

CONFIDENTIAL

Board of Governors

**Minutes of the sixty-third meeting held on
Thursday 14 March 2013**

Present:

Clive Jones – in the Chair
Kathy Castle
Katherine Farr
Emir Feisal (from mid minute 855)
Malcolm Gillies – Vice-Chancellor
Rob Hull
Tony Millns
Ann Minogue
Daleep Mukarji
Adnan Pavel
Mark Robson
Dianne Willcocks (from mid minute 855)

In attendance:

Paul Bowler, Deputy Chief Executive
Mark Crowhurst, Students' Union General Manager (for
minute 872 only)
Ayoola Onifade, Students' Union President (for minute 872
only)
Peter McCaffery, Deputy Vice-Chancellor
Andy Downes, Programme Manager, SPO
Alison Wells, University Secretary
Sean Connolly, Director, SPO
Lyn Link, Director of Human Resources
Jonathan Woodhead, Executive Officer

854 Apologies for Absence

Apologies for absence were received from Pam Nelson. Apologies for a slightly late arrival were received from Emir Feisal and Dianne Willcocks. Jawad Botmeh was welcomed to first meeting.

The Chair noted that this was Lyn Link's final Board meeting.

855 Private Session

The Chair asked the members of the University Executive, in attendance at the meeting, to withdraw, in order for the Board to discuss a matter in private.

The Board moved into private session. It was noted that Alison Wells had circulated a formal briefing note to governors on feedback received from the UKBA with regard to Jawad Botmeh serving as a director of the University. The following facts were noted:

- UKBA guidance states that a factor in reaching a decision on an application for a Tier 4 licence is the status of "relevant persons" – a group which includes directors of a company.
- If any such relevant person has a specific criminal conviction which is covered and defined within the terms of the guidance, then this needs to be declared to the UKBA and will be a factor in the decision on the application.
- Jawad Botmeh has a criminal conviction which can never be deemed to be spent (under the Rehabilitation of Offenders Act 1974).
- The University had made the UKBA aware of this fact when it put in its new Tier 4 licence application.
- The UKBA had made it clear to the University that Jawad's continuation as a director would lead not only to the refusal of the new application for a Tier 4 licence but to the revocation of the existing Tier 2 licence.
- The UKBA had also stated its intention to refer the matter to the relevant Minister of State.

The Board needed to address the situation. Regaining the University's Tier 4 licence was critical to the future financial survival of the institution – without it, insolvency was almost inevitable.

The Chair advised that he would be asking the Board to consider two formal resolutions concerning the removal of Jawad as a director. Formal notice of these resolutions had been waived. Written copies of the resolutions would be circulated if required.

Having explained the position, the Chair invited Jawad to address the governors and he made a series of detailed representations covering issues of due process, timeliness, trust and confidence, fairness, proper communication and confidentiality. He also raised issues in relation to his employment status and investigations into colleagues, but was reminded that such matters were ultra vires – matters for the executive and not for the Board of Governors.

He asked for more time to consider his position and to receive a statement in writing from the UKBA that he could share with his solicitor. In response he was advised that the University had been told that the matter would be placed before a Minister at the weekend for a decision; the impact of which could be devastating for the University. A number of governors reflected on the unpredictability of the situation, the damage already inflicted on the institution and the clear political dimension to any judgement on the University's pending application.

Jawad withdrew to reflect and consider the matter. On his return he thanked the Board for the opportunity to meet them and for listening to his representations. He stated that he found the matter in hand difficult to come to terms with. He asserted that he was not convinced that the UKBA's position was as claimed and if indeed they could be substantiated formally he would resign. However, it was clear to him that the Board did believe the UKBA would reject the application and he did not wish personally to be blamed if this were to be the outcome.

Jawad then tendered his resignation from the Board with immediate effect. The Board thanked Jawad for acting in the interests of the University and he left the meeting at this point.

The Executive then rejoined the meeting. The Chair advised that Jawad had resigned with immediate effect and asked that this be communicated immediately to the UKBA.

856 Declarations of interest

The Board noted Mark Robson's interest as a member of the Board of HEFCE.

857 Minutes of the Previous Meeting (BG 63/1)

The minutes of the meeting held on 31 January 2013 were confirmed as a correct record with one clarification / amendment – whether the figure of £960m was accurate - reported in Financial Forecast Revision Item 846 (p7).

Clerk's note – this was checked after the meeting and amended to read £960k.

858 Matters Arising

There were no matters arising from the minutes

859 Vice-Chancellor's General Report to the Board (BG 63/2.1)

The VC introduced his paper; highlighting a number of key points;

- The need to refresh the Articles of Association.
- Applications running at 13% below the same level of last year, with each Faculty showing a different profile of recruitment.
- Revised forecasts were being prepared, including modelling against a 20% reduction in enrolments.
- Other, particularly London institutions, were similarly affected but LMU's position with international students left it more exposed.
- Changes were anticipated to the University's risk management processes in order to add vitality to an area of activity that was dutifully rather than enthusiastically embraced.

Peter McCaffery noted that the position on February 2013 admissions was positive. He outlined work in train to improve conversion rates (from application to enrolment).

The Board noted a matter raised by the QAA in relation to "good housekeeping" in terms of online advertising of courses and were reassured that work was in train to close all "dead" webpages and remove references to courses that were no longer offered.

Noting the revision of the Student disciplinary procedures, and their consideration by the Governance Committee and the Executive, it was noted that the SU had not formally been consulted although views had been sought informally from a number of student representatives.

860 HEFCE Institutional “At Risk” Letter (BG 63/2.2)

The Board received and noted the Letter.

861 International Strategy (BG 63/2.3)

The Vice-Chancellor introduced the paper and noted its relationship to and coherence with the overall institutional strategic plan.

The Board noted that the strategy addressed the need to prepare all LMU students for a global world and it noted and approved the Strategy.

862 Action Plan Update

Andy Downes introduced the update and drew the Board’s attention to key elements in the presentation.

The connection was noted between the staff contract redesign and benefits compliance, and it was noted that work on the staff contract was being entirely re-scoped in the light of both guidance from the Board and FRC and the changing context of the work. Andy stressed the importance of the Action Plan focusing on areas of work likely to yield the greatest financial results, and the need for care in identifying and understanding interdependencies in the work.

The Board noted that progress with the Plan, and consideration of the risks and controls, was monitored closely by the Strategic Plan Working Group.

Andy Downes was asked to ensure that there had been no double counting in the estimated savings from the 9 Point Action Plan.

863 Action Plan Savings Forecast and Revision (BG 63/3.2)

AD introduced the paper and drew attention to the tables, noting some interdependencies. He stated that some of the forecast figures encompassed not merely savings but also income growth.

An error in the table on fees and pricing; for 2015/16 should have a 3.5m saving. The Board noted the possibility that staff costs may need to increase as student numbers climbed and asked that this be reflected in updated forecasts. It was agreed that the PwC figures should be mapped onto table 2 for ease of reference.

The Board of Governors noted the changes and approved the revised Target Savings for the 9 Point Action Plan Programme.

864 Course Portfolio Review (BG 63/3.3)

Peter McCaffery introduced the paper. The Board noted the outcome of the Course Portfolio review for 2013-14.

865 Business School Redesign (BG 63/3.4)

Peter McCaffery introduced the paper and noted that the work was now the subject of a formal dispute with the unions (a second element to the dispute focused on the action plan as a whole.) The unions were seeking a formal guarantee that the University would not alter the academic staff contract in any way. The Board recalled the formal mechanism for handling disputes. The Board of Governors noted the progress on the Business School redesign project.

866 Academic Staff Contracts Redesign – Action Plan (BG 63/3.5)

Peter McCaffery introduced the item and reported that in light of FRC and Board advice further modeling had been undertaken and attention was now focused on optimizing workforce within existing contract, securing savings and then exploring possible new developments for different academic roles on a different contractual basis. He drew attention to the disparity in interpretation between provisions in the national contract and LMU.

There was clear evidence of under utilisation of academic staff. While the picture varied across faculties there was the potential for increased efficiencies of up to 30%.

The Board discussed the underlying explanation for the significant difference between the original PwC estimates and the Action Plan reports. It was agreed that further, detailed information should be provided to Board members on the figures.

The Board agreed that a pragmatic approach was most appropriate, focusing on making the existing contract more efficient, in terms of delivering qualitative and financial benefits.

The Board of Governors approved the recommendations in the paper:

- 1 To optimise the academic workforce by more effective management of academic staffing resources and workloads, within the existing (550 hour) academic contract, rather than through the introduction of new academic contracts of employment.

- 2 To achieve savings, through more effective management of academic staffing resources and workloads, within the current (550 hour) of:

£2.1M by July 31, 2013 - plus further savings of £5.82M across all Faculties making a total of planned savings of £7.92M in 2013-14.

AND (in meeting projected student demand for 2013-14)

EITHER

£1.97M by 30 June, 2014 (excluding the Business School)
(If our student enrolments for 2013-14 are indeed consistent with those in our financial forecast)

OR

£1.75 M. by 30 June, 2014 (excluding the Business School)
(If our student enrolments for 2013-14 are 10% higher than those in our financial forecast)

- 3 To explore the opportunity to introduce new academic contracts for new academic staff and for current academic staff who may wish to transfer.

867 9-Point Action Plan Report (Actions 5, 9) (BG 63/3.7) on Business Process redesign, Estates Master Plan Review and Benefits Compliance.

Paul Bowler introduced the report on business process redesign and noted the likelihood that Capita would come forward with significant proposals for cost savings that could be actioned before the next Board meeting. The Board agreed to restrict the procurement panel which had

previously overseen the competitive dialogue to three governors, Emir Feisal, Maureen Laurie and Rob Hull (but excluding Ann Minogue), with powers to review and approve any major proposals in advance of the May and July Board meetings.

Turning to the Estates Master Plan, Paul Bowler briefed the Board on the potential imposition of two Community Infrastructure Levies (CILs), by the Mayor of London and by the London Borough of Islington, the latter intending to use the funding for bursaries for Islington residents. These were additional charges on each room in the proposed Stapleton House development. The University was investigating whether it could offer Islington residents bursaries to study at LMU under the National Scholarship Scheme as a way of providing LBI with the same benefit without recourse to a CIL. It was noted that the Audit Committee had expressed a wish to audit Estates operations because of the size and scope of the activities.

With regard to benefits compliance, the University was looking at improving the management of sickness absence but was not planning to reduce benefits.

868 International Position UKBA Update

The Board recalled the earlier discussion of the International Strategy and noted the preparations for recommencing international recruitment once the new Tier 4 licence was granted, including applications held pending, and changes being made to English Language requirements.

Paul Bowler updated the Board on continuing discussions with the UKBA on the licence application and the planned Judicial Review. The University had scoped the basis for potential negotiation with the UKBA; to secure HTS status immediately together with a CAS number of 1000, (excluding provision for continuing students) and an agreement on mutually acceptable PR in return for dropping the Judicial Review. The Board discussed the estimated costs of the JR, and the potential for recovering them if the JR was successful. It was suggested that the University might request that an element of restitution to affected students could be included in the package.

The Board authorised Paul Bowler to continue negotiations on this basis.

869 OFFA Access Agreement and Fees for Home UG Entrants, 2014-15

The Board of Governors noted the Access Agreement, 2014-15 with the Office for Fair Access and approved the proposed increase in course fees for Home UG Entrants, 2014-15 of 4% plus £500 (without breaking the £9K cap).

870 Report from the Student Governor

Adnan Pavel gave a detailed briefing on Students' Union activities and events. The Board thanked Adnan for his report.

871 Students' Union Constitution (BG 63/5.1 and 63/5.2)

Rob Hull introduced his paper, recalling the robust discussion at the last Board meeting and reminding the Board that he and Ann Minogue had been tasked with engaging with the student council and student executives. He noted the diversity of views from the student body.

Two issues had been highlighted as contentious. With regard to pay for part-time officers, this would be out of keeping with practice in other students union and there were clearly difficulties with staff monitoring performance of part-time officers.

Turning to the identification of the Student Governor, a number of options had been suggested but none had attracted significant or unanimous support. Rob Hull advised that he and Ann had concluded that, in the interests of simplicity and clarity, the SU President should be the Student Governor. The Board noted and agreed some further minor textual revisions to the document to make role titles consistent with usual practice in students unions.

Adnan Pavel proposed Mark Robson be considered (along with Rob Hull) for appointment as a trustee on the Students' Union Trustee Board.

The Board agreed the Governing documents and relationship agreement and approved the Union proceeding to incorporation and Charity registration.

The Board further approved the creation of a Transitional Management Committee to oversee the transition and the further development of the Union.

872 Women's Library Transfer (BG 63/6.1)

Alison Wells introduced the paper. and the Board noted the report. Governors considered and approved the proposed letter to be sent by the LSE to the Charity Commission concerning the possible creation of a Scheme for holding endowment funds.

Paul Bowler briefed the Board on his negotiations with the Heritage Lottery Fund. The Board agreed that Ann Minogue would work with Paul Bowler to develop, in due course, an appropriate proposal for the HLF to consider and if agreed, brought back to the Board of London Met for final sanction.

873 Update on LSBF (BG 63/7)

Alison Wells introduced the paper and advised that, having previously agreed all the elements of the deed of variation and changes to arrangements with the UKBA, LSBF was now not co-operating with the university and had refused to sign the deed. It was clear that this refusal was a deliberate tactic directly related to the pending payment of two invoices. The Board noted the report.

874 Management Information to 31 January 2013 (BG 63/8)

The Board received and noted the report.

875 Stapleton Complex – Repayment of Loans from Sale Proceeds (BG 63/9)

The Board approved the payment of outstanding balances on the loans and finance lease secured on the Stapleton House complex from the proceeds of sale and requested that the University Executive reflect on the implications for cashflow.

876 Risk Management (BG 63/10)

The Board received and noted the report.

877 Board Committees – Review of Terms of Reference (BG 63/11)

The Board approved the revised terms of reference of the Board Committees.

878 Minutes for Information

The Board noted the minutes of the following committees:

- Strategic Plan Working Group, 12 February (BG 63/12.1)
- Academic Strategy Committee, 29 January 2013 (BG 63/12.2)
- Governance Committee, 29 January 2013 (BG 63/12.3)
- Audit Committee, 13 November 2012 (BG 63/12.4)
- Audit Committee, 26 February 2013 (BG 63/12.5)
- Academic Board, 26 February 2013 (BG 63/12.6)

879 Any Other Business

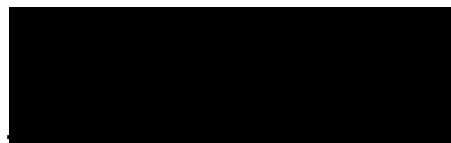
The Board extended its best wishes to Mark Harris for a speedy recovery.

Noting that this would be Lyn Link's last meeting before her retirement, the Chair reflected on her long and successful career at London Met, noting her achievements and contribution to the institution. The Board warmly thanked Lyn and extended their very best wishes for the future.

880 Date of Next Meeting

The next meeting of the Board of Governors would be the Strategy Day on 2 May 2013 at 9.30am.

Certified to be a true record:-



Chair, 2 May 2013

Sixty-third Meeting of the Board of Governors, 14 March 2013

Action Sheet

<u>Minute</u>	<u>Action</u>	<u>By</u>
862	To ensure that there is no double-counting in the cost savings	AD
867	A sub-group of three governors, Emir Feisal, Maureen Laurie and Rob Hull, powers to review and approve any major proposals relating to Business Process Redesign in advance of the May and July Board meetings.	PB
868	To continue discussions with UKBA	PB
873	Ann Minogue and Paul Bowler to develop an appropriate proposal for HLF with regard to the Women's Library building	PB