



BOARD OF GOVERNORS

**Minutes of the sixty-ninth meeting held on
Thursday 27 March 2014**

Present Clive Jones – in the Chair
Kathy Castle
Katherine Farr
Emir Feisal
Malcolm Gillies – Vice-Chancellor
Rob Hull
Jason Jackson
Maureen Laurie
Tony Millns
Ann Minogue
Daleep Mukarji
Michael Murphy
Mark Robson
Cathy Sullivan
Prof Dianne Willcocks

In attendance Paul Bowler, Deputy Chief Executive
Lynn Burke, Director Office of Institutional Effectiveness
Peter McCaffery, Deputy Vice-Chancellor
Pam Nelson, Director of Finance
Christopher Sarchet, Director of Strategic Programmes Office
Alison Wells, University Secretary and Clerk to the Board
Jonathan Woodhead, Executive Officer

Professor Dominic Palmer-Brown, Dean of the Faculty of Life Sciences and Computing (FLSC), gave a brief presentation before formal business commenced.

366 Welcome and apologies for absence

The Chair welcomed Michael Murphy to his first meeting as a governor, and Christopher Sarchet, in attendance

2 Declaration of interests

The Board noted Mark Robson's interest as a member of the Board of HEFCE and that Ann Minogue had past acquaintance with companies involved in the Commercial Road sale.

3 Minutes of previous meeting (BG 69/1)

The minutes of the meeting held on 30th January 2014 were confirmed as a correct record, with one amendment – under item **** the Communications Plan for the Met2020 project to be circulated for discussion at the Steering Group and then circulation to governors for information.

4 Matters arising not covered elsewhere on the agenda

4.1 Appointment of the Vice-Chancellor

The Board noted that, following the successful conclusion of the selection process, Professor John Raftery had been appointed as the next Vice-Chancellor of London Metropolitan University.

While John will begin gradually to engage with work of the institution over the coming weeks and months (he will for instance be joining us for the Board Strategy Day on 1st May). On the basis of current negotiations, it was expected that his formal commencement date would be 1st July 2014 and that there would be a month long handover with Malcolm Gillies.

4.2 Any other matters arising

The Board noted that work was in train on a draft terms of reference for the new Strategy Committee and it was anticipated that the first meeting would be held after the Board Strategy Day on 1st May, to follow up on the outputs of that meeting.

5 **Vice-Chancellor's reports**

5.1 Malcolm Gillies presented a General Report to the Board (BG 69/2). The report was primarily for note as the critical items for the institution are covered elsewhere in the agenda. A number of points were noted:

- HEFCE had been informed that LMU may spend up to £2m on Met2020 projects this year and was content with this, with the assurance that the projects would be focused on improving institutional sustainability.
- Work was in train to recruit a successor to Alison Wells, University Secretary and Clerk to the Board
- With time still to run on the University's current Strategic Plan, the University must retain its focus on delivery of the objectives in the plan and report any areas of planned deviation or non-fulfilment to HEFCE.
- Following the recent HEAT audit, the audit team would be recommending that the University regained Highly Trusted Status. The recommendation would be referred to the Secretary of State for the Home Department, whom it was understood was currently considering introducing new or more stringent measures concerning student visas; there was speculation on the halving of the permissible visa refusal rate. Michael Murphy suggested that the University would benefit from having a communication plan ready that was bold and positive in anticipation of securing HTS.

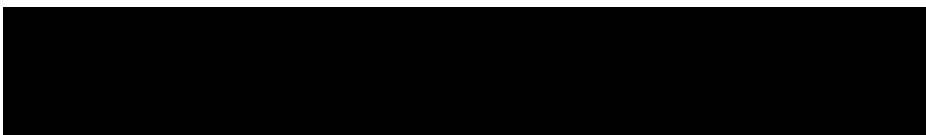
5.2 Malcolm Gillies presented his Quarterly Report to HEFCE and the Board (BG 69/3). The Board received and noted the report.

6 **Deputy Vice-Chancellor's report**

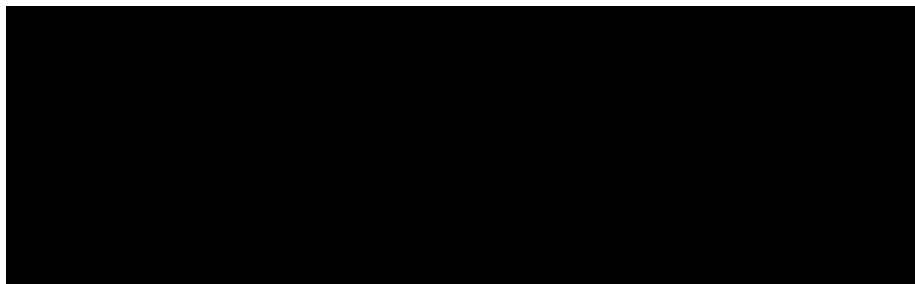
6.1 Peter McCaffery presented his report to the Board (BG 69/4).

The Board noted the prospect of developing a new partnership to bolster international student recruitment that would benefit the Faculty of Business and Law (FBL), in particular and agreed that, if appropriate, this could be an item for discussion at the Strategy Day on 1st May.

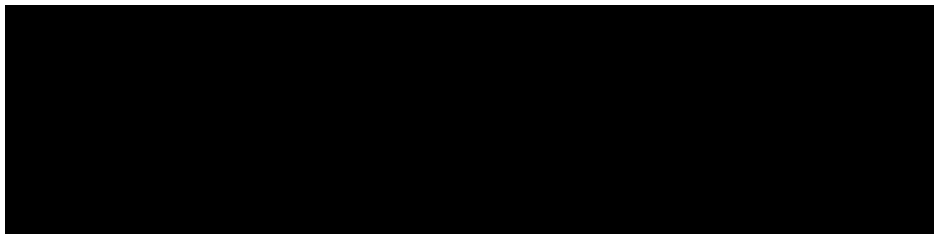
Lynne Burke introduced the appendix to the report on applications:



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7 Finance Director's reports

- 7.1 Pam Nelson presented a report (BG 69/5) and drew attention to changes to technical accounting and reporting standards, and to bringing pensions deficits into the annual accounts

Of more concern were continuing difficulties and delay in securing an effective interface between the new finance system and the student data system. The problem was partly internal and partly external but with the provision of additional resource it was expected to resolve the difficulties.

Daleep Mukarji recalled at the last Board meeting the discussion on planned suspension of students for unpaid fees. Pam Nelson outlined the process followed which involved frequent and proactive communication with the students to encourage them both to address the issue and to seek the University's help in working out payment plans. The impact of suspension on students due to submit assignments or take assessments was noted with regret, but the alternative was to continue to teach students with no realistic prospect of paying their fees. It was agreed that Pam Nelson would report back on the numbers of students affected and the financial implications.

8 Financial Forecast 2013-14 (BG 69/6)

The Board received for information on the most recent forecast of the University's likely financial out-turn for 2013-14, on work underway to contain costs and the implications of investment to support Met2020.

Updating the Board on recent management information, Pam Nelson reported that the institution received more grant income and had made a lower payment for franchise students, improving the current position and the forecast outturn.

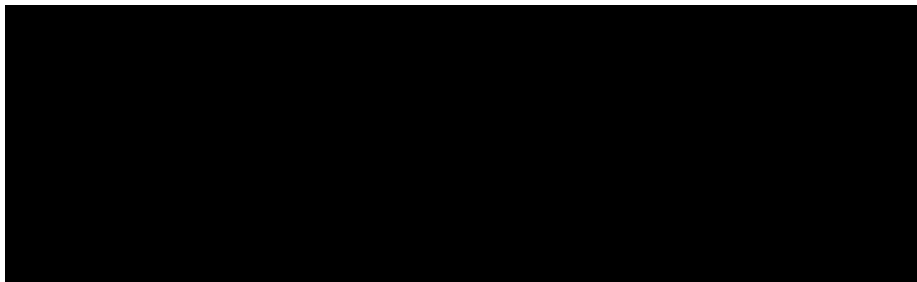
9 **Financial Forecast 2014-15 to 2016-17 (BG 69/7)**

The Board received for information the student number, income and cost assumptions. Pam Nelson and Lynn Burke gave a powerpoint presentation to the Board on the most up to the minute position

Following discussion of the position in FBL, the need to prepare estimates of income and expenditure based on its student number projections, information drawn from UCAS figures and competitor analysis, it was agreed that FBL should be a topic for specific consideration at the Strategy Day on 1st May

The Board further agreed that it should see an interim marketing plan at the Strategy Day that draws on benchmarking of our marketing against our competitors.

Turning to the draft financial forecasts, the Board noted:



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Clive Jones noted that the challenge for the Executive would be to keep the two components, of Met2020 and the financial forecasts, separate while understanding the relationship between the two. He asked the Executive to:

- Carry out sensitivity analysis
- Identify key variables and their volatility
- Identify worst and best case scenarios
- Look at FBL separately
- Ensure this is a standing agenda item for Executive Group
- Discuss a possible future re-modelling of the University's forecasting tool with PWC's data modelling team (rather than the audit team) but to retain the immediate priority of an audit of the fee forecasts.
- Prepare a clear proposal on managing student non-payment of fees for consideration at a future meeting.

10 **LPFA Actuarial Valuation and other Pension Issues (BG 69/8)**

The Board received for information the results of the 2013 actuarial

valuation of the LPFA pension scheme and the proposals from the LPFA for revised current contribution rates and proposed lump sum payments.

[REDACTED]

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The Board is considered and accepted two recommendations:

[REDACTED]

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The Board discussed guidance from the pensions regulator particularly with regard to affordability and noted that the university sector was developing a more co-ordinated approach in responding to these challenges.

11 Deputy Chief Executive's report

11.1 Paul Bowler presented a report (BG 69/9)

The Board noted the report and agreed that the draft Estates Strategy should come to Board Strategy on 1st May. A report on the Fundraising Strategy would be considered at the next meeting of the Finance and Resources Committee.

The Board reflected and discussed the risks and opportunities associated with devolution, commenting on a number of specific instances where moves to devolve responsibility to faculties could expose the institution to greater risk in areas such as Health and Safety, and insurance. [REDACTED]

[REDACTED]

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Clive Jones noted and the Board endorsed the position that, where operational activities were devolved to faculties, the individual Deans would be fully and solely accountable for performance and delivery – that with the transfer of authority came responsibility and accountability,

The Board noted with concern a recent health and safety incident where two bricks had been thrown at the reception window in Holloway Road, inflicting minor injury on a member of staff. The police were involved and the investigation continuing.

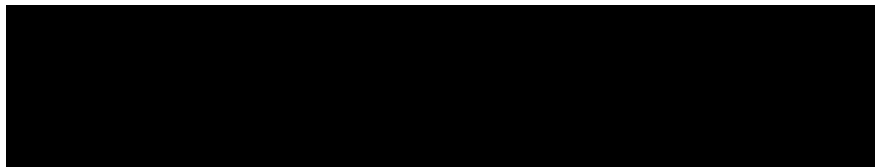
12 **Sale of Commercial Road BG 69/10**



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The Board considered and accepted two recommendations:

- (a) That the final decision on the sale is delegated to the Vice-Chancellor; Paul Bowler, Anne Minogue, Vice-Chair; and Emir Feisal, Chair of Finance and Resources Committee and this group to look at any changes to b) below;



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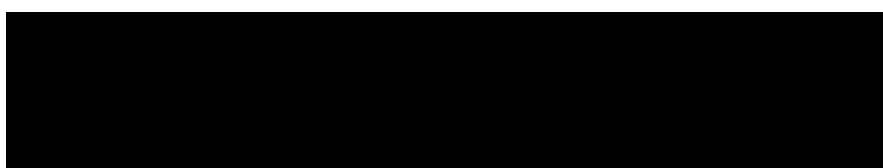
The Board endorsed the continuation of meetings with GLA and ERDF in tandem with further discussions with the preferred developer.

Jason Jackson and Cathy Sullivan expressed concern that consideration should be given to securing a developer committed to social justice and equity, rather than simply to secure the most profitable outcome. The Board noted that there was a short window of opportunity, with a positive climate for securing planning permission in the area, to secure the best return for the institution. Mark Robson reminded governors of their legal obligation as charity trustees and governors to achieve the optimum value from sale of assets.

13 **25 Old Castle Street (formerly the Women's Library Building) Developments (BG 69/11)**

The Board considered an update report from Paul Bowler regarding the discussions with the Heritage Lottery Fund (HLF). The Board noted progress and considered and accepted two recommendations:

- (a) To endorse the proposed approach with respect to the forthcoming HLF Board meeting;



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[REDACTED] Staff

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communications will focus on the many positive benefits of the move, with the main communication after the initial consideration of the proposal by HLF on 20th May.

14 **Sale of Stapleton House (BG 69/12)**

The Board considered an update report from Paul Bowler on the sale of Stapleton House. The Board considered the current scope and negotiating options and accepted:

[REDACTED]

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Paul Bowler and the Board expressed warmest thanks to Rob Hull for his work and support in engaging with the local council and planning committee. The Board noted that if the capital receipt slipped to August, the University may need to utilise its overdraft facility.

15 **Estates Budget (BG 69/13)**

The Board considered a report on accelerated capital projects from Paul Bowler. The Board accepted:

[REDACTED]

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There was a robust discussion of the provision of library facilities across the university campuses and the scope for students to access libraries at other universities and higher education institutions in close proximity to its own campuses. Governors who had attended the tour of the refurbished student hub at Moorgate expressed their view that it was an excellent facility.

The Board noted that detailed consideration and scrutiny of estates developments was the responsibility of the Finance and Resources Committee, which would report on its position and decisions to the Board.

16 University Secretary's report

16.1 Alison Wells presented a report to the Board (BG 69/14).

Following discussion, the Board:

- a) approved the Governance Committee's recommendation that minutes of Board meetings should be published six months after the date of the meeting,
- b) agreed that the six month delay should be reviewed annually by the Governance Committee,
- c) noted its commitment to openness and transparency in the spirit of the Nolan Principles and the provisions of the Freedom of Information Act.
- d) noted that there would be necessary, appropriate and legitimate instances where minutes should be withheld for a longer period (for example, in instances of commercial confidentiality).
- e) noted that, in the event of a minute being proposed to be withheld, the Chair would brief the Board and seek its endorsement
- f) endorsed the decision of the Governance Committee to recommence the process of seeking nominations for honorary awards.
- g) Approved the recommendation that Katherine Farr be reappointed as an independent governor, and Ann Minogue and Dianne Willcocks be reappointed as co-opted governors at the point of expiry of their current terms of office on 30th September 2014, each for a period of three years.

17 Risk Management (BG 69/15)

The Board received for information the February 2014 Corporate Risk Register and discussed the best and most appropriate approach to the provision and consideration of risk information. Katherine Farr proposed and the Board agreed:

- To see the University Risk Register at each Board meeting, for information and note, unless there were substantive changes.
- Any significant changes to the Register should be reported promptly to the Board, rather than waiting for the next meeting, if it arose between meetings.
- The Executive should report on its proactive management of risk.
- All major projects will have a risk register including those which are projected to have a benefit of more than £1m.

The Board considered and approved:

- (a) The Risk Management Strategy March 2014
- (b) The Risk Management Policy March 2014
- (c) The Risk Management Appetite March 2014

as works in progress and requested that risk management be brought back for further consideration at the July Board meeting status quo.

18 Student Governor's report

18.1 Jason Jackson presented a report to the Board (BG 69/16) and noted that the sabbatical officer election had concluded and the results were undergoing validation. The Board noted the report.

18.2 Student Union Strategy (BG 69/17)

Jason Jackson introduced the strategy document which the Board received and noted.

19 Any other business

20 Minutes for and other items for information

The Board received and noted the approved draft minutes of the following meetings::

- Academic Board - 26 February 2014 (BG 69/18)
- Academic Strategy Committee - 11 February 2014 (BG 69/19)
- Audit Committee of 25 February 2014 BG (69/20)
- Governance Committee of 19 November 2013 (BG 69/21)
- Governance Committee of 11 February 2014 (BG 69/22)
- Met2020 Steering Group of 28 February 2014 (BG 69/23)
- Remuneration Committee of 30 January 2014 (BG 69/24)

21 Date of next meeting

The next meeting of the Board of Governors will be a Strategy Day on Thursday 1st May 2014.

Certified as a true record

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Chair, 24 July 2014