam Nelson gave a report. Key points were:

- Operating surplus of £5.2m for the first ten months of the year, £0.8m above budget (£0.8m increase from last month). This includes a provision of ten months' pro-rata share of the HEFCE student number control penalty (£4.9m).
- Bottom line surplus for the period of £20.8m (budget, £15.8m), after pension adjustments, restructuring costs and sale of the Tower Hill building.
- Forecast operating and bottom line surplus unchanged at £3.1m and £15.5m respectively.
- [ITEM REMOVED - COMMERCIAL CONFIDENTIALITY].

- Total enrolments of home and overseas students at 30,684.
- The University currently on target to meet all performance indicators.

The Board noted the management information.

771.4 Library consolidation report (BG 56/4.4)

Paul Bowler introduced the paper, which had been considered in detail and approved by the Finance and Resources Committee at its meeting on 20 June. The Board **endorsed** the Committee's decision to approve the proposal.

771.4.1 31 Jewry Street

This matter is the subject of a separate confidential minute.

772 Academic matters

772.1 Special collections (BG 56/5.1)

772.1.1 TUC collection

The Board noted that the TUC had agreed an increased financial contribution for 2012/13 and hoped that this arrangement would be ongoing.

772.1.2 The Women's Library Collection

Noting recent correspondence received by governors from Unison officers, Paul Bowler tabled documents which demonstrated clearly that, contrary to Unison allegations, there had been substantive and timely consultation not only with staff but also with other partners and organisations. Concern was expressed at this misrepresentation of the facts and also at the risks of union action damaging the University's relationships with prospective bidders.

A number of points were made in the discussion that followed and it was agreed that:

- The timeline for concluding this matter was very short, but while this was challenging for the University and for the bidders, a lengthy period of uncertainty for the future of the Library was even less desirable.
- The long-term sustainability of the Collection should be a key, if not the primary, criterion for selection of a bidder.

- 'Access' should mean more than simply physical access, but might encompass electronic access and "intellectual accessibility" for wider audiences.
- The selection committee membership was already extensive and should not further be increased
- The future of the building in which the collection was housed was entirely secondary to the consideration of bids
- That further legal advice should be sought on the role and responsibilities of governors as trustees in relation to this next stage in the process

Action: University Secretary

Univ
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The matter being put to the vote, the Board **unanimously resolved:**

- To **approve** the selection criteria set out in the paper subject to clarification (noted above); and
- To **approve** the proposed membership of the Selection Committee,

772.2 Proposed merger of the Faculty of Life Sciences and the Faculty of Computing (BG 56/5.2)

The Vice-Chancellor presented a paper from the Academic Board and the conjoint Dean of the two Faculties.

The Board noted Academic Board's recommendation that the merger should proceed. The Vice-Chancellor reported that agreement had been reached on the name of the Faculty, which would be the Faculty of Life Sciences and Computing.

The Board **approved** the merger of the Faculty of Life Sciences and the Faculty of Computing into a single Faculty to be known as the Faculty of Life Sciences and Computing.

772.3 Sir John Cass Faculty of Art, Architecture and Design – approval of title (BG 56/5.3)

The Board **approved** the title **Sir John Cass Faculty of Art, Architecture and Design ("The Cass")** for the Faculty created by the impending merger on 1 August 2012 of the Sir John Cass Faculty of Art, Media and Design and the Faculty of Architecture and Spatial Design. The Board noted that Sir John Cass's Foundation had approved this use of the Cass name.

772.4 OFFA Access Agreement 2013-14 (BG 56/5.4)

Peter McCaffery presented a paper. The Board noted the Access Agreement and **approved** a proposed 4% rise in fees for home UG students for 2013-14.

772.5 Deputy Vice-Chancellor's report on general academic matters (BG 56/5.5)

Peter McCaffery presented a report outlining progress on a number of matters, which the Board noted. The Board was particularly pleased to note the MSCHE reaccreditation team's opinion that the University met all its standards.

The Board discussed arrangements in place and planning for Clearing 2012. It was reported that the University's Student Number Control target was 4612 students, excluding those with AAB grades. This, it was suggested, made tracking applicants difficult and meant that Clearing in 2012 was likely to prove at least as challenging as in 2011, given that there was less demand and marginally fewer places. However, it was very difficult to predict the market. Peter McCaffery pointed out that as of yesterday undergraduate applications to LMU had been 17% down on the previous year and firm acceptances 5% down.

The Board was reminded that the findings of the Deloitte report had been implemented and that the University had more robust processes in place which should enable it to respond more quickly to changes in student demand during the Clearing period.

773 Board matters

773.1 Revised articles of association for the University (BG 56/6.1)

Alison Wells presented a report. The Board noted the report and approved the proposal that the Chair, Chair of Governance Committee, Vice-Chancellor and University Secretary, should continue work on the Articles over the summer period in order to maintain momentum and bring the first full draft to the next meeting of the Governance Committee.

773.2 Reappointment of Governors (BG 56/6.2)

Mark Robson took the Chair for this item and confirmed with Clive Jones,

Emir Feisal, Tony Millns and Daleep Mukarji that they were not debarred from appointment by reason of the exclusion criteria contained in the Articles.

The Board noted the Governance Committee's recommendation to reappoint the four governors identified in the paragraph above. Mark Robson informed the Board that Maureen Laurie and Rob Hull had signified to him in writing their support for the Committee's recommendation in full. Specifically they supported the reappointment of all four governors.

Mark Robson further proposed that in reappointing Tony Millns advantage should be taken of the independent lay governor vacancy created by Laura Carstensen's resignation, and that Tony Millns should be appointed into this vacancy (a change of category for him from co-opted to independent governor). Alison Wells advised that this was constitutionally acceptable but noted for the record that doing so would not "restart the clock" in terms of the overall period of tenure.

The Board **unanimously resolved:**

- To appoint Tony Millns, now as an independent lay governor, for three years with effect from 1 October 2012; and
- To reappoint Clive Jones, Emir Feisal and Daleep Mukarji as independent lay governors for three years with effect from 1 October 2012.

No Governor voted on his own appointment.

Clive Jones then resumed the Chair.

773.3 Board effectiveness review update (BG 56/6.3)

Alison Wells presented a progress report, which the Board noted. Katherine Farr reminded the Board about Independent Audit as a possible review provider.

773.4 Proposed dates of Board meetings in 2012-13 (BG 56/6.4)

The Board **agreed** the proposed dates of meetings with a caveat about checking the dates of Audit and Finance and Resources Committee meetings in November.

774 Risk management report (BG 56/7)

Sean Connolly presented a report. Key points were:

- The majority of the actions identified in the Internal Audit had already been implemented. Those outstanding were work in progress and still ahead of scheduled delivery in the autumn.
- There had not been major changes in the raw and residual risk ratings in the corporate risk register since March, however there had been a number of changes in the mitigations both required and subsequently made so that they become risk controls.

The Board noted the report.

775 Minutes of meetings (BG 56/8.1 to 8.5)

The Board received the following for information:

- Draft minutes of Governance Committee, 8 May
- Draft minutes of Academic Strategy Committee, 8 May
- Draft minutes of Audit Committee, 22 May
- Notes from the Board Strategy Day, 23 May
- Draft Minutes from the Academic Board, 19 June

Mark Robson reminded the Chair about the proposal contained in minute 203 of the Governance Committee to hold a private meeting with independent governors.

776 Any other business

There being no other business the meeting closed at 7.50pm

777 Date of next meeting

Thursday 27 September 2012 at 5pm.

Certified to be a true record:-

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Chair, 27 September 2012