

Kingston University London

MINUTES BOARD OF GOVERNORS

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON WEDNESDAY 24 NOVEMBER 2010 IN THE TOWN HOUSE, PENRHYN ROAD

Present:

Gren Collings (Chair), George Alexandrou, Tony Beadle, Chris Brooks, David Carter, Stephen Cooksey, Sara Drake, TJ Esubiyi, Bruce Fraser, Robert Green, Frank Kennedy, Peter Kopelman, Roderic Lyne, Nona McDuff, Phil Molyneux, Sue Rimmer, John Ripley, Peter Scott, David Taylor and Clarissa Wilks

In attendance:

Deputy Vice-Chancellor, Pro Vice-Chancellor (Corporate Affairs) & University Secretary, Pro Vice-Chancellor (External Affairs), Finance Director, Head of Planning, Head of Secretariat and Minuting Clerk

The Chair noted that, after thirteen years in post, this was Peter Scott's final Board meeting as Vice-Chancellor. On behalf of the Board, the Chair thanked Peter Scott for his work and support of the University over that time. The Chair also noted that the Vice-Chancellor's reports to the Board had provided a particularly informative and useful analysis of the University's position. The Chair noted that the Board members would have the opportunity to give more formal thanks at the farewell dinner for the Vice-Chancellor on 15th December.

100.0 Election of Chair and Vice-Chair (Paper BG 159/10)

100.1 The Pro Vice-Chancellor (Corporate Affairs) & University Secretary took the chair and explained that the University's Articles of Government required the election of a Chair and Vice-Chair at the first Board meeting each year following the 20th of November.

100.2 It was noted that, at a previous meeting, Roderic Lyne had been nominated to succeed Gren Collings. It had also been agreed that Gren Collings would continue as Chair until completion of the Board meeting on 26th January 2011, at which time he would resign and the Board would be asked formally to elect Roderic Lyne as Chair.

It was resolved that

Gren Collings be re-elected as Chair.

Gren Collings took the Chair for the remainder of the meeting.

100.3 The Chair noted that Lesley Granger had previously been nominated as Vice-Chair Elect to take over after Ann Corrigan's retirement from the Board on 20th November 2010.

It was resolved that

Lesley Granger be elected as Vice-Chair for the period from 21st November 2010 to 20th November 2011.

The Chair welcomed Bruce Fraser and John Ripley to their first meeting of the Board of Governors.

101.0 Apologies for absence

Apologies for absence were received from Ann Allen, Lesley Granger, Derek Osbourne, David Reardon and the Pro Vice-Chancellor (Research & Enterprise)

102.0 Minutes of the Board of Governors Meeting held on 22 September 2010

102.1 The Minutes were approved.

103.0 Matters Arising

103.1 Minute 87.3 – Employability:

It was reported that there would be a presentation on Employability later in the academic year.

103.2 Minute 95.0 Action – Suggestions for future topics:

It was reported that no suggestions for topics to be discussed at future Board meetings had been received to date by the Pro Vice-Chancellor (Corporate Affairs) / University Secretary.

103.3 There were no other matters arising which were not covered elsewhere on the agenda.

*Action: Presentation on Employability to the Board, later in the academic year
[Secretariat]*

104.0 Recommendation from the Selection Committee on the appointment of the new Vice-Chancellor (Paper BG 160/10)

104.1 The Chair Designate, as Chair of the Selection Committee, presented the Report from the Selection Committee, which was circulated to the

meeting. He reported on the process used, which had involved extensive consultation across the University and several meetings of the Selection Committee prior to the final two-stage interview process, the final stage of which included a ten minute presentation. The candidates were also given the option of one-to-one meetings with the Chair Designate.

104.2 The main attributes being sought in the successful candidate were a capacity to lead, strength of personality, appropriate background, correct style of leadership, ability to empathise with all constituents of the University and its values and mission, high level of motivation, and the intellectual and creative ability to lead the University through a challenging set of decisions.

104.3 The Interview Panel was assisted by Professor David Watson who provided wide-ranging experience and a valuable external perspective.

104.4 The unanimous decision of the Panel was to recommend Julius Weinberg, from a strong field of high quality candidates. The Board was asked to approve the recommendation, in accordance with the University's Articles of Government. Subject to the Board's approval, a public announcement would be made as soon as possible and contracts would be finalised with a view to a start date in the spring.

104.5 The Principal of St George's University of London said that he knew the candidate well professionally and commended his appointment.

104.6 The Board approved the recommendation of the Selection Committee that Julius Weinberg be appointed the next Vice-Chancellor of Kingston University.

It was resolved that

Julius Weinberg be appointed the next Vice-Chancellor of Kingston University

105.0 Re-appointment of Members of the Board (Paper BG 161/10)

105.1 The terms of office of Robert Green and Roderic Lyne having expired, the Board was asked to approve their re-appointment for a further three year term, with effect from 21st November 2010. The Board approved the re-appointments.

It was resolved that

Robert Green and Roderic Lyne be re-appointed for a further three years with effect from 21st November 2010 until 20th November 2013

106.0 Discussion document from the Vice-Chancellor

(Paper BG 162/10)

- 106.1 The Vice-Chancellor presented his discussion document, 'The New Funding Landscape: Browne Report, Spending Review and the Government's Response', which emanated from an earlier discussion by the Board about the current financial environment and its impact on the University.
- 106.2 The position was that the fee cap would range from £6k to £9k, on the basis that the higher rate would be charged by 'exceptional' universities. However, it was expected that most HEIs would charge as close to the maximum amount as possible, as was the case at the time of the last fee increase to £3k.
- 106.3 It was noted that the University's model assumed no increase in fee charges for Foundation degrees.
- 106.4 Charges over £6k would require special measures in the form of access arrangements, to include bursaries. This was not considered to be a problem for the University given that a bursary system was already in place.
- 106.5 The potential impact on student demand was uncertain. One of the advantages of the revised system was that repayment of loans would apply to a higher salary level of £21k rather than the current £15k; however, the cost of loans would be much higher, at a rate of interest based on CPI rather than RPI. The perception of low cost loans would therefore no longer apply.
- 106.6 The main resulting headline was that, under these proposals, in aggregate terms there would be no radical reduction in income to the HE sector. Higher Education expenditure would no longer be registered within public borrowing requirements. However, a wide range of subjects within the arts and social sciences would have no direct public funding support.
- 106.7 In summary, the main impact would be a degree of uncertainty about future demand, and a shift in HEIs' ethos and values.
- 106.8 The Board discussed the possible implications for the University. Whilst a reduction in the HEFCE grant of £40m was expected, initial modelling showed that fees of £6k would produce income of £35m and fees of £7k would produce income of £43m, putting the University in a favourable position, assuming no reduction in student numbers.
- 106.9 The importance of continuing the cost reduction programme was noted, particularly as this would give the University the opportunity to retain control of its future.

- 106.10 The Government vote was expected in December, with a White Paper to follow early in the New Year. It was important to confirm as soon as possible whether the fees would be increased for 2012/13 entry.
- 106.11 The Board discussed the issue of how fee levels might vary between HEIs. Any discussion over setting fee levels would constitute a breach of competition laws. It was noted that there was a high degree of similarity in current fee charges, including for post-graduate and international students.
- 106.12 The question of the timing around the University's decision on fee levels was discussed. This was partly dependent on whether the University would be making a general statement of intent, or whether fee levels would need to be included in the new prospectus, which would be published in the spring. However, it was noted that there would still be a number of unknown factors by March 2011. It was likely that the University would need to charge fees similar to those within its peer group. Market forces would also need to be considered, with a possible higher charge for popular courses or specialist programmes. In terms of timing, it was agreed that January would be the correct time to set out general principles for the subsequent development of detailed proposals. It was agreed that the Executive Board would be asked to discuss the matter further and report to the Board of Governors in January and/or March 2011.
- 106.13 The Board agreed that it was important to understand both the short-term and long-term implications of the impending changes, and the impact on the University's Strategic Plan as well as any possible opportunities that might arise. One possible impact was the potential for high student demand for places in 2011/12 ahead of the introduction of increased fees in 2012/13. It was important to consider how the University would adapt in the longer term, and to ensure appropriate tracking of this process. It was suggested that a group should be established to consider this area.
- 106.14 It was noted that the recent Academic Foresight Exercise provided a useful basis of information concerning academic areas, including demand for specific subjects and level of performance in research.
- 106.15 It was reported that there had been an indication from HEFCE that there might be some investment available for Band C Arts and Social Sciences courses, although this had not yet been finalised. It was also possible that fee banding might be defined by delivery costs. The final decision would be crucial to future planning and might require a review of how courses were funded. However, at present there was a significant degree of uncertainty over these issues.
- 106.16 The Chair thanked the Vice-Chancellor for his presentation, and summarised the discussion, noting that the cost reduction exercise was currently in progress. As previously noted, further discussion would be needed prior to reaching a decision on the fee levels, and the Executive Board members would be asked to consider this in detail and present

their preliminary views to the Board meeting in January, with regular reviews of the developing position.

106.17 In addition, a parallel process would involve the setting up of a group to consider the wider issues relating to the University's strategic direction and issues beyond the level of fees to be charged, in line with the University's values and mission. It was agreed that governors who were interested in joining this group should contact the Pro Vice-Chancellor & University Secretary, and that the Chair, Chair Designate and Deputy Vice-Chancellor would meet to discuss how the group should operate and draw up its remit.

Action: Further discussion on fee levels by Executive Board with preliminary views made known to the Board of Governors at its meeting in January 2011

A group to be set up, chaired by the Deputy Vice-Chancellor, to discuss wider strategic issues [Secretariat]

Clarissa Wilks left the meeting

107.0 Vice-Chancellor's Report

(Verbal report)

107.1 The Vice-Chancellor noted that all HEIs currently had caps on student numbers, and the indication was that the University's final numbers would be slightly below the cap. It was anticipated that there would be a cap on student numbers for the year 2011/12, and that there would be significant demand for places, ahead of the expected increased fees in the following year.

107.2 The Vice-Chancellor reported on the QAA audit, noting that the first visit had taken place, and that the next visit was due in two weeks' time, with the results being made available before Christmas.

108.0 Campus Development Plan Phase 2

(Paper BG 163/10)

108.1 The Chair of the Estates Committee reported on the Committee meeting held earlier in the week, following an earlier extended meeting to discuss the next phase of the Campus Development Plan, with the prime objective of putting the student experience at the centre of the work.

108.2 A range of options had been developed for the Board to consider, which had been endorsed by the Estates Committee. The Board was being asked to approve expenditure of £600k on feasibility studies for future projects. It was important to ensure a pipeline of possible projects and opportunities for future long-term development, keeping in mind assumptions on student numbers, and within the constraints of the Financial Plan. It was noted that the options had been put together in order to allow maximum flexibility on the scope of work, costs and

timing. The aim was to present a more detailed set of proposals to the Board in July or September 2011.

108.3 It was suggested that the University should have an integrated strategy which included issues such as student accommodation and leased buildings. It was reported that the issue of student accommodation was a parallel process which was linked with the overall strategy, and had been discussed at the recent Finance Committee meeting, at which time it was agreed that an updated accommodation strategy would be presented to the Board at its next meeting in January 2011. It was noted that the introduction of increased fees would result in a higher level of uncertainty, and would impact on student accommodation and its affordability to students, and it was therefore important to link the two areas. The Board agreed and supported the linking together of estates and financial strategies in this respect.

It was resolved that

The Board approve the allocation of £600k towards feasibility studies and briefings relating to Campus Development Plan phase 2 options.

Actions: Updated Student Accommodation Strategy to the Board meeting in January 2011 [Pro Vice-Chancellor, External Affairs]

Subsequent to the Board of Governors' meeting, it was agreed that consideration of the Student Accommodation Strategy by the Board would be delayed until the March meeting, to allow prior consideration by the Estates Committee and to align with consideration of progress on student residential projects (see Minute 115)

*Outcome of CDP Phase 2 feasibility study to be reported to the Board in either July or September 2011
[Pro Vice-Chancellor, Corporate Affairs / University Secretary]*

109.0 CDP Progress Report (Paper BG 164/10)

109.1 The Pro Vice-Chancellor (Corporate Affairs) & University Secretary summarised the progress of the Campus Development Plan Phase 1, noting that all ongoing work was on target.

The Chair noted that items 10 to 15 plus item 17 formed part of the University's accountability return to HEFCE and had been discussed in detail at the recent Finance and Audit Committee meetings.

The Board considered BG papers 165/10, 166/10 and 167/10 relating to financial matters, in conjunction with each other.

110.0 Approval of Financial Statements for the year ended 31 July 2010 on the Finance Committee's recommendation
(Paper BG 165/10)

Approval of HEFCE Financial Forecast on the Finance Committee's recommendation
(Paper BG 166/10)

Approval of the Financial Plan 2010 on the Finance Committee's recommendation
(Paper BG 167/10)

110.1 The Chair of the Finance Committee reported that the Committee had met twice to discuss the Financial Forecast and Plan and had agreed that the Forecast should be submitted to HEFCE in November, with a further revised submission in April 2011. The Committee had considered the assumptions and sensitivity analysis in detail. It was noted that the decision to submit a 5-year forecast rather than a 1-year plan was in order to allow a discussion with HEFCE to confirm the accuracy of the assumptions made, which could help to reduce the level of uncertainty. It was noted that the interim budget approved in July, did not have the benefit of year-end figures, which included a number of underspends from 2009/10.

110.2 The Finance Director noted that, as part of HEFCE's formal requirement, the Board needed to satisfy itself that the University was a going concern, and confirmed that a review of the institution as a going concern had been carried out. The Board agreed that the financial papers and the work of the Finance Committee provided it with reassurance over the University's performance and targets over the period of the HEFCE Financial Forecast.

It was resolved that

The Board approve the Financial Statements for the year ended 31 July 2010 and the Financial Forecast 2010/11 to 2013/14 for submission to HEFCE.

111.0 Approval of the External Auditors' Audit Report and Management Letter for the year 2009/10 on the Audit Committee's recommendation
(Paper BG 168/10)

111.1 The Chair of the Audit Committee reported on the External Auditors' Report and Management Letter for the year 2009/10, noting that it was important to link this report with the going concern statement in minute 110.2.

111.2 The Board's attention was drawn to one issue in the Management Letter, which referred to an operating error relating to the accounting treatment of gift aid payments which had been addressed and corrected.

It was resolved that

The Board approve the External Auditors' Report and Management Letter for the year 2009/10, on the recommendation of the Audit Committee.

The Board considered BG papers 169/10 and 171/10 relating to internal audit matters, in conjunction with each other.

112.0 Annual report from the Audit Committee for the year 2009/2010
(Paper BG 169/10)

Annual Internal Audit Report for the year ended 31 July 2010
(Paper BG 171/10)

112.1 The Chair of the Audit Committee reported on the Annual Report from the Audit Committee for the year 2009/10, which incorporated the Annual Internal Audit Report for the year ended 31 July 2010. It was noted that the purpose of these documents was to give assurance to the Board on a number of issues, mainly Risk Management, Value for Money and Data Quality. It was reported that, according to opinion following both external and internal audit work, the University was considered to be a well-managed institution.

112.2 The work carried out by Internal Audit and reviewed by the Audit Committee provided overall satisfactory assurance. One area to note concerned three Priority 1 recommendations following the review of the Faculty of Health and Social Care Sciences. However, these related to specific matters and carried very small exposure. The overall declining number of recommendations was an indication of general improvement, particularly in core areas, which had improved significantly.

112.3 It was noted that Risk Management continued to be an area of improvement. The Audit Committee recommended that the Board increase its involvement with the Strategic Risk Register, in terms of monitoring the register and action plan. This was considered to be of particular importance in the current climate of financial uncertainty. This recommendation was endorsed by the Board. It was also considered important to ensure that the University's control system continue to operate smoothly during the impending period of senior personnel changes.

112.4 The Audit Committee was able to provide assurance in the area of Value for Money. It was important to set appropriate targets and monitor overall VfM activity and the Cost Reduction programme.

112.5 Data Quality had been an area of some concern with regard to student data associated with HEFCE funding. This area had improved considerably and satisfactory assurance had been provided. Further assurance was being sought through the development of a Data Quality Statement for the year, which would be finalised and presented to the Audit Committee by next February.

112.6 It was reported that priorities for audit work had been agreed for the year, and that sustainability of the institution was also covered by the audit work.

112.7 It was noted that the Terms of Reference of the Audit Committee would be revised in January 2011.

112.8 One area to note from the Annual Internal Audit Report was the relatively high number of recommendations around the area of IT control and risk, which was mainly due to the fragmented nature of IT provision across the University. This area was being addressed as part of the Performance Improvement Programme.

It was resolved that

The Board approve the Annual Report from the Audit Committee for the year 2009/10.

Action: Strategic Risk Register to be monitored by Board on a regular bi-annual basis

*Audit Committee Terms of Reference to be revised in January 2011
[Secretariat]*

113.0 Operational Internal Audit Plan for the year ending 31 July 2011

(Paper 170/10)

113.1 The Chair of the Audit Committee presented the Operational Internal Audit Plan for the year ending 31 July 2011, noting that the Committee had considered reducing the number of audit days for the year by ten days. However, following discussion, it was agreed that a reduction in days would not be appropriate in the current year due to the ongoing climate of financial uncertainty. However, a possible reduction might be considered in future years.

114.0 Annual Operating and Monitoring Statements 2009-10 and Strategic Risk Register update

(Paper 172/10)

114.1 The Head of Planning presented the Annual Operating and Monitoring Statement 2009/10, which provided a progress report on the implementation of the Strategic Plan.

114.2 The report comprised three papers, the first of which was the Operating Statement which reported on progress during 2009/10 and actions to be taken during 2010/11. The Operating Statement was a detailed document, structured into four main areas in line with the Strategic Plan, which supported the Review of Progress considered by the Board at its September meeting and indicated that the implementation of the Strategic Plan was broadly on track.

114.3 The second paper was the Annual Monitoring Statement 2009/10 which reported on four specific funding initiatives. This document formed part of the University's submission to HEFCE.

114.4 The third paper was an update on the Strategic Risk Register. This was an evolving document which was regularly reviewed by the Senior Management Group. The register had recently been revised to give a more flexible format, which included the identification and scoring of sub-risks, allowing greater focus on germane areas. The main change was the introduction of new areas of risk and the inclusion of sustainable cost reduction as a key feature. It was noted that the cost reduction exercise was embedded within the annual planning round, and one of the key elements of the work was to understand and address the impact of cost reduction on the risk register.

114.5 As recommended by the Audit Committee in minute 112.3, it was reiterated that the Board should increase its involvement in both the monitoring and the construction of the risk register.

Peter Kopelman left the meeting.

115.0 Approval of next stage in progressing two student residential projects (Paper BG 173/10)

115.1 The Finance Director reported on two student residential projects which had been discussed by the Finance Committee at its meeting on 28th October. Although no formal planning approval had been granted for either project, the Board was being asked to approve the University moving forward to the next stages of the proposal. It was noted that both projects were subject to a number of conditions relating to the outcomes of the Browne report and issues around student finances.

115.2 It was reported that the two projects would be further discussed as part of the revised Student Accommodation Strategy. It was anticipated that any agreement for either project would be presented to the Board for approval in March 2011.

It was resolved that

The Board approve moving to the next stage with these projects, as outlined in paper BG 173/10.

*Action: Progress with Student Accommodation projects, including approval of any proposed agreements, for Board consideration in March 2011
[Finance Director]*

116.0 Changes to the Financial Memorandum (Paper BG 174/10)

116.1 It was reported that the changes to the Financial Memorandum had been considered in detail by the Audit and Finance Committees at their respective meetings in October. The Board noted the report.

117.0 Summary report on Tribal Benchmarking Exercise
(Paper BG 175/10)

117.1 The benchmarking exercise carried out by Tribal was in support of the University's work relating to Fitness for Purpose and the Performance Improvement programme.

117.2 The main areas where the University was spending more than its comparator group institutions were Information Services - an area that was currently being addressed, and staff pay, which was balanced by a smaller number of personnel compared to the sector overall.

117.3 It was noted that the report had been considered in detail by the Audit and Finance Committees at their meetings in October.

118.0 Report on the Board Effectiveness Review
(Paper BG 176/10)

118.1 The Chair of the Board Effectiveness Review group reported on the progress of work carried out to date. The timeframe for the review had been revised, but the implementation target date of November 2011 remained unchanged.

118.2 It was noted that members of the Board would be involved in a number of areas at various stages of the review, including being asked for their views and opinions.

118.3 A further progress report would be made to the Board at its meeting in January 2011.

Action: Progress report to Board of Governors meeting in January 2011 [Secretariat]

119.0 Approval of Debt Write-off
(Paper BG 177/10)

119.1 The Finance Director reported that the debt to be written-off related to old debt, which had passed through an exhaustive recovery procedure and was fully provided for in the accounts. This matter had been considered in detail by the Finance Committee at its meeting in October.

It was resolved that

The Board approve the write-off of £489,687.13 of debt on the recommendation of the Finance Committee.

120.0 Health and Safety Policy Document

(Paper BG 178/10)

120.1 It was reported that the Health and Safety Policy Statement had been considered and approved by the University Health, Safety and Security Committee and by the Executive Board.

It was resolved that

The Board approve the Health and Safety Policy Statement.

121.0 Health and Safety Update Report *

(Paper BG 180/10)

121.1 The Board noted the Health and Safety Update Report

122.0 KUSU's Financial Statements for the year ended 31 July 2010 *

(Paper BG 179/10)

122.1 The Board noted KUSU's Trustees' Report and Financial Statements for the year ended 31 July 2010.

123.0 Finance Report for October 2010 *

(Paper BG 181/10)

123.1 The Board noted the Finance Report for October 2010.

124.0 Minutes of the Audit Committee meetings held on 15 September and 21 October 2010

124.1 The Board noted the Minutes of the Audit Committee meetings held on 15 September and 21 October 2010.

125.0 Minutes of the Finance Committee meeting held on 28 October 2010

125.1 The Board noted the Minutes of the Finance Committee meeting held on 28 October 2010.

126.0 Minutes of the Employment & Diversity Committee meeting held on 3 November 2010

126.1 The Board noted the Minutes of the Employment & Diversity Committee meeting held on 3 November 2010.

127.0 Report following the Estates Committee meeting held on 16 November 2010

127.1 The Board noted the report following the Estates Committee meeting held on 16 November 2010.

128.0 Any Other Business

128.1 The Board considered how the changes to immigration rules, in particular the cap on numbers might affect the University. There had been general concern over the impact on overseas students, but there was no evidence of a significant adverse effect on recruitment at the University. It was possible that there might be some impact on the recruitment of non-EU staff, but this was considered to be of minor concern.

128.2 The Board requested that papers be sent out one week ahead of meetings. It was noted that the circulation of papers was based on a balance of currency of information and timing of distribution, and that earlier circulation may necessitate papers being sent in two tranches. The Board also commented on the style and level of detail and volume of circulated papers. It was agreed that this matter would be addressed as part of the Board Effectiveness Review. It was noted that the November Board meeting routinely involved a considerable agenda, due to the submissions to HEFCE at this time of year.

128.3 There was no other business.

1290 Date of next meeting

The next meeting of the Board of Governors was on Wednesday 26th January 2011 in the Town House, Penrhyn Road.

There being no further business, the meeting ended at 10.30am.